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

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



WHEELOCK MTN (BVI) LIMITED
(incorporated with limited liability in the British Virgin Islands)

(the “Issuer”)

U.S.\$500,000,000 2.375 per cent. Guaranteed Notes due 2026
(the “Notes”)(Stock Code: 40551)

issued under the U.S.\$5,000,000,000 Medium Term Note Programme

guaranteed by

WHEELOCK AND COMPANY LIMITED
(會德豐有限公司)
(incorporated with limited liability in Hong Kong)
(the “Guarantor”)

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IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE OFFERING CIRCULAR (THE “*NOTES*”) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “*SECURITIES ACT*”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“*REGULATION S*”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING IS MADE SOLELY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE APPLICABLE PRICING SUPPLEMENT (AS DEFINED IN THE OFFERING CIRCULAR) AND TERMS AND CONDITIONS OF THE NOTES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE FOLLOWING OFFERING CIRCULAR.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Notes, investors must not be a U.S. Person and must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to Wheelock and Company Limited (“*Wheelock*” and the “*Guarantor*”), Wheelock Finance Limited (“*WKFL*”), Wheelock MTN (BVI) Limited (“*WKBVI*” and, together with WKFL, the “*Issuers*”) and The Hongkong and Shanghai Banking Corporation Limited (the “*Arranger*” and a “*Dealer*”) and any additional Dealer appointed under the Programme from time to time by an Issuer (together with the Arranger, the “*Dealers*”) that you are not a U.S. Person or acting for the account or benefit of a U.S. Person and that the electronic mail address that you gave the Issuers, the Guarantor, the Arranger or the Dealers and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular (or any amendment or supplement thereto) by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person. You should not reply by e-mail to this document, and you may not purchase any Notes by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

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

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuers, the Guarantor, the Arranger, any of the Dealers or any of the agents (the “*Agents*”) referred to in the Offering Circular nor any person who controls the Issuers, the Guarantor, the Arranger, any of the Dealers or the Agents, nor any director, officer, employee, representative nor any agent or adviser of the Issuers, the Guarantor, the Arranger, any of the Dealers, the Agents or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealers.

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



Wheelock Finance Limited
(incorporated with limited liability in Hong Kong)
(as Issuer)

Wheelock MTN (BVI) Limited
(incorporated with limited liability in the British Virgin Islands)
(as Issuer)

Wheelock and Company Limited
(incorporated with limited liability in Hong Kong)
(as Guarantor)

U.S.\$5,000,000,000
Medium Term Note Programme

On 16 December 2010, Wheelock and Company Limited (“*Wheelock*”), Wheelock Finance Limited (“*WKFL*” and an “*Issuer*”), Wheelock Finance (No.1) Limited and Wheelock Finance (BVI) Limited established a U.S.\$2,000,000,000 Medium Term Note Programme (the “*Programme*”) and issued an offering circular on that date describing the Programme. On 27 October 2011, Wheelock MTN (Singapore) Pte. Ltd. acceded to the Programme and the Programme Limit (as defined in the dealer agreement dated 16 December 2010 (as further amended, supplemented, replaced and/or restated from time to time, the “*Dealer Agreement*”) was increased to U.S.\$3,000,000,000. On 25 September 2015, the Programme Limit (as defined in the Dealer Agreement) was further increased to U.S.\$5,000,000,000. On 23 September 2016, Wheelock Finance (No.1) Limited, Wheelock Finance (BVI) Limited and Wheelock MTN (Singapore) Pte. Ltd. ceased to be an issuer under the Programme. On 18 October 2018, Wheelock MTN (BVI) Limited (“*WKBBVT*”, also an “*Issuer*”) and together with WKFL, the “*Issuers*”) acceded to the Programme. On 19 October 2020, Wheelock ceased to be an issuer under the Programme. This Offering Circular supersedes the previous offering circular and any supplement thereto. Any Notes (as defined below) issued under this Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date of this Offering Circular.

Under the Programme, the Issuers, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Medium Term Notes (the “*Notes*”). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies). Notes issued under the Programme will be guaranteed (the “*Guarantee*”) by Wheelock (the “*Guarantor*”).

Application has been made to The Stock Exchange of Hong Kong Limited (the “*Hong Kong Stock Exchange*”) for the listing of the Programme 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 in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, “*Professional Investors*”) only during the 12-month period from the date of this document on the Hong Kong Stock Exchange. This document is for distribution to Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme and any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuers, 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.

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

Unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined in “*Summary of the Programme*”) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange (or any other stock exchange).

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“*Regulation S*”) absent registration or an exception from registration under the Securities Act.

Investing in the Notes involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement, and the merits and risks of investing in a particular issue of Notes, in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with the Notes. Prospective investors should have regard to the factors described under “*Risk Factors*”.

Each Series (as defined in “*Summary of the Programme*”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “*temporary Global Note*”) or a permanent global note in bearer form (each a “*permanent Global Note*”). Notes in registered form will be represented by registered certificates (each a “*Certificate*”), one Certificate being issued in respect of each Noteholder’s entire holding of Notes in registered form of one Series, save as provided in the Terms and Conditions of the Notes (the “*Conditions*”). Global Notes and Global Certificates (as defined in “*Summary of the Programme*”) may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV (“*Euroclear*”) and Clearstream Banking S.A. (“*Clearstream, Luxembourg*”). Global Notes may be deposited with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “*HKMA*”) (the “*CMU Service*”). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

Interests in a temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. Until the expiration of 40 days after the later of the commencement of the offering of a Tranche (as defined herein) of a Series (as defined herein) and the issue date thereof, beneficial interests in a Global Note may only be held through Euroclear, Clearstream, Luxembourg or the CMU Service.

Arranger and Dealer for the Programme

HSBC

Dated 19 October 2020

Wheelock (as to itself and the Group as defined below), WKFL (as to itself) and WKBVI (as to itself), having made all reasonable enquiries, confirm that this Offering Circular contains all information with respect to (i) Wheelock, (ii) WKFL, (iii) WKBVI and (iv) Wheelock together with its subsidiaries and associates (collectively, the “*Group*”) and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to Wheelock, WKFL, WKBVI and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to Wheelock, WKFL, WKBVI and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to Wheelock, WKFL, WKBVI, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes and the giving of the Guarantee, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by Wheelock, WKFL and WKBVI to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Wheelock, WKFL, WKBVI or any of the Dealers or the Arranger (as defined in “*Summary of the Programme*”). Neither the delivery of this Offering Circular or any Pricing Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of Wheelock, WKFL, WKBVI or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of Wheelock, WKFL or WKBVI since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each Tranche (as defined in “*Summary of the Programme*”) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” as amended and/or supplemented by a Pricing Supplement. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein (see “*Documents Incorporated by Reference*”) and, in relation to any tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by Wheelock, WKFL, WKBVI, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of bearer notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular and any Pricing Supplement, see “*Subscription and Sale*”.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “*SFA*”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “*CMP Regulations 2018*”), unless otherwise specified before an offer of Notes, each of the Issuers has determined, and hereby notifies all relevant persons

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

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “*distributor*”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “*MiFID II*”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “*MiFID Product Governance Rules*”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs REGULATION — EEA AND UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (“*Insurance Distribution Directive*”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “*Prospectus Regulation*”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “*PRIIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

The Programme allows for the issuance of Notes that reference the London Interbank offered rate (“*LIBOR*”), in particular with respect to certain floating rate Notes where the Reference Rate (as defined in the Conditions) may be LIBOR. The relevant Pricing Supplement for each Series (as defined in “*Summary of the Programme*”) of Notes will specify whether LIBOR is applicable. The UK Financial Conduct Authority has announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis could not and would not be guaranteed after 2021 by the UK Financial Conduct Authority. The Conditions contain fallback provisions in the event that LIBOR rates are not available, however the potential elimination of the LIBOR benchmark, or changes in the manner in which the LIBOR benchmark is administered, could result in discrepancies in the rates calculated according to the Conditions and those based on any substitute or alternate benchmark that has become the market standard by or after 2021. Any such consequence could have a material adverse effect on the value and marketability of, and return on, any Notes linked to LIBOR.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE

MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Circular or any Pricing Supplement does not constitute an offer of, or an invitation by or on behalf of Wheelock, WKFL, WKBVI, the Dealers or the Arranger (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) to subscribe for, or purchase, any Notes.

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 purposes of giving information with regard to each Issuer and the Guarantor. Wheelock, WKFL and WKBVI accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of each of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Admission to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Programme, the Notes, the Issuers, the Guarantor or the Group. In making an investment decision, investors must rely on their own examination of the Issuers, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. Please see “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in Notes.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular Tranche. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular Tranche of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Issuers, the Guarantor, the Arranger, the Dealers or the Agents (as defined below) or their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision.

None of the Dealers or the Arranger has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Dealers, the Arranger, the Agents nor their respective affiliates, directors, officers, employees, agents, representatives or advisers, accepts any responsibility for the contents of this Offering Circular or for any other statement in connection with the issue and offering of the Notes made or purported to be made by the Arranger or a Dealer or on its behalf. The Arranger and each Dealer accordingly disclaim 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. Neither this Offering Circular nor any other information provided in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of Wheelock, WKFL, WKBVI, the Arranger, the Dealers or the Agents nor their respective affiliates, directors, officers, employees, agents, representatives or advisers that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the

Dealers, the Arranger, the Agents nor their respective affiliates, directors, officers, employees, agents, representatives or advisers undertakes to review the financial condition or affairs of Wheelock, WKFL or WKBVI during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger, the Agents or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

In connection with any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Pricing Supplement (the “*Stabilisation Manager(s)*”) or any person acting on behalf of the Stabilisation Manager(s) may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of the Stabilisation Manager(s)) 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 relevant Tranche of Notes 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “*GFA*” are to gross floor area, to “*TEU*” are to a twenty-foot equivalent unit, to “*Hong Kong*” or “*Hong Kong SAR*” are to the Hong Kong Special Administrative Region of the People’s Republic of China, to “*PRC*”, “*Mainland China*” or “*China*” are to the People’s Republic of China (for the purposes of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan), to “*U.S.*” or “*United States*” are to the United States of America, to “*HK\$*” and “*HKD*” are to the lawful currency of Hong Kong, to “*CNY*”, “*Renminbi*” or “*RMB*” are to the lawful currency of the People’s Republic of China, to “*S\$*” are to the lawful currency of Singapore, to “*yen*” or “*JPY*” are to the lawful currency of Japan, to “*U.S.\$*”, “*U.S. dollar*” and “*USD*” are to the lawful currency of the United States, to “*sterling*” or “*£*” are to the currency of the United Kingdom and to “*euro*” or “*€*” are to the lawful currency of member states of the European Union (the “*EU*”) that adopt the single currency introduced in accordance with the Treaty on the Functioning of the European Union, as amended from time to time.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- the Group's future expenditure (including its development and capital expenditure);
- the Group's financial condition and results of operations;
- the Group's business and investment strategy; and
- the industry outlook generally.

The words "anticipate", "believe", "estimate", "expect", "intend", "seek", "plan", "may", "will", "would", "could" and similar expressions, as they relate to the Group, are intended to identify a number of these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond the Group's control. In addition, these forward-looking statements reflect the current views of the Group with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including but not limiting to, among others:

- various business opportunities that the Group may pursue;
- changes or volatility in prices or interest rates;
- the effect of adverse conditions in the global and Hong Kong economies and the real estate, logistics and communications, media and entertainment markets;
- competition;
- potential legislative, accounting and regulatory changes in Hong Kong and Mainland China that may affect the Group's performance; and
- the risk factors discussed in this Offering Circular as well as other factors beyond the Group's control.

Subject to compliance with applicable regulatory requirements, none of Wheelock, WKFL or WKBVI intends to update or otherwise revise the forward-looking statements in this Offering Circular, whether as a result of new information, future events or otherwise. Due to these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Offering Circular might not occur in the way the Group expects, or at all. Investors should not place undue reliance on any forward-looking information.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recent audited annual financial statements of Wheelock, WKFL and WKBVI, in each case with the report of the auditors in connection therewith (if any), (iii) any unaudited interim financial statements or information prepared subsequently to such annual financial statements from time to time (if any) that are circulated with this Offering Circular which have not been reviewed by the Guarantor's independent auditor, KPMG, or any other independent auditors and are dated as at a date or for a period ending subsequent to those financial statements incorporated by reference in this Offering Circular, and (iv) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Paying Agents set out at the end of this Offering Circular.

Copies of Wheelock's published audited financial statements for each of its financial years ended 31 December 2018 and 31 December 2019 may be downloaded free of charge from the websites of Wheelock and the Hong Kong Stock Exchange.

Wheelock prepared annual audited consolidated financial statements for each of its financial years ended 31 December 2018 and 31 December 2019, which are incorporated by reference in this Offering Circular. WKFL prepared annual audited financial statements for the financial years ended 31 December 2018 and 31 December 2019, which are included in this Offering Circular. See "*Index to Financial Statements*". The financial statements of Wheelock and WKFL were prepared in conformity with Hong Kong Financial Reporting Standards ("*HKFRS*") issued by the Hong Kong Institute of Certified Public Accountants. See "*General Information*" for a description of the financial statements currently published by Wheelock and WKFL. As at the date of this Offering Circular, WKBVI has not published any audited or unaudited financial statements.

Any documents themselves incorporated by reference in the annual audited consolidated financial statements for each of the financial years ended 31 December 2018 and 31 December 2019 of Wheelock shall not form a part of this Offering Circular. The documents incorporated by reference herein are current only as at the date of such document and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Group since the date thereof or that the information contained therein is current as at any time subsequent to its date.

Save for the annual audited consolidated financial statements for each of the financial years ended 31 December 2018 and 31 December 2019 of Wheelock, the financial information contained in this Offering Circular does not constitute specified financial statements (as defined in the Companies Ordinance (Cap. 622) of Hong Kong (the "*Companies Ordinance*")) in relation to Wheelock. Wheelock has delivered its specified financial statements for the years ended 31 December 2018 and 31 December 2019 to the Registrar of Companies of Hong Kong. Wheelock's auditors have reported on the specified financial statements in relation to Wheelock for the years ended 31 December 2018 and 31 December 2019. The auditors' reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain any statement under section 406(2) or 407(2) or (3) of the Companies Ordinance.

Save for the annual audited consolidated financial statements for each of the financial years ended 31 December 2018 and 31 December 2019 of WKFL, the financial information contained in this Offering Circular does not constitute specified financial statements (as defined in the Companies Ordinance) in relation to WKFL. WKFL has delivered its specified financial statements for the years ended 31 December 2018 and 31 December 2019 to the Registrar of Companies of Hong Kong. WKFL's auditors have reported on the specified financial statements in relation to WKFL for the years ended 31 December 2018 and 31 December 2019. The auditors' reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain any statement under section 406(2) or 407(2) or (3) of the Companies Ordinance.

SUPPLEMENTAL OFFERING CIRCULAR

Each of Wheelock, WKFL and WKBVI has undertaken to the Dealers in the Dealer Agreement (as defined in "*Subscription and Sale*") to publish a supplement to this Offering Circular or a new offering circular upon becoming aware that a significant change affecting any matter contained in this Offering Circular the inclusion of which would reasonably be required by investors and their professional advisers and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of WKFL, WKBVI or Wheelock (as the case may be) and the rights attaching to the Notes.

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SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular.

Issuers:	Wheelock Finance Limited and Wheelock MTN (BVI) Limited.
Legal Entity Identifier of Wheelock Finance Limited:	254900JB53BHB79DKI52.
Legal Entity Identifier of Wheelock MTN (BVI) Limited:	2549008QJTQY2VB3MV48.
Guarantor:	Wheelock and Company Limited.
Description:	Medium Term Note Programme.
Size:	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	The Hongkong and Shanghai Banking Corporation Limited.
Dealers:	The Hongkong and Shanghai Banking Corporation Limited.
	<p>The Issuers and the Guarantor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches (as defined below) or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the entity listed above as a Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Fiscal Agent:	Deutsche Bank Aktiengesellschaft, Hong Kong Branch.
CMU Lodging Agent:	Deutsche Bank Aktiengesellschaft, Hong Kong Branch.

Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <i>Series</i> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <i>Tranche</i> ”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “ <i>Pricing Supplement</i> ”).
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	<p>The Notes may be issued in bearer form only (“<i>Bearer Notes</i>”), in bearer form exchangeable for Registered Notes (“<i>Exchangeable Bearer Notes</i>”) or in registered form only (“<i>Registered Notes</i>”).</p> <p>Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “<i>Summary of the Programme — Selling Restrictions</i>”), otherwise such Tranche will be represented by a permanent Global Note. Individual definitive Notes or Certificates will only be available in certain limited circumstances as described in “<i>Summary of Provisions Relating to the Notes while in Global Form</i>”.</p> <p>Registered Notes will be represented on issue by a global certificate (a “<i>Global Certificate</i>”).</p>
Clearing Systems:	The CMU Service, Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Fiscal Agent and the relevant Dealer.

Initial Delivery of Notes:	<p>On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with a sub-custodian for the CMU Service or any other clearing system or may be delivered outside any Clearing System provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Fiscal Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such Clearing Systems.</p> <p>Interests in Notes which are represented by a Global Note or a Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the relevant Clearing Systems.</p>
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s).
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and fifty years.
Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</p>

(ii) by reference to HIBOR, LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

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

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption: The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments: The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Other Notes: Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Optional Redemption: The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Status of Notes: The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the relevant Issuer and, as the case may be, the Guarantor, all as described in “*Terms and Conditions of the Notes — Status*”.

Negative Pledge: The negative pledge provision in the Notes will be applicable to the relevant Issuer, the Guarantor and Principal Subsidiaries. See “*Terms and Conditions of the Notes — Negative Pledge*”.

Events of Default (including Cross Default): The event of default provisions in the Notes will depend on the occurrence of certain events with respect to the relevant Issuer, the Guarantor and in certain cases (including cross default), the Principal Subsidiaries. See “*Terms and Conditions of the Notes — Events of Default*”.

“**Principal Subsidiary**” means at any time a Subsidiary of Wheelock:

- (i) whose profit (after taxation and before extraordinary items) attributable to Wheelock (as relevant) represents at least 25 per cent. of the consolidated profit (after taxation but before extraordinary items) of Wheelock and its consolidated Subsidiaries or whose total net assets attributable to Wheelock exceed 25 per cent. of the consolidated net assets of Wheelock and its consolidated Subsidiaries, all as calculated by reference to the then latest audited financial statements (consolidated or unconsolidated, as the case may be or where no audited consolidated financial statements are available calculated by reference to the consolidated management accounts applicable to such Subsidiary as certified as being true and accurate by a director of Wheelock) of such Subsidiary and the then latest audited or unaudited consolidated financial statements of Wheelock; or
- (ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary,

and for such purpose, a certificate prepared by a director of Wheelock certifying that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the relevant Issuer, the Guarantor and the Noteholders; and

“*Subsidiary*” means a subsidiary of Wheelock, and “*subsidiary*” has the meaning given to it by the Companies Ordinance (Cap.622) of Hong Kong.

Early Redemption: Except as provided in “*Optional Redemption*” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See “*Terms and Conditions of the Notes — Redemption, Purchase and Options*”.

Withholding Tax: All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Hong Kong subject to customary exceptions, all as described in “*Terms and Conditions of the Notes — Taxation*”.

Governing Law: English law.

Listing: Application has been made for the listing of the Programme on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only during the 12-month period from the date of this Offering Circular.

Application may be made for permission to deal in, and for the listing of, Notes on the Hong Kong Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK\$500,000 (or its equivalent in other currencies).

Selling Restrictions: United States, the PRC, Hong Kong, Japan, Singapore, European Economic Area, United Kingdom, the British Virgin Islands and such other restrictions as may be applicable in connection with the offering and sale of a particular Tranche of Notes. See “*Subscription and Sale*”.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “*D Rules*”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “*C Rules*”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“*TEFRA*”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme and to “hereon” are to the relevant Pricing Supplement.

This Note is one of a series (“**Series**”) of Notes issued by Wheelock Finance Limited (“**WKFL**”) or Wheelock MTN (BVI) Limited (“**WKBVI**”) (each, in relation to Notes issued by it, the “**Issuer**”) pursuant to the Agency Agreement (as defined below). The Notes will be guaranteed by Wheelock and Company Limited (“**Wheelock**” or the “**Guarantor**”).

The Notes are issued pursuant to an amended and restated agency agreement dated 19 October 2020 (as may be further amended, supplemented, replaced and/or restated from time to time, the “**Agency Agreement**”) between Wheelock, WKFL, WKBVI, Deutsche Bank Aktiengesellschaft, Hong Kong Branch as fiscal agent, Deutsche Bank Aktiengesellschaft, Hong Kong Branch as lodging agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU Service**”), Deutsche Bank Aktiengesellschaft, Hong Kong Branch as registrar and the other agents named in it and with the benefit of an amended and restated deed of covenant dated 19 October 2020 (as may be further amended, supplemented, replaced and/or restated from time to time, the “**Deed of Covenant**”) executed by Wheelock, WKFL and WKBVI in relation to the Notes. The fiscal agent, the CMU lodging agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**CMU Lodging Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent and the CMU Lodging Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form (“*Bearer Notes*”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“*Registered Notes*”) or in bearer form exchangeable for Registered Notes (“*Exchangeable Bearer Notes*”) in each case in the Specified Denomination(s) shown hereon.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“*Certificates*”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “*Register*”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “*Noteholder*” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “*holder*” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) *Exchange of Exchangeable Bearer Notes*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) ***Transfer of Registered Notes***

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes (“**Regulations**”), the initial form of which is scheduled to the Agency Agreement. The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current Regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Exchange Free of Charge***

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Guarantee and Status

(a) ***Guarantee***

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by WKFL and WKBVI under the Notes, Receipts and Coupons. Its obligations in that respect (the “*Guarantee*”) are contained in the Deed of Covenant.

(b) ***Status of Notes and Guarantee***

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and, as the case may be, the Guarantor, present and future.

4 Negative Pledge and Other Covenants

(a) ***Negative Pledge***

The Issuer agrees, and the Guarantor has agreed in the Guarantee, that so long as any of the Notes remains outstanding neither the Issuer, the Guarantor nor any Principal Subsidiary (as defined in Condition 10) will create or permit to arise or subsist or have outstanding any encumbrance on or over its present or future assets or revenues to secure the repayment or payment of principal, premium or interest of or on any Securities or to secure any guarantee, indemnity or surety given in respect of the repayment or payment of principal, premium or interest of or on any Securities without at the same time or previously either securing the Notes equally and rateably therewith or providing for the Notes such other security as shall have been approved for the purposes by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

(b) ***Financial Statements***

So long as any Note or Coupon remains outstanding, each of the Issuers and the Guarantor (as the case may be) shall:

- (i) provide to the Fiscal Agent for inspection by any Noteholder a copy of its Annual Audited Financial Statements and Semi-Annual Unaudited Financial Statements (if any); and

- (ii) provide the Noteholders (at the discretion of the Guarantor) with a copy of its Annual Audited Financial Statements and Semi-Annual Unaudited Financial Statements (if any) upon written request and satisfactory proof of holding,

in each case as soon as they are available, but in any event within 120 calendar days (in the case of its Semi-Annual Unaudited Financial Statements) and 180 calendar days (in the case of its Annual Audited Financial Statements) after the end of the relevant period.

(c) **Definitions**

For the purposes of this Condition 4:

- (i) “**Annual Audited Financial Statements**” means in respect of each of the Issuers, its annual financial statements (if any) and in respect of the Guarantor, its annual consolidated financial statements, which include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated statement of financial position, a consolidated statement of changes in equity and a consolidated statement of cash flows, in each case audited by an internationally recognised firm of independent accountants, together with the auditors’ report and notes to the financial statements;
- (ii) any reference to an “**encumbrance**” is to a mortgage, charge, pledge, lien or other encumbrance;
- (iii) “**outstanding**” has the meaning ascribed to it in the Agency Agreement;
- (iv) “**relevant period**” means, in relation to the Annual Audited Financial Statements, each period of 12 months ending on the last day of the financial year (being 31 December) and in relation to the Semi-Annual Unaudited financial statements, each period of six months ending on the last day of the first half of the financial year (being 30 June of that financial year);
- (v) any reference to “**Securities**” is to any indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or on any other securities market (whether or not initially distributed by way of private placement) having a maturity of more than one year; and
- (vi) “**Semi-Annual Unaudited Financial Statements**” means semi-annual unaudited consolidated financial statements of the Guarantor, which have not been reviewed by the Guarantor’s independent auditors. Such financial statements include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated statement of financial position, a consolidated statement of changes in equity and a consolidated statement of cash flows, in each case, prepared on a basis consistent with the Annual Audited Financial Statements.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "***Floating Rate***", "***Calculation Agent***", "***Floating Rate Option***", "***Designated Maturity***", "***Reset Date***" and "***Swap Transaction***" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR, or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11:00 a.m., London time or, if the Reference Rate is EURIBOR, at approximately 11:00 a.m., Brussels time or, if the Reference Rate is HIBOR, at approximately 11:00 a.m., Hong Kong time

on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11:00 a.m., London time or, if the Reference Rate is EURIBOR, at approximately 11:00 a.m., Brussels time or, if the Reference Rate is HIBOR, at approximately 11:00 a.m., Hong Kong time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) *Partly Paid Notes*

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

(f) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding***

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “*unit*” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) ***Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent, shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest

Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively); and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “Actual/Actual” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (v) if “30E/360” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (vii) if “**Actual/Actual — ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, and in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; or
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

“Reference Rate” means the rate specified as such hereon;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon;

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Hong Kong office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption*

(i) *Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer or the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong (in the case of payment by Wheelock or WKFL) or the British Virgin Islands (in the case of payment by WKBVI) 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 the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided 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, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by any one Director of the Issuer (or the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) *Redemption at the Option of the Issuer*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances as determined by the Issuer, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) *Redemption at the Option of Noteholders*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“*Exercise Notice*”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) ***Partly Paid Notes***

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

(g) ***Purchases***

The Issuer, the Guarantor and any of their respective subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) ***Cancellation***

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) ***Bearer Notes***

(i) ***Bearer Notes not held in the CMU Service***

Payments of principal and interest in respect of Bearer Notes not held in the CMU Service shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be:

- A. in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
- B. in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7, “**Bank**” means a bank in the principal financial centre for such currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or, in the case of euro, in a city in which banks have access to the TARGET System.

(ii) *Bearer Notes held in the CMU Service*

Payments of principal and interest in respect of Bearer Notes held in the CMU Service will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in Agency Agreement) or any other relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer or, as the case may be, the Guarantor in respect of that payment.

(b) **Registered Notes**

(i) *Registered Notes not held in the CMU Service*

- A. Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (B) below.
- B. Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Renminbi, on the fifth day before the due date for payment thereof (in each case, the “**Record Date**”). Payments of interest on each Registered Note shall be made:
- (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
- (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(ii) *Registered Notes held in the CMU Service*

Payments of principal and interest in respect of Registered Notes held in the CMU Service will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the Agency Agreement) or any

other relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer or, as the case may be, the Guarantors in respect of that payment.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments Subject to Fiscal Laws*

Save as provided in Condition 8, payments will be subject in all cases to any other applicable fiscal and other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor or any of the Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the CMU Lodging Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the CMU Lodging Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging Agent in relation to Notes accepted for clearance through the CMU Service, (v) one or more Calculation Agent(s) where the Conditions so require and (vi) such other agents as may be required by any stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), the Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “*business day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “*Financial Centres*” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee 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 within Hong Kong or the British Virgin Islands, as the case may be, or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Hong Kong, other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Declaration of non-residence:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon to the extent such holder would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption or reduction to the relevant tax authority or under an applicable tax treaty or otherwise if, after having been requested to make such a declaration or claim, such holder fails to do so (provided, however, that, in the case of a Bearer Note, such holder may not be required to make such a declaration or claim in a form which reveals the identity of such holder to the relevant tax authority); or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest (if applicable) to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) **Non-Payment:** there is a failure to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or, is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any of the Principal Subsidiaries (as defined herein) for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or the Guarantor or any of the Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Issuer or the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 30 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of the Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (f) **Insolvency:** the Issuer or the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of the Principal Subsidiaries; or
- (g) **Winding-up:** an order is made in Hong Kong, the British Virgin Islands or such other relevant jurisdiction, as the case may be, where any Principal Subsidiary is located or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of the Principal Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of the Principal Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries; or
- (i) **Ownership:** WKFL or WKBVI ceases to be wholly-owned and controlled by the Guarantor; or
- (j) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and/or the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done; or
- (k) **Illegality:** it is or will become unlawful for the Issuer and/or the Guarantor under the laws of Hong Kong to perform or comply with any one or more of its obligations under any of the Notes; or
- (l) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or
- (m) **Guarantee:** in the case of Notes issued by WKFL or WKBVI, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

For the purposes of this Condition 10:

“Principal Subsidiary” means at any time a Subsidiary of Wheelock:

- (i) whose profit (after taxation and before extraordinary items) attributable to Wheelock (as relevant) represents at least 25 per cent. of the consolidated profit (after taxation and before extraordinary items) of Wheelock and its consolidated Subsidiaries or whose total net assets attributable to Wheelock exceed 25 per cent. of the consolidated total net assets of Wheelock and its consolidated Subsidiaries, all as calculated by reference to the then latest audited financial statements (consolidated or unconsolidated, as the case may be or where no audited consolidated financial statements are available calculated by reference to the consolidated management accounts applicable to such Subsidiary as certified as being true and accurate by a director of Wheelock) of such Subsidiary and the then latest audited or unaudited consolidated financial statements of Wheelock; or
- (ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary,

and for such purpose, a certificate prepared by a director of Wheelock certifying that, in his/her opinion a Subsidiary is or is not or was or was not a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders; and

“Subsidiary” means a subsidiary of Wheelock; and **“subsidiary”** has the meaning given to it by Section 15 of the Companies Ordinance (Cap. 622) of Hong Kong.

11 Meeting of Noteholders and Modifications

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal

amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed), on all holders of Receipts and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) *Modification of Agency Agreement*

The relevant Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “*Issue Date*” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “*Notes*” shall be construed accordingly.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Hong Kong. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. The Issuer (failing whom, the Guarantor) shall also ensure that notices are duly

published in compliance with the requirements of each stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Jurisdiction

(a) *Governing Law*

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

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("***Proceedings***") may be brought in such courts. Each of the Issuers and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made

for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process*

Each of the Issuers and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as their agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuers or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuers and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “*Common Depository*”) or a sub-custodian for the CMU Service or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream, Luxembourg (as the case may be) and/or (ii) the HKMA as operator of the CMU Service and delivery of the relevant Global Certificate to the Common Depository or a sub-custodian for the CMU Service (as the case may be), the relevant clearing system will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU Service as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging Agent for his share of each payment so made by the Issuer or the Guarantor (as the case may be) in respect of such Global Note or Global Certificate.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*Summary of the Programme — Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership (in the form set out in the Agency Agreement) for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU Service may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes*”, in part for Definitive Notes or, in the case of (i) below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; or
- (ii) (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU Service or any other clearing system (an “*Alternative Clearing System*”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging Agent) of its election for such exchange.

Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg, the CMU Service or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the prior consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to Global Note held through the CMU Service) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

In respect of a Global Note or a Global Certificate held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

All payments in respect of Notes represented by a Global Note or a Global Certificate (other than a Global Note or a Global Certificate held through the CMU Service) will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the payment record date, being the Clearing System Business Day immediately prior to the date for payment, where “*Clearing System Business Day*” means Monday to Friday inclusive except 25 December and 1 January.

Payments of principal, interest (if any) or any other amounts on a Global Note or a Global Certificate will be calculated in respect of the total aggregate amount of the Notes represented by the Global Note or Global Certificate as the case may be.

Prescription

Claims against the Issuer and/or the Guarantor (as the case may be) in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Cancellation

Cancellation of any Note represented by a permanent Global Note or a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or Global Certificate.

Purchase

Notes represented by a permanent Global Note or a Global Certificate may only be purchased by the relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or a Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU Service or any other clearing system (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging Agent), or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

Events of Default

Each Global Note or Global Certificate provides that the holder may cause such Global Note or Global Certificate, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Global Certificate that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the relevant Issuer and/or the Guarantor (as the case may be) under the terms of an amended and restated deed of covenant executed as a deed by Wheelock, WKFL and WKBVI on 19 October 2020 (and as may be further amended, supplemented, replaced and/or restated from time to time) to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept

by the Registrar will become void as to the specified portion of Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or such Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) and (iii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate or (ii) the CMU Service, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

Registered Notes

Registered Notes will initially be represented by interests in a Global Certificate, without interest coupons, deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service on its issue date. Any Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Regulation S.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and neither the Issuers, the Guarantor nor the Group are/is in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuers, the Guarantor or the Group or which the Issuers, the Guarantor or the Group currently deem/deems to be immaterial, may affect the Group's business, financial condition or results of operations or the relevant Issuers' and/or the Guarantor's ability to fulfil its respective obligations under the Notes (as the case may be).

Risks relating to the Issuers

WKFL and WKBVI are special purpose vehicles

WKFL and WKBVI were established specifically for the purpose of raising finance through the issuance of the Notes and will use the net proceeds from the issue of the Notes to on-lend to the Guarantor and/or its subsidiaries or associates for financing or re-financing the Group's investment property and development property, in Hong Kong and Mainland China, and for general corporate purposes unless otherwise specified in the relevant pricing supplement. As such, each of WKFL and WKBVI has limited assets as recourse for Noteholders. Each of WKFL and WKBVI does not and will not have any business activities other than raising finance, and its ability to make payments under the Notes will depend on its receipt of timely remittance of funds from the Guarantor and/or its subsidiaries and other members of the Group.

The insolvency laws of the British Virgin Islands may differ from bankruptcy law in jurisdictions with which the holders of the Notes are familiar. As WKBVI is incorporated under the laws of the British Virgin Islands, an insolvency proceeding relating to WKBVI may involve British Virgin Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of jurisdictions with which the holders of the Notes are familiar. As a result, Noteholders may not enjoy the same level of protection as may be available under the laws of other jurisdictions.

Risks relating to the Guarantor

The Guarantor is a holding company and has limited operations of its own

The Guarantor primarily operates through subsidiaries, associates and joint ventures. As a result, the Guarantor's obligations in respect of the Notes will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries, associates and joint ventures (other than WKFL and WKBVI). All claims of creditors of these subsidiaries, associates and joint ventures, including trade creditors, lenders and all other creditors, will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including Noteholders as beneficiaries of the Guarantee. Accordingly, the Guarantor depends, to a significant extent, upon the receipt of dividends from its subsidiaries, associates and joint ventures to make payments with respect to its obligations, including its obligations under the Guarantee, and in order to provide funds to its subsidiaries, associates and joint ventures. The ability of subsidiaries, associates and joint ventures of the Guarantor to pay dividends to their shareholders (including the Guarantor) is subject to the performance and cash flows requirements of such subsidiaries, associates and joint ventures and to applicable law and other restrictions. The ability of the Guarantor's subsidiaries in Mainland China to pay dividends and repay intercompany loans or advances is subject not only to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of the subsidiaries, applicable laws and restrictions, but also foreign exchange controls, see "*PRC Currency Controls*". These restrictions could reduce the payment amount or delay the timing of the payment that the Guarantor receives. No assurance can be given that the Guarantor will have sufficient cash flow from dividends to satisfy its obligations as Guarantor in respect of the Notes, or that its subsidiaries, associates and joint ventures will pay dividends at all.

The Group's revenue and results of operations may fluctuate from period to period

Part of the Group's revenue is derived from the sale of properties held for sale. The Group's results of operations may fluctuate in the future due to a combination of factors, including the overall development schedule of its property projects, the level of interest of properties by prospective customers, the proposed timing for completion and sale of the Group's developed properties, the Group's revenue recognition policies, property acquisition costs and price volatility in construction-related and development expenses. Most of the Group's commercial property projects require at least a year or more to complete the relevant works, whereas the Group's residential property projects require a few years to complete and are often undertaken in phases. Selling prices of developed properties are often higher closer to completion, due in part to the more established community available to prospective purchasers. Furthermore, according to the Group's accounting policy for revenue recognition, it recognises revenue from the sale of properties only upon completion of the relevant contracts of sale, which, in the case of pre-sold residential properties, would often be at the same time as the delivery of completed properties to purchasers. As such, even where a sale and purchase agreement has been entered into by the Group, the Group can only recognise revenue from such sale upon successful completion of that transaction. A time gap ranging from several months to a number of years may pass between the date on which the Group commences pre-sales of its residential properties and the date on which completed properties are delivered to purchasers.

Accordingly, the Group's results of operations may vary significantly from period to period depending, in part, on the GFA sold and the timetable for the completion and delivery of properties contracted for sale. Historically, periods in which the Group completed more of its GFA have often generated a higher level of revenue. Periods in which the Group sells or pre-sells a considerable amount of aggregate GFA, however, may not necessarily generate a higher level of revenue if such sold or pre-sold properties are not completed within the same period. The Group's results of operations are also affected by the limitation that during any particular period of time, it can only undertake a limited number of projects due to the substantial capital requirements for properties or land acquisitions, construction costs and the limited supply of appropriate buildings or land.

The Group reassesses the fair value of its investment properties as at each year end balance sheet date. Although fair value gains or losses do not change the Group's cash position as long as the relevant investment properties are held by the Group, any major or extended decline in property values may result in an accounting loss for the Group and hence increase the Group's gearing, which may constrain its ability to access additional financing in the future.

The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies, including Renminbi. 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 performance. 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 dollar could adversely affect the Group's financial condition or results of operations.

The Group's businesses are subject to the effects of global economic events

Economic events outside Hong Kong and Mainland China may adversely affect the Group's business. In recent years, there has been a slowdown in the overall growth of the Mainland China economy. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. The United Kingdom's exit from the European Union has resulted in volatility in global financial markets, and is expected to create mid-to

long-term economic uncertainty to not only the economies of the United Kingdom and the European Union but also globally. In addition, the U.S. government's policies may create uncertainty for the global economy and financial markets. The United States and Mainland China have been involved in controversy over trade barriers in recent years that have triggered the implementation or proposed implementation of tariffs on certain imported products into the two countries. On 15 January 2020, the U.S. government and the PRC government signed the U.S.-China Economic and Trade Agreement (the "*Phase I Agreement*") pursuant to which the United States agreed to cancel a portion of tariffs imposed on products from Mainland China, and Mainland China agreed to additional purchases of goods and services from the United States. Both parties expressed a commitment to further improve various trade issues. However, there can be no assurance that the Phase I Agreement will be adhered to by both governments or successfully reduce trade tensions. Geopolitical events such as continued tensions in the Middle East and the Korean peninsula, as well as the escalation of tensions between the United States and Mainland China over trade policies, political and other issues could significantly undermine the stability of the global economy and financial markets.

More recently, the ongoing COVID-19 pandemic has adversely affected global financial, foreign exchange, commodity and energy markets. In December 2019, the first case of a novel strain of coronavirus, COVID-19, was identified. The pandemic has since spread globally and there have been increased initial infection and fatality rates across the world. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have an adverse effect on consumer confidence and the general economic conditions which the Group's business is subject to. The governments of many countries (including Mainland China) have declared a state of emergency, closed their borders to international travellers and issued stay-at-home orders with a view to containing the pandemic. There can be no assurance that such measures will be effective in ending or deterring the spread of COVID-19. Whilst Mainland China has recently seen a rebound and a degree of normalisation of supply and demand, the pandemic situation continues to be affected by localised re-emergences of the virus. As COVID-19 continues to spread globally, many more countries may be affected, which may result in the extension or implementation of further restrictive measures. The resultant disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the affected countries may result in an economic slowdown in such economies which, if prolonged, could cause a global recession. Furthermore, the COVID-19 pandemic has caused stock markets worldwide to lose significant value since February 2020. Market interest rates have declined significantly, with the 10-year United States Treasury bond falling below 1.00% for the first time on 3 March 2020. As the situation of the COVID-19 pandemic is still evolving, the heightened uncertainties surrounding the pandemic may pose a material adverse impact on the Group's business, financial condition, results of operations and prospects.

While the central banks of various countries, including the Federal Reserve Board of Governors of the United States, have cut policy rates and/or announced stimulus packages, and national governments have proposed or adopted various forms of economic relief to contain the economic impacts of the COVID-19 pandemic and stabilise markets, there can be no assurance that such monetary and fiscal policy measures will have the intended effects or that a global economic downturn will not occur or market volatilities will not persist. Any severe or prolonged slowdown or instability in the global economy may materially and adversely affect the Group's business, financial condition and results of operations. The outlook for the global economy and financial markets remain uncertain. If economic conditions were to worsen, if economic recovery fails to continue or if an economic slowdown were to return, the Group may have difficulty accessing financial markets, which could make it more difficult or expensive to obtain funding. In addition, there can be no assurance that the Group will be able to raise finance at reasonable cost, or at all. The Group may also be subject to solvency risks of banks and of its counterparties in its financial arrangements and contracts. These may have a material adverse impact on the operations of the Group. See also "*— The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of, infectious or contagious diseases, natural disasters, terrorist attacks, other acts of violence or war, or social instability*" for further information.

Economic, political, social and legal developments in Hong Kong and Mainland China could negatively affect the Group's business

Some of the Group's assets are located in, and a portion of the Group's revenue is derived from, Hong Kong. As a result, any adverse change in the general state of the Hong Kong economy, the interest rate environment and the political, social, legal and regulatory situation in Hong Kong will affect the Group's operating results and financial condition. In addition, any instability in the local social, political and economic landscape which may arise from events beyond the Group's control, in particular, if significant and prolonged, may materially and adversely affect the Group's business, financial condition, results of operation and prospects. Further, civil unrest and an uncertain political environment may impact the Hong Kong economy and result in an economic slowdown. Protests or demonstrations causing disruption to businesses, commercial activities and the transportation system, such as the recent escalation of political tensions due to the implementation of the national security legislation, the anti-extradition bill protests since June 2019 or the Occupy Central Movement that took place during the latter half of 2014, which are outside the control of the Group, may adversely impact consumer and investor confidence, decrease consumer spending and trading activities and affect inbound tourism to Hong Kong, which in turn may have a negative impact on the local economy. There can be no assurance that further protests or demonstrations will not occur in the future. In addition, any spread of communicable diseases or public health emergencies may impact the Hong Kong economy. For example, the ongoing wide spread of the novel coronavirus, COVID-19, since January 2020 has caused severe disruption to business and economic activities in Hong Kong, Mainland China and globally and restricted cross border travel. Consumer confidence or consumer sentiment in Hong Kong and elsewhere has been materially impacted due to the continued escalation of the COVID-19 pandemic. The Group's customers and tenants may experience financial difficulties and/or face significant disruptions to their operations and businesses. Government measures or actions to combat the spread of COVID-19 could also adversely affect the ability of the Group's contractors, including its construction contractors, to perform their contracts with the Group. As a result, completion of the Group's property development projects may be delayed, which may in turn result in an increase in cost overrun, a decrease in sales and/or otherwise adversely affect the Group's financial condition, operating results and profitability. In addition, the Group's sale and pre-sale of residential properties may also be adversely affected due to reasons such as a reduced number of potential buyers attending pre-sale activities of the Group, temporary closure of the Group's sales centers and restrictions imposed on large-scale sales and marketing activities to comply with social-distancing measures imposed by the government authorities. Moreover, if any of the Group's employees or the Group's contractors' employees are identified as having contracted COVID-19, the Group may be required to quarantine employees whom are suspected of being infected, or the Group's contractors may be required to quarantine their employees whom are suspected of being infected, as well as others whom have come into contact with those employees, which could lead to description of commercial activities and may have an adverse effect on the Group's business operations, financial condition and operating results. While the Hong Kong government has introduced certain economic relief measures to support the Hong Kong economy, there can be no assurance that such measures will have the intended effects. Any significant or sudden economic slowdown, recession or other adverse changes or developments in the local social and economic environment or political arrangements in Hong Kong may result in a decline in the Group's profitability and materially affect its business and expansion strategy, financial results and profitability.

Furthermore, any disruption to Hong Kong's economy, such as an increase in the unemployment rate, an upsurge in interest rates, labour disputes, the occurrence of social unrest, persistent high oil prices, a slowdown in the rate of economic growth in Hong Kong, Mainland China or the global economy may have an adverse impact on the Group's financial condition, asset value, results of operations and prospects. Hong Kong is a Special Administrative Region of the PRC, with its own government and legislature. The Joint Declaration between the PRC and British governments and the Basic Law, the "mini-constitution" for Hong Kong, provide that Hong Kong will have a high degree of legislative, judicial and economic

autonomy, that the socialist system and policies of Mainland China will not be practised in Hong Kong, and that Hong Kong's capitalist system and way of life shall remain unchanged for 50 years. Since 1 July 1997, when Mainland China resumed the exercise of sovereignty over Hong Kong, Hong Kong has enjoyed autonomy. However, if there were any change in the political, social or legal environment in Hong Kong, the Group's business and financial condition could be adversely affected.

The PRC government exercises significant control over the economic growth of Mainland China through the allocation of resources, controlling the payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any future actions and policies adopted by the PRC government could materially affect the economy of Mainland China, which may adversely affect the Group's business, financial condition and results of operations, see "*Risks specific to the Group's business in Mainland China*".

The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of, infectious or contagious diseases, natural disasters, terrorist attacks, other acts of violence or war, or social instability

The Group's operations and financial condition could be materially and adversely affected by any outbreak, epidemic and/or pandemic of (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of) infectious or contagious diseases and/or other adverse public health developments in Hong Kong, Mainland China or elsewhere. In particular, the ongoing COVID-19 pandemic in Mainland China, Hong Kong and globally has led to a significant decline in travel volumes and business activities in Mainland China, Hong Kong and globally. Consumer confidence or consumer sentiment in Mainland China, Hong Kong and elsewhere continues to be materially affected due to the continuing COVID-19 pandemic. In particular, certain governments have issued travel advisories against non-essential travel to affected regions, imposed travel restrictions or quarantines and stay-at-home orders with a view to containing the pandemic. The Hong Kong government has also imposed travel restrictions and mandatory quarantine measures which have reduced the number of tourists from Mainland China and other overseas countries visiting Hong Kong which has correspondingly reduced demand for the Group's hotel rooms, catering and restaurant facilities. In addition, the number of customers visiting the Group's shopping malls has also significantly reduced due to the quarantine measures and public-gathering limits imposed by the Hong Kong government. Moreover, government measures or actions to combat the spread of COVID-19 could also negatively impact the ability of the Group's contractors, including its construction contractors, to perform their contracts with the Group. As a result, completion of the Group's projects may be delayed, which may in turn result in an increase in development costs, a decrease in sales and/or otherwise adversely affect the Group's financial condition and operating results. Moreover, if any of the Group's employees or the Group's contractors' employees are identified as having contracted COVID-19 or any other epidemic, the Group may be required to quarantine employees who are suspected of being infected, or the Group's contractors may be required to quarantine its employees whom are suspected of being infected, as well as others whom have come into contact with those employees, which could lead to disruption of commercial activities and may have an adverse effect on the Group's business operations, financial condition and operating results. The ongoing COVID-19 pandemic may also adversely affect the ability of the Group's tenants to maintain their business performance and/or normal business operations and/or provide uninterrupted sales and services to its customers. Whilst the Group has undertaken proactive measures to maintain occupancy rates, including providing temporary rental relief and concessions to certain of its tenants, undertaking marketing and promotional initiatives to attract footfall and consumption and proactively fine-tune its tenant mix to capture potential market recovery, there can be no assurance that such measures will be effective in improving occupancy rates and maintaining lease renewal. Moreover, the ongoing COVID-19 pandemic or other epidemic may result in the temporary closure of hotels, restaurants and/or shopping malls, which may result in further material disruption to the

Group's businesses. It is difficult to predict the level of impact of the ongoing COVID-19 pandemic on Mainland China, Hong Kong and the global economy and there can be no assurance that it would not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, all levels of business in Hong Kong, Mainland China and other Asian countries were adversely affected by the outbreak of severe acute respiratory syndrome ("SARS") in 2003. There have also been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. In 2009 and 2010, there were also outbreaks among humans of the A/H1N1 influenza virus. Other recent epidemics include the Middle East Respiratory Syndrome (MERS), the H5N1 avian flu, the H7N9 avian flu, the Ebola virus disease and the Zika virus disease. The occurrence of another outbreak of SARS, the A/H1N1 influenza virus or of any other highly contagious disease, epidemic and/or pandemic of infectious disease (whether known or unknown to the world) (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of infectious diseases) in Mainland China, Hong Kong or elsewhere may result in another economic downturn regionally and/or globally and could materially and adversely affect the overall level of business and travel activities in the affected areas and/or globally, which in turn could have a material adverse effect on the Group's and the Group's tenants' business, results of operations, prospects and financial condition.

Moreover, natural disasters or other catastrophic events, such as earthquakes, floods or severe weather conditions affecting Hong Kong or Mainland China could, depending upon their magnitude, significantly disrupt the Group's business operations. Terrorist attacks, other acts of violence or war, or social instability and public demonstrations, could also have a negative impact on economic conditions where the Group operates, including with respect to travel and leisure expenditures, which will in turn disrupt the Group's operations. More specifically, an actual, threatened or potential terrorist attack, criminal attack, other social instability or public demonstration occurring in, associated with or targeted at the Group's properties or adjacent areas could deter or prevent people from using them. The occurrence of any of the above would have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

Interim financial information of Wheelock contained in this Offering Circular has not been audited or reviewed by the Guarantor's independent auditor, KPMG, and potential investors should exercise caution when using such interim data to evaluate the Group's financial condition and results of operations

This Offering Circular includes summary unaudited interim financial information relating to specified line items (the "***Interim Specified Line Items***") extracted from the Group's unaudited consolidated interim financial statements as at and for the six months ended 30 June 2020 and 2019, which have neither been audited nor reviewed by the Guarantor's independent auditor, KPMG, or any other independent auditors. Such Interim Specified Line Items should not be relied upon by potential investors to provide the same type or quality of information associated with information that has been subject to an audit or a review by an independent auditor, and in particular such financial information do not present the unaudited but reviewed financial information of the Group as at and for the six months ended 30 June 2020 and 2019. None of the Arranger, any of the Dealers or any of the Agents (nor any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group's financial condition, results of operations and results. The Interim Specified Line Items should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year ending 31 December 2020 or be treated as representative of or presenting a complete or true and fair view of the financial position of the Group and the results of operations and changes in financial position of the Group for the periods specified.

The continuing success of the Group depends on key management personnel

The success of the Group depends on key management personnel and on the continued service of its executive officers and other skilled managerial and technical personnel. Competition for qualified personnel is intense. The Group's business could be adversely affected if the services of a number of key personnel were lost and if the Group could not recruit suitable replacements in a timely manner. Furthermore, as the business of the Group continues to grow, the Group will need to recruit, retain and train additional qualified personnel. If the Group fails to attract, retain and train qualified personnel, its business, financial condition, results of operations and prospects may be adversely affected.

Changes in certain accounting policies may have a significant impact on the Group's results and financial position

Accounting standards applicable to the Group's business may change or be amended from time to time. Any changes in these accounting standards may result in changes in the recognition, measurement and/or classification of the Group's revenue, expenses, assets and liabilities, which could have a material effect on the Group's results of operations and financial position. The Hong Kong Institute of Certified Public Accountants has issued a number of new standards and amendments to HKFRS, including but not limited to the replacement of Hong Kong Accounting Standard 17 (Leases) ("**HKAS 17**") by Hong Kong Financial Reporting Standard 16 (Leases) ("**HKFRS 16**"), with effect from 1 January 2019.

HKFRS 16 replaces HKAS 17, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases — incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Given the Group does not have any material lease arrangements as a lessee (except for the leasehold land and properties for which the Group is a registered owner of the ownership interests), the Group considers that the replacement of HKAS 17 by HKFRS 16 has no significant financial impact on the Group's results (including segment results), financial position and cash flows.

The Hong Kong Institute of Certified Public Accountants may issue new and revised standards and interpretations in the future. Interpretations on the application of HKFRS will also continue to develop. These factors may require the Group to adopt new accounting policies from time to time. There can be no assurance that the adoption of new accounting policies or introduction of new HKFRS in the future will not have a material impact on the Group's results of operations and financial position.

The Group's results of operations include revaluation adjustments which are unrealised and the future fair value of its investment properties is likely to fluctuate from time to time

The Group has adopted a policy of measuring its investment properties at fair value, and as a result it is required under HKFRS to reassess the fair value of its investment properties at each reporting date for which it issues financial statements. Under HKFRS, the revaluation deficit or surplus arising on revaluation on investment properties is recognised as "decrease/increase in fair value of investment properties" in the consolidated income statement in the period in which they arise.

Fair value gains or losses do not change the Group's cash position as long as the relevant investment properties are held by it and, therefore, do not increase or decrease the Group's liquidity in spite of the increased or decreased profit. Therefore, fair value gains would not generate any cash flow from which dividends could be paid. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. Any significant decrease in the future in the fair value of the Group's investment properties may have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks relating to real estate development and the Group's investment properties

The real estate markets in Hong Kong and Mainland China are volatile, which could adversely affect the Group's business

Historically, Hong Kong property values have been volatile as they are affected by the supply of, and the demand for, comparable properties, the policies of the Hong Kong government including the amount of new land made available by the Hong Kong government to third parties as well as to MTR Corporation Limited over or near the stations of its mass transport networks. In addition to releasing more land for development and public housing, a series of measures are in place to curb speculation and restrain rising prices in the Hong Kong real estate market.

The Residential Properties (First-hand Sales) Ordinance became law on 29 April 2013. This ordinance sets out detailed requirements in relation to sales brochures, price lists, show flats, disclosure of transaction information, advertisements, sales arrangements and the mandatory provisions of preliminary agreement for sale and purchase and agreement for sale and purchase for the sales of first-hand residential properties.

The Stamp Duty (Amendment) Ordinance 2014 (the "**Amendment Ordinance**") became law on 28 February 2014 and was deemed to have come into operation on 27 October 2012. Under the Amendment Ordinance, any residential property acquired on or after 27 October 2012, either by an individual or a company (regardless of where it is incorporated), and resold within 36 months, is subject to Special Stamp Duty ("**SSD**"). Residential properties acquired by any person (including a company incorporated) except a Hong Kong permanent resident will also be subject to a Buyer's Stamp Duty ("**BSD**"), to be charged at a flat rate of 15%, on top of the existing stamp duty and the SSD, if applicable.

The Stamp Duty (Amendment) (No. 2) Ordinance 2014 ("**Amendment Ordinance No. 2**") was gazetted on 25 July 2014. Amendment Ordinance No. 2 provides that the ad valorem stamp duty ("**AVD**") payable on certain instruments dealing with immovable properties executed on or after 23 February 2013 (the "**Effective Date**") shall be computed at higher rates ("**Scale 1 rates**"). It also advanced the timing for charging AVD on non-residential property transactions from the conveyance on sale to the agreement for sale executed on or after the Effective Date. Under Amendment Ordinance No. 2, any residential property and non-residential property acquired on or after the Effective Date, either by an individual or a company, is subject to the Scale 1 rates, except that any such property acquired by a Hong Kong permanent resident acting on his/her own behalf who does not own any other residential property in Hong Kong at the time of acquisition.

The Stamp Duty (Amendment) Ordinance 2018 (the "**2018 Amendment Ordinance**") was gazetted on 19 January 2018. Under the 2018 Amendment Ordinance, the AVD at Scale 1 rates enacted under the Amendment Ordinance No. 2 are further divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates under the Amendment Ordinance (No. 2)) with effect from 5 November 2016. Part 1 of the Scale 1 rates applies to instruments of residential property and Part 2 of the Scale 1 rates applies to instruments of non-residential property. The 2018 Amendment Ordinance provides, amongst others, that any instrument of residential property executed on or after 5 November 2016 for the sale and purchase or

transfer of residential property, unless specifically exempted or provided otherwise, will be subject to AVD at the rate under Part 1 of the Scale 1 rates, i.e. a flat rate of 15% of the consideration or value of the residential property, whichever is the higher.

The Stamp Duty (Amendment) (No. 2) Ordinance 2018 (the “**2018 Amendment Ordinance No. 2**”) was gazetted on 20 April 2018. The 2018 Amendment Ordinance No. 2 provides, amongst others, that acquisition of more than one residential property under a single instrument executed on or after 12 April 2017, unless specifically exempted or provided otherwise, will be subject to AVD at the rate under Part 1 of the Scale 1 rates, i.e. a flat rate of 15% of the consideration or value of the residential property, whichever is higher, even if the purchaser or transferee is a Hong Kong permanent resident acting on his/her own behalf and does not own any other residential property in Hong Kong at the time of acquisition.

On 29 June 2018, the Hong Kong government proposed a tax on vacant first-hand private residential units (the “**Vacancy Tax**”) to encourage developers to release residential units more quickly into the market and expedite the supply of first-hand homes. Under the proposal, developers of first-hand private residential units with an occupation permit issued for 12 months or more 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 months at or above the market rent after the issue of the occupation permit will be considered vacant and subject to the Vacancy Tax charged at two times the annual rateable value of the units. On 13 September 2019, the Hong Kong government gazetted the Rating (Amendment) Bill 2019 (the “**Bill**”) to implement the proposed Vacancy Tax at the Legislative Council and in May 2020, a Bills Committee was formed to study the Bill. On 23 June 2020, members of the Bills Committee decided to discontinue their scrutiny works on the Bill. The Hong Kong government had made a statement that it would take into account the prevailing market circumstances when considering whether to reintroduce the Bill into Legislative Council for scrutiny in the next legislative term. If implemented, the Vacancy Tax may have an adverse effect on the Group’s business, operating results and financial condition.

On 16 October 2019, the Hong Kong government expanded 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% loan-to-value ratio has been raised from 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% loan-to-value ratio has also been 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 is no assurance that the Hong Kong government will not introduce further measures in the future that may have a significant impact on the Hong Kong real estate market, which may in turn affect the Group’s operating results and financial conditions.

The HKMA also imposes a number of measures applicable to the provision of loans secured over real estate by banks in Hong Kong aimed at protecting the depositors of those banks from the risk of a collapse in real estate prices in Hong Kong. On 27 February 2015, the HKMA announced a series of counter cyclical measures to banks in relation to property mortgage lending to strengthen banks’ risk management and resilience, with immediate effect, namely (i) the maximum loan-to-value ratio (“**LTV**”) for self-use residential properties with a value below HK\$7 million was lowered by a maximum of 10 percentage points. For example, the maximum loan-to-value ratio applicable to properties with a value of HK\$6 million or below and subject to the LTV cap of 70% was lowered to 60%; (ii) the maximum debt-servicing ratio (“**DSR**”) for borrowers who buy a second residential property for self-use was lowered to 40% from 50%, and the stressed-DSR cap was lowered to 50% from 60%; and (iii) the maximum DSR of mortgage loans for all non-self-use properties, including residential properties, commercial and industrial properties and car park spaces, was lowered to 40% from 50%, and the stressed-DSR cap was lowered to 50% from 60%. On 19 May 2017, the HKMA further announced a series of new measures to banks in relation to

property mortgage lending to strengthen the risk management of banks and safeguard banking stability, with immediate effect, which include, amongst others (i) to lower the applicable LTV cap by 10 percentage points for property mortgage loans involving borrowers and/or guarantors with one or more pre-existing mortgage loans, in addition to the existing requirement of lowering the applicable DSR limit by 10 percentage points for these loans; and (ii) to lower the applicable DSR limit by 10 percentage points for property mortgage loans extended to borrowers whose income is mainly derived from outside of Hong Kong, on top of the existing requirement of lowering the applicable LTV cap by 10 percentage points for these loans. These regulatory changes (and any further measures the Hong Kong government may introduce from time to time in the future) may have an adverse effect on the property market in Hong Kong, and in turn, the Group's business, financial condition, results of operations, prospects and profitability.

Since 2005, the Group has acquired sites in various cities in Mainland China for development. The real estate market in Mainland China has been volatile as it is affected by numerous factors including the supply of and demand for comparable properties, the amount of new land made available by the Municipal Bureaus of Land and Resources, the rate of urbanisation in Mainland China, governmental policies towards the property market and events such as the availability of end-buyer mortgages as well as political and economic developments in Mainland China. See also "*Risks specific to the Group's business in Mainland China*".

Any of the above factors may adversely affect the Group's financial condition, results of operations, prospects and profitability.

The Group is subject to project development risks

Development property involves significant risks for the Group when compared with companies which acquire existing investment properties. Such risks, among other things, include the financing risks for property under development, construction not being completed on schedule or within budget due to unforeseen infrastructure or engineering problems, delays in land site clearance, workforce shortages, unexpected building cost increases, property design feasibility, interruption caused by environmental and weather constraints, problems with independent contractors and changes to governmental policies and regulations. Contractors may undertake projects for other developers, the time taken and the costs involved in completing construction can also be adversely affected by many factors, including shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents, changes in governmental priorities and other unforeseen circumstances. Major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of the Group's development projects or resulting in additional costs for the Group. There is no assurance that the Group's projects will be completed in a timely manner or be of satisfactory quality within the original budget.

Failure to complete and/or deliver a pre-sold property in a timely manner may cause the Group to be liable to the relevant purchasers for losses suffered by them. The Group's failure to complete property developments in the time required by pre-sale contracts may entitle purchasers to claim damages under the pre-sale contracts, and in the event that such failure causes a delay that extends beyond any grace period stipulated in the pre-sale contracts, purchasers may be entitled to terminate the presale contracts, claim damages and request a refund of their purchase amount together with interest.

All these risks may adversely affect the timeliness of project completion and investment returns generated from development property projects undertaken by the Group and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group derives a portion of its revenue from its investment property portfolio, the performance of which depends on a number of factors, including changes in market rental levels, competition for tenants and rental collection and renewal

Part of the Group's business constitutes leasing of its investment properties. The Group is subject to risks incidental to the ownership and operation of commercial properties, such as volatility in market rental rates and occupancy rates, competition for tenants, costs resulting from on-going maintenance and repair and the inability to collect rent from tenants or renew leases with tenants due to bankruptcy, insolvency, financial difficulties or other reasons. In addition, the Group may not be able to renew leases with its tenants on terms acceptable to it, or at all, upon the expiration of the existing terms. Furthermore, any downturn in the rental market for retail and/or office premises in general could negatively affect the demand for the Group's rental properties and revenue. If any of the above occurs, there may be a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's revenue and profit are affected by its ability to continue to attract and retain quality tenants

The Group's investment properties compete for tenants with other properties on the basis of, among other things, location, quality, maintenance, property management, rent levels and other lease terms. There can be no assurance that existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which compete with the Group's investment properties would increase the competition for tenants and, as a result, the Group may have to reduce rent or incur additional costs to make its properties more attractive. If the Group is not able to retain its existing tenants or attract new tenants to replace those that have left or to lease its new properties, the Group's occupancy rates may decline. If the Group is unable to attract renowned brands as tenants or retain existing tenants that bring in renowned brands to its properties, its investment properties may become less attractive and less competitive. The occurrence of any of these events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

There is no assurance that third-party contractors will always meet the quality standards of the Group and provide services in a timely manner

The Group employs third-party contractors to carry out various works, including design, construction, structural engineering, internal decoration, landscaping, electrical and mechanical engineering and lift installation. Despite the Group's project management, there is no assurance that such third-party contractors will always provide satisfactory services. In addition, the Group may not be able to engage third-party contractors with the appropriate experience and on favourable terms. Moreover, as is common in the property industry, completion of the required property maintenance, repairs, refurbishments, renovations and/or developments may be delayed and the Group may incur additional costs due to a contractor's financial or operational difficulties. The Group's contractors may undertake projects for others thereby diverting resources, engage in risky undertakings or otherwise encounter financial or other difficulties, which may cause delay in the completion of the Group's projects and increase its costs. The services rendered by independent contractors may not always meet quality standards of the Group. Any of these factors could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group is subject to risks associated with the title of its properties

In Hong Kong, structural alterations of properties are subject to prior approval by the Building Authority of the Hong Kong government (the “BA”). The BA may issue warning notices and/or building orders in relation to certain parts of a property or the common areas of a building if there are alteration works carried out without the required permits or consents. If the subject matter as stated in the warning notice is not rectified within the specified period, the BA may issue a building order which may constitute title defects in respect of the relevant property, unless and until the relevant requirements as set out in the building order have been duly complied with. The works required to comply with warning notices and/or building orders may involve substantial costs to be borne by the owners. Under Hong Kong law, the existence of these title defects and other title issues do not prevent the relevant properties from being sold, purchased, or being suitable for acceptance by banks as security for granting mortgages. Nevertheless, any title defect on any property may have adverse effect on the value of such property. If such property has been contracted for sale with a prospective purchaser, such title defect may entitle the prospective purchaser to refuse completion of the sale and purchase transaction.

There is no assurance that the Group’s properties in Hong Kong held for investment purposes or the common areas of the building in which such properties are situated will not be subject to any warning notice or building order. If any warning notice or building order is issued against the Group’s properties and the subject matter cannot be rectified by the Group and/or other owners of the building in a timely manner, or at all, the sale of the Group’s properties may be affected which may in turn have material adverse impact on its business, financial condition and results of operations.

Potential liability for environmental problems could result in 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 developments, may cause the Group to incur compliance and other costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

Each project the Group develops in Hong Kong or Mainland China is required under applicable laws and regulations to undergo environmental assessments. Further, an environmental impact assessment document is required to be submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request the Group to submit additional environmental impact documents, issue orders to suspend the construction and/or impose penalties for any projects that have not, prior to the commencement of construction, received approval following the submission of the environmental impact assessment documents. Although the environmental investigations conducted to date have not revealed any environmental liability that the Group believes would have a material adverse effect on its business, financial condition or results of operations, it is possible that these investigations did not reveal all environmental liabilities, or that there are material environmental liabilities of which the Group is unaware. In such circumstances, the Group’s business, financial condition, results of operations and prospects may be materially and adversely affected.

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

The Group maintains insurance coverage on all of its properties under construction, third party liabilities and owner’s liabilities in accordance with what it believes to be industry standards. However, the Group may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs disproportionate to the level of risks concerned or other reasons. In particular, the Group’s insurance policies generally do not cover certain types of losses incurred due to events such as war, civil disorder, acts of terrorism, pollution, fraud, professional negligence and acts of God. Furthermore, the Group’s insurers may become impaired and financially unable to meet claims.

In addition, where insurance is taken out in relation to properties which are owned by a jointly controlled entity or an associate in which the Group is interested, there is no guarantee that such properties are insured in accordance with the same standards which the Group applies when taking out insurance in respect of its own properties.

Any losses may significantly affect the Group's business operation and the Group may not have sufficient funds to replace any property destroyed as a result of such hazards. Furthermore, whilst due care is taken by the Group and its employees in the selection and supervision of its independent contractors, accidents and other incidents, such as theft, may occur from time to time. Such accidents may expose the Group to liability or other claims by its customers and other third parties. The occurrence of such accidents or injuries at any of the Group's investment properties or construction sites could adversely affect its reputation among shoppers and tenants of its properties, harm the Group's brand, decrease its overall rents and occupancy rates and increase its costs by requiring the Group to implement additional safeguard measures. In addition, if accidents, injuries or prohibited activities occur at any of the Group's investment properties or construction sites, the Group may be held liable for costs, damages and fines and there is also a risk that the Group's operations may be suspended as a result. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents or incidents which are not covered by these arrangements could occur. The occurrence of any such accidents or incidents which are not covered by insurance and the resulting payment the Group may be required to make to cover any losses, damages or liabilities could adversely affect the business, financial condition, prospects and results of operations of the Group. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

The Group is subject to a tightened credit environment

Development property requires significant amounts of capital. The Group has traditionally financed land acquisition, development property and investment property, through a combination of equity, borrowings and the debt capital markets. The Group's ability to arrange for external financing and the cost of such financing is dependent on a number of factors, including general economic conditions, interest rates, credit availability from banks, investor confidence in the Group and the legal and regulatory environment. As a result of concerns for heightened inflation and asset-bubble risks, the availability of credit in the global credit and financial markets may decrease. Regulatory authorities in both developed and developing countries have issued regulations to further tighten traditional bank lending, including capital reserve requirements. Where the Group's unsecured bank borrowings are on a floating rate basis, fluctuations in interest rates may increase its interest expenses. In the event of any adverse change in the capital markets, the Group may have difficulty in accessing new financing sources, which could make it more difficult or expensive to obtain funding in the future. In light of the above, no assurance can be given that the Group will be able to raise financing at a reasonable cost, or at all.

The Group is subject to the cyclical nature of consumer demand and commercial market sentiment

The Group derives a portion of its revenue from shopping malls and office properties which are closely tied to general consumer demand and commercial market sentiment. Any change in such general consumer demand and commercial market sentiment can affect overall economic outlook and investor confidence leading to changes in the tenant mix and credit standing of tenants. Competition from new market entrants and fluctuations in the level of disposable household income may adversely affect the Group's relative bargaining position with its tenants in terms of lease rates, tenure and frequency of rental revisions, and thus adversely affect its revenue, business, financial condition, results of operations and prospects.

Some of the Group's development and investment property projects are undertaken through joint ventures

The Group has invested in joint venture companies to develop, own and/or manage some of its development and investment properties in Hong Kong and Mainland China. Certain corporate actions of these joint ventures require approval of all partners. Although the Group has not experienced any significant problems which cannot be resolved with respect to its joint venture partners to date which could not be resolved, should such problems occur in the future they could have a material adverse effect on the success of these properties. If the Group's joint venture partners act in a manner which is contrary to the Group's interests, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group's business in the future may be adversely affected if it is unable to acquire land at favourable prices

Property is the Group's most important business segment and the Group's business 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 Group has enjoyed a competitive advantage in this segment because several of its projects in Hong Kong, the Mainland China and Singapore are on sites that the Group acquired at a relatively favourable cost. There can be no assurance that the Group will be able to obtain additional land for development property in Hong Kong, Mainland China and Singapore at similarly favourable prices in the future. The occurrence of such circumstances may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Cash conversion risks of property assets and liquidity risk

As development properties and investment properties are relatively illiquid, the Group's ability to liquidate one or more of its properties may be limited or it may be required to discount property prices significantly to ensure a timely sale in case of any market downturn if the Group is not able to satisfy its obligations from its cash and bank balances, committed undrawn banking facilities or from the capital markets.

Investment properties cannot be readily converted to alternative uses, as such conversion requires extensive governmental approvals and involves substantial capital expenditures and time for renovation and refurbishment. There is no assurance that the Group will obtain the necessary approvals and sufficient funds to carry out such conversion. These factors and any others that would impede the Group's ability to respond to adverse changes in the performance of its investment properties could affect its ability to compete against its competitors. The occurrence of any of the above events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may be involved in disputes and legal and other proceedings arising out of its operations from time to time and may face significant liabilities as a result

The Group may be involved in disputes arising out of the leasing, usage, development or sale of its properties with tenants, residents, residents of surrounding areas, contractors, suppliers, construction workers, co-investors, joint venture partners, purchasers or other parties. These disputes may lead to protests, legal or other proceedings and may damage the Group's reputation and divert its resources and management's attention. Significant costs may have to be incurred in defending the Group in such proceedings whether it succeeds or not. If the Group is not successful in defending itself in such proceedings, it may be liable for damages, the amount of which may be significant. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings or unfavourable decrees that may result in liabilities and cause delays to its property developments. The Group may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of its projects. Any of the above could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Further, the Group has endeavoured to structure its business in a tax efficient manner. If any of the Group's arrangements is successfully challenged by the relevant tax authorities, it may incur additional tax liabilities, which could adversely affect its business, financial condition, results of operations and prospects.

Failures or breakdowns in the Group's information and technology systems may interrupt its business operations

The Group uses modern information and technology systems to control and manage its operations. These information and technology systems are intended to enable the Group to improve efficiency and monitor and control its operations and are fundamental to ensuring that the Group maintains its competitiveness in its industry. The Group's information systems are vulnerable to damage or interruption from circumstances beyond its control, including but not limited to, fire, power loss, hardware failure, software programme error, back-up data failure, telecommunications failure, computer viruses, human error, hacking and break-in and other similar events. Any failure or breakdown in these systems could interrupt the Group's normal business operations and result in a significant decrease in operational and management efficiency during such failure or breakdown. Recovery from such disasters may result in lost data as a result of such malfunction and disruption. In addition, precautionary measures may only be partly, if at all, successful. Any prolonged failure or breakdown could significantly impact the Group's ability to manage its properties and offer services to its customers, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Risks specific to the Group's other businesses

Competition from ports in Mainland China may adversely affect the Group's container terminal business in Hong Kong

The attractiveness of a port is dependent on factors such as location, facilities, supporting infrastructure, service and price. If competing ports are built or existing terminals are substantially upgraded with superior facilities and supporting infrastructure and services or if competitors offer lower tariffs, these events may lead to a reduction in the Group's market share, a decrease in the volume of containers handled, or increased price competition, thus adversely affecting the Group's cash flows, operating margins and profitability.

Since the early 1990s, various new container terminals have been built in Mainland China (including those in which the Group has an interest in Modern Terminals) that compete, or will compete, with the Group's container terminal business in Hong Kong. There is a cost advantage to shippers using ports in Mainland China due to the lower cost of onshore transportation arising from the relatively close proximity of such ports to the source, or, as the case may be, destination of the cargo and the lower handling fees at such ports. Due to this cost disadvantage, such ports in Mainland China may absorb the majority of the growth in trade between Mainland China and the rest of the world in the future, which would adversely affect the Group's container terminal business in Hong Kong.

Risks specific to the Group's business in Mainland China

Mainland China's economic, political, social and legal conditions, as well as government policies, could affect the Group's business

The Group's strategy is to continue to expand its business in Mainland China to capitalise on Mainland China's economic growth and rapid urbanisation. In the near to medium term, the Group's growth drivers are expected to be its business initiatives in both property and logistics in Mainland China. The Group's financial condition, operating results and prospects will, accordingly, be subject to economic, political, social and legal developments in Mainland China as well as in the economies in the surrounding region. The economy in Mainland China differs from the economies of most developed countries in many respects, including:

- extent of government involvement;
- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources to sectors such as transport, energy, healthcare, education and energy efficient motor vehicles. Some of these measures benefit the overall PRC economy, but may also have a negative effect on the Group's operations. For example, the Group's business, financial condition and operating results may be adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to it.

The PRC economy has been transitioning from a planned economy to a more market-orientated economy. Although in recent years the PRC government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in Mainland China is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the development of industries in Mainland China by imposing top-down policies. It also exercises significant control over Mainland China's economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular geographies, industries or companies. The PRC government may also take credit tightening measures to increase the cost of credit and to reduce the availability of credit to curb inflationary pressure. The PRC government may also implement other measures which could also have an adverse impact on the Group's ability to access onshore financing in Mainland China, and in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Mainland China's legal system is less developed than in certain other countries and laws in Mainland China may not be interpreted and enforced in a consistent manner

The PRC legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the PRC government has introduced many new laws and regulations to provide general guidance on economic and business practices in Mainland China and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group and its joint ventures. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainty. The interpretation of PRC laws may be subject to policy changes which reflect domestic political changes. As the PRC legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's prospects, financial condition and operating results.

Real estate is a highly regulated sector in Mainland China

The Group's business is dependent on continued economic growth in Mainland China. The PRC government, in the past, has imposed restrictions on direct foreign investment in the property sector to curtail the overheating economy. Property developers in Mainland China must comply with various national and local regulatory requirements promulgated by different tiers of regulators. From time to time, the PRC government adjusts its macroeconomic and fiscal policies to encourage or restrict property development which may have a direct impact on the Group's business. For example, with effect from 1 May 2016 certain real estate transactions are now subject to value added tax. The Group must obtain various permits, certificates, relevant approvals from the relevant administrative authorities at various stages of development, including land use rights documents, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on the satisfactory compliance with certain requirements or conditions. The Group can give no assurance that it will not encounter delays or other impediments in fulfilling the conditions precedent to obtain these approvals or that the Group will be able to comply with any new laws, regulations or policies that may come into effect with respect to the property development industry in general or the requirements for obtaining such approvals. If the Group fails to obtain the relevant permits, licences, certificates or other approvals or to fulfil the conditions therein for its property developments, its developments may not proceed on schedule, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The supply of land in Mainland China is controlled and regulated by the PRC government. The land supply policies adopted by the PRC government directly impact the Group's ability to acquire land use rights for development and the costs of such acquisitions. For example, in recent years, the PRC government has introduced a series of measures (and may implement further measures) to curb its overheating economy, including policies to prevent excessive rises in property prices in certain cities and sectors such as taxing capital gains to discourage speculation, restricting purchases of real estate by foreigners, limiting the amount of luxury villa developments and tightening credit available to real estate developers and individual purchasers. Property developers must comply with various national and local regulatory requirements promulgated by different tiers of regulators. From time to time, the PRC government adjusts its macroeconomic policies to encourage or restrict property development, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The PRC government's restrictive measures to control the property development industry's rate of growth could limit the Group's access to capital resources, reduce market demand and increase the Group's operating costs. The PRC government may adopt additional and more stringent measures in the future, which may further slow the development of the industry and materially and adversely affect the Group's business and result of operations. In particular, any additional or more stringent measures imposed by the PRC government in the future to curb high-end residential/mixed use real estate projects may materially and adversely affect the Group's business, financial condition and results of operations.

The Group may, under certain land clearance agreements with relevant land authorities, be required to assist local governments with clearing land and relocating original residents with respect to some of its development property projects in accordance with the relevant PRC laws and regulations.

The complicated administrative process and possibility of unfavourable settlement regarding the amount of compensation may increase the cost of the development and materially adversely affect the Group's cash flow, business operations and financial condition. Under PRC law, if a developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, land use or the time for commencement and completion of the development of the land), the relevant local government authority may give a warning to or impose a penalty on the developer or forfeit the land

granted to the developer. Under applicable PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated deadline, it may be subject to a late payment penalty calculated on a per-day basis. In addition, if a developer fails to commence development of a property project within the stipulated period as required under applicable PRC laws without the approval from the relevant PRC land bureau, the relevant PRC land bureau may serve a warning notice on the developer and impose an idle land fee of up to 20% of the land premium unless such failure is caused by a government action or a force majeure event. Even if the commencement of the land development complies with the land grant contract, if the developed GFA on the land is less than one-third of the total GFA of the project or if the total capital expenditure is less than 25% of the total investment of the project and the suspension of the development of the land is more than one year without government approval, the land will still be treated as idle land. The Notice on Promoting Economisation of Land Use issued by the State Council in January 2008 further confirmed the idle land fee at 20% of the land premium. If a developer fails to commence such development for more than two years, the land is subject to forfeiture without compensation to the PRC government unless the delay in development is caused by government actions or force majeure events. In addition, a developer with idle land together with its shareholders may be restricted from participating in future land bidding.

Although the Group has never been subject to any such penalties or required to pay idle land fees or forfeit any of its land in Mainland China, there can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future.

Further, the Group must obtain various permits, certificates, relevant approvals from the relevant administrative authorities at various stages of development, including land use rights document, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on the satisfactory compliance with certain requirements or conditions. There can be no assurance that the Group will be able to obtain the relevant permits, certificates, relevant approvals from the relevant administrative authorities or that the Group will not encounter material delays or other impediments in fulfilling the conditions precedent to obtaining these approvals.

Although these measures have to date focused on tier one and tier two cities, there is a risk that similar measures will be introduced in tier three and tier four cities which would have an adverse impact on the Group's developments in such cities.

The PRC government may adopt further measures to slow down growth in the property sector

Along with the economic growth in Mainland China, investments in the property sector have increased significantly in the past decade. In response to concerns over the increase in such investments, the PRC government has at various times introduced policies and measures to curtail property development.

There can be no assurance that the PRC government will not adopt additional and more stringent measures in the future, which could further slow down property development in Mainland China and adversely affect the Group's business and prospects.

The PRC government and local government authorities will continue to exercise a substantial degree of control and influence over the PRC economy and property market and any form of government control or newly implemented laws and regulations, depending on the nature and extent of such changes and the Group's ability to make corresponding adjustments, may result in a material adverse effect on the Group's business and operating results. In particular, decisions taken by the PRC government concerning economic policies or goals that are inconsistent with the Group's interests could adversely affect its operating results.

Mainland China is a competitive market for property development and it may be difficult to acquire suitable sites for development in the future

During the last decade, a large number of property developers based in Mainland China have begun to undertake property development and investment projects in Mainland China. In addition, a number of international developers have expanded their operations into Mainland China, including a number of leading Hong Kong real estate development and investment groups. Many of these developers, both private and state-owned, have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition in the property development industry is intense and may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties in certain parts of Mainland China, a decrease in property prices, a slowdown in the rate at which new property development projects will be approved and/or reviewed by the relevant government authorities, an increase in construction costs, and difficulty in obtaining high quality contractors and qualified employees.

The PRC central and local governments have implemented various measures to regulate the means by which property developers obtain land for property development. They control land supply through zoning, land usage regulations and other means. All these measures further intensify the competition for land in Mainland China among property developers. For example, subsequent re-zoning by the PRC government may adversely affect the Group's ability to obtain land use rights. If the Group fails to acquire sufficient land bank suitable for development in a timely manner and at acceptable prices, or at all, its prospects and competitive position may be adversely affected and its growth potential and performance may be materially and adversely affected.

The consequences of any such risks eventuating may adversely affect the Group's business, results of operations and financial position. In addition, the real estate market in Mainland China is rapidly changing. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors, the Group's business, financial condition and results of operations will be adversely affected.

Policy initiatives in the financial sector to further tighten lending requirements for property developers may limit the Group's flexibility and ability to use bank loans or other forms of financing to finance the Group's development properties and therefore may require the Group to maintain a relatively high level of internally sourced cash

The Group's ability to arrange adequate financing for land acquisitions or development properties on favourable terms depends on a number of factors, many of which are beyond the Group's control. The PRC government has in recent years taken a number of policy initiatives in the financial sector to further tighten lending requirements for property developers, which, among other things:

- forbid PRC commercial banks from extending loans to property developers to finance land premiums;
- restrict PRC commercial banks from extending loans for the development of luxury residential properties;
- restrict the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibit commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans;

- forbid property developers from using borrowings obtained from any local banks to fund property developments outside that local region; and
- increase the regulation of trust companies including the imposition of enlarged capital adequacy requirements.

The People's Bank of China ("**PBOC**") adjusts the reserve requirement ratio for commercial banks to curtail overheating of the property sector, or, as the case may be, in order to stimulate the PRC economy as necessary. The reserve requirement refers to the amount of funds that banks must hold in reserve with PBOC against deposits (including margin deposits such as acceptances, letters of credit and letters of guarantee) made by their customers. Further increases in the bank reserve requirement ratio may negatively impact the amount of funds available to lend to businesses, including to the Group, by commercial banks in Mainland China. The China Banking and Insurance Regulatory Commission also regulates the provision of 'shadow finance' in the form of wealth management products by banks and trust companies to curtail the overheating of the property sector and to protect investors. The regulations include limitations on the pooling of assets, on the proportion of wealth management products relative to other assets, on proprietary trading and on the disclosure associated with the marketing of wealth management products.

There can be no assurance that the PRC government will not introduce other initiatives which may limit the Group's access to capital resources. The foregoing and other initiatives introduced by the PRC government may limit the Group's flexibility and ability to use bank loans or other forms of financing to finance the Group's development properties and therefore may require the Group to maintain a relatively high level of internally sourced cash. As a result, the Group's business, financial condition and results of operations may be materially and adversely affected.

Mainland China inflationary pressure may result in increased construction and funding costs

Inflation in Mainland China may result in increased construction and funding costs for the Group. The PRC government uses various measures to control inflation, including increasing benchmark lending rates and reserve ratios on several occasions. As commercial banks in Mainland China link the interest rates on their loans to benchmark lending rates published by PBOC, any increase in such benchmark lending rates will increase the funding costs for the Group. The PRC government is expected to continue to manage liquidity, cool down the real estate market and use price controls when needed. The Group's business, financial condition and results of operations in Mainland China may be adversely affected by increased construction and funding costs.

The Group is exposed to foreign exchange risks

Part of the Group's revenue is denominated in Renminbi and may be converted into U.S. dollars or other foreign currencies to pay dividends or make other payments. Under the PRC's foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditure from trade, may be made in foreign currencies without prior approval, subject to certain procedural requirements. However, foreign exchange controls are imposed on capital account transactions, including repayment of loan principal and return of direct capital investments and investments in negotiable securities. In the past, there have been shortages of U.S. dollars or other foreign currency available for conversion of Renminbi in Mainland China, and it is possible such shortages could recur, or that restrictions on conversion could be re-imposed. A portion of the Group's revenue and associated operating costs are denominated in Renminbi. Any volatility of the Renminbi exchange rate in the future

may materially affect the Group's financial condition and results of operations and any devaluation of the Renminbi against foreign currencies will increase the amount of Renminbi the Group needs to service its obligations denominated in foreign currencies.

The relevant PRC tax authorities may challenge the basis on which the Group calculates its land appreciation tax (the "LAT") obligations

Under PRC tax laws and regulations, the Group's properties developed for sale or transfer are subject to LAT, which is collected by local tax authorities. All income from the sale or transfer of land use rights relating to state-owned land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as defined by the relevant tax laws, with certain exceptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items as defined in the relevant tax laws. On 28 December 2006, the State Administration of Taxation issued the Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises which came into effect on 1 February 2007 (the "**LAT Notice**"). Under the LAT Notice, local tax authorities can formulate their own implementation rules according to the notice and local situations. In the event that the local authorities governing cities in which the Group undertakes development projects promulgate implementation rules which require the Group to settle all unpaid LAT, it could adversely affect the Group.

The Group's management believes that it estimates and makes provision for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations, but only pays a portion of such provision each year as required by the local tax authorities. Although the Group's management believes that such provisions are sufficient, there can be no assurance that the tax authorities will agree with the basis on which the Group calculates its LAT obligations. In the event that the local tax authorities believe a higher rate of LAT should be paid, the financial position and results of operations of the Group may be adversely affected.

Risks relating to the Notes issued under the Programme

The Notes may not be a suitable investment for all investors

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

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

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

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact such investment will have on the potential investor's overall investment portfolio.

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

The Notes are subject to modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority Noteholders may be adverse to the interests of individual Noteholders. In addition, the Conditions may be amended, modified or varied in relation to any Notes by the terms of the relevant Pricing Supplement.

A change in English law which governs the Notes may adversely affect Noteholders

The Conditions of the Notes are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or lodged with the CMU Service (each of Euroclear, Clearstream, Luxembourg and the CMU Service, a "***Clearing System***"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or, as the case may be, to the CMU Service, for distribution to their account holders. A holder of a beneficial interest in a Global Note or a Global

Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or a Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradeable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if, amongst others, the relevant Clearing System(s) is/are 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 does in fact do so. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer and the Guarantor, as the case may be, (including rights to receive principal or interest or to vote) in respect of such Notes.

Risks relating to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuers may have a lower market value than Notes that cannot be redeemed

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the relevant Issuer or the Guarantor (as the case may be) would be obliged to increase the amounts payable in respect of any Notes due to any 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, within or on behalf of Hong Kong, the British Virgin Islands, as the case may be, or any political subdivision thereof or any authority therein or thereof having power to tax, such Issuer may redeem all outstanding Notes in accordance with the Conditions.

A particular Series of Notes may be subject to other redemption rights exercisable by the Issuer as specified in the relevant Pricing Supplement.

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

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

Risks relating to Notes which are linked to “benchmarks”

Interest rates and indices which are deemed to be or used as “benchmarks”, have been the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective while others have yet to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “*FCA Announcement*”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

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

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

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR has been selected as the Reference Rate, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where LIBOR is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent or the relevant Issuer by reference to quotations from banks communicated to the Calculation Agent or the relevant Issuer. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of LIBOR), the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before LIBOR was discontinued, and if LIBOR is discontinued permanently, the same Rate of Interest will continue to be the Rate of Interest for each successive Interest Period until the maturity of the Floating Rate Notes, so that the Floating Rate Notes will, in effect, become fixed rate notes utilising the last available LIBOR rate. Uncertainty as to the continuation of LIBOR, the availability of quotes from reference banks, and the rate that would be applicable if LIBOR is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

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

Dual currency notes have features which are different from single currency issues

Each of the Issuers may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

Each of the Issuers may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent installments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

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

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

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

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes

Fixed/Floating Rate Notes may bear interest at a rate that an Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on the Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

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

Investors may lose part or all of their investment in any Index Linked Notes

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Risks Relating to Renminbi-denominated Notes

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

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

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the U.S. dollar, despite the significant reduction over the years by the PRC government of control over the import and export of goods and services as well as other routine foreign exchange transactions under current accounts. On the other hand, remittance of Renminbi by foreign investors into Mainland China for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in Mainland China on the remittance of Renminbi into Mainland China for settlement of capital account items are still in the course of being developed.

Although Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and PBOC implemented policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies in 2018, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in Mainland China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside Mainland China. In the event that funds cannot be repatriated outside Mainland China in Renminbi, this may affect the overall availability of Renminbi outside Mainland China and the ability of the relevant Issuer or the Guarantor to source Renminbi to finance its obligations under the RMB Notes.

Holders of beneficial interests in the RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan.

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

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside Mainland China is limited. While PBOC has entered into agreements on the clearing of Renminbi business with financial institution in a number of financial centres and cities (each, a “**Renminbi Clearing Bank**”) including but not limited to Hong Kong, and is in the process of establishing Renminbi clearing and settlement mechanisms (“**Settlement Arrangements**”) in several other jurisdictions, the current size of Renminbi-denominated financial assets outside Mainland China remains limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with enterprises in Mainland China. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of

transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside Mainland China to square such open positions.

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

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in Mainland China and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to RMB Notes in Renminbi. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rate(s) and could result in a loss when the return on the RMB Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Investment in RMB Notes is subject to interest rate risks

The value of Renminbi payments under the RMB Notes, may be susceptible to interest rate fluctuations occurring within and outside Mainland China, including Mainland China Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside Mainland China may significantly deviate from the interest rate for Renminbi in Mainland China as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of the RMB Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of RMB Notes will be made solely: (i) for as long as RMB Notes are represented by global notes or certificates held in the CMU Service, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing CMU Service rules and procedures; or (ii) for as long as RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing rules and regulations. The relevant Issuer and the Guarantor (as the case may be) cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in Mainland China).

Gains on the transfer of RMB Notes may become subject to income taxes under PRC tax laws

In considering whether to invest in the RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the RMB Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

Risks relating to the market generally

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

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and forms a single series with a Tranche of Notes which is already issued). In particular, one or more initial investors in the Notes may purchase a significant portion of the aggregate principal amount of the Notes pursuant to an offering. The existence of any such significant Noteholder(s) may reduce the liquidity of Notes in the secondary trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application may be made for the Notes issued under the Programme to be admitted to listing on Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

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

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

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The credit ratings assigned to the Notes may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The liquidity and price of the Notes may be volatile

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the relevant Issuer or the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Notes

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes will, to varying degrees, be influenced by economic, political, social and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including Hong Kong and Mainland China. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. In particular, the ongoing COVID-19 pandemic has caused stock markets worldwide to lose significant value since February 2020. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

USE OF PROCEEDS

The net proceeds of any Notes issued under the Programme shall be used by the Group for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

WHEELOCK FINANCE LIMITED

Wheelock Finance Limited (“**WKFL**”) was incorporated on 8 March 1994 in Hong Kong and is subject to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) which provides for, *inter alia*, the constitution of companies, directors’ liabilities and powers and creditors’ rights. It also provides that a company incorporated in Hong Kong, such as WKFL, has the capacity and the rights, powers and privileges of a natural person which include the capacity, right and power to enter into financial transactions. WKFL is constituted pursuant to its articles of association, which provide that WKFL’s power to borrow and issue debentures is to be exercised by its board of directors. WKFL is also subject to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) which provides for, *inter alia*, insolvency and winding up procedures and prospectus requirements.

WKFL is a special purpose financing vehicle and a wholly-owned subsidiary of Wheelock. WKFL’s sole purpose and activity has been as an issuer of debt securities and a borrower in respect of term loans and other credit facilities made available by banks and financial institutions, with guarantees provided by Wheelock, for the purpose of financing the Group’s general corporate funding requirements. Apart from such arrangements and the arrangements with respect to the establishment and updates of the Programme, WKFL has not undertaken any other business activities since the date of its incorporation. WKFL does not sell any products or provide any services.

The registered office of WKFL is 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong. The issued share capital of WKFL is HK\$2.

As at 30 June 2020, WKFL had debt securities outstanding in an aggregate principal amount of HK\$3,265 million and total short-term and long-term loans outstanding in an aggregate principal amount of HK\$19,400 million. As at 30 June 2020, WKFL does not have any bank overdrafts, any hire purchase commitments, guarantees or contingent liabilities.

Board and Management

The management of WKFL is vested in the board of directors, which comprises:

Stephen Tin Hoi Ng, Director
Paul Yiu Cheung Tsui, Director
Peter Zen Kwok Pao, Director

Stephen Tin Hoi Ng is the Deputy Chairman and Paul Yiu Cheung Tsui is the Executive Director and Group Chief Financial Officer of Wheelock. None of the members of WKFL’s board of directors holds any share in WKFL, nor any option to purchase or subscribe for, or other beneficial interests in, shares in WKFL.

The business address of each member of WKFL’s board of directors is 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.

WHEELOCK MTN (BVI) LIMITED

Wheelock MTN (BVI) Limited (“**WKBVI**”) was incorporated on 7 September 2018 in the British Virgin Islands and is subject to the provisions of the BVI Business Companies Act, 2004 (Revised) which provides for, *inter alia*, the constitution of companies, directors’ liabilities and powers, creditors’ rights and liquidations. WKBVI is constituted by its memorandum and articles of association which sets out the objects and powers of WKBVI, *inter alia*, to enter into financial transactions.

WKBVI is a special purpose financing vehicle and a wholly-owned subsidiary of Wheelock. WKBVI’s sole purpose and activity is to issue debt securities and on-lend proceeds to the Group for the purpose of financing the Group’s general corporate funding requirements. Apart from the arrangements with respect to the Programme, the issuance of Notes and the on-lending of proceeds thereof to the Group, WKBVI has not undertaken any business activities since the date of its incorporation. WKBVI does not sell any products or provide any services.

The registered office address of WKBVI is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

WKBVI is authorised to issue 50,000 shares with a par value of U.S.\$1 each.

As at the date of this Offering Circular, WKBVI does not have any indebtedness, bank overdraft, short-term and long-term loans, or any hire purchase commitments, guarantees or contingent liabilities.

Under the laws of the British Virgin Islands, WKBVI is not required to publish any of its financial statements.

Board and Management

The management of WKBVI is vested in the board of directors, which comprises:

Stephen Tin Hoi Ng, Director
Paul Yiu Cheung Tsui, Director
Peter Zen Kwok Pao, Director

Stephen Tin Hoi Ng is the Deputy Chairman and Paul Yiu Cheung Tsui is the Executive Director and Group Chief Financial Officer of Wheelock. None of the members of WKBVI’s board of directors holds any share in WKBVI, nor any option to purchase or subscribe for, or other beneficial interests in, shares in WKBVI.

The business address of each member of WKBVI’s board of directors is 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.

WHEELOCK AND COMPANY LIMITED

OVERVIEW

Wheelock and Company Limited (“*Wheelock*” and, together with its subsidiaries and associates, the “*Group*”) was founded in Shanghai in 1857 and is a property company incorporated and headquartered in Hong Kong. The listing of Wheelock’s shares on the Main Board of the Hong Kong Stock Exchange was withdrawn on 27 July 2020 after the completion of its privatisation by Admiral Power Holdings Limited by way of a scheme or arrangement under section 673 of the Companies Ordinance. For further details of the privatisation of Wheelock and withdrawal of the listing of Wheelock’s shares on the Hong Kong Stock Exchange, please refer to the announcements made and issued by Wheelock on 27 February 2020, 19 March 2020, 17 April 2020, 20 May 2020, 21 May 2020, 16 June 2020, 15 July 2020 and 23 July 2020 (together, the “*Wheelock Announcements*”), which can be obtained from the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

Wheelock is the substantial shareholder of The Wharf (Holdings) Limited (“*WHL*”) and Wharf Real Estate Investment Company Limited (“*Wharf REIC*”). The principal businesses of WHL (listed in Hong Kong with stock code 00004) cover investment properties, hotels and development properties in Hong Kong and Mainland China as well as logistics. As at 30 June 2020, Wheelock owned a total of approximately 72.99% of WHL’s issued share capital. Wharf REIC (listed in Hong Kong with stock code 1997) is a premium investment property company with a focus on landmark retail properties. As at 30 June 2020, Wheelock owned a total of approximately 69.64% of Wharf REIC’s issued share capital. Following completion of the privatisation of Wheelock, Wheelock’s shareholding in WHL and Wharf REIC has been adjusted. Please refer to the Wheelock Announcements for further details. WHL and Wharf REIC, together with Wheelock’s wholly-owned subsidiary, Wheelock Properties Limited (“*WPL*”), the Group’s Hong Kong development properties arm, generate a recurring dividend income stream for Wheelock.

WHEELOCK PROPERTIES LIMITED

Hong Kong Properties

Wheelock’s core business and operational focus in Hong Kong is property development. For the year ended 31 December 2019, total contracted residential property sales amounted to HK\$23.6 billion, with 2,080 units sold or presold (of which two large-scale O’EAST projects, namely, MONTARA & GRAND MONTARA and MARINI & GRAND MARINI were the main contributors). For the six months ended 30 June 2020, total contracted residential property sales amounted to HK\$8.2 billion (with 760 units contracted), of which 90% was contributed by the Group’s O’EAST projects, namely, MARINI & GRAND MARINI & OCEAN MARINI. Hong Kong contracted property sales by 31 July 2020 totalled HK\$14.7 billion, which included contracted property sales of “THE LOHAS” mall of HK\$5.0 billion. Sales recognition of Hong Kong development properties increased to HK\$13.7 billion for the year ended 31 December 2019, as compared to HK\$9.7 billion for the year ended 31 December 2018. Major projects recognised during the year ended 31 December 2019 include MONTEREY and OASIS KAI TAK. The net order book (being contracted sales to be recognised) grew to HK\$40.5 billion as at 31 July 2020 from HK\$32.5 billion as at 31 December 2019 and 26.7 billion as at 31 December 2018.

There are four major projects in the sales pipeline, which span across diverse locations. OCEAN MARINI, the final phase of the Group’s third development in the O’EAST portfolio, was launched in early March 2020. KOKO HILLS, situated in Kowloon East Mid-levels, was launched in July 2020. Other developments included NKIL6564 in Kai Tak and Grand Victoria in Nam Cheong of West Kowloon.

MALIBU, a large-scale waterfront residential development in the Group’s O’EAST portfolio, was launched in March 2018. Handover of MALIBU to customers commenced in July 2020. The O’EAST portfolio is a natural waterside urban living environment, neighbouring the O’SOUTH portfolio.

The Group launched two residential projects in Lohas Park in 2019, namely, MONTARA & GRAND MONTARA and MARINI & GRAND MARINI of the O'EAST portfolio. In 2019, the new launches contributed HK\$16.1 billion, with a total of 1,906 units presold, accounting for 68% of contracted residential sales.

MONTARA & GRAND MONTARA, the second development in the O'EAST portfolio comprised of two high-rise residential towers, was launched for presale in the second quarter of 2019. The presale achieved 100% sell-through rate, and 1,120 units were presold, achieving HK\$9.8 billion of sales, with an average selling price of HK\$15,200 per square foot.

MARINI & GRAND MARINI were launched for presale in the third quarter of 2019. For the year ended 31 December 2019, a total of 786 units were presold for HK\$6.3 billion, representing a sell-through rate of 82% on launched units.

Up to 29 February 2020, MONTARA & GRAND MONTARA and MARINI & GRAND MARINI together with the previously launched development, MALIBU, generated total sales proceeds of HK\$31.9 billion for the Group's O'EAST portfolio, with more than 3,500 units sold.

OCEAN MARINI, a new residential development in the Group's O'EAST portfolio, was launched in early March 2020 and generated total sales proceeds of HK\$4.5 billion in the first half of 2020. As at 31 August 2020, the sell-through rate was 92% on total units.

Featuring urban living, the developments are within walking distance of the recently opened 480,000-square-foot MTR mall, "THE LOHAS". They are also easily accessible to LOHAS Park MTR station, and future transport links such as the Cross Bay Link and Tseung Kwan O — Lam Tin Tunnel. Moreover, the developments feature fully-equipped clubhouses, each offering 24-hour gymnasium, swimming pool and other amenities.

KOKO HILLS, a residential development situated in Kowloon East Mid-levels and within walking distance of Lam Tin MTR station, was launched for presale in July 2020, with a total of 90 units presold for HK\$1.1 billion as at 31 August 2020. A duplex was sold for HK\$62.7 million at an average selling price of HK\$31,000 per square foot, setting a new record in the district. The project is the only large scale development in Lam Tin in the past two decades.

Land Bank

During 2019, the Group continued to replenish its land bank in urban areas. A total of five Kai Tak sites with an attributable GFA of 1.6 million square feet were acquired in 2019. As at 31 December 2019, the Group's Hong Kong development properties land bank grew moderately to 6.6 million square feet from 6.3 million square feet as at 31 December 2018. Following a successful bid for Lohas Park Package 12 development, the Group's fourth development in its O'EAST portfolio, in February 2020, the Group's land bank further rose to 7.5 million square feet. As at 30 June 2020, the Group's land bank amounted to 7.0 million square feet. The Group strives to maintain an adequate level of land bank through selective replenishment. The Group's diverse land bank provides a wide variety of product offerings ranging from MTR residences and waterfront living, to suburban houses and the Peak collection (held by WHL).

Kowloon East

Covering seven residential sites under development (including one site held by WHL), the land bank in Kai Tak encompassed 2.2 million square feet on an attributable basis, of which the five harbour-front sites along the former airport runway are jointly developed through various joint ventures. The two sites which are wholly-owned by the Group, namely, NKIL 6564 and NKIL 6563, represent the last batch of residential developments in the future Kai Tak City Centre. The acquisition of the Kai Tak residential plot offers an opportunity to further expand Wheelock's property portfolio in the Kai Tak area and achieve synergy with existing projects in the vicinity.

The Kowloon East Waterfront Portfolio comprises the Kowloon Godown and Yau Tong Bay joint venture project held by WHL. For detailed information in relation to the Kowloon Godown and Yau Tong Bay joint venture project, please refer to "*The Wharf (Holdings) Limited — Hong Kong Properties — Kowloon East and Others*" in this Offering Circular.

The Peak Portfolio

The Peak Portfolio is held by WHL. For detailed information in relation to the Peak Portfolio, please refer to "*The Wharf (Holdings) Limited — Hong Kong Properties — The Peak Portfolio*" in this Offering Circular.

THE WHARF (HOLDINGS) LIMITED

Overview

The principal businesses of WHL, together with its subsidiaries, associates and joint ventures, (the "**WHL Group**") cover investment properties, hotels and development properties in Hong Kong and Mainland China as well as logistics.

As a result of severe pandemic disruptions, the WHL Group's revenue decreased by 31% to HK\$5,551 million for the six months ended 30 June 2020 (compared to HK\$8,064 million for the six months ended 30 June 2019) and profit attributable to equity shareholders (i.e. after non-cash charges and provisions) turned to a loss of HK\$1,741 million for the six months ended 30 June 2020 (compared to a profit of HK\$2,450 million for the six months ended 30 June 2019). Excluding the related non-cash charges, the WHL Group's profit was HK\$1,764 million for the six months ended 30 June 2020 (compared to HK\$2,716 million for the six months ended 30 June 2019).

Hong Kong Properties

On an attributable basis, for the year ended 31 December 2019 and the six months ended 30 June 2020, revenue from the Hong Kong properties segment were HK\$1,180 million and HK\$631 million, respectively, while operating profit from the Hong Kong properties segment were HK\$669 million and HK\$283 million, respectively.

The Peak Portfolio

WHL's Peak Portfolio, with a total attributable GFA of approximately 277,000 square feet, comprises a collection of luxurious and prestigious residences on the Peak. Mount Nicholson is a 50:50 joint venture development. It features a selection of exclusive luxury residences comprising 19 ultra-luxury houses and 48 apartments on the Peak with a panoramic view of Victoria Harbour. During the year ended 31 December 2019, four houses and three apartments were contracted for sale for a total of HK\$4.2 billion or an average of HK\$96,000 per square foot. In the first half of 2020, an apartment was contracted for sale for a total of HK\$533 million or an average of HK\$116,000 per square foot.

Superstructure works for the re-development of 11 Plantation Road (comprising seven houses) and 77 Peak Road (comprising eight houses) were completed in 2017. 1 Plantation Road (comprising 20 houses) is under re-development. Chelsea Court and Strawberry Hill, both deluxe residences, have been leasing well.

Property	Attributable Gross Floor Area as at 31 December 2019
	<i>(square feet)</i>
The Peak Portfolio	
Mount Nicholson	42,000 ⁽¹⁾
1 Plantation Road	91,000
11 Plantation Road	46,000
77 Peak Road	42,000
Chelsea Court	43,000
Strawberry Hill	13,000

Note:

(1) Attributable GFA (net of recognised sales)

Kowloon Tong Residential Project

A residential development site in Kowloon Tong was acquired by the WHL Group in a public tender in January 2018 for HK\$12.5 billion. With a total developable GFA of 436,000 square feet, the site is strategically located at the junction of Lion Rock Tunnel Road and Lung Cheung Road and adjacent to the traditional luxury residential area of Beacon Hill with a Kowloon Peninsula view. Approval has been granted to build four blocks of 13-storey residential buildings. As at 30 June 2020, foundation works were in progress.

Kowloon East and Others

The WHL Group's Kowloon East projects, comprising the WHL Group's Kowloon Godown (which is pending re-development), the WHL Group's 15%-owned Yau Tong Bay joint-venture project, and WHL Group's 30% stake in the new Kai Tak land plot, are located at the heart of another core business district in Hong Kong.

Situated along the coastline with a spectacular Victoria Harbour view, Kowloon Godown comprises a warehouse and an open yard with an existing operating GFA of one million square feet. The WHL Group is evaluating different options available for the re-development of Kowloon Godown. General building plans for a revitalisation scheme for the warehouse was approved in June 2018.

The Yau Tong Bay joint venture project, which is 15% owned by the WHL Group, is located in close proximity to the MTR station, with a panoramic view of Victoria Harbour. The development comprises a total GFA of four million square feet and is set to provide 6,300 residential units in Kowloon East.

In late 2019, a harbour-front land site on the runway at the former Kai Tak airport was awarded to a consortium in which the WHL Group participated. With a total consideration of HK\$15.95 billion, the 30%-owned site allows a total developable GFA of 1.2 million square feet.

Property	Attributable Gross Floor Area as at 31 December 2019
	<i>(square feet)</i>
Kowloon East Portfolio	
Kowloon Godown	1,032,000
Yau Tong Bay (15% – joint venture)	611,000
Kai Tak Residential Project (30% – joint venture)	362,000
Peninsula East.	43,000
Kowloon Tong	
Kowloon Tong Residential Project	436,000
Non-core	
Cable TV Tower Units.	566,000

Mainland China Development Properties

In 2019, the WHL Group pursued a selective landbank approach and acquired only one project in Hangzhou from a sister company of WHL Group. As at 31 December 2019, the development properties land bank amounted to 3.5 million square metres.

Inclusive of joint ventures and associates on an attributable basis, for the year ended 31 December 2019 and the six months ended 30 June 2020, revenue from the Mainland China development properties segment were HK\$14,806 million and HK\$4,275 million, respectively, representing a decrease of 33% and 18%, respectively, compared to the corresponding previous periods. 182,600 square metres of GFA were completed and recognised during the first half of 2020. For the year ended 31 December 2019 and the six months ended 30 June 2020, operating profit from the Mainland China development properties segment were HK\$4,927 million and HK\$1,172 million, respectively, representing a decrease of 38% and a decrease of 36%, respectively, compared to the corresponding previous periods.

For the year ended 31 December 2019 and the six months ended 30 June 2020, the WHL Group's attributable contracted sales were RMB19.9 billion and RMB8.1 billion, respectively. The net order book increased to RMB31.4 billion for 1.0 million square metres as at 30 June 2020.

Mainland China Major Regional Development Properties

		Attributable Gross Floor Area as at 31 December 2019
		<i>(square metres)</i>
EASTERN CHINA		
Hangzhou	Luxurious Mountain View	151,000
	Parc Royale Phase 1 & 2 (formerly Qinglong (#84 & 92))	111,000
	Guiyu Chaoyang	96,000
	Junting	68,000
	Parc Grande (formerly Qinglong (#28))	52,000
Shanghai	Shanghai One Jingan (formerly Jingan Garden)	56,000
Suzhou	Suzhou Yangcheng Lake Lot #27 Project	203,000
	Villa One	
	Suzhou Huayuan Road Lot #78 Project	165,000
	Suzhou Huayuan Road Lot #25 Project	60,000
	Suzhou Xiangcheng Yuan He Street Lot #77 Project	123,000
	Poetic Palace (formerly Suzhou Yuanhe Road Project)	91,000
	Suzhou Huangpu Street Lot #82 Project	54,000
WESTERN CHINA		
Chengdu	Times Town	380,000
	Chengdu ICC	381,000
	Chengdu Times City	114,000
Chongqing	International Community	174,000
	The Throne	89,000
SOUTHERN CHINA		
Foshan	Rosy Mansion	100,000
	Glory Garden	111,000
	Sunrise Coast	60,000
Guangzhou	Guangzhou Central Manor	22,000
OTHER REGIONS		
Beijing	West Manor	99,000
	One Liang Ma	38,000

Mainland China Investment Properties

The WHL Group's leading position in retail management has enhanced the performance of the WHL Group's malls in Mainland China. Through years of expansion, the WHL Group's Mainland China investment properties portfolio has established market leading positions in the cities where the WHL Group operates. Revenue from the Mainland China investment properties increased by 14% year-on-year to HK\$3,924 million and operating profit increased by 23% year-on-year to HK\$2,311 million for the year ended 31 December 2019. For the six months ended 30 June 2020, revenue from Mainland China investment properties decreased by 5% to HK\$1,851 million and operating profit increased by 2% to HK\$1,183 million, compared to the corresponding previous period.

International Finance Square (“IFS”)

The first IFS project, which opened in Chengdu in 2014, marks the next phase of the WHL Group’s commercial investment properties. The award-winning Chengdu IFS has proven to be a success and an exemplary model for the WHL Group’s other IFS projects.

Chongqing IFS, which celebrated its grand opening in September 2017, has become the city’s new landmark for luxury shopping, dining, entertainment and lifestyle, offering a unique lifestyle experience to customers. The WHL Group’s leadership in retail management has been further solidified with the successful opening of the Changsha IFS in May 2018.

The IFS developments will further strengthen the WHL Group’s recurrent income base in the years to come.

Changsha IFS

Changsha IFS, the most sizable mixed-use IFS complex with a 246,000-square-metre mega mall, is located at the intersection of Huangxing Road (one of the busiest pedestrian streets) and Jiefang Road (a financial street). It commands an underground linkage to the Wuyi Plaza metro station. The development comprises two iconic towers above a mega mall, offering upscale retail, grade A offices and a Niccolo hotel. Since its opening on 7 May 2018, the mall has become an unrivalled shopping, dining, lifestyle and leisure destination in the Hunan Province.

With its first full year of operation in 2019, revenue and operating profit from Changsha IFS reached HK\$810 million and HK\$325 million, respectively, for the year ended 31 December 2019. For the six months ended 30 June 2020, revenue and operating profit increased 6% and 51%, respectively, compared to the corresponding previous periods. With the WHL Group’s continuous operational efforts to enhance environmental sustainability, Changsha IFS mall and Tower 1 have achieved Leadership in Energy and Environmental Design (“*LEED*”) Platinum certification.

Retail

The 246,000 square-metre retail podium houses more than 370 brands with over 100 debut brands for Hunan Province, over 30 split-gender duplex flagship stores and over 100 brands which have made a foray into collaborating with the WHL Group in the Mainland China, including Parkson Beauty, Tesla, and a league of premium internationalised local designer labels. The strategically calibrated trade mix covers high-end luxury, affordable luxury, high street, internationalised Chinese designers’ labels, fast fashion, sportswear, kids, entertainment and food and beverage. Since its opening in May 2018, Changsha IFS has become the community hub for the central China region, bringing a vast array of exhibitions, cultural activities, festivals and art collaborations with famous artists such as KAWS, Steven Harrington and Tom Claassen. Occupancy rate reached 100% as at 30 June 2020.

Changsha IFS earned numerous worldwide recognitions and acclaims in 2019, including the Gold Award for New Developments in “2019 Asia-Pacific Shopping Center Awards” by International Council of Shopping Centers; “RLI International Shopping Centre 2019” in the Global RLI Awards 2019; 2019 Winner of “Commercial Project of the Year” awarded by Royal Institution of Chartered Surveyors in China and “2019 Benchmark Shopping Center of China” — Top 100 Players of Commercial Real Estate Awards by Guandian China.

Office and Hotel

Two premium office towers include Tower 1, the 452-metre towering city icon, being the tallest building in the Hunan province. Tower 2 is scheduled for completion in phases from 2022. With the most-coveted address in the heart of the Wuyi central business district along Jiefang West Road, the Grade A office complexes target financial institutions and major corporations as tenants.

Occupying the top floors of Tower 1, Niccolo Changsha is central China's tallest hotel, with panoramic views of the city skyline and Xiang River. Niccolo Changsha houses 243 contemporary chic rooms and spectacular suites, offering luxurious and international standards of hospitality for global travellers and local and regional residents. Occupancy rate reached 86% as at 31 December 2019.

Chengdu IFS

Strategically located at the intersection of Hongxing Road, Dacisi Road and Beishamao Street, the city's busiest pedestrian shopping area, Chengdu IFS offers one-stop "retailtainment" and upscale experiences and has become a unique lifestyle icon in the western China metropolis. Chengdu IFS comprises a mega shopping mall, three premium grade A office towers, IFS Residences and Niccolo Chengdu. Overall revenue from Chengdu IFS increased by 11% to HK\$1,747 million and operating profit increased by 21% to HK\$947 million for the year ended 31 December 2019. Overall revenue from Chengdu IFS decreased by 8% while operating profit increased by 4% for the six months ended 30 June 2020.

Retail

Tenant sales increased by 14% for the year ended 31 December 2019. Leveraging on its unrivalled location, critical mass, high-calibre management, as well as the 15-metre-tall giant panda outdoor art piece, the shopping mall has become a one-stop lifestyle shopping and entertainment landmark in western China since its opening in early 2014. The 204,000 square-metre retail complex offers exceptional brand diversity with an extensive collection of over 600 top-tier international brands (including over 100 debut stores of renowned brands in China). The 7,700-square-metre Sculpture Garden showcasing a range of art exhibitions and cultural activities is an urban public space landmark for visitors to relax and refresh themselves. A host of entertainment offerings including an IMAX movie theatre and an ice skating rink are also well-liked by shoppers.

The tenant mix is refined from time to time with the addition of various new brands and culinary options. Innovative events, promotions and various other marketing campaigns were put in place throughout the year to drive patronage. Occupancy rate was 98% as at 30 June 2020.

Chengdu IFS gained numerous notable awards for its outstanding performance, including the sole winner from Asia at the 13th Heavent Awards, achieving the "Sport, Cultural, Educational or Entertainment Event Award" for a dozen partnership promotion events held under its "International Sister Street" with Paris Saint-Germain-des-Prés Committee.

Office, Hotel and IFS Residences

Three premium Grade A office towers, IFS Residences and Niccolo Chengdu are located above the nine-level retail and lifestyle podium. The Grade A office towers attract high calibre tenants including Fortune 500 corporations, multinational financial institutions and major corporations in Western China. As at 30 June 2020, occupancy rate at the three premium office towers reached 83%. Rental rates achieved were among the highest in Chengdu.

Niccolo Chengdu remained one of the city's market leaders in room yield and achieved room occupancy rate of 85% as at 31 December 2019.

IFS Residences, featuring 175 upscale apartments and inaugurated in late 2016, are among the most coveted and exclusive serviced residences among elite entrepreneurs and expatriates of multinational corporations. IFS Residences earned an array of industry awards, including "City Landmark Serviced Apartment" in the 11th China Best Hotel Awards and "The Best Serviced Apartment for Expatriates in China" in 2019 China Tourism and Hotel Awards.

Chongqing IFS (50% owned)

Opened in September 2017, Chongqing IFS is strategically located at the centre of Jiangbeizui central business district, an emerging financial hub for south-western China. The development features a "City-within-a-City" concept that comprises Grade A offices and Niccolo Chongqing in an iconic 300-metre landmark tower and four other towers above the 106,000-square-metre retail podium, making it the largest mixed-use integrated complex in the emerging Jiangbeizui financial district.

The premier mall in Chongqing IFS is the city's landmark, offering a one-stop lifestyle experience in Chongqing and China West. Chongqing IFS contains the largest cluster of first-tier brands in Chongqing under one roof, with more than 170 retailers including 80 highly coveted international brands and 30 exclusive or debut brands in the city. Chongqing IFS also offers an array of international cuisines and a range of entertainment offerings including an ice skating rink and a cinema. The diverse tenant mix enhances Chongqing IFS' position as an iconic shopping, dining, entertainment and lifestyle destination for customers. Occupancy rate reached 92% as at 30 June 2020. The Grade A office towers, which were designed with advanced business amenities, target multinationals, Fortune 500 corporations and state enterprises in the area.

Niccolo Chongqing, Chongqing's highest sky hotel with panoramic views of the city, was opened alongside the mall in September 2017 and ranked among the city's top hotels in room yield. Occupancy reached 76% during 2019.

Times Outlets

Outlet malls are among the fastest growing sectors of commercial properties in Mainland China. The WHL Group has developed two outlet malls in Chengdu and Changsha to capture the potential of burgeoning domestic consumption by the rapidly-rising middle class in Mainland China.

Times Outlets Chengdu

Times Outlets Chengdu is located in close proximity to the Chengdu Shuangliu International Airport. With over 250 top international brands spreading across 63,000 square metres of the mall, it is a popular outlet destination in Mainland China.

Times Outlets Changsha

Strategically located at the northwestern area of Changsha, Times Outlets Changsha has convenient access to multiple motorways including metro and the high-speed expressway connecting Changsha to a number of popular tourist attractions nationwide. The mall hosts a diverse mix of international and top local apparel and lifestyle brands as well as eateries. It has positioned itself as a one-stop integrated shopping and leisure landmark in the region.

Shanghai Wheelock Square

Shanghai Wheelock Square, amongst the tallest skyscrapers in Puxi at 270 metres, remains one of the most preferred locations for multinational firms and major corporations in the district. It is conveniently located opposite to Jing'an Temple Metro Station from where frequent trains commute to Pudong International Airport and is adjacent to the Yan'an elevated expressway which provides a high level of accessibility.

Occupancy rate was 91% as at 30 June 2020.

Shanghai Times Square

Shanghai Times Square, strategically located in the vibrant shopping, entertainment and business hub of Huaihai Zhong Road, is home to the largest Lane Crawford store in Mainland China and a mega lifestyle specialty store city'super.

Hotel Management

The WHL Group currently manages 17 hotels, including 10 in Mainland China, four in Hong Kong and three in the Philippines. Among them, 13 are operating under the brand of Marco Polo Hotels and four are operating under the luxury brand, Niccolo Hotels. Niccolo Hotels operates a series of contemporary chic hotels with a mix of luxury, design and hospitality.

Marco Polo Wuhan, Niccolo Chengdu and Niccolo Changsha at the respective IFS complexes, are wholly owned by the WHL Group, while Niccolo Chongqing is 50%-owned.

Another hotel under development is Niccolo Suzhou which is owned by WHL's sister company, Wharf REIC and is scheduled for opening in the first half of 2021.

Logistics

The logistics segment, comprising Modern Terminals Limited ("**Modern Terminals**") and Hong Kong Air Cargo Terminals Limited ("**HACTL**"), constitutes a steady source of cash flow for the WHL Group. For the year ended 31 December 2019, revenue from the logistics segment decreased by 1% to HK\$2,597 million and operating profit decreased by 14% to HK\$513 million. For the six months ended 30 June 2020, revenue from the logistics segment decreased by 4% to HK\$1,202 million and operating profit decreased by 13% to HK\$196 million.

Modern Terminals

As at 31 December 2019, the WHL Group had a 67.6% interest in Modern Terminals, a leading developer/manager and operator of world-class container terminal facilities in Hong Kong and Shenzhen serving the Pearl River Delta. Established in 1969, Modern Terminals has operated Hong Kong's first purpose-built container terminal since September 1972. Modern Terminals now owns and operates container terminals 1, 2 and 5 at Kwai Chung and 9 (south) at Tsing Yi Island.

In 2019, South China's container throughput decrease by 3% and Shenzhen's throughput remained consistent with 2018, while Kwai Tsing's throughput decreased by 8%. In the first half of 2020, South China's container throughput declined by 9%, Shenzhen's throughput decreased by 11%, and Kwai Tsing's throughput decreased by 5%.

In Shenzhen, throughput volume handled at DaChan Bay Terminals, in which Modern Terminals held a 65% stake as at 31 December 2019, increased by 3% to 1.3 million TEUs in 2019 and fell by 11% to 0.6 million TEUs in the first half of 2020. Throughput volume at Shekou Container Terminals, in which Modern Terminals held a 20% stake as at 31 December 2019, reported a 1% growth to 5.7 million TEUs in 2019 and a decrease of 12% to 2.5 million in the first half of 2020, while Chiwan Container Terminals, in which Modern Terminals held an 8% attributable stake as at 31 December 2019, handled 2.4 million TEUs in 2019 and 1.1 million TEUs in the first half of 2020.

Driven by continued change in throughput trend with more barge and transshipment in the volume mix, Modern Terminal's consolidated revenue was HK\$1,196 million for the six months ended 30 June 2020, representing a decrease of 4% compared to the previous corresponding period. Operating profit was HK\$500 million in the year ended 31 December 2019, approximately 15% lower than in 2018. For the six months ended 30 June 2020, operating profit decreased to HK\$190 million, representing a decrease of approximately 13% compared to the corresponding previous period.

To improve the regional competitiveness of Hong Kong container port, Modern Terminals formed the Hong Kong Seaport Alliance ("**HKSPA**") with Hongkong International Terminals, COSCO-HIT Terminals and Asia Container Terminals in early 2019. The HKSPA's objectives are to optimise operational efficiency and resources utilisation of 23 berths in Kwai Tsing; to maximise efficiencies to the benefit of customers and the industry at large; and to ensure the continuation of transportation and logistics as one of the four pillars of Hong Kong's economy.

HACTL

HACTL, a 21% associate of the WHL Group, is a leading air cargo terminal operator in Hong Kong with four decades of operational experience. With its world-class facilities, highly efficient operation and innovative technology, HACTL has the capacity to handle cargo for up to 3.5 million tonnes per year and is committed to playing an integral role in the logistics business in Hong Kong and the Pearl River Delta. HACTL handled 1.6 million tonnes in 2019 and 0.7 million tonnes in the first half of 2020.

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

OVERVIEW

Wharf REIC is a premium investment property company with a focus on landmark retail properties. Wharf REIC's shares have been listed on the Main Board of the Hong Kong Stock Exchange since 23 November 2017 (stock code: 1997).

Harbour City and Times Square, the flagship properties of Wharf REIC and its subsidiaries (the "**Wharf REIC Group**"), are strategically located in Tsim Sha Tsui and Causeway Bay, respectively. These iconic properties with substantial scale in two of the most popular shopping destinations and busiest business districts in Hong Kong attract constant flows of local shoppers and tourists. They occupy leading market positions among commercial properties in Hong Kong.

Harbour City, strategically located at the harbour front in Tsim Sha Tsui, is a mixed-use integrated complex with retail and office premises, serviced apartments, hotels and a club and includes one of the largest shopping malls in Hong Kong. Times Square is a mixed-use integrated complex which is directly connected to the MTR station in Causeway Bay, with retail and office premises which house 17 levels of shopping mall. Given their strategic locations, Harbour City and Times Square provide a showcase for internationally renowned brands, attracting a diversified mix of tenants. The Wharf REIC Group's tenants in the properties comprise leading international corporations, well-known brands and retailers across a wide variety of industries and trades.

The Wharf REIC Group also owns and operates other premium quality properties in Hong Kong and Singapore which it holds for investment purposes. In Hong Kong, these properties comprise Crawford House and the Wharf REIC Group's premises at Wheelock House in Central, the prime central business district in Hong Kong, as well as Plaza Hollywood, a leading shopping mall in Kowloon East. In December 2019, the Wharf REIC Group acquired two prime commercial properties in Singapore, namely, Wheelock Place and Scotts Square mall.

Harbour Centre Development Limited ("**HCDL**"), whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 51), is indirectly owned as to approximately 72% by Wharf REIC. HCDL and its subsidiaries (the "**HCDL Group**") owns the Marco Polo Hongkong Hotel in Harbour City and The Murray, Hong Kong in Central and certain property interests in Mainland China.

The Wharf REIC Group also operates Star Ferry, which provides a ferry service between Central/Wanchai and Tsim Sha Tsui.

With the COVID-19 pandemic adversely affecting every aspect of Wharf REIC's businesses, revenue of the Wharf REIC Group declined by 20% while operating profit declined by 26% for the six months ended 30 June 2020. Inclusive of an unrealised deficit on Investment Property revaluation and an impairment provision on hotels, the Wharf REIC Group's profit attributable to equity shareholders for the six months ended 30 June 2020 turned to a loss of HK\$4,454 million (compared to a profit of HK\$6,989 million for the six months ended 30 June 2019). Excluding the related non-cash charges and provisions, the Wharf REIC Group's profit decreased by 26% to HK\$3,844 million for the six months ended 30 June 2020 (compared to HK\$5,184 million for the six months ended 30 June 2019).

For the six months ended 30 June 2020, the overall revenue of Harbour City (including hotels) declined by 28% while that of Times Square and Plaza Hollywood decreased by 19% and 13%, respectively, compared to the corresponding previous periods. On the other hand, Wheelock House and Crawford House, both prime commercial properties in Central, continued to show resilience. Revenue increased by 6% and operating profit by 8% for the six months ended 30 June 2020.

PROPERTY PORTFOLIO

The Wharf REIC Group owns a diversified portfolio of properties in Hong Kong for investment purposes comprising retail, office, serviced apartments, hotels and a club. The Wharf REIC Group also owns a number of properties in Mainland China through its listed subsidiary, HCDL. Such properties in Mainland China are intended for sale in the next few years. In December 2019, the Wharf REIC Group acquired two prime commercial properties in Singapore, namely, Wheelock Place and Scotts Square mall.

The following table shows the GFA, revenue and occupancy data of Harbour City and Times Square for the period indicated:

Harbour City: portfolio information

	Gross Floor Area	Revenue in the year ended 31 December 2019	Average Occupancy Rate in the year ended 31 December 2019
	<i>(square feet)</i>	<i>(HK\$ million)</i>	<i>(%)</i>
Retail	2,068,000	7,452	96
Office	4,615,000	2,748	95
Others	1,726,000	1,377	N/A

Times Square: portfolio information

	Gross Floor Area	Revenue in the year ended 31 December 2019	Average Occupancy Rate in the year ended 31 December 2019
	<i>(square feet)</i>	<i>(HK\$ million)</i>	<i>(%)</i>
Retail	943,000	2,020	97
Office	1,033,000	741	94

Harbour City

Retail

The table below shows the retail tenant mix of Harbour City by rental, area and sales as at 31 December 2019:

Harbour City: retail tenant mix

	% by rental	% by area	% by sales
Fashion	37.8	28.9	20.4
Leather goods — shoes, bags & related trade	22.0	11.7	28.4
Jewellery, beauty and accessories	21.0	9.2	23.9
Department store and confectionery products	5.8	16.3	13.0
Restaurant, fast food, food and beverage, and entertainment	4.4	20.2	5.9
Sports wear	2.7	3.4	2.1
Children's wear, toy and related trades	2.6	4.9	2.4
Electrical and audio-visual equipment	1.7	1.6	3.2
Others	2.0	3.8	0.7
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

The two-million square feet of mall space at Harbour City continued to provide a comprehensive range of product offerings and retained the best-in-class brands and attracted the most sought-after newcomers. Leveraging its strong retail experience, Harbour City proactively identifies and recruits the most differentiating and aspirational brands and a vast array of culinary offerings. The Ocean Terminal Extension, debuted in the summer of 2017, attracted strong visitation from both locals and tourists as a new icon and must-see photography hot-spot of Hong Kong. The harbour front attraction enjoys panoramic

views of Victoria Harbour and the city skyline. Occupancy rate of the retail premises at Harbour City was 90% as at 30 June 2020. In view of the prolonged impact of the COVID-19 pandemic, the Wharf REIC Group embraced a more proactive stance by investing promptly in marketing and promotion to drive patronage and sales.

Office

The Wharf REIC Group's office premises at Harbour City are located in Ocean Centre, Wharf T&T Centre, World Commerce Centre, World Finance Centre, Gateway I and Gateway II and a portion of the commercial section of the Marco Polo Hongkong Hotel. An additional 15 storeys of office space, with a total GFA of 360,000 square feet, has been converted from one block of the Gateway Apartments. As at 30 June 2020, the overall occupancy rate of the office premises at Harbour City was 86%.

Serviced Apartments

The 25th to 38th floors and the penthouse of Gateway Towers 3 in Gateway II are serviced apartments known as Sutton Court. They feature a total of 256 units with apartment types ranging from studios to three-bedroom penthouse units with sizes from 712 square feet to 2,702 square feet. Occupancy rate of the serviced apartments was 82% as at 30 June 2020.

Hotels

Harbour City also includes three hotels, namely the Marco Polo Hongkong Hotel, the Gateway Hotel and the Prince Hotel, and one club, namely the Pacific Club. They are located within close proximity to a variety of means of transportation, including a main bus terminal, Star Ferry, Tsim Sha Tsui MTR station and the cruise terminal, with easy access to the area's major tourist attractions such as Kowloon Park, Hong Kong Museum of Art, Hong Kong Space Museum and Hong Kong Cultural Centre. The three hotels are managed by Wharf Hotels. The average hotel occupancy rate decreased sharply to 20% during the first half of 2020 due to the cancellation of rooms and event bookings triggered by the global travel lockdown caused by the COVID-19 pandemic.

The Prince Hotel has been closed for major renovation since February 2020 and is scheduled to reopen in the first half of 2021. The hotel will be refreshed with new furnishings and fixtures, a new lounge and a new dining concept.

Star Ferry

The Wharf REIC Group operates Star Ferry, which provides two inner harbour ferry services, Tsim Sha Tsui — Central and Tsim Sha Tsui — Wanchai, and a harbour tour service. The previous franchise of the two routes expired on 31 March 2018, and a new franchise for 15 years started on 1 April 2018.

Times Square

Another of the Wharf REIC Group's key flagship properties is Times Square, which is an iconic mixed-use integrated complex directly connected to the Causeway Bay MTR Station, comprising two office blocks of 33 and 26 storeys each over a 20-storey commercial/car parking podium.

Retail

The Wharf REIC Group's retail premises at Times Square consist of a over 20-storey (including 6 levels of basement) commercial/car parking podium with shops, restaurants and a cinema.

The table below shows the retail tenant mix of Times Square by rental, area and sales as at 31 December 2019:

Times Square: retail tenant mix

	<u>% by rental</u>	<u>% by area</u>	<u>% by sales</u>
Jewellery, beauty, healthcare and accessories	35.3	17.4	26.3
Fashion	33.0	20.0	25.5
Department stores and confectionery products	12.2	19.4	23.8
Restaurant, fast food, food and beverage and entertainment	9.0	28.8	9.6
Electrical and audio-visual equipment	4.4	4.7	10.1
Sports wear	4.4	5.4	3.5
Others	1.7	4.3	1.2
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Businesses at Times Square were widely disrupted by the COVID-19 pandemic and the social distancing measures imposed by the Hong Kong government. As a result of the weaker market sentiment, occupancy rate of the retail premises at Times Square decreased to 92% as at 30 June 2020. Various marketing events, including various coupon rewards and shopping surprise offers were rolled out to drive foot traffic and encourage repeat visits.

Office

As at 30 June 2020, the occupancy rate of the office premises at Times Square was 91%.

Other properties held for investment purposes in Hong Kong

The following table shows the GFA and other information of the Wharf REIC Group's other principal properties held for investment purposes in Hong Kong as at 31 December 2019.

<u>Property</u>	<u>Location</u>	<u>Approximate GFA</u> <i>(square feet)</i>
Plaza Hollywood	Diamond Hill	562,000
Crawford House	Central	189,000
Wharf REIC Group's premises at Wheelock House	Central	215,000
The Murray, Hong Kong ^(note)	Central	336,000

Note: The Murray, Hong Kong is owned by HCDL, which is owned as to approximately 72% by Wharf REIC.

Plaza Hollywood

Plaza Hollywood is one of the largest shopping malls in Kowloon East. Located atop the Diamond Hill MTR station, it comprises eight storeys which accommodate retail shops, restaurants, a cinema, a car park, a public transport terminus and ancillary recreational and public facilities. Following the partial opening of the Tuen-Ma Line from Tai Wai to Kai Tak via Diamond Hill in mid-February 2020, the full completion of the Sha Tin-Central MTR link by phases is poised to expand Plaza Hollywood's geographical reach in the medium term. Occupancy rate of Plaza Hollywood was 96% as at 30 June 2020.

Central Portfolio

The Wharf REIC Group owns and operates a premium quality property portfolio in Central, the central business district in Hong Kong, comprising Crawford House and the Wharf REIC Group's premises at Wheelock House, which are office buildings located in prime locations in Central with retail premises, as well as the former Murray Building, which has undergone conversion into a hotel, The Murray, Hong Kong.

Crawford House

Crawford House is a 24-storey (including a basement) commercial/office building with retail premises in the basement and on the ground to 5th floors and Grade A office premises from the 6th to 23rd floors. The Wharf REIC Group acquired Crawford House in August 2014. Occupancy rates of the office premises and retail premises at Crawford House were 98% and 95% as at 30 June 2020, respectively.

Wheelock House

Wheelock House comprises 25 storeys of commercial/office space. The Wharf REIC Group's premises at Wheelock House comprise 21 consecutive floors of Grade A office premises from the 3rd to 24th floor (with the 13th floor being omitted from the floor numbering) and retail premises on the ground floor, and were acquired in March 2016. Occupancy rate of the office premises at Wheelock House was 94% as at 30 June 2020. The retail premises at Wheelock House were fully let as at 30 June 2020.

The Murray, Hong Kong

Located in Central, Hong Kong, the former Murray Building was acquired by the Wharf REIC Group in 2013 and has undergone conversion into The Murray, Hong Kong, a hotel managed as a Niccolo Hotel by Wharf Hotels. The Murray, Hong Kong became fully operational in August 2018 and is a new luxury landmark hotel with a contemporary urban chic design by Sir Norman Foster. The building comprises 25 floors and the hotel features 336 suites and guest rooms, coupled with wellness facilities, five destination restaurants and bars including a rooftop bar with scenic views of Hong Kong's central business district and the Hong Kong Park. The hotel's terraces on its podium level feature a garden surrounding the signature arches of the heritage building. It also has a ballroom and seven multi-function rooms. The building was constructed in 1969 and won multiple awards for its ground-breaking and energy-efficient design.

During 2019, The Murray, Hong Kong ranked first among the "Top 10 Hotels in Hong Kong and Macao" in Condé Nast Traveler's "Readers' Choice Awards 2019" for the second consecutive year and was included in "China's Top 50 Hotels" in 2019 Voyage Best Hotel & Resort Value Award.

Average occupancy at The Murray, Hong Kong decreased sharply to 15% during the first half of 2020 as a result of business and leisure travel restrictions imposed to combat the spread of COVID-19 outbreak.

Singapore Investment Properties

Wheelock Place

In December 2019, the Wharf REIC Group acquired two prime assets in the heart of the renowned Orchard Road commercial and hotel belt of Singapore, namely, Wheelock Place and Scotts Square mall. Business at the retail premises of both Wheelock Place and Scotts Square was disrupted by the Singapore government's "circuit-breaker" lockdown restrictions during the first half of 2020.

Wheelock Place comprises seven floors of retail stores, services and dining options. Atop the retail podium is an office tower with tenants comprising top multinational companies.

The table below shows the retail tenant mix of Wheelock Place by rental, area and sales as at 31 December 2019:

	<u>% by rental</u>	<u>% by area</u>	<u>% by sales</u>
Department store and confectionery products..	22.7	18.3	18.0
Beauty and hair services	18.4	22.1	20.9
Restaurant, fast food, food and beverage, and entertainment	16.8	13.5	17.1
Medical, medical aesthetics and dental.	16.2	20.1	16.4
Fashion	10.2	9.9	7.4
Leather goods – shoes, bags and related trades.	5.8	4.9	6.6
Jewellery and accessories	3.4	2.6	2.4
Others	6.5	8.6	11.2
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

The occupancy rate of the retail and office premises at Wheelock Place was 93% as at 30 June 2020.

Scotts Square

Scotts Square mall is a residential-cum-retail development which is located in close proximity to Wheelock Place. It comprises four floors of refined shopping of designer labels, specialty services and dining selections.

The table below shows the retail tenant mix of Scotts Square mall by rental, area and sales as at 31 December 2019:

	<u>% by rental</u>	<u>% by area</u>	<u>% by sales</u>
Department store, supermarket and other services.	33.7	41.0	21.7
Restaurant, fast food, food and beverage, and entertainment	23.1	22.8	29.6
Fashion	18.8	12.2	19.0
Beauty and hair services	10.4	8.4	13.5
Home and lifestyle trades	6.6	10.4	3.9
Jewellery and accessories	3.8	2.3	0.9
Leather goods – shoes, bags and related trade..	3.6	2.9	11.4
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

The occupancy rate of Scotts Square mall was 96% as at 30 June 2020.

Properties held for investment purposes in Mainland China

The Wharf REIC Group's properties held for investment purposes in Mainland China are all held by HCDL and comprise (i) a hotel in Suzhou IFS, and (ii) the Marco Polo Changzhou hotel in Changzhou. In light of the rapidly changing business environment, the HCDL Group has been evaluating different business options and currently intends to divest its interests in these assets if appropriate offers with acceptable commercial terms from third parties are received.

Marco Polo Changzhou

Located in the Xinbei District in Changzhou, the Marco Polo Changzhou hotel has 302 rooms, with areas ranging from 452 square feet for a guestroom to 1,948 square feet for the Marco Polo Suite, and 4,446 square feet for the Presidential Suite. It features recreational and other facilities and amenities including a pillar-less grand ballroom, meeting rooms, a business centre, a fitness centre, outdoor venues for weddings, four restaurants and bars. It is managed by Wharf Hotels.

Development Properties in Mainland China

The Wharf REIC Group's development properties in Mainland China comprise four property development projects in Chongqing, Suzhou and Shanghai, of which two are held by subsidiaries of HCDL, and the remaining two are held through a joint venture and an associate, respectively. It is intended that all completed properties in these four projects will be sold. Most of the pre-sold properties had been delivered to the purchasers by the end of 2017. The Wharf REIC Group expects that (i) the Wharf REIC Group will not generate significant revenue from property development in Mainland China following such delivery, and (ii) the Shanghai South Station project (in which HCDL has a 27% interest and through which the Wharf REIC Group has a 19% attributable interest), which will contribute to the Wharf REIC Group's share of results after tax of its associate, will be completed in the first half of 2022. The HCDL Group has no other landbank for development and the Wharf REIC Group understands from the HCDL Group that it does not intend to replenish its landbank. The Wharf REIC Group does not intend to further engage in property development in Mainland China.

Suzhou IFS

Suzhou IFS is a mixed-use integrated complex under development, in which HCDL owns an 80% interest. Located in the new central business district in Suzhou, Suzhou IFS will be a 450-metre tower comprising Grade A offices, sky residences, serviced apartments and a premium boutique hotel, Niccolo Suzhou, with 216 rooms (which is intended to be managed by Wharf Hotels). Scheduled for phased completion, with full completion expected in 2021, Suzhou IFS will become one of the tallest buildings in Jiangsu Province. Pre-sale of the apartment units and office has commenced since late 2018 and Niccolo Suzhou is scheduled to open in 2021.

EMPLOYEES

The Group had approximately 11,700 employees as at 30 June 2020, including approximately 1,900 employees who are employed by managed operations. Employees are remunerated according to their job responsibilities and the market pay trends with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective entity's achievements and results.

GROUP CORPORATE SOCIAL RESPONSIBILITY (“CSR”) AND BUSINESS-IN-COMMUNITY (“BIC”)

Community well-being is prioritised as a key consideration in the Group's business decision making. The Group supports a wide range of CSR programmes and initiatives spanning education, community, sustainable development and lifestyle.

Education

Project *WeCan*, the Group's key BIC initiative, aims to provide secondary school students who are disadvantaged in learning with support to broaden their horizons, equip them and unleash their potential for future careers. With the support of 68 partners, the programme has been benefitting over 70,000

students in 76 secondary schools in Hong Kong through various enrichment activities. In April 2020, a Career Exploration Online Platform was launched to support senior secondary school students in their career exploration during class suspension. The participating students were able to obtain insights on their career and life goal planning through watching career-related videos and “Star Talks” by industry leaders or through joining the live chat sessions hosted by guest speakers and *WeCan* partners.

Community

Since Hong Kong has been affected by the COVID-19 pandemic, the Group has devoted collective efforts in providing 76 *WeCan* schools with batches of anti-pandemic resources. Through collaboration with other *WeCan* partners, over 92,000 essential supplies, including face masks, hand sanitisers, disinfectant wipes and cleaning items were donated. The Group has also supported the community by donating personal protective equipment to more than 20 organisations.

Sustainable development

WPL remains committed to improving its environmental performance and minimising environmental impact of its buildings throughout their lifecycles. It continues to integrate green building standards and practices into all development projects. During six months ended 30 June 2020, 8 Bay East (which was subsequently renamed as NEO), an office development in Kowloon East, was awarded LEED and BEAM Plus Final Platinum certifications.

WPL was awarded as one of the Top 10 Developers in 2020 by BCI Asia, in recognition of its excellence in developing quality buildings. WPL also prides itself on being shortlisted in the Royal Institution of Chartered Surveyors (“*RICS*”) Awards Hong Kong 2020 in the following categories: CSR Project, Residential Team, Construction Project Management and Sustainability Achievement. The *RICS* awards, which are known as the property sector’s “Oscars,” showcase the outstanding developments and talents who create better spaces to live and work.

In February 2020, WPL signed the Low Carbon Charter launched by the Business Environment Council, committing to work towards carbon reduction in response to the goals of the United Nations Framework Convention on Climate Change’s Paris Agreement.

Lifestyle

National Geographic Wheelock Hong Kong Photo Contest 2019 – an annual worldwide competition co-organised with National Geographic – was concluded. Themed around “Hong Kong Story: Nature, City and People”, the competition received almost 3,000 submissions from 15 countries and territories. The Winners’ Exhibition was held at Gallery by the Harbour, showcasing the awe-inspiring works to reveal the best of the Oriental Pearl.

RECENT DEVELOPMENT

The ongoing COVID-19 pandemic has caused substantial disruptions in Hong Kong, Mainland China and international economies and markets as well as creating additional uncertainties in the Group’s businesses and operating environment. With the significant reduction of inbound tourism and weak local consumer sentiment caused by the ongoing COVID-19 pandemic, the Group’s investment properties and hotel business segments have been severely impacted. Office occupancy rates and rental levels are also under severe pressure. The Group has been closely monitoring the impact of the development of the COVID-19 pandemic on its businesses and will continue to review its proactive measures and risk management as the situation evolves.

The ongoing COVID-19 pandemic poses potential risks to the Group’s business, financial condition and results of operations. For further information, please see “*Risk Factors — The Group’s businesses are subject to the effects of global economic events*”, “*Risk Factors — Economic, political, social and legal developments in Hong Kong and Mainland China could negatively affect the Group’s business*” and “*Risk Factors — The Group’s prospects may be adversely affected by an outbreak, epidemic and/or pandemic of, infectious or contagious diseases, natural disasters, terrorist attacks, other acts of violence or war, or social instability*” in this Offering Circular.

DIRECTORS AND MANAGEMENT

Directors and Management

Board of Directors

The board of directors (the “**Board**”) of Wheelock comprises:

Mr Douglas C K Woo, JP, *Chairman & Managing Director*
Mr Stephen T H Ng, *Deputy Chairman*
Mr Stewart C K Leung, *Vice Chairman*
Mr Paul Y C Tsui, *Executive Director & Group Chief Financial Officer*
Mr Ricky K Y Wong, *Executive Director*
Mr Horace W C Lee, *Director*

Biographical details of the directors are set out below:

Douglas C K Woo, JP, Chairman & Managing Director

Mr Woo has been Chairman of Wheelock since 2014 and a Director and Managing Director since 2013. He is also vice chairman and managing director of WPL and a director of certain other subsidiaries of Wheelock.

Mr Woo is a Non-official member of the Development Bureau’s Land and Development Advisory Committee and a member of the Land Sub-Committee; chairman of the Environment and Conservation Fund Committee; a director and Executive Committee member of The Real Estate Developers Association of Hong Kong (“**REDA**”); a member of the Notaries Public Disciplinary Tribunal Panel, the Judiciary of Hong Kong; a General Committee member of the Hong Kong General Chamber of Commerce (“**HKGCC**”); and Patron of Project *WeCan*. Mr Woo is also a member of the Beijing Committee of the Chinese People’s Political Consultative Conference (“**CPPCC**”) and a member of the All-China Youth Federation. He was appointed a Justice of the Peace in 2016.

Mr Woo holds a Bachelor degree in Architecture from Princeton University in USA and a Master of Business Administration degree (EMBA Program) from The HKUST Business School and The Kellogg School of Management of Northwestern University. He was awarded an Honorary Doctor of Humane Letters degree by Savannah College of Art and Design (Hong Kong).

Stephen T H Ng, Deputy Chairman

Mr Ng has been a Director of Wheelock since 1988 and became Deputy Chairman in 1995. He is chairman and managing director of both WHL and Wharf REIC as well as chairman of HCDL, all of which are publicly listed subsidiaries of Wheelock. Furthermore, he is chairman of Wharf Estates Singapore Pte. Ltd. (“**WESPL**”) and a non-executive director of Greentown China Holdings Limited (“**Greentown**”). Mr Ng formerly served as a non-executive director of Hotel Properties Limited (publicly listed in Singapore and formerly an associated company of Wheelock) until his resignation in December 2018; and a non-executive chairman of Joyce Boutique Group Limited (“**JBGL**”) until JBGL was delisted in Hong Kong in April 2020.

Mr Ng was born in Hong Kong in 1952 and grew up in Hong Kong. He attended Ripon College in Ripon, Wisconsin, USA and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. He is a council member, vice chairman of General Committee and member of Executive Committee of the Employers' Federation of Hong Kong ("*EFHK*"), and a council member of HKGCC (on retirement from the Chamber Chair in 2018).

Stewart C K Leung, Vice Chairman

Mr Leung has been Vice Chairman of Wheelock since 2012. He is currently the chairman of WPL and Wheelock Properties (Hong Kong) Limited ("*WPHKL*"), both being wholly-owned subsidiaries of Wheelock. Mr Leung has extensive experience in property development, construction, management and related businesses in Hong Kong. He was formerly a director of two publicly listed companies, namely, New World Development Company Limited and New World China Land Limited. He is currently the chairman of the Executive Committee of REDA.

Paul Y C Tsui, Executive Director & Group Chief Financial Officer

Mr Tsui, *FCCA, FCPA, FCMA, CGMA, CPA, CGA*, has been a Director of Wheelock since 1998. He became Executive Director of Wheelock in 2003 and is currently also Group Chief Financial Officer. He is a vice chairman and group chief financial officer of WHL; a vice chairman and an executive director of Wharf REIC as well as a vice chairman of WPL and a director of certain other subsidiaries of Wheelock. Mr Tsui is also a director of JBGL. Mr Tsui is currently a general committee member of the EFHK and chairman of EFHK's Property & Construction functional group.

Ricky K Y Wong, Executive Director

Mr Wong has been a Director of Wheelock since 2010 and became an Executive Director in January 2018. He joined the Group in 1989 and is currently the managing director of WPL and WPHKL, as well as a director of certain other subsidiaries of Wheelock. He is presently responsible for overseeing the property development and related business of the Group in Hong Kong. Mr Wong is currently a member of EFHK's General Committee. He is also a member of the Legal Sub-committee of REDA, a director of the Hong Kong Green Building Council, a fellow member of Royal Institution of Chartered Surveyors, and a board member of Estate Agents Authority.

Mr Wong was an associate member of Hong Kong Special Administrative Region ("*HKSAR*") — Central Policy Unit (2013 to June 2017), the chairman of the Advisory Committee on Enhancing Self-reliance through District Partnership (ESR) Programme of the Home Affairs Department (July 2018 to June 2020) and a co-opted member of the Hong Kong Diploma of Secondary Education Examination (HKDSE) — Applied Learning Subject Committee of the Hong Kong Examinations and Assessment Authority (September 2015 to August 2018). Mr Wong graduated from University of Wisconsin in the USA with a Master Degree in Business Administration.

Horace W C Lee, Director

Mr Lee joined the Group in 2012 and was appointed a Director of Wheelock in January 2020. He has over 30 years of financial management experience across different business sectors and companies. Currently, he is a director of WESPL. He is also a director and group financial controller of Wheelock Corporation Limited ("*WCL*") and a director of WPHKL, both WCL and WPHKL being wholly-owned subsidiaries of Wheelock. Mr Lee is also a member of Wheelock's Finance Committee and a member of WPHKL's Management Committee. He assumes responsibility for Wheelock's finance, banking, human resources, investor relations, corporate communications and information technology functions.

Mr Lee attained a Master of Business Administration degree (EMBA Programme) in 2004 from The Kellogg School of Management of Northwestern University and The Hong Kong University of Science & Technology Business School. Currently, he is a member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below has been (i) derived from the Group's audited consolidated financial statements for the years ended 31 December 2019 and 2018 and (ii) extracted from the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2020 and 2019 which have not been audited or reviewed by KPMG or any other independent auditors, and should be read in conjunction with the information incorporated by reference into this Offering Circular.

The summary unaudited financial information relating to specified line items (the "*Interim Specified Line Items*") included in this Offering Circular has been extracted from the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2020 and 2019 which have neither been audited nor reviewed by KPMG or any other independent auditors. The Group's unaudited consolidated interim financial statements were prepared in accordance with HKFRS. However, the Interim Specified Line Items should not be relied upon by potential investors to provide the same type or quality of information associated with information that has been subject to an audit or review. In addition, the Interim Specified Line Items comprise of selected line items only and do not present the unaudited but reviewed financial information of the Group as at and for the periods specified. In particular, potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. The Interim Specified Line Items should not be taken as an indication of the expected financial condition and results of operations of the Group for the full financial year ending 31 December 2020 or be treated as representative of or presenting a complete or true and fair view of the financial position of the Group and the results of operations and changes in financial position of the Group for the period specified. None of the Arranger or the Dealers nor any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them make any representation, or warranty, express or implied, regarding the accuracy or sufficiency of the Interim Specified Line Items for an assessment of the Group's financial condition, results of operations and results.

Results	Year ended 31 December		Six months ended 30 June	
	2019	2018	2020	2019
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(in HK\$ million, except per share data)</i>			
Revenue	48,519	48,490	12,607	21,713
Operating profit before depreciation, amortisation, interest and tax	28,213	25,875	8,074	13,172
Profit before investment property valuation gain	12,782	11,796	1,214	7,161
Profit/(loss) attributable to equity shareholders	9,173	17,239	(4,200)	8,327
Basic earnings/(loss) per share	HK\$4.48	HK\$8.43	HK\$(2.05)	HK\$4.07
Financial Position	As at 31 December		As at 30 June	
	2019	2018	2020	2019
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(in HK\$ million, except per share data and financial ratios)</i>			
Total assets	609,413	592,624	599,440	613,964
Net debt.	88,218	93,007	105,386	100,739
Shareholders' equity	268,004	251,077	265,291	264,320

Financial Position	As at 31 December		As at 30 June	
	2019	2018	2020	2019
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	(in HK\$ million, except per share data and financial ratios)			
Total equity	393,713	389,478	377,219	402,363
Net asset value per share	HK\$130.81	HK\$122.60	HK\$129.23	HK\$129.03
Net debt to total equity	22.4%	23.9%	27.9%	25.0%

Shareholders' and Total Equity

Shareholders' equity decreased by 1% to HK\$265.3 billion (31 December 2019: HK\$268.0 billion), or HK\$129.23 per share based on 2,053 million issued shares (31 December 2019: HK\$130.81 per share based on 2,049 million issued shares) as at 30 June 2020.

Including non-controlling interests, as at 30 June 2020, the Group's total equity decreased by 4% to HK\$377.2 billion (31 December 2019: HK\$393.7 billion).

Total Assets

The Group's total assets were HK\$599.4 billion (31 December 2019: HK\$609.4 billion) as at 30 June 2020.

Debt and Gearing

The Group's net debt increased by 19% or HK\$17.2 billion to HK\$105.4 billion (31 December 2019: HK\$88.2 billion) as at 30 June 2020.

As at 30 June 2020, the ratio of net debt to total equity (on a consolidated basis) increased to 27.9% (31 December 2019: 22.4%). Excluding the net debt of the WHL Group and the Wharf REIC Group, Wheelock's net debt to shareholders' equity (on an attributable net asset value basis) increased to 10.9% (31 December 2019: 9.9%).

Principal Accounting Policies and Basis of Preparation

The summary financial information as at 31 December 2018 and 2019 and for the years then ended has been extracted from Wheelock's published audited financial statements for each of its financial years ended 31 December 2018 and 2019.

The summary financial information as at and for the six months ended 30 June 2019 has been extracted from Wheelock's published unaudited interim financial statements as at and for the six months ended 30 June 2019.

The summary financial information as at and for the six months ended 30 June 2020 has been extracted from Wheelock's unaudited interim financial statements as at and for the six months ended 30 June 2020, which have not been audited or reviewed by KPMG or any other independent auditors ("*Wheelock's Interim Financial Statements*"). Wheelock's Interim Financial Statements have been prepared by Wheelock in accordance with Hong Kong Accounting Standard ("*HKAS*") 34 "Interim Financial Reporting" ("*HKAS 34*") issued by the Hong Kong Institute of Certified Public Accountants ("*HKICPA*").

The preparation of Wheelock's Interim Financial Statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

Wheelock's Interim Financial Statements have been subject to internal control policies of the Group which have been reviewed by the Risk Management and Internal Control Committee of the Group.

The accounting policies and methods of computation used in the preparation of Wheelock's Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2019 except for the changes mentioned below.

With effect from 1 January 2020, the Group has applied the following amendments to HKFRSs issued by the HKICPA to Wheelock's Interim Financial Statements:

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the accounting period beginning on 1 January 2020.

Fair Value Measurement of Financial Instruments

Financial assets and liabilities carried at fair value

The Group's financial instruments carried at fair value are measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement ("**HKFRS 13**"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using only Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of interest rate swaps and cross currency interest rate swaps in Level 2 is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of forward exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated capitalisation and indebtedness of the Group as at 30 June 2020 (unaudited) and should be read in conjunction with the Group's unaudited consolidated interim financial statements as at and for the six months ended 30 June 2020 which have not been audited or reviewed by KPMG or any other independent auditors.

	As at 30 June 2020
	<i>(Unaudited)</i>
	<i>(in HK\$ million)</i>
Short-term debt	
Bank loans and other borrowings	<u>24,267</u>
Long-term debt	
Bank loans and other borrowings	<u>107,257</u>
Shareholders' equity	
Share capital	3,936
Reserves	<u>261,355</u>
Total shareholders' equity	<u>265,291</u>
Total capitalisation⁽¹⁾	<u>396,815</u>

Note:

(1) Total capitalisation is defined to be the sum of total short-term debt, total long-term debt and total shareholders' equity.

Save as disclosed above, there has been no material adverse change in the capitalisation and indebtedness of the Group since 30 June 2020.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequence of such actions under the tax laws of those countries. It is emphasised that none of the Issuers, the Guarantor nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

Hong Kong

Withholding Tax

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

Profits Tax

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

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the IRO).

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

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

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

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “*SDO*”).

If stamp duty is payable, it is payable by the relevant Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the *SDO*).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

PRC

If considering whether to invest in the Notes, potential purchasers should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the New Enterprise Income Tax Law (the “*New EIT Law*”) and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “de facto management body” are within the territory of the PRC shall be PRC tax resident enterprises for the purpose of the New EIT Law and they shall pay enterprise income tax at the rate of 25% in respect of their income sourced from both within and outside the PRC. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto

management body” of an Issuer is within the territory of the PRC, that relevant Issuer may be held to be a PRC tax resident enterprise for the purpose of the New EIT Law and be subject to enterprise income tax at the rate of 25% for its income sourced from both within and outside the PRC.

As of the date of this Offering Circular, none of the Issuers have been notified or informed by the PRC tax authorities that they are considered as PRC tax resident enterprise for the purpose of the New EIT Law. However, there is no assurance that one or more of the Issuers will not be treated as PRC tax resident enterprises under the New EIT Law and related implementation regulations in the future. If the relevant Issuer is treated as a PRC tax resident enterprise, the interest payable by the Issuer may be considered as income sourced inside the PRC.

Pursuant to the New EIT Law and its implementation regulations, any non-resident enterprises without an establishment in the PRC or whose income has no actual connection to its establishment inside the PRC may be subject to enterprise income tax at the rate of 10% on the passive incomes including interest payable sourced inside the PRC. Such income tax shall be withheld at source by the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event an Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the relevant Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC enterprise Noteholder. However, notwithstanding the potential withholding of PRC tax by the Issuers, the relevant Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes. In addition, if any Issuer is treated as a PRC tax resident enterprise under the New EIT Law and related implementation regulations in the future, any gain realised by the non-resident enterprise Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10% of PRC withholding tax.

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 Issuers may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong and the British Virgin Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States 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 the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes 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 (including by reason of a substitution of the issuer). However, if additional notes (as described under “*Terms and Conditions — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period

and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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 Notes.

All instruments relating to transfers of property to or by WKBVI and all instruments relating to transactions in respect of the Notes and all instruments relating to other transactions relating to the business of WKBVI are exempt from payment of stamp duty in the British Virgin Islands. This assumes that WKBVI does not hold an interest in real estate in the British Virgin Islands.

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

The British Virgin Islands enacted the Economic Substance (Companies and Limited Partnerships) Act, 2018 (the “*ES Act*”), which became effective on 1 January 2019, the Rules on Economic Substance in the Virgin Islands, containing rules and guidance relating to the interpretation of the ES Act and how the International Tax Authority (the “*ITA*”) will carry out its obligations, were released on 9 October 2019, and were further updated on 10 February 2020. WKBVI is required to report to the ITA on a periodic basis to enable the ITA to monitor compliance with the economic substance requirements, if it is carrying on one or more relevant activities. If this is the case, it may be required to adopt adequate economic substance in the British Virgin Islands.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Remittance of Renminbi into and outside the PRC

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

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Since July 2009, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, 24 August 2011 and 3 February 2012 respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186), the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement and the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (together, the “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts was lifted, and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the “**Supervision List**”). On 12 June 2012, the PBoC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as a settlement currency for exports.

On 5 July 2013, PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”) which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that

enterprises in the China (Shanghai) Free Trade Pilot Zone (“*Shanghai FTZ*”) may establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules.

Capital Account Items

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

Prior to October 2011, capital account items of foreign invested entities were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties were also generally required to make capital item payments, including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to a foreign investor in a foreign currency.

On 10 May 2013, the State Administration of Foreign Exchange of the PRC (“*SAFE*”) promulgated the “Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors” (the “*SAFE Provisions*”), which became effective on 13 May 2013. According to the *SAFE Provisions*, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident within the total investment amount approved by the competent authorities (for example, MOFCOM and/or its local counterparts as well as financial regulators). Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

On 13 February 2015, the *SAFE* promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (the “*13 Notice*”), which became effective on 1 June 2015. According to the *13 Notice*, two administrative examination and approval items, such as the verification and approval of foreign exchange registration under domestic direct investment, and verification and approval of foreign exchange registration under overseas direct investment, shall be abolished. The *13 Notice* also simplifies the procedures for handling certain foreign exchange services under direct investment.

On 30 March 2015, the *SAFE* promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-invested Enterprises (the “*19 Notice*”), which became effective on 1 July 2015. According to the *19 Notice*, foreign-invested enterprises shall be allowed to settle their foreign exchange capitals on a discretionary basis, which means that foreign-invested enterprise may, according to its actual

business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution).

On 26 January 2017, the SAFE issued the *Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance* (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (匯發[2017]3號) to further advance the reform of foreign exchange administration, such as:

- settlement of domestic foreign exchange loans are allowed for export trade in goods. A domestic institution shall repay loans with the foreign exchange funds received from export trade in goods, rather than, in principle, purchased foreign exchange;
- a debtor may directly or indirectly repatriate the funds under guarantee and use them domestically by, among others, granting loans and making equity investment domestically. Where a bank performs its guarantee obligation under overseas loans with domestic guarantee, relevant foreign exchange settlement and sale shall be managed as the bank's own foreign exchange settlement and sale;
- the deposits absorbed by a domestic bank through its principal international foreign exchange account and allowed to be used domestically are no more than 100% of the average daily deposit balance in the previous six months as opposed to the former 50%; and the funds used domestically are not included in the bank's outstanding short-term external debt quota;
- allowing foreign exchange settlement in the domestic foreign exchange accounts of overseas institutions within pilot free trade zones: where funds are repatriated and used domestically after settlement, a domestic bank shall, under the relevant provisions on cross-border transactions, handle such funds by examining the valid commercial documents and vouchers of domestic institutions and domestic individuals; and
- where a domestic institution grants overseas loans, the total of the balance of overseas loans granted in domestic currency and the balance of overseas loans granted in foreign currency shall not exceed 30% of owner's equity in the audited financial statements of the previous year.

The foregoing circulars, notices and measures will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant rules or provisions administered by the SAFE.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or the CMU Service (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that Wheelock, WKFL and WKBVI believe to be reliable, but neither Wheelock, WKFL, WKBVI nor any Dealer or the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither Wheelock, WKFL, WKBVI nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

CMU Service

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Asia Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Service Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU Service will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Book-Entry Ownership

Bearer Notes

Each Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The relevant Issuer may also apply to have Bearer Notes accepted for clearance through the CMU Service. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU Service, Euroclear and Clearstream, Luxembourg. Each Global Note will, where applicable, have an International Securities Identification Number (“*ISIN*”) and/or a Common Code or a CMU Instrument Number. Investors in Bearer Notes of such Series may hold their interests in a Global Note only through Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be.

Registered Notes

Each Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Registered Notes to be represented by a Global Certificate. Each Issuer may also apply to have the Registered Notes represented by a Global Certificate accepted for clearance through the CMU Service. Each Global Certificate deposited with a common depositary for Euroclear and/or Clearstream Luxembourg will, where applicable, have an ISIN and/or a Common Code or, if lodged with a sub-custodian for the CMU Service, will have a CMU Instrument Number. Investors in Registered Notes of such Series may hold their interests in a Global Certificate only through Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be.

Individual Definitive Certificates

Registration or title to Registered Notes in a name other than a depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service will not be permitted unless (i) in the case of Registered Notes deposited with a common depositary for Euroclear and Clearstream, Luxembourg, or lodged with a sub-custodian for the CMU Service, Euroclear or Clearstream, Luxembourg or the CMU Service is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will cause sufficient individual Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in the amended and restated dealer agreement dated 19 October 2020 (and as may be further amended, supplemented, replaced and/or restated from time to time, the “*Dealer Agreement*”) between Wheelock, WKFL, WKBVI, the Permanent Dealers and the Arranger, the Notes may be offered by the Issuers to the Permanent Dealers. However, each of WKFL and WKBVI has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of the relevant Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission (if any) as agreed between them in respect of Notes subscribed by it. Each of WKFL and WKBVI, failing whom the Guarantor, has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions (if any) in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

Each of WKFL and WKBVI, failing whom the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“*Banking Services*” or “*Transactions*”). The Dealers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with Wheelock, WKFL, WKBVI and/or their respective affiliates for which they have received, or will receive, fees and expenses.

In connection with the offering of the Notes issued under the Programme, the Dealers and/or their respective affiliates, or affiliates of Wheelock, WKFL or WKBVI, may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of Wheelock, WKFL, WKBVI and/or their respective affiliates, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the Notes. Accordingly, references herein to the offering of the Notes should be read as including any offering of the Notes to the Dealers and/or their respective affiliates, or affiliates of Wheelock, WKFL or WKBVI as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory obligation to do so. If such transactions occur, the trading price and liquidity of the Notes may be impacted. Furthermore, it is possible that a significant proportion of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Notes may be constrained (see “*Risk Factors — Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity*”). Wheelock, WKFL, WKBVI and/or their respective affiliates and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with Wheelock, WKFL, WKBVI and/or their respective affiliates. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the Dealers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of Wheelock, WKFL and/or WKBVI, including the Notes. Certain of the Dealers or their affiliates that have a lending relationship with Wheelock, WKFL and/or WKBVI routinely hedge their credit exposure to Wheelock, WKFL and/or WKBVI consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Wheelock's, WKFL's and/or WKBVI's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect the trading prices and liquidity of the Notes offered hereby. The Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of Wheelock, WKFL or WKBVI, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

In connection with any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Pricing Supplement (the "***Stabilisation Manager(s)***") or any person acting on behalf of any Stabilisation Manager(s) may over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that any Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) 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 relevant Tranche of Notes 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by any Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell or, in the case of Notes in bearer form, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time

or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer and the Fiscal Agent by each Dealer, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States. The Issuers and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

PRC

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (a) to “*professional investors*” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “*prospectus*” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “*professional investors*” as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “*Financial Instruments and Exchange Act*”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “*SFA*”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, each of the Issuers has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

European Economic Area — Prohibition of Sales to EEA and UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (i) the expression “retail investor” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended “**MiFID II**”); or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in the Prospectus Regulation; and
- (ii) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK (each, a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such

Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “*FSMA*”) by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

British Virgin Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an invitation to the public or any person resident in the British Virgin Islands to offer or sell the Notes, except as otherwise permitted by British Virgin Islands law.

General

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuers in such jurisdiction.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement, in all cases at its own expense, and none of Wheelock, WKFL, WKBVI nor any other Dealer shall have responsibility therefor.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

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

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

[Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “*SFA*”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “*CMP Regulations 2018*”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]⁽²⁾

Pricing Supplement dated [●]

**[WHEELOCK FINANCE LIMITED/
WHEELOCK MTN (BVI) LIMITED
(incorporated in the British Virgin Islands with limited liability)]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by WHEELOCK AND COMPANY LIMITED
under the U.S.\$5,000,000,000 Medium Term Note Programme**

Notes:

⁽¹⁾ Paragraph (iii) is not required where the Notes have a denomination of at least €100,000 or equivalent.

⁽²⁾ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “*Hong Kong Stock Exchange*”) and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, “*Professional Investors*”) only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes 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 Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or 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.

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

This Pricing Supplement includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]⁽³⁾

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 19 October 2020 [(the “*Offering Circular*”)] [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “*Conditions*”) set forth in the Offering Circular dated 19 October 2020. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 19 October 2020 [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated 19 October 2020 and are attached hereto.]

Note:

⁽³⁾ Applicable for Notes to be listed on the Hong Kong Stock Exchange only.

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

- | | | |
|---|---|---|
| 1 | (i) Issuer: | [●] |
| | (ii) Guarantor: | Wheelock and Company Limited |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Notes become fungible: | [●] <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)]</i> |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5 | [(i)] Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> <i>(in the case of fungible issues only, if applicable)</i>] |
| | [(ii) Net proceeds: | [●] <i>(Required only for listed issues)</i> |
| 6 | (i) Specified Denominations | [●] ^{(4), (5)}
<i>[If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denominations)]</i> |
| | (ii) Calculation Amount | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note: There must be a common factor in the case of two or more Specified Denominations]</i> |

Notes:

⁽⁴⁾ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). Add appropriate provisions to terms and conditions if included.

⁽⁵⁾ If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording set out in the Guidance Note published by ICMA in November 2006 (or its replacement from time to time) as follows: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000”.

- 7 (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
- 8 Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]⁽⁶⁾*
- 9 Interest Basis: *[[●] per cent. Fixed Rate] [[specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)*
- 10 Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis] [Not Applicable]*
- 12 Put/Call Options: [Put] [Call] [(further particulars specified below)]
- 13 [(i)] Status of the Notes: Senior
- [(ii)] Status of the Guarantee: Senior]
- 14 Listing: [Hong Kong Stock Exchange/Other (specify)/None] *(For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes)*
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year *[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”] /not adjusted]*

Note:

⁽⁶⁾ Note that Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount⁽⁷⁾
- (iv) Broken Amount: [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction (Condition 5(j)): [●] (*Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in U.S. dollars or Hong Kong dollars, unless the client requests otherwise*)
- (vi) Determination Date(s) (Condition 5(j)): [●] in each year. [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]⁽⁸⁾
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 17 Floating Rate Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Interest Period Date(s): [●]
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (v) Business Centre(s) (Condition 5(j)): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]

Notes:

⁽⁷⁾ For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

⁽⁸⁾ Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA.

- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):
- (viii) Screen Rate Determination (Condition 5(b)(iii)(B)):
- Reference Rate:
 - Interest Determination Date: [TARGET] Business Days in [*specify city*] for [*specify currency*] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]
 - Relevant Screen Page:
- (ix) ISDA Determination (Condition 5(b)(iii)(A)):
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
 - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (x) Margin(s): +/- per cent. per annum
- (xi) Minimum Rate of Interest: per cent. per annum
- (xii) Maximum Rate of Interest: per cent. per annum
- (xiii) Day Count Fraction (Condition 5(j)):
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

18	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 6(b)):	[●] per cent. per annum
	(ii) Day Count Fraction (Condition 5(j)):	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
19	Index Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index/Formula:	[Give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]):	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
	(iv) Interest Period(s):	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(vii) Business Centre(s) (Condition 5(j)):	[●]
	(viii) Minimum Rate of Interest:	[●] per cent. per annum
	(ix) Maximum Rate of Interest:	[●] per cent. per annum
	(x) Day Count Fraction (Condition 5(j)):	[●]

- 20 Dual Currency Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
 - (ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]): [●]
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
 - (v) Day Count Fraction (Condition 5(j)): [●]

PROVISIONS RELATING TO REDEMPTION

- 21 Call Option [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
 - (iv) Notice period: [●]

22	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
23	Final Redemption Amount of each Note	[●] per Calculation Amount
24	Early Redemption Amount	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Bearer Notes/Exchangeable Bearer Notes/Registered Notes] [Delete as appropriate]
	(i) Temporary Global Note or Permanent Global Note:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] ⁽⁹⁾ [Permanent Global Note/Global Certificate exchangeable for Definitive Notes/Definitive Certificates in the limited circumstances specified in the Permanent Global Note/Global Certificate]
	(ii) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]

Note:

⁽⁹⁾ If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000”, the Temporary Global Note shall not be exchangeable on [●] days' notice.

- 26 Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/*Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which item 16(ii), 17(iv) and 19(vii) relate*]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
- 29 Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
- (iii) Minimum Instalment Amount: [●]
- (iv) Maximum Instalment Amount: [●]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 32 Other terms or special Conditions:⁽¹⁰⁾ [Not Applicable/*give details*]

Note:

⁽¹⁰⁾ If full terms and conditions are to be used, please add the following here:
 “The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary.”
 The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

DISTRIBUTION

- 33 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilisation Manager(s) (if any): [Not Applicable/*give name(s)*]
- (iii) Dealer's Commission: [●]
- 34 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35 Prohibition of Sales to EEA and UK Retail Investors: [Not Applicable/Applicable]
(If the Notes clearly do not constitute “packaged products”, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no Key Information Document will be prepared, “Applicable” should be specified.)
- 36 Additional selling restrictions: [Not Applicable/*give details*]
- 37 Private Bank Rebate: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

- 38 ISIN Code: [[●]/Not Applicable]
- 39 Common Code: [[●]/Not Applicable]
- 40 CMU Instrument Number: [[●]/Not Applicable]
- 41 Legal Entity Identifier (LEI) [●]
- 42 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the CMU Service and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 43 Delivery: Delivery [against/free of] payment
- 44 The Agents appointed in respect of the Notes are: [●]

GENERAL

- 45 Use of Proceeds: [As described in the “Use of Proceeds” section in the Offering Circular/*specify if different from the use of proceeds set out in the Offering Circular*]

- 46 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): [Not Applicable/*give details*]
- 47 The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [●], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/[U.S.\$][●]]
- 48 In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong: [●]
- 49 In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than Hong Kong: [●]
- 50 Ratings: [The Notes to be issued have not been rated]/[The Notes to be issued are expected to be rated: [rating provided by any international credit rating agency]

[LISTING APPLICATION]

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein on the Hong Kong Stock Exchange pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of [●] guaranteed by Wheelock and Company Limited.]

[STABILISATION]

In connection with this issue, [*insert name of Stabilisation Manager*] (the “**Stabilisation Manager**”) (or any person acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) 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 Notes 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 Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.]

[MATERIAL ADVERSE CHANGE STATEMENT]

[Except as disclosed in this document, there/There]⁽¹¹⁾ has been no material adverse change in the financial or trading position or prospects of the Issuer, the Guarantor or of the Group since [*insert date of last published annual accounts*].]

Note:

⁽¹¹⁾ If any change is disclosed in the Pricing Supplement, it will require approval by the Stock Exchange(s). Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: _____

Duly authorised

Signed on behalf of the Guarantor:

By: _____

Duly authorised

GENERAL INFORMATION

- (1) Application has been made to the Hong Kong Stock Exchange for the listing of the Programme on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only during the 12-month period from the date of this Offering Circular. The issue price of Notes issued under the Programme and listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the date of listing of the relevant Notes.

Admission to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Programme, the Notes, Wheelock, WKFL and WKBVI or the Group. The Hong Kong Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein.

- (2) Each of WKFL and WKBVI has obtained all necessary consents, approvals and authorisations in Hong Kong (in the case of WKFL) and the British Virgin Islands (in the case of WKBVI) in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by resolutions of the Boards of Directors of WKFL passed on 13 December 2010. Wheelock has obtained all necessary (if any) consents, approvals and authorisations in Hong Kong in connection with the guarantee relating to the Programme. The giving of the guarantee relating to the Programme by the Guarantor was authorised by resolutions of the Board of Directors of Wheelock passed on 9 October 2020. The update of the Programme was authorised by resolutions of the respective Boards of Directors of WKFL and WKBVI passed on 9 October 2020.
- (3) Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position or prospects of Wheelock, WKFL, WKBVI or the Group since 30 June 2020.
- (4) None of Wheelock, WKFL, WKBVI nor any of Wheelock's subsidiaries is involved in any litigation, arbitration or administrative proceedings relating to claims which are material in the context of the issue of the Notes and, so far as any of them is aware, no such litigation, arbitration or administrative proceedings are pending or threatened. Each of Wheelock, WKFL and WKBVI may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business.
- (5) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes issued under the Programme may be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The relevant Issuer may also apply to have Bearer Notes or Registered Notes accepted for clearance through the CMU Service. The relevant CMU instrument number for each such Series of Notes will be set out in the relevant Pricing Supplement. The ISIN and common code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement. The Legal Entity Identifier of WKFL and WKBVI are 254900JB53BHB79DKI52 and 2549008QJTQY2VB3MV48, respectively.

- (7) For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will, when published, be available (upon written request and satisfactory proof of holding), during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of Wheelock and at the specified office of the Paying Agents:
- (i) the Agency Agreement (which includes the form of the Global Notes, the Global Certificates, the definitive Bearer Notes, the definitive Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Deed of Covenant (including the Guarantee);
 - (iii) the Memorandum and Articles of Association or Articles of Association of each of Wheelock, WKFL and WKBVI;
 - (iv) the published annual report and audited consolidated financial statements of Wheelock for the two financial years ended 31 December 2019;
 - (v) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular in relation to the Programme; and
 - (vi) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of Notes and identity).
- (8) Copies of the Agency Agreement and the Deed of Covenant (including the Guarantee) will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (9) KPMG, at 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, Certified Public Accountants and independent auditors of Wheelock and WKFL have audited, and rendered unqualified audit reports on, the consolidated financial statements of Wheelock for the two years ended 31 December 2019 and the financial statements of WKFL for the two years ended 31 December 2019. As at the date of this Offering Circular, WKBVI has not published any audited or unaudited financial statements.
- (10) The Guarantor intends to continue to make available its annual audited financial statements and half-yearly unaudited financial statements on a request basis to existing and (at the discretion of the Guarantor) prospective Noteholders.

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The financial statements of WKFL as at and for the year ended 31 December 2019 set out herein have been reproduced from WKFL's audited financial statements for the year ended 31 December 2019, including the page numbers and page reference set forth in such report.

Audited Financial Statements of WKFL for the year ended 31 December 2018

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The financial statements of WKFL as at and for the year ended 31 December 2018 set out herein have been reproduced from WKFL's audited financial statements for the year ended 31 December 2018, including the page numbers and page reference set forth in such report.

WHEELLOCK FINANCE LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Report together with the Audited Financial Statements for the financial year ended 31 December 2019.

Principal place of business

The Company is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.

Principal activity

The principal activity of the Company is provision of funding to group companies.

Business review

No business review has been prepared for inclusion in this Report as the Company is exempt from preparing such a report under Section 388(3)(b) of the Companies Ordinance.

Results and appropriations

The results of the Company for the financial year ended 31 December 2019 and the financial position of the Company at that date are set out in the Financial Statements on pages 8 to 31.

Directors

Given below are the names of all the persons who are or were, during the financial year and up to the date of this Report, Directors of the Company:-

Stephen T. H. Ng
Peter Z. K. Pao
Paul Y. C. Tsui

There being no provision in the Company's Articles of Association for retirement of Directors by rotation, all the Directors continue in office for the ensuing year.

Directors' material interests in transactions, arrangements and contracts

No transaction, arrangement and contract of significance in relation to the Company's business to which the Company, its ultimate holding company, or any subsidiary of such ultimate holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during that financial year.

Management contracts

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the financial year.

Arrangements to purchase shares or debentures

At no time during the financial year was the Company, its ultimate holding company, or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, with the exception that during the year, there existed certain outstanding options to subscribe for ordinary shares of Wheelock and Company Limited (“Wheelock”) and of The Wharf (Holdings) Limited (“WHL”), granted under Wheelock’s share option scheme and WHL’s share option scheme respectively to certain employees/directors of companies in the Wheelock and/or WHL group, some of whom was/were Director(s) of the Company during the financial year.

Under the respective rules of the two schemes (such rules being subject to the relevant laws and provisions applicable from time to time), shares of Wheelock or WHL would be issued at such prices as being not less than the highest of (a) the indicative price as specified in the written offer; (b) the closing price on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the date of grant of the options; and (c) the average closing price on the Stock Exchange for the five trading days immediately preceding the date of grant; and the relevant options would be exercisable during such periods, not being beyond the expiration of 10 years from the date of grant of relevant options, as determined by the boards of directors of Wheelock or WHL.

During the financial year, a total of 300,000 shares of Wheelock were allotted and issued to Mr. Paul Y. C. Tsui, and a total of 1,100,000 shares of WHL were allotted and issued to two Directors of the Company, namely, Mr. Paul Y. C. Tsui and Mr. Stephen T. H. Ng, on their exercises of options respectively under Wheelock’s and/or WHL’s share option schemes.

Permitted indemnity provisions

During the financial year and up to the date of this Report, a permitted indemnity provision (whether made by the Company or otherwise) is in force for the benefits of the Directors of the Company.

Auditors

The Financial Statements now presented have been audited by KPMG, Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

By Order of the Board
WHEELOCK SECRETARIES H. K. LTD.
Secretaries



Eliza Y. F. Tam
Senior Assistant Secretary

Hong Kong, 29 May 2020



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED**
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Wheelock Finance Limited ("the company") set out on pages 8 to 31, which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)**

Key audit matters (continued)

Recoverability of loans to and amounts due from fellow subsidiaries	
<i>Refer to notes 1(e), 7 and 8 to the financial statements.</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The company's principal activity is the arrangement of funds through the drawdown of bank loans and the issue of guaranteed notes to external parties and the lending of funds raised to its fellow subsidiaries. The loans to and amounts due from fellow subsidiaries are not secured by any assets of the fellow subsidiaries.</p> <p>We identified the recoverability of loans to and amounts due from the fellow subsidiaries as a key audit matter because the ability of the company to meet its financial obligations as and when they fall due in respect of the bank loans and the guaranteed notes it has issued is dependent on the fellow subsidiaries' timely repayment of the loans to and amounts due.</p>	<p>Our audit procedures to assess the recoverability of loans to and amounts due from the fellow subsidiaries included the following:</p> <ul style="list-style-type: none"> • comparing the loans and the outstanding amounts due as recorded by the company as at 31 December 2019 with the financial records of the fellow subsidiaries; • comparing, on a sample basis, payments to and receipts from fellow subsidiaries during the year ended 31 December 2019 and subsequent to the financial year end with bank statements, bank advices and other relevant underlying documentation; and • assessing the appropriateness of loss allowance estimates of loans to and amounts due from fellow subsidiaries by examining the information used by the company to form such judgements, including considering the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELLOCK FINANCE LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)**

Information other than the financial statements and auditor's report thereon (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELLOCK FINANCE LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)**

Auditor's responsibilities for the audit of the financial statements (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)**

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Wing Han, Ivy.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 May 2020

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2019
(Expressed in Hong Kong dollars)

	<i>Note</i>	2019 \$	2018 \$
Revenue	2	972,441,466	716,703,511
Arrangement fee income		3,147,644	4,809,332
Administrative expenses		<u>(153,907)</u>	<u>(171,186)</u>
Operating profit	3	975,435,203	721,341,657
Finance costs	5	<u>(953,496,478)</u>	<u>(731,835,738)</u>
Profit/(loss) before taxation		21,938,725	(10,494,081)
Income tax	6(a)	<u>-</u>	<u>-</u>
Profit/(loss) and total comprehensive income for the year		<u><u>21,938,725</u></u>	<u><u>(10,494,081)</u></u>


The notes on pages 13 to 31 form part of these financial statements.

Statement of financial position at 31 December 2019


(Expressed in Hong Kong dollars)

	Note	2019 \$	2018 \$
Non-current assets			
Loans to fellow subsidiaries	7	6,517,202,200	4,212,947,300
Derivative financial assets	10	-	248,798
		6,517,202,200	4,213,196,098
Current assets			
Loans to fellow subsidiaries	7	17,526,072,800	23,884,945,500
Amounts due from fellow subsidiaries	8	245,762,742	55,422,299
Interest receivables		-	81,832,902
Prepayments	9	175,636,735	185,284,220
Derivative financial assets	10	948,704	431,521
Cash at banks		987,268	1,136,252
		17,949,408,249	24,209,052,694
Total assets		24,466,610,449	28,422,248,792
Non-current liabilities			
Derivative financial liabilities	10	(129,227,089)	(183,066,865)
Bank loans and other borrowings	11	(23,414,047,911)	(27,256,274,733)
		(23,543,275,000)	(27,439,341,598)
Current liabilities			
Derivative financial liabilities	10	-	(22,370,247)
Amounts due to fellow subsidiaries	8	(385,019,630)	(269,727,885)
Creditors and accruals		(38,315,817)	(53,947,785)
Bank loans and other borrowings	11	(500,000,000)	(658,800,000)
		(923,335,447)	(1,004,845,917)
Total liabilities		(24,466,610,447)	(28,444,187,515)
Net assets/(liabilities)		2	(21,938,723)
Capital and reserve			
Share capital	12	2	2
Retained profits/(Accumulated losses)		-	(21,938,725)
Total equity/(Equity deficiencies)		2	(21,938,723)

Approved and authorised for issue by the Board of Directors on 29 May 2020.



Paul Y. C. Tsui
Director



Peter Z. K. Pao
Director

The notes on pages 13 to 31 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2019
(Expressed in Hong Kong dollars)

	<i>Share capital</i> \$	<i>(Accumulated losses) /retained profits</i> \$	<i>(Equity deficiencies)/ total equity</i> \$
At 1 January 2018	2	(11,444,644)	(11,444,642)
Loss and total comprehensive income for the year	-	(10,494,081)	(10,494,081)
At 31 December 2018 and 1 January 2019	2	(21,938,725)	(21,938,723)
Profit and total comprehensive income for the year	-	21,938,725	21,938,725
At 31 December 2019	<u>2</u>	<u>-</u>	<u>2</u>

The notes on pages 13 to 31 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2019
(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2019</i> \$	<i>2018</i> \$
Cash generated from/(used in) operations	(a)	3,893,732,239	(3,110,914,379)
Interest received		1,054,274,368	759,691,491
Interest paid		<u>(895,487,791)</u>	<u>(681,091,511)</u>
Net cash generated from/(used in) operating activities		<u>4,052,518,816</u>	<u>(3,032,314,399)</u>
Financing activities			
Repayment of bank loans and other borrowings	(b)	(9,002,667,800)	(7,007,150,000)
Drawdown of bank loans and other borrowings	(b)	<u>4,950,000,000</u>	<u>10,040,000,000</u>
Net cash (used in)/generated from financing activities		<u>(4,052,667,800)</u>	<u>3,032,850,000</u>
Net (decrease)/increase in cash and cash equivalents		(148,984)	535,601
Cash and cash equivalents at 1 January		<u>1,136,252</u>	<u>600,651</u>
Cash and cash equivalents at 31 December		<u><u>987,268</u></u>	<u><u>1,136,252</u></u>
Analysis of the balances of cash and cash equivalents at 31 December			
Cash at banks		<u><u>987,268</u></u>	<u><u>1,136,252</u></u>

The notes on pages 13 to 31 form part of these financial statements.

Statement of cash flows (Continued)
for the year ended 31 December 2019
(Expressed in Hong Kong dollars)

Notes to the statement of cash flows:

(a) Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations

	<i>2019</i>	<i>2018</i>
	\$	\$
Profit/(loss) before taxation	21,938,725	(10,494,081)
Adjustments for:		
Interest income	(972,441,466)	(716,703,511)
Interest expenses	881,272,639	637,383,426
Fair value (gain)/loss on swaps	<u>(21,938,725)</u>	<u>10,494,081</u>
Operating loss before working capital changes	(91,168,827)	(79,320,085)
Decrease/(increase) in loans to fellow subsidiaries	4,051,719,095	(3,032,850,000)
Increase in amounts due from fellow subsidiaries	(190,340,443)	(3,755,251)
Decrease/(increase) in prepayments	9,647,485	(22,117,453)
Decrease in creditors and accruals	(1,416,816)	(1,280,240)
Increase in amounts due to fellow subsidiaries	<u>115,291,745</u>	<u>28,408,650</u>
Cash generated from/(used in) operations	<u><u>3,893,732,239</u></u>	<u><u>(3,110,914,379)</u></u>

(b) Reconciliation of liabilities arising from financing activities

	<i>2019</i>	<i>2018</i>
	<i>Bank loans and other borrowings (Note 11)</i>	<i>Bank loans and other borrowings (Note 11)</i>
	\$	\$
At 1 January	27,915,074,733	24,939,980,136
Changes from financing cash flows:		
Repayment of bank loans and other borrowings	(9,002,667,800)	(7,007,150,000)
Drawdown of bank loans and other borrowings	<u>4,950,000,000</u>	<u>10,040,000,000</u>
Total changes from financing cash flows	(4,052,667,800)	3,032,850,000
Exchange difference	<u>51,640,978</u>	<u>(57,755,403)</u>
At 31 December	<u><u>23,914,047,911</u></u>	<u><u>27,915,074,733</u></u>

The notes on pages 13 to 31 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1. Principal accounting policies

(a) Statement of compliance

- (i) These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the company are disclosed below.
- (ii) The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the company. None of these developments have had a material effect on the company’s results and financial position for the current or prior periods reflected in these financial statements.

The company has not adopted any new standard or interpretation that is not yet effective for the current accounting period (note 15).

(b) Basis of preparation of the financial statements

- (i) The measurement basis used in the preparation of the financial statements is the historical cost basis except where stated otherwise in the accounting policies set out below.
- (ii) The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(c) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

A financial asset (unless it is a debtor without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A debtor without a significant financing component is initially measured at the transaction price.

(i) Classification and measurement of financial assets

On initial recognition, financial assets of the company are classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(ii) Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognised.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Classification and measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is held-for-trading, it is a derivative or it is designated as such on initial recognition. Interest-bearing borrowings for which there is a hedging relationship with a derivative financial instrument but does not qualify for hedge accounting are designated as FVTPL financial instruments.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under HKFRSs, or for gains and losses arising from a group of similar transactions.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are assessed for expected credit losses ("ECLs") in accordance with the policy set out in note 1(e).

(e) Impairment of financial assets

The company recognises loss allowances for ECL on the financial assets measured at amortised cost. The company measures loss allowances at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk of financial instrument since initial recognition, in which the ECLs are measured at an amount equal to lifetime ECLs. For trade receivables, the company applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected losses provision for all trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument which the ECL model applies.

12-month ECLs are the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months.

In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(e) Impairment of financial assets (continued)

Credit-impaired financial assets

At each reporting date, the company assesses on a forward looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company’s procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(f) Recognition of revenue

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues using the effective interest method.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessary takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of profit or loss and other comprehensive income except to the extent that they relate to items recognised directly in equity, in which case the relevant amounts of tax are recognised directly in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases, respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which also arise on initial recognition of assets and liabilities, all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the company has the legally enforceable right to set off current tax assets against current tax liabilities.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(i) Related parties

- (a) A person, or a close member of that person's family, is related to the company if that person:
- (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or the company's parent.
- (b) An entity is related to the company if any of the following conditions applies:
- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

1. Significant accounting policies (continued)

(j) Provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. Revenue

The principal activity of the company is provision of funding to group companies. Revenue represents gross interest income receivable from group companies.

3. Operating profit

	2019	2018
	\$	\$

Operating profit is arrived at after charging:

Auditors' remuneration	60,000	60,000
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4. Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation were as follows:

	2019	2018
	\$	\$
Fees	Nil	Nil
Other emoluments	Nil	Nil

Certain directors were granted share options under the share option scheme of the company's ultimate holding company. The details of this benefit in kind are disclosed under the paragraph "Arrangements to purchase shares or debentures" in the Report of the directors.

Share-based compensation costs to directors by way of share options granted under the share option scheme are borne by the company's fellow subsidiary.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

5. Finance costs

	2019	2018
	\$	\$
Interest charged on:		
Bank loans		
- repayable within 5 years	665,761,951	422,636,038
Other borrowings	<u>215,510,688</u>	<u>214,747,388</u>
Total interest charge	881,272,639	637,383,426
Other finance costs	<u>94,162,564</u>	<u>83,958,231</u>
	975,435,203	721,341,657
Fair value (gain)/loss on cross currency interest rate swap	<u>(21,938,725)</u>	<u>10,494,081</u>
Total	<u><u>953,496,478</u></u>	<u><u>731,835,738</u></u>

6. Income tax

(a) No provision for Hong Kong Profits Tax has been made as the company utilised the unrecognised tax losses to set off against the taxable profits for the year ended 31 December 2019. No provision for Hong Kong Profits Tax had been provided for in the financial statements for the year ended 31 December 2018 as the company sustained a loss for taxation purpose.

(b) Reconciliation between the actual total tax charge and profit/(loss) before taxation at applicable tax rate:

	2019	2018
	\$	\$
Profit/(loss) before taxation	<u>21,938,725</u>	<u>(10,494,081)</u>
Notional tax on profit/(loss) before taxation calculated at a rate of 16.5% (2018: 16.5%)	3,619,889	(1,731,523)
Tax effect of tax loss not recognised	-	1,731,523
Tax effect of prior years' tax losses utilised	<u>(3,619,889)</u>	<u>-</u>
Actual tax charge	<u><u>-</u></u>	<u><u>-</u></u>

(c) There is no significant unprovided deferred taxation as at 31 December 2019. The company had not accounted for deferred tax assets of \$3,619,889 in respect of accumulated tax losses of \$21,938,725 as the availability of future taxable profits against which the assets could be utilised was uncertain at 31 December 2018. The tax losses do not expire under current tax legislation.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

7. Loan balances with group companies

Loan balances with group companies are interest-bearing at agreed rates, unsecured and have no fixed terms of repayment. Amounts of \$6,517,202,200 (2018: \$4,212,947,300) are not expected to be recovered within one year.

8. Amounts due from/to group companies

Amounts due from/to group companies are unsecured, interest-free and recoverable/repayable on demand.

9. Prepayments

The amount of prepayments that is expected to be recovered or recognised as expense after more than one year is \$107,784,087 (2018: \$122,186,405).

10. Derivative financial assets/(liabilities)

The fair value of interest rate swaps (“IRS”) and cross currency interest rate swaps (“CCS”) are calculated at the present value of the estimated future cash flows. The net fair values and maturities at the end of the reporting period of IRSs and CCSs are as follows:

	2019		2018	
	Assets \$	Liabilities \$	Assets \$	Liabilities \$
Fixed-to-floating interest rate swaps				
- Expiring within 1 year	948,704	-	-	-
- Expiring after more than 1 year but not exceeding 5 years	-	754,006	248,798	14,344,286
Cross currency interest rate swaps				
- Expiring within 1 year	-	-	431,521	22,370,247
- Expiring after more than 1 year but not exceeding 5 years	-	128,473,083	-	168,722,579
Total	<u>948,704</u>	<u>129,227,089</u>	<u>680,319</u>	<u>205,437,112</u>

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

10. Derivative financial assets/(liabilities) (continued)

- (a) The notional principal amount of IRSs and CCSs outstanding at the end of the reporting period are as follows:

	2019	2018
	\$	\$
Fixed-to-floating interest rate swaps	3,648,275,000	3,154,092,800
Cross currency interest rate swaps	<u>2,148,275,000</u>	<u>2,359,528,813</u>
	<u>5,796,550,000</u>	<u>5,513,621,613</u>

- (b) During the year, fair value gain on CCSs and IRSs in the amount of \$22,887,429 (2018: loss on CCSs of \$10,494,081) has been included within finance costs in the statement of profit or loss and other comprehensive income.

11. Bank loans and other borrowings

	2019	2018
	\$	\$
Non-current liabilities		
Bank loans (unsecured) due after 1 year but within 5 years	20,100,000,000	23,981,634,404
4.06% HKD fixed notes due 2021	100,000,000	100,000,000
4.81% HKD fixed notes due 2021	200,000,000	200,000,000
4.5% SGD fixed notes due 2021	2,019,047,911	1,979,640,329
4.3% HKD fixed notes due 2022	100,000,000	100,000,000
4.2% HKD fixed notes due 2022	445,000,000	445,000,000
4.9% HKD fixed notes due 2022	<u>450,000,000</u>	<u>450,000,000</u>
	<u>23,414,047,911</u>	<u>27,256,274,733</u>
Current liabilities		
Bank loans (unsecured) due within 1 year	500,000,000	-
3.0% HKD fixed notes due 2019	-	300,000,000
5.2% AUD fixed notes due 2019	-	82,800,000
5.2% AUD fixed notes due 2019	<u>-</u>	<u>276,000,000</u>
	<u>500,000,000</u>	<u>658,800,000</u>
Total bank loans and other borrowings	<u>23,914,047,911</u>	<u>27,915,074,733</u>

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

11. Bank loans and other borrowings (continued)

- (a) The company's borrowings are considered to be effectively denominated in the following currencies (after the effects of IRSs and CCSs arrangements as detailed in note 10):

	2019	2018
	\$	\$
USD	-	991,634,404
HKD	23,914,047,911	26,647,440,329
AUD	-	276,000,000
	<u>23,914,047,911</u>	<u>27,915,074,733</u>

- (b) The interest rate profile of the company's bank loans and other borrowings is as follows:

	2019		2018	
	Effective interest rate %	\$	Effective interest rate %	\$
Floating rate borrowings				
- Bank loans	3.8	20,600,000,000	3.5	23,981,634,404
- Notes	6.8	2,019,047,911	5.9	2,062,440,329
Fixed rate borrowings				
- Notes	4.5	<u>1,295,000,000</u>	4.4	<u>1,871,000,000</u>
		<u>23,914,047,911</u>		<u>27,915,074,733</u>

- (c) The above bank loans and other borrowings are guaranteed by Wheelock and Company Limited.

12. Share capital

(a)

	2019		2018	
	<i>No. of shares</i>	\$	<i>No. of shares</i>	\$
Ordinary shares issued and fully paid:				
At 1 January and 31 December	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

12. Share capital (continued)

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

(b) *Capital management*

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern to meet its financial obligations and continue to provide returns for shareholders and benefits for other stakeholders.

The company is a wholly-owned subsidiary of Wheelock and Company Limited ("Wheelock"), and its sources of capital and policy of capital management may be affected with due regard to Wheelock's group policy for capital management. As such, the company defines "capital" as shareholders' equity.

The company actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in Wheelock's capital management policy and economic conditions. The company is not subject to externally imposed capital requirements.

There has been no change in the company's capital management practices as compared to the prior year.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

13. Financial risk management and fair values

The company is exposed to financial risks related to interest rate, liquidity and credit in the normal course of business. To manage these risk exposures, the company develops, maintains and monitors the company's financial policies as described below to mitigate the exposure to these risks.

(a) *Interest rate risk*

The company's interest rate risk arises primarily from the company's debt obligations with its fellow subsidiaries and various banks which are mainly denominated in Hong Kong and Singaporean dollars. Interest rates on borrowings are determined based on prevailing market rates. The company partially uses derivative financial instrument to hedge interest rate risks.

Based on the sensitivity analysis performed as at 31 December 2019, it was estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have no material impact on the post-tax profit and total equity of the company as the finance costs are fully recharged to group companies.

The sensitivity analysis above indicates the instantaneous change in the company's post-tax profit and total equity that would have arisen assuming that the change in interest rates had occurred at the end of the reporting period. The analysis has been performed on the same basis as for 2018.

(b) *Liquidity risk*

The company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from ultimate holding company in the short and longer term.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

13. Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

The following tables detail the remaining contractual maturities at the end of the reporting period of the company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period and carried at exchange rate prevailing at the end of reporting period) and the earliest date the company can be required to pay:

	Carrying amount \$	Contractual undiscounted cash flows			
		Total \$	Within 1 year or on demand \$	More than 1 years but less than 2 years \$	More than 2 years but less than 5 years \$
At 31 December 2019					
Interest rate swaps	194,698	(16,056,236)	(8,967,192)	(7,089,044)	-
Cross currency interest rate swaps	(128,473,083)	(51,690,299)	(30,952,275)	(20,738,024)	-
Amounts due to fellow subsidiaries	(385,019,630)	(385,019,630)	-	-	-
Creditors and accruals	(38,315,817)	(38,315,817)	-	-	-
Bank loans and other borrowings	(23,914,047,911)	(26,562,084,406)	(1,435,841,471)	(7,183,587,342)	(17,942,655,593)
		(27,053,166,388)	(1,899,096,385)	(7,211,414,410)	(17,942,655,593)
At 31 December 2018					
Interest rate swaps	(14,095,488)	(23,685,351)	(14,945,858)	(6,272,615)	(2,466,878)
Cross currency interest rate swaps	(190,661,305)	(76,678,901)	(28,614,609)	(28,781,013)	(19,283,279)
Amount due to fellow subsidiaries	(269,727,885)	(269,727,885)	(269,727,885)	-	-
Creditors and accruals	(53,947,785)	(53,947,785)	(53,947,785)	-	-
Bank loans and other borrowings	(27,915,074,733)	(31,089,045,020)	(1,654,172,106)	(5,929,595,074)	(23,505,277,840)
		(31,513,084,942)	(2,021,408,243)	(5,964,648,702)	(23,527,027,997)

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

13. Financial risk management and fair values (continued)

(c) Credit risk

The company's credit risk is primarily attributable to loans to fellow subsidiaries, amounts due from fellow subsidiaries, interest receivables and cash at banks. The company has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis. The company does not have a significant concentration of credit risk.

Impairment on loans to fellow subsidiaries, amounts due from fellow subsidiaries, interest receivables and cash at banks has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The company considers the probability of default to be close to zero. Accordingly, no loss allowance has been recognised during the years ended 31 December 2018 and 31 December 2019.

(d) Fair values of assets and liabilities

(i) Fair value estimation

The carrying value of debtors, prepayments, creditors and accruals, certain bank loans and other borrowings and inter-company balances carried at cost or amortised cost are not materially different from their fair values as at 31 December 2018 and 31 December 2019. Amounts due from/to group companies are unsecured, interest free and recoverable/repayable on demand.

(ii) Financial instrument carried at fair value

The following table presents the fair value of the company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

13. Financial risk management and fair values (continued)

(d) *Fair values of assets and liabilities (continued)*

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below:

	<i>2019</i>	<i>2018</i>
	<i>Level 2</i>	<i>Level 2</i>
	\$	\$
Derivative financial assets		
- Interest rate swaps	984,704	248,798
- Cross currency interest rate swaps	-	431,521
	<u>984,704</u>	<u>680,319</u>
Derivative financial liabilities		
- Interest rate swaps	(754,006)	(14,344,286)
- Cross currency interest rate swaps	(128,473,083)	(191,092,826)
	<u>(129,227,089)</u>	<u>(205,437,112)</u>
Bank loans and other borrowings		
- Bank loans	-	(991,634,404)
- Notes	(2,019,047,911)	(1,979,640,329)
	<u>(2,019,047,911)</u>	<u>(2,971,274,733)</u>

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of IRSs and CCSs in Level 2 is determined based on the amount that the company would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and the current creditworthiness of the swap counter-parties.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the company's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

During the years ended 31 December 2018 and 2019, there were no transfers among Level 1 and Level 2 or transfer into or out of Level 3.

Notes to the financial statements (Continued)

(Expressed in Hong Kong dollars)

14. Material related party transactions

In addition to transactions with the group companies and balances outstanding as at 31 December 2018 and 31 December 2019 as disclosed in notes 5, 7 and 8 to the financial statements, the following material related party transactions have been entered into by the company in the normal course of the company business.

	2019	2018
	\$	\$
Interest income received/receivable from:		
- fellow subsidiaries	972,441,466	716,703,511
Arrangement fee income received/receivable from:		
- fellow subsidiaries	3,147,644	4,809,332
Secretarial expenses paid/payable to fellow subsidiaries	<u>(30,000)</u>	<u>(31,000)</u>

15. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the company:

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1 and HKAS 8, *Definition of material* 1 January 2020

The company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's financial statements.

16. Parent and ultimate holding company

The directors consider the parent and ultimate holding company at 31 December 2019 to be Ansett Holdings Limited (previously known as Ansett Limited) and Wheelock and Company Limited, which are incorporated in the British Virgin Islands and Hong Kong, respectively. Wheelock and Company Limited is listed and produces financial statements available for public use.

WHEELLOCK FINANCE LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Report together with the Audited Financial Statements for the financial year ended 31 December 2018.

Principal place of business

The Company is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.

Principal activity

The principal activity of the Company is provision of funding to group companies.

Business review

No business review has been prepared for inclusion in this Report as the Company is exempt from preparing such a report under Section 388(3)(b) of the Companies Ordinance.

Results and appropriations

The results of the Company for the financial year ended 31 December 2018 and the financial position of the Company at that date are set out in the Financial Statements on pages 7 to 24.

Directors

Given below are the names of all the persons who are or were, during the financial year and up to the date of this Report, Directors of the Company:-

Stephen T. H. Ng
Peter Z. K. Pao
Paul Y. C. Tsui

There being no provision in the Company's Articles of Association for retirement of Directors by rotation, all the Directors continue in office for the ensuing year.

Directors' material interests in transactions, arrangements and contracts

No transaction, arrangement and contract of significance in relation to the Company's business to which the Company, its ultimate holding company, or any subsidiary of such ultimate holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during that financial year.

Management contracts

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the financial year.

Arrangements to purchase shares or debentures

At no time during the financial year was the Company, its ultimate holding company, or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, with the exception that during the year, there existed certain outstanding options to subscribe for ordinary shares of Wheelock and Company Limited (“Wheelock”) and of The Wharf (Holdings) Limited (“WHL”), granted under Wheelock’s share option scheme and WHL’s share option scheme respectively to certain employees/directors of companies in the Wheelock and/or WHL group, some of whom was/were Director(s) of the Company during the financial year.

Under the respective rules of the two schemes (such rules being subject to the relevant laws and provisions applicable from time to time), shares of Wheelock or WHL would be issued at such prices as being not less than the highest of (a) the indicative price as specified in the written offer; (b) the closing price on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the date of grant of the options; and (c) the average closing price on the Stock Exchange for the five trading days immediately preceding the date of grant; and the relevant options would be exercisable during such periods, not being beyond the expiration of 10 years from the date of grant of relevant options, as determined by the boards of directors of Wheelock or WHL.

During the financial year, a total of 2,500,000 shares of WHL were allotted and issued to two Directors of the Company, namely, Mr. Paul Y. C. Tsui and Mr. Stephen T. H. Ng, on their exercises of options under WHL’s share option scheme.

Permitted indemnity provisions

During the financial year and up to the date of this Report, a permitted indemnity provision (whether made by the Company or otherwise) is in force for the benefits of the Directors of the Company.

Auditors

The Financial Statements now presented have been audited by KPMG, Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

By Order of the Board
WHEELLOCK SECRETARIES H. K. LTD.
Secretaries



Eliza Y. F. Tam
Senior Assistant Secretary

Hong Kong, 31 May 2019



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED**

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Wheelock Finance Limited (“the company”) set out on pages 7 to 24, which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED (CONTINUED)**
(incorporated in Hong Kong with limited liability)

Key audit matters (continued)

Recoverability of loans to and amounts due from fellow subsidiaries	
<i>Refer to notes 1(e), 7 and 8 to the financial statements.</i>	
The key audit matter	How the matter was addressed in our audit
<p>The company's principal activity is the arrangement of funds through the drawdown of bank loans and the issue of guaranteed notes to external parties and the lending of the funds raised to its fellow subsidiaries. The loans to and amounts due from fellow subsidiaries are not secured by any assets of the fellow subsidiaries.</p> <p>We identified the recoverability of loans to and amounts due from the fellow subsidiaries as a key audit matter because the ability of the company to meet its financial obligations as and when they fall due in respect of bank loans and the guaranteed notes it has issued is dependent on the fellow subsidiaries' timely repayment of the loans to and amounts due.</p>	<p>Our audit procedures to assess the recoverability of loans to and amounts due from the fellow subsidiaries included the following:</p> <ul style="list-style-type: none"> • comparing the loans and the outstanding amounts due as recorded by the company as at 31 December 2018 with the financial records of the fellow subsidiaries; • comparing, on a sample basis, payments to and receipts from the fellow subsidiaries during the year ended 31 December 2018 and subsequent to the financial year end with bank statements, bank advices and other relevant underlying documentation; and • assessing if there was any indication that the fellow subsidiaries may not be able to settle the amounts due to the company as and when they fall due by evaluating the financial position of the borrowers with reference to their latest available management accounts.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELLOCK FINANCE LIMITED (CONTINUED)
(incorporated in Hong Kong with limited liability)**

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHEELOCK FINANCE LIMITED (CONTINUED)
(incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Wing Han, Ivy.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 May 2019

WHEELLOCK FINANCE LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

(Expressed in Hong Kong dollars)

	Note	<u>2018</u> \$	<u>2017</u> \$
Revenue	2	716,703,511	656,189,427
Arrangement fee income		4,809,332	16,551,138
Administrative expenses		<u>(171,186)</u>	<u>(462,840)</u>
Operating profit	3	721,341,657	672,277,725
Finance costs	5	<u>(731,835,738)</u>	<u>(664,438,825)</u>
(Loss)/profit before taxation		(10,494,081)	7,838,900
Income tax	6(a)	<u>-</u>	<u>-</u>
(Loss)/profit and total comprehensive income for the year		<u><u>(10,494,081)</u></u>	<u><u>7,838,900</u></u>

The notes on pages 12 to 24 form part of these financial statements.

WHEELOCK FINANCE LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

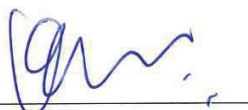
(Expressed in Hong Kong dollars)

	Note	<u>2018</u> \$	<u>2017</u> \$
Non-current assets			
Loans to fellow subsidiaries	7	4,212,947,300	10,891,721,600
Derivative financial assets	10	<u>248,798</u>	<u>453,915</u>
		<u>4,213,196,098</u>	<u>10,892,175,515</u>
Current assets			
Loans to fellow subsidiaries	7	23,884,945,500	14,196,776,800
Amounts due from fellow subsidiaries	8	55,422,299	51,667,048
Interest receivables		81,832,902	124,820,882
Prepayments	9	185,284,220	163,166,767
Derivative financial assets	10	431,521	-
Cash at banks		<u>1,136,252</u>	<u>600,651</u>
		<u>24,209,052,694</u>	<u>14,537,032,148</u>
Total assets		<u>28,422,248,792</u>	<u>25,429,207,663</u>
Non-current liabilities			
Derivative financial liabilities	10	(183,066,865)	(160,416,824)
Bank loans and other borrowings	11	<u>(27,256,274,733)</u>	<u>(20,739,980,136)</u>
		<u>(27,439,341,598)</u>	<u>(20,900,396,960)</u>
Current liabilities			
Derivative financial liabilities	10	(22,370,247)	-
Amounts due to fellow subsidiaries	8	(269,727,885)	(241,319,235)
Creditors and accruals		(53,947,785)	(98,936,110)
Bank loans and other borrowings	11	<u>(658,800,000)</u>	<u>(4,200,000,000)</u>
		<u>(1,004,845,917)</u>	<u>(4,540,255,345)</u>
Total liabilities		<u>(28,444,187,515)</u>	<u>(25,440,652,305)</u>
Net liabilities		<u>(21,938,723)</u>	<u>(11,444,642)</u>
Capital and reserve			
Share capital	12	2	2
Accumulated losses		<u>(21,938,725)</u>	<u>(11,444,644)</u>
Equity deficiencies		<u>(21,938,723)</u>	<u>(11,444,642)</u>

Approved and authorised for issue by the board of directors on 31 May 2019.



Paul Y C Tsui
Director



Peter Z K Pao
Director

The notes on pages 12 to 24 form part of these financial statements.

WHEELOCK FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

(Expressed in Hong Kong dollars)

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Equity deficiencies</u>
	\$	\$	\$
At 1 January 2017	2	(19,283,544)	(19,283,542)
Profit and total comprehensive income	-	7,838,900	7,838,900
At 31 December 2017 and 1 January 2018	2	(11,444,644)	(11,444,642)
Loss and total comprehensive income	-	(10,494,081)	(10,494,081)
At 31 December 2018	<u>2</u>	<u>(21,938,725)</u>	<u>(21,938,723)</u>

The notes on pages 12 to 24 form part of these financial statements.

WHEELOCK FINANCE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

(Expressed in Hong Kong dollars)

	Note	<u>2018</u> \$	<u>2017</u> \$
Cash (used in)/generated from operations	(a)	(3,110,914,379)	2,355,005,713
Interest received		759,691,491	777,010,115
Interest paid		<u>(681,091,511)</u>	<u>(709,533,665)</u>
Net cash (used in)/generated from operating activities		<u>(3,032,314,399)</u>	<u>2,422,482,163</u>
Financing activities			
Repayment of bank loans and other borrowings	(b)	(7,007,150,000)	(13,172,600,000)
Drawdown of bank loans and other borrowings	(b)	<u>10,040,000,000</u>	<u>10,750,000,000</u>
Net cash generated from/(used in) financing activities		<u>3,032,850,000</u>	<u>(2,422,600,000)</u>
Net increase/(decrease) in cash and cash equivalents		535,601	(117,837)
Cash and cash equivalents at 1 January		<u>600,651</u>	<u>718,488</u>
Cash and cash equivalents at 31 December		<u><u>1,136,252</u></u>	<u><u>600,651</u></u>
Analysis of the balances of cash and cash equivalents at 31 December			
Cash at banks		<u><u>1,136,252</u></u>	<u><u>600,651</u></u>

WHEELOCK FINANCE LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

(Expressed in Hong Kong dollars)

Notes to the statement of cash flows:

(a) Reconciliation of (loss)/profit before taxation to cash (used in)/generated from operations:

	2018	2017
	\$	\$
(Loss)/profit before taxation	(10,494,081)	7,838,900
Adjustments for :		
Interest income	(716,703,511)	(656,189,427)
Interest expenses	637,383,426	587,712,179
Fair value loss/(gain) on swaps	10,494,081	(7,838,900)
Operating loss before working capital changes	(79,320,085)	(68,477,248)
(Increase)/decrease in loans to fellow subsidiaries	(3,032,850,000)	2,422,600,000
Increase in amounts due from fellow subsidiaries	(3,755,251)	(36,589,315)
Decrease in amount due from ultimate holding company	-	1,756,202
(Increase)/decrease in prepayments	(22,117,453)	19,801,719
(Decrease)/increase in creditors and accruals	(1,280,240)	48,552
Increase in amounts due to fellow subsidiaries	28,408,650	15,865,803
Cash (used in)/generated from operations	<u>(3,110,914,379)</u>	<u>2,355,005,713</u>

(b) Reconciliation of liabilities arising from financing activities:

	2018	2017
	Bank loans and other borrowings	Bank loans and other borrowings
	(Note 11)	(Note 11)
	\$	\$
At 1 January	24,939,980,136	27,076,480,754
Changes from financing cash flows:		
Repayment of bank loans and other borrowings	(7,007,150,000)	(13,172,600,000)
Drawdown of bank loans and other borrowings	10,040,000,000	10,750,000,000
Total changes from financing cash flows	3,032,850,000	(2,422,600,000)
Exchange difference	(57,755,403)	286,099,382
At 31 December	<u>27,915,074,733</u>	<u>24,939,980,136</u>

The notes on pages 12 to 24 form part of these financial statements.

WHEELLOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

I. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

- (i) These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the company are disclosed below.
- (ii) The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the company. Of these, the following developments are relevant to the company’s financial statements:

HKFRS 9, Financial instruments
HKFRS 15, Revenue from contracts with customers
HK(IFRIC) 22, Foreign currency transactions and advance consideration

The company has early adopted HKFRS 9 since the financial year ended 31 December 2016, and none of these other developments has had a material effect on the company’s results and financial position for the current or prior periods have been prepared or presented in these financial statements.

The company has not applied any new standards or interpretation that is not yet effective for the current accounting period.

(b) Basis of preparation of the financial statements

- (i) Notwithstanding the net deficit in shareholders' funds, the financial statements have been prepared on a going concern basis as the immediate holding company of the company has confirmed that it will continue to provide sufficient financial support to the company as is necessary to maintain the company as a going concern and to enable it to meet its liabilities as and when they fall due for the foreseeable future.
- (ii) The measurement basis used in the preparation of the financial statements is the historical cost basis except where stated otherwise in the accounting policies set out below.
- (iii) The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

WHEELLOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

(c) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Classification and measurement of financial assets

On initial recognition, financial assets of the company are either classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(ii) Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognised.

(iii) Classification and measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is held-for-trading, it is a derivative or it is designated as such on initial recognition. Interest-bearing borrowings for which there is a hedging relationship with a derivative financial instrument but does not qualify for hedge accounting are designated as FVTPL financial instruments.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under HKFRSs, or for gains and losses arising from a group of similar transactions.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 1(e).

(e) Impairment of assets

The company recognises loss allowances for expected credit loss ("ECL") on the financial assets measured at amortised cost. The company measures loss allowances at an amount equal to lifetime ECL. For trade receivables, the company applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected losses provision for all trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Life ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months.

In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

Credit-impaired financial assets

At each reporting date, the company assesses on a forward looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

(f) Recognition of revenue

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues using the effective interest method.

(g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of profit or loss and other comprehensive income except to the extent that they relate to items recognised directly in equity, in which case the relevant amounts of tax are recognised directly in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which also arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the company has the legally enforceable right to set off current tax assets against current tax liabilities.

(i) Related parties

For the purpose of these financial statements, parties are considered to be related to the company as follows:

- (I) A person, or a close member of that person's family, is related to the company if that person (i) has control or joint control over the company; (ii) has significant influence over the company; or (iii) is a member of the key management personnel of the company or the company's parent.
- (II) An entity is considered related to the company if the company has the ability, directly or indirectly, to control the entity or exercise significant influence over the entity in making financial and operating decisions, or vice versa, or where the entity is subject to at least significant influence by a party which has control or joint control over the company. Related entities also include entities where a person identified in (I)(i) has at least significant influence over the entity or a member of the key management personnel of the entity (or of a parent of the entity) has control or joint control over the company.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2. REVENUE

The principal activity of the company is provision of funding to group companies. Revenue represents gross interest income receivable from group companies.

3. OPERATING PROFIT

	<u>2018</u>	<u>2017</u>
	\$	\$
Operating profit is arrived at after charging:		
Auditors' remuneration	<u>60,000</u>	<u>60,000</u>

4. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation were as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Fees	Nil	Nil
Other emoluments	<u>Nil</u>	<u>Nil</u>

Certain directors were granted share options under the share option scheme of the company's ultimate holding company. The details of this benefit in kind are disclosed under the paragraph "Arrangements to purchase shares or debentures" in the Report of the directors.

Share-based compensation costs to directors by way of share options granted under the share option scheme are borne by the company's fellow subsidiary.

5. FINANCE COSTS

	<u>2018</u>	<u>2017</u>
	\$	\$
Interest charged on:		
Bank loans and overdrafts		
- repayable within 5 years	422,636,038	164,086,635
Other borrowings	<u>214,747,388</u>	<u>423,625,544</u>
Total interest charge	637,383,426	587,712,179
Other finance costs	<u>83,958,231</u>	<u>84,565,546</u>
	721,341,657	672,277,725
Fair value loss/(gain) on cross currency interest rate swap	<u>10,494,081</u>	<u>(7,838,900)</u>
Total	<u>731,835,738</u>	<u>664,438,825</u>

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

6. INCOME TAX

(a) No provision for Hong Kong Profits Tax has been provided for in the financial statements for the year ended 31 December 2018 as the company sustained a loss for taxation purpose for the current year. No provision for Hong Kong Profits Tax had been provided for in the financial statements for the year ended 31 December 2017 as the company's tax losses brought forward from previous years exceeded the estimated assessable profits.

(b) Reconciliation between the actual total tax charge and (loss)/profit before taxation at applicable tax rate:

	<u>2018</u>	<u>2017</u>
	\$	\$
(Loss)/profit before taxation	<u>(10,494,081)</u>	<u>7,838,900</u>
Notional tax on (loss)/profit before taxation calculated at a rate of 16.5% (2017: 16.5%)	(1,731,523)	1,293,419
Tax effect of tax loss not recognised	1,731,523	-
Tax effect of prior years' tax loss utilised	<u>-</u>	<u>(1,293,419)</u>
Actual total tax charge	<u>-</u>	<u>-</u>

(c) The company has not accounted for deferred tax assets of \$3,619,889 (2017: \$1,888,366) in respect of accumulated tax losses of \$21,938,725 (2017: \$11,444,644) as the availability of future taxable profits against which the assets can be utilised is uncertain at 31 December 2018. The tax losses do not expire under current tax legislation.

7. LOAN BALANCES WITH GROUP COMPANIES

Loan balances with group companies are interest-bearing at agreed rates, unsecured and have no fixed terms of repayment. Amounts of \$4,212,947,300 (2017: \$10,891,721,600) are not expected to be recovered within one year.

8. AMOUNTS DUE FROM/(TO) GROUP COMPANIES

Amounts due from/(to) group companies are interest free, unsecured and have no fixed terms of repayment.

9. PREPAYMENTS

The amount of prepayments that is expected to be recovered or recognised as expense after more than one year is \$122,186,405 (2017: \$111,366,311).

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The fair value of interest rate swaps ("IRS") and cross currency interest rate swaps ("CCS") are calculated at the present value of the estimated future cash flows. The net fair values and maturities at the end of the reporting period of IRSs and CCSs are as follows:

	<u>2018</u>		<u>2017</u>	
	Assets \$	Liabilities \$	Assets \$	Liabilities \$
Fixed-to-floating interest rate swaps				
- Expiring after more than 1 year but not exceeding 5 years	248,798	14,344,286	-	12,991,592
Cross currency interest rate swaps				
- Expiring within 1 year	431,521	22,370,247	-	-
- Expiring after more than 1 year but not exceeding 5 years	-	168,722,579	453,915	147,425,232
Total	<u>680,319</u>	<u>205,437,112</u>	<u>453,915</u>	<u>160,416,824</u>

(a) The notional principal amount of IRSs and CCSs outstanding at the end of the reporting period are as follows:

	<u>2018</u> \$	<u>2017</u> \$
Fixed-to-floating interest rate swaps	3,154,092,800	1,005,817,800
Cross currency interest rate swaps	<u>2,359,528,813</u>	<u>2,359,528,813</u>
	<u>5,513,621,613</u>	<u>3,365,346,613</u>

(b) During the year, fair value loss on swaps in the amount of \$10,494,081 (2017: gain of \$7,838,900) has been included within finance costs in the statement of profit or loss and other comprehensive income.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

11. BANK LOANS AND OTHER BORROWINGS

	<u>2018</u>	<u>2017</u>
	\$	\$
Non-current liabilities		
Bank loans (unsecured) due after 1 year but within 5 years	23,981,634,404	16,736,366,208
3.0% HKD fixed rate notes due 2019	-	300,000,000
5.2% AUD fixed rate notes due 2019	-	91,353,600
5.2% AUD fixed rate notes due 2019	-	304,512,000
4.06% HKD fixed rate notes due 2021	100,000,000	100,000,000
4.81% HKD fixed rate notes due 2021	200,000,000	200,000,000
4.5% SGD fixed rate notes due 2021	1,979,640,329	2,012,748,328
4.3% HKD fixed rate notes due 2022	100,000,000	100,000,000
4.2% HKD fixed rate notes due 2022	445,000,000	445,000,000
4.9% HKD fixed rate notes due 2022	450,000,000	450,000,000
	<u>27,256,274,733</u>	<u>20,739,980,136</u>
Current liabilities		
2.68% HKD fixed rate notes due 2018	-	100,000,000
2.7% HKD fixed rate notes due 2018	-	200,000,000
3.0% USD fixed rate notes due 2018	-	3,900,000,000
3.0% HKD fixed rate notes due 2019	300,000,000	-
5.2% AUD fixed rate notes due 2019	82,800,000	-
5.2% AUD fixed rate notes due 2019	276,000,000	-
	<u>658,800,000</u>	<u>4,200,000,000</u>
Total bank loans and other borrowings	<u>27,915,074,733</u>	<u>24,939,980,136</u>

- (a) The company's borrowings are considered to be effectively denominated in the following currencies (after the effects of IRSs and CCSs arrangements as detailed in note 10):

	<u>2018</u>	<u>2017</u>
	\$	\$
USD	991,634,404	4,892,826,208
HKD	26,647,440,329	19,049,101,928
AUD	276,000,000	304,512,000
JPY	-	693,540,000
	<u>27,915,074,733</u>	<u>24,939,980,136</u>

- (b) The interest rate profile of the company's bank loans and other borrowings is as follows:

	<u>2018</u>		<u>2017</u>	
	Effective interest rate %	\$	Effective interest rate %	\$
Floating rate borrowings				
- Bank loans	3.5	23,981,634,404	2.1	16,736,366,208
- Notes	5.9	2,062,440,329	4.4	2,104,101,928
Fixed rate borrowings				
- Notes	4.4	<u>1,871,000,000</u>	3.4	<u>6,099,512,000</u>
		<u>27,915,074,733</u>		<u>24,939,980,136</u>

- (c) The above loans and other borrowings are guaranteed by Wheelock and Company Limited.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

12. SHARE CAPITAL

	<u>2018</u>		<u>2017</u>	
	No. of shares	\$	No. of shares	\$
Ordinary shares issued and fully paid:				
At 1 January and 31 December	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The company is exposed to financial risks related to interest rate, liquidity and credit in the normal course of business. To manage these risk exposures, the company develops, maintains and monitors the company's financial policies as described below to mitigate the exposure to these risks.

(a) Interest rate risk

The company's interest rate risk arises primarily from the company's debt obligations with its fellow subsidiaries and various banks which are mainly denominated in Hong Kong, Australian, Singaporean and United States dollars. Interest rates on borrowings are determined based on prevailing market rates. The company partially uses derivative financial instrument to hedge interest rate risks.

Based on the sensitivity analysis performed as at 31 December 2018, it was estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have no material impact on the post-tax loss and equity deficiencies of the company as the finance costs are fully recharged to group companies.

The sensitivity analysis above indicates the instantaneous change in the company's post-tax loss and equity deficiencies that would have arisen assuming that the change in interest rates had occurred at the end of the reporting period. The analysis has been performed on the same basis as for 2017.

(b) Liquidity risk

The company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from its ultimate holding company in the short and longer term.

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

The following tables detail the remaining contractual maturities at the end of the reporting period of the company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period and carried at exchange rate prevailing at the end of reporting period) and the earliest date the company can be required to pay:

	Contractual undiscounted cash flows				
	Carrying amount \$	Total \$	Within 1 year or on demand \$	More than 1 years but less than 2 years \$	More than 2 years but less than 5 years \$
At 31 December 2018					
Interest rate swaps	(14,095,488)	(23,685,351)	(14,945,858)	(6,272,615)	(2,466,878)
Cross currency interest rate swaps	(190,661,305)	(76,678,901)	(28,614,609)	(28,781,013)	(19,283,279)
Bank loans and other borrowings	(27,915,074,733)	(31,089,045,020)	(1,654,172,106)	(5,929,595,074)	(23,505,277,840)
Creditors and accruals	(53,947,785)	(53,947,785)	(53,947,785)	-	-
	<u>(28,173,779,311)</u>	<u>(31,243,357,057)</u>	<u>(1,751,680,358)</u>	<u>(5,964,648,702)</u>	<u>(23,527,027,997)</u>
At 31 December 2017					
Interest rate swaps	(12,991,592)	14,130,734	6,336,652	6,336,652	1,457,430
Cross currency interest rate swaps	(146,971,317)	(14,696,735)	(2,812,775)	(4,276,534)	(7,607,426)
Bank loans and other borrowings	(24,939,980,136)	(26,805,879,712)	(4,772,577,208)	(1,917,469,086)	(20,115,833,418)
Creditors and accruals	(98,936,110)	(98,936,110)	(98,936,110)	-	-
	<u>(25,198,879,155)</u>	<u>(26,905,381,823)</u>	<u>(4,867,989,441)</u>	<u>(1,915,408,968)</u>	<u>(20,121,983,414)</u>

(c) Credit risk

The company's credit risk is primarily attributable to loans to fellow subsidiaries, amounts due from fellow subsidiaries, interest receivables and cash at banks. The company has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. The company does not have significant concentration of credit risk.

Impairment on loans to fellow subsidiaries, amounts due from fellow subsidiaries, interest receivables and cash at bank has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The company considers the probability of default to be close to zero. Accordingly, no loss allowance has been recognised during the years ended 31 December 2017 and 31 December 2018.

(d) Fair value of assets and liabilities

(i) Fair value estimation

The carrying values of loans to group companies, interest receivables, prepayments, cash at banks and other liquid funds, creditors and accruals, bank loans and other borrowings, provisions and inter-company balances carried at cost or amortised cost are not materially different from their fair values as at 31 December 2017 and 31 December 2018.

(ii) Financial instrument carried at fair value

The following table presents the fair value of the company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below:

	2018 Level 2 \$	2017 Level 2 \$
Derivative financial assets		
- Interest rate swaps	248,798	-
- Cross currency interest rate swaps	431,521	453,915
	<u>680,319</u>	<u>453,915</u>
Derivative financial liabilities		
- Interest rate swaps	(14,344,286)	(12,991,592)
- Cross currency interest rate swaps	(191,092,826)	(147,425,232)
	<u>(205,437,112)</u>	<u>(160,416,824)</u>
Bank loans and other borrowings		
- Bank loans	(991,634,404)	(992,826,208)
- Notes	(1,979,640,329)	(2,012,748,328)
	<u>(2,971,274,733)</u>	<u>(3,005,574,536)</u>

WHEELOCK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

Valuation techniques and inputs used in level 2 fair value measurements

The fair value of IRSs and CCSs in level 2 is determined based on the amount that the company would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and the current creditworthiness of the swap counter-parties.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the company's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

During the years ended 31 December 2017 and 2018, there were no transfers among Level 1 and Level 2 or transfer into or out of Level 3.

(e) Capital management

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern to meet its financial obligations and continue to provide returns for shareholders and benefits for other stakeholders.

The company is a wholly-owned subsidiary of Wheelock and Company Limited ("Wheelock"), and its sources of capital and policy of capital management may be affected with due regard to Wheelock's group policy for capital management. As such, the company defines "capital" as shareholders' equity.

There has been no change in the company's capital management practices as compared to the prior year.

14. MATERIAL RELATED PARTY TRANSACTIONS

In addition to transactions with the group companies and balances outstanding as at 31 December 2017 and 31 December 2018 as disclosed in notes 5, 7 and 8 to the financial statements, the following material related party transactions have been entered into by the company in the normal course of the company's business.

	<u>2018</u>	<u>2017</u>
	\$	\$
Interest income received/receivable from:		
- fellow subsidiaries	716,703,511	656,103,413
- ultimate holding company	-	86,014
Arrangement fee income received/receivable from:		
- fellow subsidiaries	4,809,332	16,551,138
Secretarial expenses paid/payable to fellow subsidiaries	<u>(31,000)</u>	<u>(35,152)</u>

15. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
HKFRS 16, Leases	1 January 2019
HK(IFRIC) 23, Uncertainty over income tax treatments	1 January 2019
Annual Improvements to HKFRSs 2015-2017 Cycle	1 January 2019

The company is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

16. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent and ultimate holding company at 31 December 2018 to be Ansett Limited and Wheelock and Company Limited, which are incorporated in the British Virgin Islands and Hong Kong, respectively. Wheelock and Company Limited is listed and produces financial statements available for public use.

ISSUERS

Registered Office of Wheelock Finance Limited
23rd Floor, Wheelock House
20 Pedder Street
Hong Kong

Registered Office of Wheelock MTN (BVI) Limited
Vistra Corporate Services Centre,
Wickhams Cay II,
Road Town, Tortola,
VG1110, British Virgin Islands

GUARANTOR

Registered Office of Wheelock and Company Limited
23rd Floor, Wheelock House
20 Pedder Street
Hong Kong

FISCAL AGENT AND PAYING AGENT

Deutsche Bank Aktiengesellschaft, Hong Kong Branch
Level 60, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Aktiengesellschaft, Hong Kong Branch
Level 60, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CMU LODGING AGENT

Deutsche Bank Aktiengesellschaft, Hong Kong Branch
Level 60, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

ARRANGER AND DEALER

The Hongkong and Shanghai Banking Corporation Limited
Level 17
HSBC Main Building
1 Queen's Road Central
Hong Kong

AUDITORS

To Wheelock and Company Limited and Wheelock Finance Limited

KPMG
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

LEGAL ADVISERS

To the Issuers and the Guarantor
in respect of English and Hong Kong law

Deacons
5th Floor
Alexandra House
18 Chater Road
Hong Kong

To the Dealers
in respect of English law

Linklaters
11th Floor, Alexandra House
Chater Road
Central
Hong Kong

To WKBVI
in respect of British Virgin Islands law

Harney Westwood & Riegels
3501 The Center
99 Queen's Road Central
Hong Kong

APPENDIX 2 – PRICING SUPPLEMENT DATED 14 JANUARY 2021

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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

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

Confirmation of your Representation: In order to be eligible to view the Pricing Supplement or make an investment decision with respect to the securities, investors must not be located in the United States. The Pricing Supplement is being sent at your request and by accepting the e-mail and accessing the Pricing Supplement, you shall be deemed to have represented to each of Wheelock MTN (BVI) Limited (the "**Issuer**"), Wheelock and Company Limited ("**Wheelock**" and the "**Guarantor**"), The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited, BNP Paribas, BOCI Asia Limited, DBS Bank Ltd., Mizuho Securities Asia Limited, MUFG Securities Asia Limited and SMBC Nikko Capital Markets Limited (collectively, the "**Managers**") that you and any persons you represent are persons outside the United States (within the meaning of Regulation S under the Securities Act) and, to the extent you purchase the securities, you will be doing so pursuant to Regulation S under the Securities Act; that the electronic mail address that you gave the Issuer, the Guarantor, the Managers and to which this e-mail has been delivered is not located in the United States; and that you consent to delivery of such Pricing Supplement (or any amendment or supplement thereto) by electronic transmission.

You are reminded that the Pricing Supplement has been delivered to you on the basis that you are a person into whose possession the Pricing Supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Pricing Supplement to any other person. You should not reply by e-mail to this document, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

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

The Pricing Supplement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Managers or any of the agents (the "**Agents**") referred to in the Pricing Supplement nor any person who controls the Issuer, the Guarantor, the Managers or the Agents, nor any director, officer, employee, representative nor any agent or adviser of the Issuer, the Guarantor, the Managers, the Agents or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Pricing Supplement distributed to you in electronic format and the hard copy version available to you on request from any Manager.

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

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

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

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

Pricing Supplement dated 14 January 2021

WHEELOCK MTN (BVI) LIMITED

(incorporated in the British Virgin Islands with limited liability)

Issue of U.S.\$500,000,000 2.375 per cent. Notes due 2026

Guaranteed by WHEELOCK AND COMPANY LIMITED

under the U.S.\$5,000,000,000 Medium Term Note Programme (the “Programme”)

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

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

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

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 19 October 2020 (the “**Offering Circular**”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1	(i)	Issuer:	Wheelock MTN (BVI) Limited
	(ii)	Guarantor:	Wheelock and Company Limited
2	(i)	Series Number:	2021-021
	(ii)	Tranche Number:	001
3		Specified Currency or Currencies:	United States dollar (U.S.\$)
4		Aggregate Nominal Amount:	
	(i)	Series:	U.S.\$500,000,000
	(ii)	Tranche:	U.S.\$500,000,000
5	(i)	Issue Price:	99.981 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	Approximately U.S.\$499,000,000
6	(i)	Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.\$1,000
7	(i)	Issue Date:	25 January 2021
	(ii)	Interest Commencement Date:	Issue Date
8		Maturity Date:	25 January 2026
9		Interest Basis:	2.375 per cent. Fixed Rate
10		Redemption/Payment Basis:	Redemption at par

11	Change of Interest or Redemption / Payment Basis:	Not Applicable
12	Put/Call Options:	Put option as set out in Annex A to this Pricing Supplement
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
14	Listing:	Hong Kong Stock Exchange (<i>Expected effective listing date of the Notes: 26 January 2021</i>)
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	2.375 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	25 January and 25 July in each year, not adjusted
	(iii) Fixed Coupon Amount:	U.S.\$11.875 per Calculation Amount
	(iv) Broken Amount:	Not Applicable
	(v) Day Count Fraction (Condition 5(j)):	30/360
	(vi) Determination Date(s) (Condition 5(j)):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17	Floating Rate Provisions:	Not Applicable
18	Zero Coupon Note Provisions:	Not Applicable
19	Index Linked Interest Note Provisions:	Not Applicable
20	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Call Option	Not Applicable
22	Put Option:	Not Applicable
23	Final Redemption Amount of each Note:	U.S.\$1,000 per Calculation Amount
24	Early Redemption Amount:	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10)	U.S.\$1,000 per Calculation Amount

and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	Registered Notes
	(i) Temporary Global Note or Permanent Global Note:	Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate
	(ii) Applicable TEFRA exemption:	Not Applicable
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	Hong Kong and New York
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes:	Not Applicable
30	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
31	Consolidation provisions:	Not Applicable
32	Other terms or special conditions:	The provisions set out in Annex A to this Pricing Supplement shall be inserted after the last paragraph of Condition 6(e). Annex B to this Pricing Supplement contains additional disclosure which, for the purposes of the Notes only, should be read and construed in conjunction with the Offering Circular.

DISTRIBUTION

33	(i) If syndicated, names of Managers:	Bank of China (Hong Kong) Limited BNP Paribas BOCI Asia Limited DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited Mizuho Securities Asia Limited MUFG Securities Asia Limited
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SMBC Nikko Capital Markets Limited

- (ii) Stabilisation Manager(s) (if any): Any one of the Managers appointed and acting in its capacity as stabilisation manager
- 34** If non-syndicated, name of Dealer: Not Applicable
- 35** Prohibition of Sales to EEA Retail Investors: Not Applicable
- 36** Prohibition of Sales to UK Retail Investors: Not Applicable
- 37** Additional selling restrictions: For the purposes of the Notes only, the section of the Offering Circular headed “Subscription and Sale – Selling Restrictions – United States” shall be replaced with the following:
- “United States**
- The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Managers has represented that it has not offered or sold the Notes, and agreed that it will not offer or sell, any Notes constituting part of its allotment in the United States 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 Managers or any of their affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.”
- For the purposes of the Notes only, the section of the Offering Circular headed “Subscription and Sale – Selling Restrictions – European Economic Area – Prohibition of Sales to EEA and UK Retail Investors” shall be replaced with the following:
- “Prohibition of Sales to EEA Retail Investors**
- Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed

under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(i) the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended “**MiFID II**”); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in the Prospectus Regulation; and

(ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic

law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or

- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.”

For the purposes of the Notes only, the section of the Offering Circular headed “Subscription and Sale – Selling Restrictions – European Economic Area – Public Offer Selling Restrictions under the Prospectus Regulation” shall be replaced with the following:

“Public Offer Selling Restrictions under the Prospectus Regulation and the UK Prospectus Regulation

Public Offer Selling Restriction under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA (each, a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the

subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus

Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Public Offer Selling Restriction under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) subject to obtaining the prior consent of the Dealers; or
- (c) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an

“offer of Bonds to the public” in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.”

38 Private Bank Rebate: Not Applicable

OPERATIONAL INFORMATION

39 ISIN Code: XS2282244560

40 Common Code: 228224456

41 CMU Instrument Number: Not Applicable

42 Legal Entity Identifier (LEI): 2549008QJTQY2VB3MV48

43 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the CMU Service and the relevant identification number(s): Not Applicable

44 Delivery: Delivery against payment

45 The Agents appointed in respect of the Notes are: Deutsche Bank Aktiengesellschaft, Hong Kong Branch (as Fiscal Agent, Paying Agent, Calculation Agent, Transfer Agent and Registrar)

GENERAL

46 Use of Proceeds: As described in the “Use of Proceeds” section in the Offering Circular

47 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): Not Applicable

48 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of ____, producing a sum of (for Notes not denominated in U.S. dollars): Not Applicable

49 In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong: Not Applicable

50 In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than Hong Kong: Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein on the Hong Kong Stock Exchange pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of Wheelock MTN (BVI) Limited and Wheelock Finance Limited guaranteed by Wheelock and Company Limited.

STABILISATION

In connection with this issue, any one of the Managers appointed and acting in its capacity as stabilisation manager (the “**Stabilisation Manager**”) (or any person acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) 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 Notes 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 Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in the Offering Circular (as supplemented by this Pricing Supplement), there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Guarantor or of the Group since 30 June 2020.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By (Sd.) _____
Duly authorised

Signed on behalf of the Guarantor:

By (Sd.) _____
Duly authorised

Annex A

Following the occurrence of a Change of Control (as defined below), the holder of each Note will have the right at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Notes on the Change of Control Redemption Date (as defined below) at 101 per cent. of the nominal amount of such Notes, together with interest accrued to the Change of Control Redemption Date.

To exercise such option the holder must deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed and signed Exercise Notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) by not later than the 30th day following a Change of Control, or, if later, the 30th day following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

An Exercise Notice in respect of redemption upon Change of Control, once delivered, shall be irrevocable and the Issuer shall redeem the Notes the subject of Exercise Notices delivered as aforesaid on the Change of Control Redemption Date.

The Issuer, failing whom the Guarantor, shall give notice to Noteholders in accordance with Condition 14 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition and shall give brief details of the Change of Control.

For the purposes of this Condition:

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

- (i) the Controlling Persons, acting together, cease to have a controlling shareholding interest in the Guarantor; or
- (ii) the Guarantor ceases to be the single largest shareholder of either The Wharf (Holdings) Limited or Wharf Real Estate Investment Company Limited.

"**Change of Control Redemption Date**" shall be the fourteenth day after the expiry of such period of 30 days after the later of a Change of Control or the date upon which notice of a Change of Control is given to Noteholders by the Issuer in accordance with Condition 14 as referred to above.

"**Controlling Persons**" means Mr. Peter Woo and/or his wife as well as their related trusts.

Annex B

1. Summary Financial Information

The following replaces the section headed “Summary Financial Information” included on pages 96 to 98 of the Offering Circular in its entirety:

“SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below has been (i) derived from the audited consolidated financial statements of Wheelock for the years ended 31 December 2019 and 2018, (ii) extracted from the unaudited consolidated interim financial statements of Wheelock for the six months ended 30 June 2020 (the “**2020 Interim Financial Statements**”) and (iii) extracted from the unaudited consolidated interim financial statements of Wheelock for the six months ended 30 June 2019, and should be read in conjunction with the information incorporated in this Pricing Supplement and by reference into the Offering Circular.

The 2020 Interim Financial Statements have not been audited by KPMG or any other independent auditors. Consequently, the 2020 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit by an independent auditor or accountant. None of the Arranger or the Dealers or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of such unaudited financial statements for an assessment of, and potential investors must exercise caution when using such data to evaluate Wheelock’s or the Group’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 Wheelock or the Group for the full financial year ended 31 December 2020.

<u>Results</u>	<u>Year ended 31 December</u>		<u>Six months ended 30 June</u>	
	<u>2019</u> <i>(Audited)</i>	<u>2018</u> <i>(Audited)</i>	<u>2020</u> <i>(Unaudited)</i>	<u>2019</u> <i>(Unaudited)</i>
	<i>(in HK\$ million, except per share data)</i>			
Revenue	48,519	48,490	12,607	21,713
Operating profit before depreciation, amortisation, interest and tax	28,213	25,875	8,074	13,172
Profit before investment property valuation gain or loss.	12,782	11,796	1,214	7,161
Profit/(loss) attributable to equity shareholders	9,173	17,239	(4,200)	8,327

Financial Position	As at 31 December		As at 30 June	
	2019 <i>(Audited)</i>	2018 <i>(Audited)</i>	2020 <i>(Unaudited)</i>	2019 <i>(Unaudited)</i>
	<i>(in HK\$ million, except per share data and financial ratios)</i>			
Total assets.....	609,413	592,624	599,440	613,964
Net debt ⁽¹⁾	88,218	93,007	52,794	100,739
Shareholders' equity.....	268,004	251,077	265,291	264,320
Total equity.....	393,713	389,478	377,219	402,363
Net asset value per share.....	HK\$130.81	HK\$122.60	HK\$129.23	HK\$129.03
Net debt to total equity.....	22.4%	23.9%	14.0%	25.0%

Note:

(1) Net debt equals total loans less bank deposits and cash.

Shareholders' and Total Equity

Shareholders' equity decreased by 1% to HK\$265.3 billion (31 December 2019: HK\$268.0 billion), or HK\$129.23 per share based on 2,053 million issued shares (31 December 2019: HK\$130.81 per share based on 2,049 million issued shares) as at 30 June 2020.

Including non-controlling interests, as at 30 June 2020, the Group's total equity decreased by 4% to HK\$377.2 billion (31 December 2019: HK\$393.7 billion).

Total Assets

The Group's total assets were HK\$599.4 billion (31 December 2019: HK\$609.4 billion) as at 30 June 2020.

Debt and Gearing

The Group's net debt decreased by 40% or HK\$35.4 billion to HK\$52.8 billion (31 December 2019: HK\$88.2 billion) as at 30 June 2020.

As at 30 June 2020, the ratio of net debt to total equity (on a consolidated basis) decreased to 14.0% (31 December 2019: 22.4%). Excluding the net debt of the WHL Group, Wheelock's net debt to shareholders' equity (on an attributable net asset value basis) increased to 10.9% (31 December 2019: 9.9%, excluding the net debt of the WHL Group and the Wharf REIC Group).

Principal Accounting Policies and Basis of Preparation

The summary financial information as at 31 December 2018 and 2019 and for the years then ended has been extracted from Wheelock's published audited financial statements for each of its financial years ended 31 December 2018 and 2019.

The summary financial information as at and for the six months ended 30 June 2019 has been extracted from Wheelock's published unaudited interim financial statements as at and for the six months ended 30 June 2019.

The summary financial information as at and for the six months ended 30 June 2020 has been extracted from the 2020 Interim Financial Statements which have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410. The 2020 Interim Financial

Statements have been prepared by Wheelock in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The preparation of the 2020 Interim Financial Statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The 2020 Interim Financial Statements have been subject to internal control policies of the Group which have been reviewed by the Risk Management and Internal Control Committee of the Group.

The accounting policies and methods of computation used in the preparation of the 2020 Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2019 except for the changes mentioned below.

With effect from 1 January 2020, the Group has applied the following amendments to HKFRSs issued by the HKICPA to the 2020 Interim Financial Statements:

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the accounting period beginning on 1 January 2020.

Fair Value Measurement of Financial Instruments

Financial assets and liabilities carried at fair value

The Group’s financial instruments carried at fair value are measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement (“**HKFRS 13**”). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using only Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of interest rate swaps and cross currency interest rate swaps in Level 2 is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of forward exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued."

2. Capitalisation and Indebtedness

The following replaces the section headed “Capitalisation and Indebtedness” included on page 99 of the Offering Circular in its entirety:

“CAPITALISATION AND INDEBTEDNESS

The following table sets forth Wheelock’s consolidated capitalisation and indebtedness as at 30 June 2020 (i) on an actual basis and (ii) as adjusted to give effect to the issue of the Notes, and should be read in conjunction with the 2020 Interim Financial Statements included elsewhere in this Pricing Supplement.

	As at 30 June 2020	
	Actual <i>(Unaudited)</i> <i>(in HK\$ million)</i>	As adjusted <i>(Unaudited)</i> <i>(in HK\$ million)</i>
Short-term debt		
Bank loans and other borrowings	7,564	7,564
Long-term debt		
Bank loans and other borrowings	65,833	65,833
Notes to be issued⁽¹⁾	-	3,900
Total long-term debt	65,833	69,733
Shareholders’ equity		
Share capital	3,936	3,936
Reserves	261,355	261,355
Total shareholders’ equity	265,291	265,291
Total capitalisation⁽²⁾	338,688	342,588

Notes:

- (1) Notes to be issued of U.S.\$500,000,000 (before deducting the fees and commissions and other estimated expenses payable in connection with the offering of the Notes) have been translated into HK\$ for convenience purpose at a rate of U.S.\$1.00 to HK\$7.80.
- (2) Total capitalisation is defined to be the sum of total short-term debt, total long-term debt and total shareholders’ equity.

Save as disclosed in the Offering Circular and this Pricing Supplement, there has been no material adverse change in Wheelock’s consolidated capitalisation and indebtedness since 30 June 2020.

3. Additional Risk Factor

Prospective investors should carefully take into account the following additional risk factor, in addition to the other risk factors and information contained in the Offering Circular, before investing in the Notes.

Historical consolidated financial information of Wheelock is not indicative of the Group's current or future results of operations

Following completion of the privatisation of Wheelock by way of a scheme of arrangement under section 673 of the Companies Ordinance in July 2020, Wheelock's effective interests in WHL and Wharf REIC has been adjusted and Wharf REIC ceased to be a subsidiary of the Group and is accounted for as an associate thereafter under the equity method of accounting. As such, the historical consolidated financial information of Wheelock included in the Offering Circular and this Pricing Supplement does not reflect the Group's financial position post-privatisation and is not indicative of the Group's current or future financial condition or results of operations. In addition, such financial information is not intended to represent or predict the Group's results of operations of any future periods. No pro forma financial information reflecting the effect of the privatisation has been included in the Offering Circular or this Pricing Supplement. Potential investors must therefore exercise caution when using such historical financial information to evaluate the Group's current or future financial condition and results of operations. Please also refer to the Wheelock Announcements and the 2020 Interim Financial Statements (including, without limitation, note 9 and note 18 to the 2020 Interim Financial Statements) for further details.

In addition, the Group may acquire businesses or companies and/or dispose of subsidiaries, associates or assets and/or undergo certain organisational restructuring from time to time in accordance with its business objectives. The Group's future financial condition and results of operations may also be affected by various reasons, including factors beyond the Group's control, such as changes in economic environment, laws and regulations and the competitive landscape of the industries in which the Group operates. There can be no assurance that any future acquisition, disposal and/or organisational restructuring or changes in shareholding structure will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

4. Other information

As at 31 December 2020, Wheelock owned a total of approximately 54.9% of WHL's issued share capital. As at 31 December 2020, Wheelock owned a total of approximately 49.0% of Wharf REIC's issued share capital.

5. The 2020 Interim Financial Statements

This Pricing Supplement contains the 2020 Interim Financial Statements, which were prepared in conformity with HKFRS issued by the Hong Kong Institute of Certified Public Accountants and have been reviewed by KPMG. The 2020 Interim Financial Statements have not been audited by KPMG or any other independent auditors. Consequently, the 2020 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit by an independent auditor or accountant. None of the Managers or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of such unaudited financial statements for an assessment of, and potential investors must exercise caution when using such data to evaluate Wheelock's or the Group'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 Wheelock or the Group for the full financial year ended 31 December 2020.

The financial information contained in this Pricing Supplement does not constitute specified financial statements (as defined in the Companies Ordinance) in relation to Wheelock. Wheelock has delivered its specified financial statements for the years ended 31 December 2018 and 31 December 2019 to the Registrar of Companies of Hong Kong. Wheelock's auditors have reported on the specified financial statements in relation to Wheelock for the years ended 31 December 2018 and 31 December 2019. The auditors' reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain any statement under section 406(2) or 407(2) or (3) of the Companies Ordinance.

WHEELOCK AND COMPANY LIMITED

**UNAUDITED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**



**Review report to the board of directors
of Wheelock and Company Limited**
(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim consolidated financial statements set out on pages 3 to 25 which comprises the consolidated statement of financial position of Wheelock and Company Limited (the “company”) as of 30 June 2020 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants.

Our responsibility is to form a conclusion, based on our review, on the interim consolidated financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Review report to the board of directors of
Wheelock and Company Limited (continued)**
(Incorporated in Hong Kong with limited liability)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements as at 30 June 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

A handwritten signature in black ink, appearing to be 'Dh-1'.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

11 January 2021

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2020 - Unaudited

		Six months ended 30 June	
		2020	2019
	Note	HK\$ Million	HK\$ Million
Revenue	2	12,607	21,713
Direct costs and operating expenses		(3,384)	(7,024)
Selling and marketing expenses		(434)	(649)
Administrative and corporate expenses		(715)	(868)
Operating profit before depreciation, amortisation, interest and tax		8,074	13,172
Depreciation and amortisation	3	(488)	(493)
Operating profit	2 & 3	7,586	12,679
(Decrease)/increase in fair value of investment properties		(8,569)	2,249
Other net (charge)/income	4	(4,067)	186
Finance costs	5	(1,382)	(881)
Share of results after tax of:			
Associates		146	302
Joint ventures		372	161
(Loss)/profit before taxation		(5,914)	14,696
Income tax	6	(740)	(2,827)
(Loss)/profit for the period		(6,654)	11,869
(Loss)/profit attributable to:			
Equity shareholders		(4,200)	8,327
Non-controlling interests		(2,454)	3,542
		(6,654)	11,869

The notes on pages 8 to 25 form part of these interim consolidated financial statements.
Details of dividends payable to equity shareholders of the Company are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2020 - Unaudited

	Six months ended 30 June	
	2020	2019
	HK\$ Million	HK\$ Million
(Loss)/Profit for the period	(6,654)	11,869
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange losses on translation of operations outside Hong Kong	(1,181)	(347)
Share of other comprehensive income of associates and joint ventures	(204)	(145)
Net surplus on bond investments:	—	35
Fair value changes	—	32
Transfer from investments revaluation reserve to profit or loss on disposal	—	3
Items that will not be reclassified to profit or loss:		
Fair value changes on listed equity investments	(1,125)	7,892
Other comprehensive income for the period	(2,510)	7,435
Total comprehensive income for the period	(9,164)	19,304
Total comprehensive income attributable to:		
Equity shareholders	(5,857)	13,702
Non-controlling interests	(3,307)	5,602
	(9,164)	19,304

The notes on pages 8 to 25 form part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020 - Unaudited

	Note	30 June 2020 HK\$ Million	31 December 2019 HK\$ Million
Non-current assets			
Investment properties	8	75,304	336,819
Property, plant and equipment		12,701	20,945
Interest in associates		16,789	19,971
Interest in joint ventures		34,129	37,740
Other long term investments		49,497	46,749
Goodwill and other intangible assets		298	298
Deferred tax assets		464	1,179
Derivative financial assets		400	502
Other non-current assets		553	743
		<u>190,135</u>	<u>464,946</u>
Current assets			
Properties for sale		88,528	92,231
Inventories		—	16
Trade and other receivables	10	13,763	14,491
Derivative financial assets		186	64
Bank deposits and cash		20,603	37,665
		<u>123,080</u>	<u>144,467</u>
Assets included in a group classified as held for distribution	9	286,225	—
		<u>409,305</u>	<u>144,467</u>
Total assets		<u>599,440</u>	<u>609,413</u>
Non-current liabilities			
Derivative financial liabilities		(829)	(562)
Deferred tax liabilities		(12,024)	(14,947)
Other deferred liabilities		—	(333)
Other non-current liabilities		(6)	—
Bank loans and other borrowings	12	(65,833)	(102,436)
		<u>(78,692)</u>	<u>(118,278)</u>
Current liabilities			
Liabilities included in a group classified as held for distribution	9	(74,405)	—
Trade and other payables	11	(27,264)	(36,073)
Deposits from sale of properties		(32,461)	(30,676)
Derivative financial liabilities		(76)	(165)
Taxation payable		(1,759)	(7,061)
Bank loans and other borrowings	12	(7,564)	(23,447)
		<u>(143,529)</u>	<u>(97,422)</u>
Total liabilities		<u>(222,221)</u>	<u>(215,700)</u>
NET ASSETS		<u>377,219</u>	<u>393,713</u>
Capital and reserves			
Share capital	13	3,936	3,764
Reserves		261,355	264,240
Shareholders' equity		<u>265,291</u>	<u>268,004</u>
Non-controlling interests		<u>111,928</u>	<u>125,709</u>
TOTAL EQUITY		<u>377,219</u>	<u>393,713</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020 - Unaudited

	Shareholders' equity								
	Share capital HK\$ Million	Investments revaluation and other reserves		Exchange reserves HK\$ Million	Revenue reserves HK\$ Million	Total shareholders' equity HK\$ Million	Non- controlling interests HK\$ Million	Total equity HK\$ Million	
		HK\$	HK\$						HK\$
		Million	Million						Million
At 1 January 2020	3,764	3,071	(4,031)	265,200	268,004	125,709	393,713		
Changes in equity for the period:									
Loss	-	-	-	(4,200)	(4,200)	(2,454)	(6,654)		
Other comprehensive income	-	(736)	(922)	1	(1,657)	(853)	(2,510)		
Total comprehensive income	-	(736)	(922)	(4,199)	(5,857)	(3,307)	(9,164)		
Shares issued under the share option scheme	172	(26)	-	-	146	-	146		
Equity settled share-based payments	-	2	-	-	2	-	2		
Shares issued by a subsidiary	-	(1)	-	-	(1)	4	3		
Acquisition of additional interest in subsidiaries	-	-	-	5,152	5,152	(9,495)	(4,343)		
Transfer to revenue reserves upon de-recognition of equity investments	-	(870)	-	870	-	-	-		
2019 second interim dividend paid (Note 7(b))	-	-	-	(2,155)	(2,155)	-	(2,155)		
Dividends paid to non-controlling interests	-	-	-	-	-	(983)	(983)		
At 30 June 2020	3,936	1,440	(4,953)	264,868	265,291	111,928	377,219		
At 1 January 2019	3,724	(3,203)	(2,369)	252,925	251,077	138,401	389,478		
Changes in equity for the period:									
Profit	-	-	-	8,327	8,327	3,542	11,869		
Other comprehensive income	-	5,634	(260)	1	5,375	2,060	7,435		
Total comprehensive income	-	5,634	(260)	8,328	13,702	5,602	19,304		
Shares issued under the share option scheme	27	(5)	-	-	22	-	22		
Equity settled share-based payments	-	7	-	-	7	2	9		
Acquisition of additional interest in subsidiaries	-	-	-	1,663	1,663	(4,582)	(2,919)		
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	320	320		
2018 second interim dividend paid	-	-	-	(2,151)	(2,151)	-	(2,151)		
Dividends paid to non-controlling interests	-	-	-	-	-	(1,700)	(1,700)		
At 30 June 2019	3,751	2,433	(2,629)	260,765	264,320	138,043	402,363		

The notes on pages 8 to 25 form part of these interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2020 - Unaudited

	Six months ended 30 June	
	2020	2019
	HK\$ Million	HK\$ Million
Operating cash inflow	7,017	11,596
Changes in working capital and others	274	(4,842)
Tax paid	(5,177)	(2,855)
Net cash generated from operating activities	2,114	3,899
Investing activities		
Additions to investment properties and property, plant and equipment	(756)	(1,471)
Acquisition of additional interest in subsidiaries	(4,564)	(2,859)
Net cash used in other investing activities	(6,207)	(531)
Net cash used in investing activities	(11,527)	(4,861)
Financing activities		
Dividends paid to equity shareholders	(2,155)	(2,151)
Dividends paid to non-controlling interests	(983)	(1,700)
Net cash generated from other financing activities	5,017	4,533
Net cash generated from financing activities	1,879	682
Net decrease in cash and cash equivalents	(7,534)	(280)
Cash and cash equivalents at 1 January	33,964	26,129
Effect of exchange rate changes	(292)	(20)
Cash and cash equivalents at 30 June (Note)	26,138	25,829

Note: Cash and cash equivalents

	As at 30 June	As at 30 June
	2020	2019
	HK\$ Million	HK\$ Million
Bank deposits and cash presented in the consolidated statement of financial position	20,603	25,829
Bank deposits and cash included in a group classified as held for distribution	5,535	-
Cash and cash equivalents in the condensed consolidated statement of cash flows	26,138	25,829

The notes on pages 8 to 25 form part of these interim consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the unaudited interim consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The notes to these unaudited interim consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2019. The unaudited interim consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies and methods of computation used in the preparation of the unaudited interim consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2019 except for the changes mentioned below.

With effect from 1 January 2020, the Group has applied the following amendments to HKFRSs issued by the HKICPA to these unaudited interim consolidated financial statements for the current accounting period:

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

The financial information relating to the financial year ended 31 December 2019 that is included in the unaudited interim consolidated financial statements as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the annual consolidated financial statements for the year ended 31 December 2019 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are investment property, development property, hotels and logistics. No operating segments have been aggregated to form the reportable segments.

Investment property segment primarily includes property leasing operations. Currently, the Group's properties portfolio, which mainly consists of retail, office and serviced apartments, is primarily located in Hong Kong, Mainland China and Singapore.

Development property segment encompasses activities relating to the acquisition, development, design, construction, sales and marketing of the Group's trading properties, which are primarily in Hong Kong, Mainland China and Singapore.

Hotels segment includes hotel operations in the Asia Pacific region which are operated by The Wharf (Holdings) Limited ("WHL") and Wharf Real Estate Investment Company Limited ("Wharf REIC").

Logistics segment mainly includes the container terminal operations in Hong Kong and Mainland China undertaken by Modern Terminals Limited ("Modern Terminals"), Hong Kong Air Cargo Terminals Limited and other public transport operations.

Management evaluates performance primarily based on operating profit/loss as well as the equity share of results of associates and joint ventures of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, certain other long term investments, deferred tax assets and other derivative financial assets.

Revenue and expenses are allocated with reference to sales generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

(a) Analysis of segment revenue and results

	Revenue HK\$ Million	Operating profit /(loss) HK\$ Million	(Decrease)/ increase in fair value of investment properties HK\$ Million	Other net (charge)/ income HK\$ Million	Finance costs HK\$ Million	Share of results after tax of associates HK\$ Million	Share of results after tax of joint ventures HK\$ Million	(Loss)/ profit before taxation HK\$ Million
For the six months ended								
30 June 2020								
Investment property	8,051	6,459	(8,569)	19	(677)	-	(8)	(2,776)
Hong Kong	6,071	5,199	(7,640)	22	(493)	-	-	(2,912)
Mainland China	1,851	1,183	(929)	(3)	(184)	-	(8)	59
Singapore	129	77	-	-	-	-	-	77
Development property	1,682	477	-	(3,084)	(164)	46	386	(2,339)
Hong Kong	203	(9)	-	(2,864)	(163)	(1)	242	(2,795)
Mainland China	1,479	486	-	(220)	(1)	47	144	456
Singapore	-	-	-	-	-	-	-	-
Hotels	379	(292)	-	(1,043)	(24)	-	(4)	(1,363)
Logistics	1,202	196	-	(22)	(89)	100	(2)	183
Terminals	1,196	190	-	(1)	(89)	59	(2)	157
Others	6	6	-	(21)	-	41	-	26
Inter-segment revenue	(99)	-	-	-	-	-	-	-
Segment total	11,215	6,840	(8,569)	(4,130)	(954)	146	372	(6,295)
Investment and others	1,392	1,074	-	63	(428)	-	-	709
Corporate expenses	-	(328)	-	-	-	-	-	(328)
Group total	12,607	7,586	(8,569)	(4,067)	(1,382)	146	372	(5,914)
For the six months ended								
30 June 2019								
Investment property	9,681	7,950	2,249	561	(564)	-	31	10,227
Hong Kong	7,560	6,677	1,854	559	(462)	-	-	8,628
Mainland China	1,958	1,162	395	2	(102)	-	31	1,488
Singapore	163	111	-	-	-	-	-	111
Development property	7,838	3,173	-	(371)	(168)	187	129	2,950
Hong Kong	4,454	1,763	-	-	(141)	1	149	1,772
Mainland China	3,116	1,291	-	(371)	(27)	186	(20)	1,059
Singapore	268	119	-	-	-	-	-	119
Hotels	1,173	170	-	2	(19)	-	-	153
Logistics	1,253	224	-	(27)	(101)	115	1	212
Terminals	1,247	218	-	(6)	(101)	79	1	191
Others	6	6	-	(21)	-	36	-	21
Inter-segment revenue	(115)	-	-	-	-	-	-	-
Segment total	19,830	11,517	2,249	165	(852)	302	161	13,542
Investment and others	1,883	1,589	-	21	(29)	-	-	1,581
Corporate expenses	-	(427)	-	-	-	-	-	(427)
Group total	21,713	12,679	2,249	186	(881)	302	161	14,696

(b) Analysis of inter-segment revenue

	Six months ended 30 June					
	2020			2019		
	Total revenue	Inter-segment revenue	Group revenue	Total revenue	Inter-segment revenue	Group revenue
Six months ended 30 June	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Investment property	8,051	(95)	7,956	9,681	(68)	9,613
Development property	1,682	-	1,682	7,838	-	7,838
Hotels	379	(4)	375	1,173	(47)	1,126
Logistics	1,202	-	1,202	1,253	-	1,253
Investment and others	1,417	(25)	1,392	1,900	(17)	1,883
	<u>12,731</u>	<u>(124)</u>	<u>12,607</u>	<u>21,845</u>	<u>(132)</u>	<u>21,713</u>

(c) Disaggregation of revenue

Six months ended 30 June	2020 HK\$ Million	2019 HK\$ Million
Revenue recognised under HKFRS 15		
Sales of development properties	1,682	7,838
Management and service income	817	870
Other rental related income	195	160
Hotel and club operations	375	1,126
Logistic service income	1,202	1,253
	<u>4,271</u>	<u>11,247</u>
Revenue recognised under other accounting standards		
Rental income		
- Fixed	6,370	7,367
- Variable	609	1,259
	<u>6,979</u>	<u>8,626</u>
Investment and others	1,357	1,840
	<u>8,336</u>	<u>10,466</u>
Group total	<u>12,607</u>	<u>21,713</u>

(d) Geographical information

Six months ended 30 June	Revenue		Operating profit	
	2020	2019	2020	2019
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	8,115	14,537	5,857	9,316
Mainland China	4,317	6,482	1,611	2,893
Singapore	175	694	118	470
Group total	<u>12,607</u>	<u>21,713</u>	<u>7,586</u>	<u>12,679</u>

3. OPERATING PROFIT

	Six months ended 30 June	
	2020	2019
	HK\$ Million	HK\$ Million
Operating profit is arrived at after charging/ (crediting):		
Depreciation and amortisation on		
– hotel and other property, plant and equipment	449	462
– leasehold land	39	31
Total depreciation and amortisation	<u>488</u>	<u>493</u>
Staff costs (Note (a))	1,548	1,800
Cost of trading properties for recognised sales	691	4,292
Gross rental revenue from investment properties	(8,051)	(9,681)
Direct operating expenses of investment properties	1,472	1,695
Interest income	(366)	(990)
Dividend income from other long term investments	<u>(693)</u>	<u>(585)</u>

Notes:

- (a) Staff costs included contributions to defined contribution pension schemes of HK\$101 million (2019: HK\$143 million) and equity settled share-based payment expenses of HK\$1 million (2019: HK\$9 million).

4. OTHER NET (CHARGE)/INCOME

Other net charge for the period amounted to HK\$4,067 million (2019: income of HK\$186 million) and mainly comprised:

- (a) Provision for diminution in value of HK\$2,874 million (2019: HK\$357 million) was made mainly for certain development properties in Hong Kong held by a listed subsidiary of the Group.
- (b) An impairment provision of HK\$1,043 million (2019: HK\$Nil) was made for hotel properties held by a listed subsidiary of the Group.
- (c) A gain on disposal of investment properties of HK\$559 million was included in the other net income for the six months ended 30 June 2019.

5. FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	HK\$ Million	HK\$ Million
Interest charged on:		
Bank loans and overdrafts	1,124	1,041
Other borrowings	510	547
Total interest charge	1,634	1,588
Other finance costs	143	129
Less : Amount capitalised	(564)	(735)
	1,213	982
Fair value loss/(gain):		
Cross currency interest rate swaps	144	(91)
Interest rate swaps	25	(10)
	169	(101)
Total	1,382	881

- (a) The Group's average effective borrowing rate for the period was approximately 2.9% (2019: 2.9%) per annum.
- (b) The above interest charge has taken into account the interest paid/received in respect of interest rate swaps and cross currency interest rate swaps.

6. INCOME TAX

Taxation charged to the consolidated income statement includes:

	Six months ended 30 June	
	2020	2019
	HK\$ Million	HK\$ Million
Current income tax		
Hong Kong		
- provision for the period	774	1,420
- over-provision in respect of prior years	(25)	(8)
Outside Hong Kong		
- provision for the period	287	807
- (over)/under-provision in respect of prior years	(52)	47
	<u>984</u>	<u>2,266</u>
Land appreciation tax ("LAT") in Mainland China (Note 6(c))	<u>(373)</u>	<u>40</u>
Deferred tax		
Change in fair value of investment properties	(339)	388
Origination and reversal of temporary differences	468	169
Benefit of previously unrecognised tax losses now recognised	-	(36)
	<u>129</u>	<u>521</u>
Total	<u>740</u>	<u>2,827</u>

- (a) The provision for Hong Kong profits tax is based on the profit for the period as adjusted for tax purposes at the rate of 16.5% (2019: 16.5%).
- (b) Income tax on assessable profits outside Hong Kong is mainly China corporate income tax calculated at a rate of 25% (2019: 25%), China withholding income tax at a rate of up to 10% and Singapore income tax at a rate of 17% (2019: 17%).
- (c) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds on sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures. A one-off LAT write-back of HK\$494 million was recorded upon clearance with relevant tax authorities in Mainland China in the current period.
- (d) Tax attributable to associates and joint ventures for the six months ended 30 June 2020 of HK\$237 million (2019: HK\$200 million) is included in the share of results after tax of associates and joint ventures.

7. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	Six months ended 30 June			
	2020 HK\$ per share	2020 HK\$ Million	2019 HK\$ per share	2019 HK\$ Million
Dividends declared after the end of the reporting period:				
First interim dividend declared	0.42	862	0.525	1,075
Special dividend declared	4.00	8,211	-	-
	<u>4.42</u>	<u>9,073</u>	<u>0.525</u>	<u>1,075</u>

- (a) The first interim dividend and special dividend based on 2,053 million (2019: 2,049 million) issued ordinary shares declared after the end of the reporting period.
- (b) The second interim dividend of HK\$2,155 million for 2019 was approved and paid in 2020.

In addition, as disclosed in the Company's public announcement dated 23 July 2020, the scheme of arrangement in connection with the privatisation of the Company became effective on 23 July 2020 and distribution in specie comprising 667,432,957 shares in WHL ("WHL shares") and 667,432,957 shares in Wharf REIC ("Wharf REIC shares") held by the Company ("DIS") was completed.

8. INVESTMENT PROPERTIES

During the six months ended 30 June 2020, the Group recognised a decrease in fair value of HK\$8,569 million (2019: increase of HK\$2,249 million) on investment properties which were revalued by independent professional surveyors as at 30 June 2020 on a market value basis and have taken into account the net rental income allowing for reversionary potential and the redevelopment potential of the properties where appropriate.

9. ASSETS AND LIABILITIES INCLUDED IN A GROUP CLASSIFIED AS HELD FOR DISTRIBUTION

As disclosed in notes 7 and 18 to these unaudited interim consolidated financial statements, immediately after the completion of DIS, Wharf REIC ceased to be a subsidiary of the Group and has been accounted for as an associate thereafter under the equity method of accounting. Accordingly, the following assets and liabilities of Wharf REIC are presented as assets/liabilities included in a group held for distribution as at 30 June 2020.

	30 June 2020 HK\$ Million
Non-current assets	272,761
Current assets	<u>13,464</u>
Assets included in a group classified as held for distribution	<u>286,225</u>
Liabilities included in a group classified as held for distribution	<u>74,405</u>

10. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance for bad and doubtful debts) with an ageing analysis based on the invoice dates as at 30 June 2020 as follows:

	30 June 2020	31 December 2019
	HK\$ Million	HK\$ Million
Trade receivables		
0 - 30 days	379	421
31 - 60 days	94	56
61 - 90 days	69	34
Over 90 days	335	127
	<u>877</u>	<u>638</u>
Accrued sales receivables	3,701	3,884
Other receivables and prepayments	10,697	9,969
	<u>15,275</u>	<u>14,491</u>
Less: Trade and other receivables included in a group classified as held for distribution	(1,512)	—
	<u>13,763</u>	<u>14,491</u>

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties, the proceeds from which are receivable pursuant to the terms of the agreements. Except for accrued sales receivables of HK\$3,479 million (2019: HK\$3,662 million) which are related to sale of properties with extended settlement plans, all the receivables are expected to be recoverable within one year.

11. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on the invoice dates as at 30 June 2020 as follows:

	30 June 2020 HK\$ Million	31 December 2019 HK\$ Million
Trade payables		
0 - 30 days	731	624
31 - 60 days	83	281
61 - 90 days	38	33
Over 90 days	<u>126</u>	<u>82</u>
	978	1,020
Rental and customer deposits	4,840	4,934
Construction costs payable	9,834	11,384
Amounts due to associates	5,418	4,869
Amounts due to joint ventures	8,076	6,210
Other payables	<u>7,518</u>	<u>7,656</u>
	36,664	36,073
Less: Trade and other payables included in a group classified as held for distribution	<u>(9,400)</u>	—
	<u>27,264</u>	<u>36,073</u>

12. BANK LOANS AND OTHER BORROWINGS

	30 June 2020 HK\$ Million	31 December 2019 HK\$ Million
Bonds and notes (unsecured)	35,773	28,142
Bank loans (secured)	16,938	17,396
Bank loans (unsecured)	78,813	80,345
	<u>131,524</u>	<u>125,883</u>
Less: Bank loan and other borrowings included in a group classified as held for distribution	(58,127)	—
	<u>73,397</u>	<u>125,883</u>
Analysis of maturities of the above borrowings:		
Current borrowings		
Due within 1 year	24,267	23,447
Less: Bank loan and other borrowings included in a group classified as held for distribution	(16,703)	—
	<u>7,564</u>	<u>23,447</u>
Non-current borrowings		
Due after 1 year but within 5 years	88,415	92,064
Due after 5 years	18,842	10,372
	<u>107,257</u>	<u>102,436</u>
Less: Bank loan and other borrowings included in a group classified as held for distribution	(41,424)	—
	<u>65,833</u>	<u>102,436</u>
	<u>73,397</u>	<u>125,883</u>

13. SHARE CAPITAL

	30 June 2020 No. of shares	30 June 2020 HK\$ Million	31 December 2019 No. of shares	31 December 2019 HK\$ Million
Issued and fully paid ordinary shares				
At 1 January	2,048,849,287	3,764	2,047,949,287	3,724
Shares issued under the share option scheme	4,000,000	172	900,000	40
At 30 June / 31 December	<u>2,052,849,287</u>	<u>3,936</u>	<u>2,048,849,287</u>	<u>3,764</u>

14. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement ("HKFRS 13"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using only Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below:

	Fair value measurements categorised into						
	At 30 June 2020			At 31 December 2019			
	Level 1 HK\$ Million	Level 2 HK\$ Million	Level 3 HK\$ Million	Total HK\$ Million	Level 1 HK\$ Million	Level 2 HK\$ Million	Level 3 HK\$ Million
Assets							
Other long term investments:							
- Listed investments	56,299	-	-	56,299	44,381	-	44,381
- Unlisted investments	-	7	3,115	3,122	-	7	2,361
Derivative financial instruments:							
- Interest rate swaps	-	553	-	553	-	241	241
- Cross currency interest rate swaps	-	788	-	788	-	215	215
- Forward foreign exchange contracts	-	91	-	91	-	110	110
	56,299	1,439	3,115	60,853	44,381	573	2,361
	(9,924)	(846)	-	(10,770)	-	-	-
	46,375	593	3,115	50,083	44,381	573	2,361
Less: Assets measured at fair value included in a group classified as held for distribution							
	-	(245)	-	(245)	-	(106)	(106)
	-	(674)	-	(674)	-	(577)	(577)
	-	(103)	-	(103)	-	(44)	(44)
	-	(18,969)	-	(18,969)	-	(20,871)	(20,871)
	-	(506)	-	(506)	-	(509)	(509)
	-	(20,497)	-	(20,497)	-	(22,107)	(22,107)
	-	11,158	-	11,158	-	-	-
	-	(9,339)	-	(9,339)	-	(22,107)	(22,107)
Liabilities							
Derivative financial instruments:							
- Interest rate swaps	-	(245)	-	(245)	-	(106)	(106)
- Cross currency interest rate swaps	-	(674)	-	(674)	-	(577)	(577)
- Forward foreign exchange contracts	-	(103)	-	(103)	-	(44)	(44)
Bank loans and other borrowings:							
- Bonds and notes	-	(18,969)	-	(18,969)	-	(20,871)	(20,871)
- Bank loans	-	(506)	-	(506)	-	(509)	(509)
	-	(20,497)	-	(20,497)	-	(22,107)	(22,107)
	-	11,158	-	11,158	-	-	-
	-	(9,339)	-	(9,339)	-	(22,107)	(22,107)

During the six months ended 30 June 2020 and 2019, there were no transfers of financial instruments between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers between levels of fair value hierarchy levels as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of interest rate swaps and cross currency interest rate swaps in Level 2 is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of forward exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

Valuation techniques and inputs used in Level 3 fair value measurements

The Group's unlisted investments measured at categorised in Level 3 comprise private equity funds. These private equity funds were managed by unrelated asset managers who applied various investment strategies to accomplish their respective investment objectives. The fair value of these funds is recorded based on valuations supplied by the fund managers. These valuations are measured by the percentage of ownership of the private equity's net asset value, which is an unobservable input. The fund managers estimated the fair value of underlying investments based on direct market quote for Level 1 financial instruments. For other investments, the fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or a forward price/earnings multiple arrived at by comparison with publicly-traded comparable companies and after applying a liquidity discount. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instruments or based on any available observable market data.

The movement during the period in the balance of these Level 3 fair value measurement are as follows:

	30 June 2020 HK\$ Million
At 1 January	2,361
Payment for purchases	622
Net unrealised gains recognised in consolidated income statement during the period	<u>132</u>
As at 30 June	<u>3,115</u>

Any gain or loss arising from the remeasurement of the Group's unlisted investments are recognised in the other net (charge)/income in the consolidated income statement.

(b) Assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2020 and 31 December 2019.

15. MATERIAL RELATED PARTY TRANSACTIONS

The Group has not been a party to any material related party transaction during the six months ended 30 June 2020 except for the rental income totalling HK\$343 million (2019: HK\$579 million) earned from various tenants which are wholly or partly owned by companies which in turn are wholly-owned by the family interests of close family members of, or by a trust the settlor of which is a close family member of, the Chairman of the Company.

16. CONTINGENT LIABILITIES

- (a) As at 30 June 2020, there were contingent liabilities in respect of guarantees given by the Group on behalf of certain associates and joint ventures of HK\$12,929 million (31 December 2019: HK\$11,242 million), of which HK\$8,274 million (31 December 2019: HK\$6,603 million) had been drawn.
- (b) As at 30 June 2020, there were guarantees of HK\$3,382 million (31 December 2019: HK\$3,264 million) provided by WHL group and Wharf REIC group to the financial institutions in favour of their customers in respect of the mortgage loans provided by the financial institutions to those customers for the purchase of development properties of WHL group and Wharf REIC group. There were also mortgage loan guarantees of HK\$3,259 million (31 December 2019: HK\$1,465 million) provided by associates and joint ventures of WHL group to the financial institutions in favour of their customers.
- (c) The Group has not recognised any deferred income for the guarantees given in respect of borrowings and other banking facilities for subsidiaries, associates and joint ventures as their fair value cannot be reliably measured and their transaction price was HK\$Nil.

17. COMMITMENTS

The Group's outstanding commitments as at 30 June 2020 are detailed below:

Planned expenditure

	30 June 2020			31 December 2019		
	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
(I) Properties						
Investment properties						
Hong Kong	1,139	466	1,605	799	871	1,670
Mainland China	197	81	278	241	300	541
Singapore	1	-	1	2	-	2
	<u>1,337</u>	<u>547</u>	<u>1,884</u>	<u>1,042</u>	<u>1,171</u>	<u>2,213</u>
Development properties						
Hong Kong	6,736	11,825	18,561	8,639	8,879	17,518
Mainland China	8,353	9,452	17,805	9,755	12,212	21,967
	<u>15,089</u>	<u>21,277</u>	<u>36,366</u>	<u>18,394</u>	<u>21,091</u>	<u>39,485</u>
Properties total						
Hong Kong	7,875	12,291	20,166	9,438	9,750	19,188
Mainland China	8,550	9,533	18,083	9,996	12,512	22,508
Singapore	1	-	1	2	-	2
	<u>16,426</u>	<u>21,824</u>	<u>38,250</u>	<u>19,436</u>	<u>22,262</u>	<u>41,698</u>
(II) Non-properties and others						
Hotels	202	479	681	11	109	120
Modern Terminals	99	38	137	127	57	184
Others	2,536	-	2,536	3,013	-	3,013
	<u>2,837</u>	<u>517</u>	<u>3,354</u>	<u>3,151</u>	<u>166</u>	<u>3,317</u>
Total	19,263	22,341	41,604	22,587	22,428	45,015
Less: commitments relating to a group classified as held for distribution	(641)	(2,608)	(3,249)	-	-	-
	<u>18,622</u>	<u>19,733</u>	<u>38,355</u>	<u>22,587</u>	<u>22,428</u>	<u>45,015</u>

- (i) Properties commitments are mainly for construction costs to be incurred in the forthcoming years, including attributable land costs of HK\$0.1 billion (31 December 2019: HK\$0.1 billion).
- (ii) The expenditure for development properties included attributable amounts for developments undertaken by associates and joint ventures of HK\$5.2 billion (31 December 2019: HK\$5.2 billion) in Hong Kong and HK\$7.3 billion (31 December 2019: HK\$8.6 billion) in Mainland China, respectively.

18. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Company's public announcement dated 23 July 2020, the scheme of arrangement became effective on 23 July 2020 and DIS comprising the entire shareholding of 667,432,957 WHL shares and 667,432,957 Wharf REIC shares held by the Company was completed. The Group's effective interests in WHL and Wharf REIC have been reduced. Wharf REIC ceased to be subsidiary of the Group and is accounted for as an associate thereafter under the equity method of accounting. The Group's equity attributable to shareholders immediately after the completion of DIS was approximately HK\$192.4 billion.

19. APPROVAL OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements for the six months ended 30 June 2020 has been approved by the Board of Directors of the Company on 11 January 2021.