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*The material contained in this announcement is not for distribution or circulation, directly or indirectly, in or into the United States. This announcement is solely for the purpose of reference and does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the securities offer are being offered and sold only outside the United States in offshore transaction in compliance with Regulation S under the Securities Act.*

Notice to Hong Kong investors: *The Issuer and the Guarantor (each as defined below) confirm that, the Securities (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, each of the Issuer and the Guarantor confirm that the Securities are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF THE OFFERING CIRCULAR

Cheung Kong Infrastructure Finance (BVI) Limited

(Incorporated in the British Virgin Islands with limited liability)
(the "**Issuer**")

U.S.\$300,000,000

4.20 per cent. Guaranteed Perpetual Capital Securities

(Stock code: 40698)
(the "**Securities**")

Guaranteed by



CK Infrastructure Holdings Limited

長江基建集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1038)
(the "**Guarantor**")

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

Please refer to the offering circular dated 24 May 2021 (the "**Offering Circular**") appended hereto in relation to the issuance of the Securities. As disclosed in the Offering Circular, the Securities are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the Hong Kong Stock Exchange on that basis.

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

3 June 2021

As at the date of this announcement, the Directors of the Issuer are Mr. LI Tzar Kuoi, Victor, Mr. KAM Hing Lam, Mr. IP Tak Chuen, Edmond and Mr. Frank John SIXT.

As at the date of this announcement, the Executive Directors of the Guarantor are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Frank John SIXT, Mr. Andrew John HUNTER (Deputy Managing Director), Mr. CHAN Loi Shun (Chief Financial Officer) and Ms. CHEN Tsien Hua; the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-mei alias POON Sow Mei (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mr. Barrie COOK (Independent Non-executive Director), Mr. Paul Joseph TIGHE (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina and Mr. George Colin MAGNUS; and the Alternate Directors are Mrs. CHOW WOO Mo Fong, Susan (Alternate Director to Mr. FOK Kin Ning, Canning), Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene YEUNG (Alternate Director to Mr. KAM Hing Lam).

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 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 this 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 HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS 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. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission.

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

The materials relating to any offering of securities to which this Offering Circular relates 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 such offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer and the Guarantor (each as defined in the Offering Circular) in such jurisdiction.

This 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 Issuer, the Guarantor, or any of the Joint Lead Managers (as defined in the Offering Circular), any person who controls any of the Joint Lead Managers, any director, officer, employee or agent of the Issuer, the Guarantor, any of the Joint Lead Managers or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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Actions that you may not take: If you receive this document by e-mail, you should not reply by e-mail, 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.

Cheung Kong Infrastructure Finance (BVI) Limited
(Incorporated with limited liability under the laws of the British Virgin Islands)
U.S.\$300,000,000 4.20 per cent. Guaranteed Perpetual Capital Securities
Guaranteed by



CK Infrastructure Holdings Limited
長江基建集團有限公司

(Incorporated with limited liability under the laws of Bermuda)

(Stock code: 1038)

Issue Price: 100.00 per cent.

The 4.20 per cent. Guaranteed Perpetual Capital Securities (the "Securities") will be issued in an initial aggregate principal amount of U.S.\$300,000,000 by Cheung Kong Infrastructure Finance (BVI) Limited (the "Issuer") and the due and punctual payment of all sums payable by the Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed on a subordinated basis (the "Guarantee of the Securities") by CK Infrastructure Holdings Limited (the "Guarantor"). The Securities confer a right to receive distributions (each a "Distribution") for the period from and including 2 June 2021 (the "Issue Date") at the rate of 4.20 per cent. per annum (the "Distribution Rate"). Subject to the provisions of the Securities relating to deferral of Distribution (see "Terms and Conditions of the Securities – Distribution – Distribution Deferral"), Distribution is payable semi-annually in arrear on 2 June and 2 December of each year (each a "Distribution Payment Date", with the first Distribution Payment Date falling in December 2021).

The Issuer may, at its sole discretion, elect to defer a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by providing holders of the Securities ("Holders") with not more than 10 nor less than five Business Days' (as defined in "Terms and Conditions of the Securities") notice prior to the relevant Distribution Payment Date if, during the three months ending on the day before that scheduled Distribution Payment Date no Optional Deferral Event (as defined in "Terms and Conditions of the Securities") has occurred. Any Distribution so deferred shall constitute "Arrears of Distribution". Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest payable thereon shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution as described in "Terms and Conditions of the Securities – Distribution – Cumulative Deferral". The Issuer may further defer any Arrears of Distribution by complying with the foregoing notice requirement and is not subject to any limits as to the number of times Distributions and Arrears of Distribution can be deferred. See "Terms and Conditions of the Securities – Distribution – Distribution Deferral".

The Securities are perpetual securities and have no fixed final redemption date. The Issuer may redeem the Securities in whole or in part on the Distribution Payment Date falling in June 2026 or on any day thereafter at their prevailing principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (as defined in "Terms and Conditions of the Securities") (if any) and Distribution (if any) accrued to the date fixed for redemption on the Issuer's giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant date for redemption). The Securities may also be redeemed in whole, but not in part, at the option of the Issuer, subject to certain provisos, at of their principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (if any) and Distribution (if any) accrued to the date fixed for redemption upon the occurrence of: (i) any change or amendment to the Relevant Accounting Standard (as defined in "Terms and Conditions of the Securities") such that the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard; (ii) a clarification or change in the equity credit methodology of Standard & Poor's or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee of the Securities, which amendment, clarification or change results in a lower equity credit for the Securities and/or the Guarantee of the Securities (for the Issuer or the Guarantor) than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time; or (iii) a change in, or amendment to, the laws or regulations of the British Virgin Islands, Bermuda 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 24 May 2021 such that the Issuer or the Guarantor would be required to pay additional amounts in respect of the Securities or the Guarantee of the Securities and such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it. See "Terms and Conditions of the Securities – Redemption and Purchase".

Application will be made to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the listing of the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, "Professional Investors") only. This document is for distribution to Professional Investors only.

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

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

Investing in the Securities involves certain risks. See "Risk Factors" beginning on page 14. In particular, investors should be aware that the Securities are perpetual securities and that investors have no right to require redemption and that there are various other risks relating to the Securities, the Issuer, the Guarantor and their subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Securities. See "Risks Relating to the Securities" beginning on page 22 of this Offering Circular.

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

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

This Offering Circular is for distribution to professional investors only.

The Securities are expected to be rated "BBB" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), and the Guarantor has been rated "A" by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer and/or the Guarantor.

The Securities will be represented by beneficial interests in the global certificate (the "Global Certificate") in registered form which will be registered in the name of a nominee of, and will be deposited on or about 2 June 2021 with a common depository for, Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream", together with Euroclear, the "Clearing Systems"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.

Joint Global Coordinator, Joint Bookrunners and Joint Lead Managers

HSBC

Mizuho Securities

UBS

Offering Circular dated 24 May 2021

IMPORTANT NOTICE

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Guarantor, the Securities and the Guarantee of the Securities.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and confirms, 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.

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

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Securities described in this Offering Circular. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and any of the Joint Lead Managers (as defined herein) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Securities or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Securities, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Securities and distribution of this Offering Circular, see "*Subscription and Sale*". This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Securities in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Securities, investors represent and agree to all of those provisions contained in that section of this Offering Circular.

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

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

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

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Securities. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Securities offered by this Offering Circular is prohibited. Each offeree of the Securities, by accepting delivery of this Offering Circular, agrees to the foregoing.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, 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 Securities and Futures (Capital Markets Products) Regulations 2018).

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Listing of the Securities on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group or the Securities. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the Conditions, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Securities. In particular, investors should be aware that the Securities are perpetual securities and investors have no right to require redemption, see "*Risks Relating to the Securities*" on page 22 of this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with its investigation of the accuracy of such information or its investment decision.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, UBS AG HONG KONG BRANCH (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT THE SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE

SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES.

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Issuer*", "*Description of the Guarantor*" and elsewhere in this Offering Circular constitute "**forward-looking statements**". The words including "**believe**", "**expect**", "**plan**", "**anticipate**", "**schedule**", "**estimate**" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The Issuer, the Guarantor and the directors, employees and agents of the Issuer and the Guarantor, respectively do not assume (a) any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's or the Guarantor's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based or (b) any liability in the event that any of the forward-looking statements does not materialise or turns out to be incorrect. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the Issuer's or the Guarantor's expectations. All subsequent written and forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of the Issuer or the Guarantor are expressly qualified in their entirety by such cautionary statements.

CERTAIN DEFINED TERMS AND CONVENTIONS

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

In this Offering Circular, unless otherwise specified or the context requires, all references to "Hong Kong" are to the Hong Kong Special Administrative Region of the People Republic of China, all references to the "PRC", the "Mainland" or "Mainland China" are to the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan, all references to "U.S." are to the United States of America, all references to "Hong Kong dollars", "HK dollars", "HK\$" or "cents" are to the lawful currency of Hong Kong, all references herein to "U.S. dollars" or "U.S.\$" are to the lawful currency of the U.S., all references to "£", "pounds sterling" or "British pound" are to the lawful currency of the United Kingdom, all references to "HKFRS" are to Hong Kong Financial Reporting Standards, all references to "MW" are to megawatts.

This Offering Circular contains translations of certain HK dollar amounts into U.S. dollars, and *vice versa*, at specific rates solely for the convenience of the reader. For convenience only and unless otherwise noted, all translations between HK dollars and U.S. dollars in this Offering Circular were made at the rate of HK\$7.80 to U.S.\$1.00. Such translations should not be construed as representations that the Hong Kong dollar and U.S. dollar amounts referred to herein could have been, or could be, converted into U.S. dollars or Hong Kong dollars, as the case may be, at that or any other rate or at all. This Offering Circular also includes certain references to Australian dollar ("**A\$**"), Canadian dollar ("**C\$**") and Renminbi ("**RMB**") and certain other currency amounts. The Hong Kong dollar equivalent amounts presented are translated at the approximate exchange rate at the time of the transactions to which they apply.

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

PRESENTATION OF FINANCIAL INFORMATION

The financial information in this Offering Circular relating to the Guarantor for the years ended 31 December 2020, 2019 and 2018 was extracted from the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2020 (the "**2020 Financial Statements**") and the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2019 (the "**2019 Financial Statements**"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

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

CONTENTS

	Page
SUMMARY	2
SUMMARY OF THE OFFERING	6
SELECTED FINANCIAL INFORMATION OF THE GUARANTOR	11
INFORMATION INCORPORATED BY REFERENCE	13
RISK FACTORS	14
TERMS AND CONDITIONS OF THE SECURITIES	27
THE GLOBAL CERTIFICATE.....	40
USE OF PROCEEDS	42
CAPITALISATION AND INDEBTEDNESS	43
DESCRIPTION OF THE ISSUER.....	44
DESCRIPTION OF THE GUARANTOR	45
MANAGEMENT AND DIRECTORS OF THE GUARANTOR.....	60
EXCHANGE RATES	61
TAXATION	62
SUBSCRIPTION AND SALE	64
GENERAL INFORMATION	67

SUMMARY

The following constitutes the summary (the "Summary") of the essential characteristics associated with the Issuer, the Guarantor, the Group and the issue of the Securities. This Summary should be read as an introduction to this Offering Circular. This Summary is incomplete and investors are urged to read carefully the full text of this Offering Circular for a more precise description of the Issuer, the Guarantor, the Group and the Securities, including the Terms and Conditions of the Securities. Any decision by an investor to invest in the Securities should be based on consideration of this Offering Circular as a whole, including any supplements thereto. Words and expression defined in "Terms and Conditions of the Securities" shall have the same meaning in this Summary.

HISTORY AND INTRODUCTION

The Guarantor was incorporated in Bermuda on 28 May 1996 as a limited liability company for the purpose of acquiring certain infrastructure and infrastructure-related businesses of Cheung Kong (Holdings) Limited ("**CKH**"), Hutchison Whampoa Limited ("**Hutchison**") and certain other companies. Shares of the Guarantor were listed on the main board of the Hong Kong Stock Exchange in July 1996. In March 1997, Hutchison acquired an 84.58 per cent. interest in the Guarantor. On 26 July 2011, 23 March 2012, 3 August 2012 and 30 January 2015, the Guarantor issued 84,500,000, 50,901,000, 50,000,000 and 80,000,000 new shares via share placement exercises, upon completion of which Hutchison held approximately 75.67 per cent. of the Guarantor.

In March 2015, CK Hutchison Holdings Limited ("**CK Hutchison**") has replaced CKH as the listed holding company of the CK group by way of a scheme of arrangement under Hong Kong laws. On 3 June 2015, Hutchison was privatised and became a wholly-owned subsidiary of CK Hutchison by way of a scheme of arrangement under Hong Kong laws, and subsequent to these transactions, CK Hutchison indirectly holds approximately 75.67 per cent. of the issued share capital in the Guarantor.

On 2 March 2016, the Guarantor allotted 131,065,097 new shares to OVPH Limited ("**OVPH**"), upon completion of which CK Hutchison indirectly holds approximately 71.93 per cent. of the issued share capital in the Guarantor.

On 31 August 2018, the Guarantor entered into an economic benefits agreement with CK Hutchison. The Guarantor, through its subsidiaries, and Power Assets Holdings Limited ("**Power Assets**") acquired 30 per cent. and 20 per cent. economic benefits respectively in CK Hutchison's direct interests in six co-owned infrastructure investments - Northumbrian Water Group Limited ("**Northumbrian Water**"), UK Rails S.à r.l. ("**UK Rails**"), Wales & West Utilities Limited ("**Wales & West Utilities**"), Australian Gas Networks Limited ("**Australian Gas Networks**"), Park'N Fly ("**Park'N Fly**") and Dutch Enviro Energy Holdings B.V. ("**Dutch Enviro Energy**"). By the end of 2019, the Guarantor and Power Assets completed the supplemental agreements with CK Hutchison for the effective transfer of the proportionate voting rights of (i) CK Hutchison's holding vehicle of those co-owned infrastructure investments in Europe and (ii) the joint venture company of Park'N Fly from CK Hutchison to the respective parties. For the purpose of this Offering Circular, the Guarantor's and Power Assets' respective interests arising from the supplemental agreement in these co-owned infrastructure investments are included.

Based on the closing price of its shares on the Hong Kong Stock Exchange on 30 April 2021, the Guarantor had a market capitalisation of approximately HK\$126 billion.

The Group is engaged in the development, investment, operation and management of global infrastructure businesses. The infrastructure businesses of the Group include electricity generation, transmission and distribution, gas transmission and distribution, transportation, water treatment and distribution, waste management, waste-to-energy and household infrastructure, and include projects in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. The Group is also engaged in infrastructure materials businesses in Hong Kong, Mainland China and the Philippines, including the production, distribution and sale of cement, concrete, asphalt and aggregates.

The principal business activities of the Group are as follows:

In Hong Kong, the Group holds approximately 35.96 per cent. interest in Power Assets, a listed company in Hong Kong. Power Assets is a global investor in energy and utility-related businesses with investments in electricity generation, transmission and distribution, renewable energy, waste-to-energy business, gas

transmission and distribution as well as oil transmission which are located in Hong Kong, the United Kingdom, Australia, New Zealand, Mainland China, the United States, Canada, Thailand and Continental Europe.

In Mainland China, the Group has interests in joint ventures that own and operate approximately 149.8 kilometres of toll roads and bridges.

The Group has also been actively exploring investment opportunities in other regions and industries and owns various interests in the United Kingdom, Continental Europe, Australia, New Zealand and Canada.

In the United Kingdom, the Guarantor (i) through its subsidiaries and together with Power Assets, holds an 80 per cent. interest in UK Power Networks Holdings Limited ("**UK Power Networks**"), one of the largest power distributors in the United Kingdom, (ii) through its subsidiaries and together with Power Assets, holds a 60 per cent. interest in Northumbrian Water, one of the ten regulated water supply and sewerage service businesses in England and Wales, (iii) through its subsidiaries and together with Power Assets, holds an 88.35 per cent. interest in Northern Gas Networks Limited ("**Northern Gas**"), and a 75 per cent. interest in Wales & West Utilities, two of the eight major gas distribution networks in the United Kingdom, (iv) through its subsidiaries and together with Power Assets, holds a 75 per cent. interest in UK Rails, which in turn holds a 100 per cent. interest in Eversholt UK Rails Group, one of the three major rolling stock leasing companies that were established at the time of privatisation of the UK rail industry, (v) through its subsidiaries and together with Power Assets, holds a 50 per cent. interest in Seabank Power Limited ("**Seabank Power**"), which owns a power station near Bristol, and (vi) through its subsidiaries, holds a 4.75 per cent. interest in Southern Water Services Limited ("**Southern Water**"), which is a regulated business supplying water and waste water services across Sussex, Kent, Hampshire and the Isle of Wight.

In Australia, the Guarantor (i) through its subsidiaries and together with Power Assets, has various interests in four Australian electricity distribution companies, including a 51 per cent. interest in SA Power Networks ("**SA Power Networks**"), a 51 per cent. interest in Powercor Australia Limited ("**Powercor**") and CitiPower Trust ("**CitiPower**") and a 39.6 per cent. interest in United Energy Distribution Holdings Pty Limited ("**United Energy**"), (ii) through its subsidiaries and together with Power Assets, has various interests in three Australian gas distribution companies, including a 72.49 per cent. interest in Australian Gas Networks, a 60 per cent. interest in Multinet Group Holdings Pty Limited ("**Multinet Gas**") and a 60 per cent. interest in Dampier Bunbury Pipeline and AGI Development Group ("**Dampier Bunbury Pipeline and AGI Development Group**"), (iii) through its subsidiaries and together with Power Assets, holds a 60 per cent. interest in Energy Developments Pty Limited ("**Energy Developments**"), an international provider of safe, clean, low greenhouse gas emissions energy and remote energy solutions, and (iv) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Australian Energy Operations Pty Ltd ("**Australian Energy Operations**"), which constructs, owns and operates reliable transmission link that transports clean renewable power from windfarms to power grids.

In Continental Europe, the Guarantor (i) through its subsidiaries, holds a 35 per cent. interest in ista ("**ista**"), a leading global provider of sub-metering and related services with over 100 years' experience which operates across all stages of the sub-metering value chain with strong market positions in European countries such as Germany, the Netherlands and France and (ii) through its subsidiaries and together with Power Assets, holds a 72.5 per cent. interest in Dutch Enviro Energy, which in turn owns AVR-Afvalverwerking B.V. ("**AVR**"), one of the largest energy-from-waste players in the Netherlands.

In Canada, the Guarantor (i) through its subsidiaries, holds a 25 per cent. interest in CKP (Canada) Holdings Limited, a holding company that indirectly holds a 100 per cent. interest of Reliance Comfort Limited Partnership ("**Reliance Home Comfort**"), which is principally engaged in the building equipment services sector providing water heaters, heating, ventilation and air conditioning equipment, comfort protection plans and other services to homeowners primarily in Ontario, Canada, (ii) through its subsidiaries and together with Power Assets, holds a 65 per cent. interest in Husky Midstream Limited Partnership ("**HMLP**"), a portfolio of oil pipelines, storage facilities and ancillary assets, and gas infrastructure assets primarily operating in the Lloydminster and Hardisty regions of Alberta and Saskatchewan, Canada, (iii) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Canadian Power Holdings Inc. ("**Canadian Power**"), which owns a 100 per cent. partnership interest in Meridian Cogeneration Plant in Saskatchewan and a 49.99 per cent. partnership interest in TransAlta Cogeneration, L.P., Canadian Power owns interests in four natural gas-fired cogeneration plants in Alberta and Ontario and a power generation plant in Alberta undergoing coal-to-gas conversion, and (iv) through its subsidiaries

and together with Power Assets, holds a 75 per cent. interest in Park'N Fly, the leading off-airport car park provider in Canada.

In New Zealand, the Guarantor (i) through its subsidiaries, holds a 100 per cent. interest in Enviro (NZ) Limited ("**EnviroNZ**"), which is a diversified, vertically integrated waste management company that has national coverage across New Zealand, and (ii) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Wellington Electricity Distribution Network Holdings Limited ("**Wellington Electricity**"), which, through its wholly-owned subsidiary, supplies electricity to the city of Wellington, the capital of New Zealand, and to Porirua and the Hutt Valley regions of New Zealand, with a system length of over 4,700 kilometres.

The Guarantor, through its subsidiaries and associates, is an integrated construction materials manufacturer involved in the production, distribution and sale of cement, concrete, asphalt and aggregates.

OWNERSHIP AND CAPITAL STRUCTURE

As at the date of this Offering Circular, the Guarantor has an authorised share capital of HK\$4,000,000,000 consisting of 4,000,000,000 ordinary shares of HK\$1 each and an issued and fully paid up share capital of HK\$2,650,676,042 consisting of 2,650,676,042 ordinary shares of HK\$1 each. Approximately 71.93 per cent. of the Guarantor's issued share capital is held by CK Hutchison.

COMPETITIVE STRENGTHS

The key competitive strengths of the Group are:

- A proven track record of delivering high quality, reliable and safe operation of regulated assets
- Stable cash flows generated from the predictable nature and guaranteed returns on regulated assets
- Familiarity with the regulatory framework in key jurisdictions
- An experienced management team with managerial control over the assets, businesses and investments of the Group
- Conservative capital structure and diversified sources of funding
- Supportive shareholding structure

BUSINESS STRATEGY

The Guarantor intends to strengthen its position and seek growth opportunities through the implementation of the following business strategies:

- To continue to invest in regulated assets which yield a steady income
- To invest in jurisdictions with a developed and transparent legal and regulatory framework for investment in regulated assets
- To provide high quality customer service, excellent reliability of service delivery and rigorous safety standards in all sectors

SUMMARY OF THE OFFERING

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

Issuer	Cheung Kong Infrastructure Finance (BVI) Limited
Issuer Legal Entity Identifier (LEI):.....	254900V1U1SAHEP7WW45
Guarantor.....	CK Infrastructure Holdings Limited
Issue	U.S.\$300,000,000 4.20 per cent. guaranteed perpetual capital securities
Guarantee	The Guarantor has, in the Deed of Guarantee, unconditionally and irrevocably guaranteed on a subordinated basis the due and punctual payment of all sums payable by the Issuer in respect of the Securities.
Status and Subordination of the Securities	<p>The Securities constitute direct, unsecured and subordinated obligations of the Issuer which rank <i>pari passu</i> without any preference among themselves and with any Parity Securities (as defined in Condition 4(c)(viii)) of the Issuer.</p> <p>In the event of the Winding-Up (as defined in Condition 8(e)) of the Issuer, the rights and claims of the Holders in respect of the Securities shall rank ahead of those persons whose claims are in respect of any Junior Securities (as defined in Condition 4(c)(viii)) of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Issuer other than the claims of holders of Parity Securities of the Issuer.</p>
Status and Subordination of the Guarantee of the Securities.....	<p>The Guarantee of the Securities constitutes a direct, unsecured and subordinated obligation of the Guarantor which ranks <i>pari passu</i> with any Parity Securities of the Guarantor.</p> <p>In the event of the Winding-Up of the Guarantor, the rights and claims of the Holders in respect of the Guarantee of the Securities shall rank ahead of those persons whose claims are in respect of Junior Securities of the Guarantor, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Guarantor other than the claims of holders of Parity Securities of the Guarantor.</p>
Set-off.....	Each Holder shall, by virtue of his holding of any Security, be deemed to have waived all rights of set-off, deduction, withholding or retention. Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer or the Guarantor in respect of, or arising under or in connection with the Securities or the Guarantee of the Securities, as the case may be.
Issue Price	100.00 per cent.

Form and Denomination.....	The Securities will be issued in registered form in the denomination of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.
Distributions.....	Subject to Condition 4(c), the Securities confer a right to receive distribution (each a " Distribution ") from 2 June 2021 (the " Issue Date ") at the Distribution Rate payable semi-annually in arrear on 2 June and 2 December of each year, with the first Distribution Payment Date falling in December 2021.
Distribution Rate	The Distribution Rate shall be 4.20 per cent. per annum.
Optional Deferral of Distributions	The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Holders not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date provided that such election to defer may only be made if, during the three months ending on the day before that scheduled Distribution Payment Date no discretionary dividend, distribution or other discretionary payment has been paid or declared by the Guarantor on or in respect of its Junior Securities or its Parity Securities, except (i) in relation to the Parity Securities of the Guarantor, on a <i>pro rata</i> basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors, or consultants (an " Optional Deferral Event "). Any Distribution so deferred shall bear interest as if it constituted the principal of the Securities at the Distribution Rate. The Issuer may further defer any Arrears of Distribution by complying with the foregoing notice requirement. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred.
Arrears of Distribution	Any Distribution not paid on a Distribution Payment Date shall constitute an " Arrears of Distribution ". Arrears of Distribution (a) may be satisfied by the Issuer (in whole or in part) at any time by giving notice of such election to Holders and the Fiscal Agent not more than 20 nor less than 10 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment dates specified in such notice) and (b) must be satisfied in certain other circumstances in accordance with Condition 4(vi)(B).
Restrictions in the case of a Deferral.....	<p>If on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 4(c), the Issuer and the Guarantor shall not:</p> <ol style="list-style-type: none"> (1) declare or pay any discretionary dividends or distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other discretionary payment is made on any of its Junior Securities or (except on a <i>pro rata</i> basis) its Parity Securities, provided that such restriction shall not apply to payments declared, paid or made in respect of an employee benefit plan

or similar arrangement with or for the benefit of employees, officers, directors, or consultants; or

- (2) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities on a discretionary basis, **provided that** such restriction shall not apply to an exchange of any of the Parity Securities in whole for Junior Securities or a repurchase or other acquisition of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors, or consultants,

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

Expected Closing Date	2 June 2021.
Maturity Date	There is no maturity date.
Redemption at the Option of the Issuer.	The Issuer may at its option redeem the Securities in whole or in part, on the Distribution Payment Date falling in June 2026 or on any day thereafter on the Issuer's giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date) at their prevailing principal amount plus Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount), provided that , in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than U.S.\$200,000,000.
Redemption for Minimum Outstanding Amount.....	The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if prior to the date of such notice at least 80 per cent. in principal amount of the Securities originally issued (including any further Securities issued pursuant to Condition 13 (Further Issues) and consolidated and forming a single series with the Securities) has already been redeemed or purchased and cancelled.
Tax Redemption.....	The Issuer may at its option redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, as a result of a change in, or amendment to, the laws or regulations of the British Virgin Islands, Bermuda 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 24 May 2021 the Issuer or the Guarantor would be required to pay additional amounts in respect of the Securities or the Guarantee of the Securities, as the case may be, and such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it.

Redemption upon a Ratings Event The Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if, immediately before giving such notice, an amendment, clarification or change has occurred in the equity credit methodology of Standard & Poor's or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee of the Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Securities and/or the Guarantee of the Securities (for the Issuer or the Guarantor) than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Redemption for Accounting Reasons.... The Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, as a result of any changes or amendments to the Relevant Accounting Standard (as defined in Condition 5(d)), the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard.

Governing Law..... The Securities and the Guarantee of the Securities will be governed by, and construed in accordance with, English law, save for (1) the provisions relating to subordination of the Securities and Clause 3 of the Deed of Covenant which will be governed by, and construed in accordance with, British Virgin Islands law and (2) the provisions relation to subordination of the Guarantee of the Securities and Clause 3 of the Deed of Guarantee, which will be governed by, and construed in accordance with, Bermuda law.

Clearing Systems..... The Securities will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depository for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as

described herein, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.

Clearance and Settlement	The Securities have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS2327458191 Common Code: 232745819
Fiscal Agent, Paying Agent and Transfer Agent.....	The Hongkong and Shanghai Banking Corporation Limited
Registrar	The Hongkong and Shanghai Banking Corporation Limited
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities by way of debt issues to professional investors only.
Ratings	The Securities are expected to be rated "BBB" by S&P, and the Guarantor has been rated "A" by S&P. A security rating is not a recommendation to buy, sell or hold the Securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer and/or the Guarantor.
Use of Proceeds.....	See " <i>Use of Proceeds</i> " on page 42.

SELECTED FINANCIAL INFORMATION OF THE GUARANTOR

The following tables set forth the summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 set forth below is derived from the Guarantor's audited consolidated financial statements for the years 31 December 2020 and 31 December 2019 (which have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, and are included in this Offering Circular) and should be read in conjunction with such audited consolidated financial statements and the notes thereto.

Consolidated Income Statement Data

	For the year ended 31 December		
	2020	2019	2018
	<i>HK\$ million (audited)</i>		
Turnover	38,352	36,125	37,923
Sales and interest income from infrastructure investments	7,182	6,733	7,149
Other income	433	1,271	386
Operating costs	(4,009)	(3,665)	(3,923)
Finance costs	(301)	(332)	(502)
Exchange loss	(391)	(26)	(51)
Share of results of associates	2,666	3,033	3,405
Share of results of joint ventures	2,767	4,459	4,894
Profit before taxation	8,347	11,473	11,358
Taxation.....	(188)	(129)	(105)
Profit for the year	8,159	11,344	11,253
Attributable to:			
Shareholders of the Guarantor	7,320	10,506	10,443
Owners of perpetual capital securities	796	796	796
Non-controlling interests	43	42	14
	8,159	11,344	11,253
Earnings per share	HK\$2.91	HK\$4.17	HK\$4.14

Consolidated Statement of Financial Position

	As at 31 December		
	2020	2019	2018
	<i>HK\$ million (audited)</i>		
Property, plant and equipment.....	2,965	2,805	2,508
Investment properties.....	396	398	382
Interests in associates.....	37,133	36,814	38,191
Interests in joint ventures.....	106,803	104,952	95,892
Other financial assets.....	1,892	1,871	7,821
Derivative financial instruments.....	126	1,107	2,448
Goodwill and intangible assets.....	2,602	2,486	2,556
Deferred tax assets.....	6	3	12
Total non-current assets.....	151,923	150,436	149,810
Inventories.....	146	137	170
Derivative financial instruments.....	347	1,452	567
Debtors and prepayments.....	1,518	1,082	1,133
Bank balances and deposits.....	13,477	12,077	6,090
Total current assets.....	15,488	14,748	7,960
Bank and other loans.....	4,655	4,447	1,442
Derivative financial instruments.....	1,030	345	14
Creditors, accruals and others.....	5,152	5,361	4,703
Taxation.....	187	150	128
Total current liabilities.....	11,024	10,303	6,287
Net current assets.....	4,464	4,445	1,673
Total assets less current liabilities.....	156,387	154,881	151,483
Bank and other loans.....	27,933	27,295	28,697
Derivative financial instruments.....	1,378	547	396
Deferred tax liabilities.....	476	450	463
Other non-current liabilities.....	338	215	23
Total non-current liabilities.....	30,125	28,507	29,579
Net assets.....	126,262	126,374	121,904
Representing:			
Share capital.....	2,651	2,651	2,651
Reserves.....	108,791	108,953	104,522
Equity attributable to shareholders of the			
Guarantor.....	111,442	111,604	107,173
Perpetual capital securities.....	14,701	14,701	14,701
Non-controlling interests.....	119	69	30
Total equity.....	126,262	126,374	121,904

INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2020 and 2019 are incorporated by reference in this Offering Circular. Copies of these documents are publicly available on the website of the Hong Kong Stock Exchange.

RISK FACTORS

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

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

RISKS RELATING TO THE GROUP AND ITS BUSINESSES

The global economic slowdown and financial crisis have negatively impacted, and may continue to negatively impact, the Group's businesses

The ongoing coronavirus ("COVID-19") pandemic and associated community shutdowns have a widespread and severe impact on worldwide economic activity. The uncertainties arising from the pandemic, including the length of the pandemic, the efficacy and availability of vaccines and the extent of production and business disruptions, may significantly worsen the global economic recovery and outlook. Trade frictions between the U.S. and certain major nations, uncertainties following Brexit, the fluctuation of the U.S. dollar against major currencies, the increasing geopolitical tensions as well as the volatility of oil prices, all have created uncertainties in the world economy and global financial market. A severe slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence and increased market volatility. The Group is a diversified infrastructure investment company with businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. Any adverse economic conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial conditions or results of operations, asset values and liabilities.

Outbreak of highly contagious diseases could have an effect on the Group's operations

The continuing COVID-19 pandemic in different parts of the world, including the places of businesses at which the Group operates, has a significant adverse impact on most economies due to the community standstill, disruption of business activities, behavioral change, weakened sentiment in consumption, restricted labour supply and production and confidence effects, in addition to travel restrictions. Although COVID-19 vaccines have been developed and large-scale vaccination programmes have been launched by certain countries, the situation of this highly infectious disease is still evolving. The heightened uncertainties surrounding the pandemic including the spread of new COVID-19 variants may pose a negative impact on the Group's businesses, financial conditions, results of operations or growth prospects, particularly the Group's investment in Park'N Fly can be substantially affected should travel restrictions in Canada remain in place. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it may have an adverse impact on the operations of the Group and its results of operations may suffer.

Economic conditions and interest rates may impact the Group's performance

The industries in which the Group operates are affected by the economic conditions of the various places where the Group's investments or operations are located, the population growth of these places, market value of securities investments, the currency environment and interest rates cycles. There can be no

assurance that the combination of the above factors the Group experiences in the future will not adversely affect its financial conditions or results of operations.

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

Concentration in geographical markets and business types

The business operation of the Group may be viewed as substantially concentrated in one or more geographical markets or in one particular or more types of business. If and when the Group's operations are exposed to any deterioration in the economic, social and/or political conditions as well as any incidence of social unrest, strike, riot, civil disturbance or disobedience or terrorism, or even outbreaks of epidemics in such geographical markets and/or business segments, the adverse circumstances may materially disrupt the Group's operations and, in turn, impact the revenue, profitability and financial conditions of the Group.

Some of the Group's businesses are operating in highly competitive markets

The Group's waste management, off-airport car parking, rolling stock leasing, cement and household infrastructure businesses face significant competition across the markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Competition risks faced by the Group include (a) possible restrictions on the access by the shuttle buses operated by the Group's off-airport car parking businesses as imposed by the airport authorities who operates the on-airport car parking businesses; (b) the availability of rail link services from city centre to airport which may reduce the usage of the off-airport car park; and (c) significant competition and pricing pressure from other competitors attempting to capture a higher level of market share. Such risks may adversely affect the financial performance of the Group's operation.

The infrastructure market is highly regulated and subject to problems associated with supply interruptions

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

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

The Group may be affected by crude oil prices

The Group's investment in HMLP comprises oil pipelines, storage facilities and ancillary assets in Canada. Its results of operation and financial conditions may be dependent on the prices received for refined products and crude oil of Husky Energy Inc. (which has combined with Cenovus Energy Inc. ("**Cenovus**")

on 1 January, 2021 and continues to operate as Cenovus). Lower prices over a prolonged period of time for crude oil could adversely affect the value and quantity of Cenovus's oil production. HMLP also has other customers apart from Cenovus and their demand for HMLP's services may depend on prices received for their refined products and crude oil. Prices for refined products and crude oil are based on local and global supply and demand as well as availability and costs of transportation. Supply and demand may be affected by a number of factors including, but not limited to, actions taken by the Organisation of the Petroleum Exporting Countries (OPEC), non-OPEC crude oil supply, social and political conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, technological developments, prevailing weather patterns and the availability of alternate sources of energy. Furthermore, HMLP is also susceptible to unforeseen pipeline releases at rivers or nature reserves. If the above events occurred or further occurred, it may adversely affect the Group's financial conditions and results of operations.

Many of the Group's businesses require significant capital expenditure and continued investment

A significant amount of capital expenditure is required for the Group to acquire new investments and to maintain the assets of its existing businesses. While the relevant asset companies have their own asset management plans, there is a risk that due to unforeseen events, capital expenditure required for the replacement of assets could exceed budgeted amounts and hence affect the businesses, financial conditions, results of operations or growth prospects of the Group.

Currency fluctuations may impact the Group's financial performance

The Group is a diversified infrastructure investment company with businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. 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. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group's financial conditions or results of operations, asset values and liabilities. The fluctuations in currencies and in particular, the devaluation of the pound sterling arising from Brexit, impact on all businesses in the market that have exposure in the United Kingdom and/or to pound sterling. While the Company is not immune from such impact, there is no material change beyond market expectation.

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

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

The Group may be exposed to cybersecurity risks

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

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

The withdrawal of the United Kingdom from the European Union ("EU") may affect the Group's businesses

The United Kingdom voted in 2016 to leave the EU, resulting in financial market volatility and a fall in the value of the British pound. The United Kingdom ceased to be a member state of the EU on 31 January 2020 and the transition period ended on 31 December 2020, symbolizing that the United Kingdom has completely

separated from the EU and opened a new page in the relationship with the EU. Although the EU-UK Trade and Cooperation Agreement sets out preferential arrangements in various areas, further negotiations are expected to continue to fill the gaps and the arrangements remain uncertain. In any event, Brexit has created significant uncertainty about the future relationship between the United Kingdom and the EU.

While the Group's businesses in the United Kingdom are either protected by the respective regulated regimes or under long term payment contracts, and are essential services including electricity, water & sewage, gas and transportation, the continuing uncertainties following Brexit could adversely affect the economy of the United Kingdom and the strength of the British pound, although the long term implication of Brexit remains to be seen.

A significant and prolonged depreciation of the British pound may affect the Group's reported profit, and its ability to maintain future growth of dividends for shareholders.

Key strategic partners are critical to the Group's pursuit of its stated strategies

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

There can be no assurance that the Group's merger and acquisition activities will prove to be successful

The Group has undertaken merger and acquisition activities in the past and may continue to do so if there are appropriate acquisition opportunities in the market. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements. The pressure to deploy capital has been significant. Although due diligence and detailed analysis are conducted before merger and acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete. COVID-19 has introduced more market uncertainty and has also imposed logistical restrictions on the ability to conduct due diligence according to the Group's usual procedures.

Some of these merger and acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, that there will be no burdensome conditions attached to such approvals. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For merger and acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Local, national and international legal and regulatory changes may adversely affect the Group's businesses and results of operations

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial conditions, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly

become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit, which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Political, regulatory and media attention has increased significantly towards privatised companies in countries in which the Group operates. Regulators in some of these countries have warned of increasingly onerous regulatory resets, and some major political parties are promoting policies to bring energy, water and railways back into public ownership, which could potentially have serious and material consequences for the Group if such regulations and policies are enacted. Group companies are responding to these risks by focusing on their core strategies of delivering and outperforming regulatory outputs such as safety, reliability and customer service, at the lowest cost possible; by conveying the positive benefits to customers of the services they provide; and by engaging collaboratively with regulators and politicians to demonstrate the advantages of private ownership.

Non-compliance with personal data protection legislation could have a material adverse effect on the Group's financial conditions and results of operations

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

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

The imposition of new accounting standards could impact the Group

The International Accounting Standards Board has from time to time issued a number of new and revised International Financial Reporting Standards ("IFRS"). The International Accounting Standards Board may in the future issue new and revised standards and interpretations. In addition, interpretations on the application of the IFRS will continue to develop. These factors may require the Group to adopt new accounting policies. The adoption of new accounting policies or new IFRS might or could have a significant impact on the Group's financial position or results of operations.

The Group is subject to the regulatory requirements of having a controlling shareholder

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

The Group may be exposed to risks posed by climate change

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, and some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages.

Alternation in weather patterns, such as typhoons, droughts, or rain amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose increased risk for colleagues working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. Some governments are also beginning to introduce legislations or requirements to restrict emissions and other environmental protective measures. Regulations, disruption and damage arising from climate change could have a material impact on the Group's businesses and adversely affect the Group's financial conditions and results of operations.

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

The Group's operations are subject to the effects of natural disasters

Some of the Group's assets and projects, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods, drought, fire, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's business and materially and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

There can be no assurance that earthquakes, floods, drought or other natural disasters will not occur and result in major damage to the Group's infrastructure projects, or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Potential social incidents and terrorist attacks could affect the Group's activities

The Group is a diversified infrastructure investment company with businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. In recent years, a series of social incidents and terrorist activities occurred across the globe that resulted in economic losses, multiple deaths and casualties. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threat, and if these events occur, it may have an adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Environmental regulations may impact the Group's operations

The Group is required to comply with numerous laws and regulations relating to the protection of the environment and land use in Mainland China and elsewhere. These laws and regulations may change over time. While the Group believes it has obtained all material environmental approvals currently required to operate its facilities, it may incur significant additional costs as a result of these requirements. In addition, there can be no assurance that the requirements to obtain such approvals may not become more stringent in the future and that such approvals would be renewed when they expire. Failure to comply with environmental laws and regulations could have a material adverse effect on the Group's operations, including the imposition of civil or criminal liability and the imposition of liens or fines, and expenditures to bring the facilities into compliance.

Potential and actual breaches of, or changes in, environmental or health and safety laws or regulations could expose the Group to adverse regulatory consequences, as well as damage its reputation

Aspects of the Group's activities are potentially dangerous, such as the operation and maintenance of electricity generation facilities and electricity lines by the Group's power stations and electricity distribution businesses. Electricity utilities also typically use and generate in their operations hazardous and potentially hazardous products and by-products. In addition, there may be other aspects of the Group's operations that are not currently regarded or proved to have adverse effects but could become so, for example, the effects of electric and magnetic fields.

The Group is subject to laws and regulations in the countries in which it operates relating to pollution and the protection of the environment. These may expose the Group to costs and liabilities relating to its operations and its infrastructure projects.

The Group is also subject to laws and regulations governing health and safety matters, protecting both the public and its employees. The Group is increasingly subject to regulations in relation to climate change. The Group commits significant expenditure towards complying with these laws and regulations and to meeting its obligations under negotiated settlements. If additional requirements are imposed or the Group's ability to recover these costs changes, the Group's businesses, results of operations and financial conditions may be materially and adversely affected. Any breach of these obligations, or even incidents that do not amount to a breach, could adversely affect the Group's results of operations and reputation.

A decline in traffic volumes or toll payments on the toll roads in which the Guarantor holds interests will adversely affect the Group's revenues and earnings

A proportion of the Group's revenues from its road operations consist of toll payments and may be affected by changes in traffic volumes. Traffic volumes are directly and indirectly affected by a number of factors, including economic conditions, fuel prices, serious weather conditions, the quality, convenience and travel time on alternate routes outside of the toll roads, and the availability of alternate means of transportation, including rail networks.

Traffic volumes are also influenced by the convenience and extent of the connections with other parts of the local and national highways, toll roads and tunnel networks, as well as the cost, convenience and availability of other means of transportation. There can be no assurance that future changes affecting the road networks in Mainland China, through road additions and closures or through other traffic diversions or redirections, or the development of other means of transportation, such as rail transport, will not adversely affect traffic volume on the toll roads in the country in which the Group operates. The level of tolls that may be collected by the Group on toll roads may also be affected by government policy. The Group has a limited ability to influence rate changes and local governments could lower toll rates at any time. There can be no assurance that the Government in Mainland China or the relevant local government will raise rates on a timely basis to offset increases in the cost of performing the Group's services, or at all. Policy measures such as those described above, can negatively influence the Group's results of operations by reducing revenue from highway tolls. The Group is unable to predict whether the Government in Mainland China or the relevant local governments will implement further policy changes in the future or effect regulatory changes which would have a negative impact on the Group's businesses, financial conditions and results of operations.

In the event that the Group experiences a significant decrease in traffic volumes on its toll roads or is required to allow access to its toll roads free-of-charge for extended periods of time, or experiences a mandatory closure of its toll stations, the Group may experience a corresponding decrease in revenues and profitability, and its financial conditions and results of operations may be adversely affected.

The Group's results of operations may be affected by competing roads and bridges and other modes of transportation

The Group's results of operations in the future may be affected by competing routes of comparable quality and alternative modes of transportation. Although the Guarantor believes that there are significant practical and commercial barriers to effective direct competition with the toll roads in which it has interests, there can be no assurance that existing roads or modes of transportation will not significantly improve their services or reduce their charges, or that alternative roads will not be built which may charge lower tolls or provide more direct routing to locations, which may adversely affect the Group's results of operations.

Unforeseen events may disrupt the use of the toll roads and the Group's insurance may not be sufficient to cover the resulting losses

The use of toll roads may be interrupted or otherwise affected by a variety of events, including serious traffic accidents, natural disasters, defective design and construction, slope failure, bridge or tunnel collapse, road subsidence, labour disputes and other unforeseen circumstances and incidents. There can be no assurance that the Group's insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of any of its toll roads affected by such events. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose future revenues and may be required to fund the repair or replacement of any assets damaged or lost. Any such loss could adversely affect the results of operations and financial conditions of the Group's businesses.

The Group is exposed to construction and other risks associated with toll road construction projects

Considerable capital expenditure is required for the construction of new toll roads and generally several years are required for the construction and commencement of commercial operations of such projects. Aside from delays in the Hong Kong government land acquisition process, construction completion can be delayed and construction costs can be increased by other risks, including raw material and labour shortages, increased raw material or labour costs, unfavourable financing conditions, failure by contractors or subcontractors to fulfil their obligations, damage or injury to third parties, interruptions to construction due to bad weather, unforeseen environmental or engineering problems, site accidents or other incidents, delays in obtaining official permits and contractual disputes with the Group's construction contractors. Delays in construction completion or cost overruns would adversely impact the economic viability of a toll road project, as well as the Group's profitability, cash flows, business prospects, financial conditions and results of operations.

The Group's infrastructure businesses are subject to a number of market risks

Infrastructure projects of the types undertaken by the Guarantor typically require substantial capital expenditure during the construction phases and usually take many months, sometimes years, before they become operational and generate revenue. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in government priorities and unforeseen problems and circumstances, any of which could give rise to delays in the completion of construction and/or to cost overruns. Construction delays can result in the loss of revenues. The failure to complete construction according to its specifications may result in liabilities, reduced efficiency and less desirable returns. Furthermore, as a result of the capital intensive nature of the infrastructure businesses, in the event of a sale of infrastructure assets, there may be a limited number of potential buyers available.

In relation to the Group's infrastructure projects in Mainland China, certain government approvals, permits, licences or consents may be required and may not be obtained. Delays in the process of obtaining the requisite government approvals, permits, licences or consents from government agencies or authorities can also increase costs or delay or prevent the commercial operation of a business, which could adversely affect the performance of the Group's infrastructure businesses in Mainland China.

There can be no assurance that risks associated with the infrastructure businesses will not adversely affect the Group's financial conditions and results of operations in the future or that future infrastructure projects will be completed on time, or at all, and generate returns.

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

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

Ista, in which the Group has an indirect 65% joint venture interest, had entered into a joint venture entity in Iran, which has been made dormant and does not conduct an active business. In addition, ista derived a small part of its income from operations in Russia and Belarus.

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

RISKS RELATING TO THE SECURITIES

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

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

The Securities and the Guarantee of the Securities are subordinated obligations

The obligations of the Issuer under the Securities, and of the Guarantor under the Guarantee of the Securities, will constitute unsecured and subordinated obligations of the Issuer and the Guarantor, respectively. In the event of the Winding-Up of the Issuer or the Guarantor, the rights of the Holders to receive payments in respect of the Securities will rank senior to the holders of all Junior Securities (as described in the Conditions) of the Issuer and the Guarantor and *pari passu* with the holders of all Parity Securities of the Issuer and the Guarantor, but junior to the claims of all other creditors.

In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution or any Additional Distribution Amount.

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

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

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

The Issuer may, at its sole discretion, elect to defer any scheduled Distribution on the Securities for any period of time if, during the three months ending on the day before that scheduled Distribution Payment Date no Optional Deferral Event (as defined in "*Terms and Conditions of the Securities*") has occurred. Each of the Issuer and the Guarantor is subject to certain restrictions in relation to the payment of dividends on its Junior Securities and Parity Securities (as described in the Conditions) and the redemption and repurchase of its Junior Securities and Parity Securities until all outstanding Arrears of Distribution are satisfied. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions subject to compliance with the foregoing restrictions. Although Distributions are cumulative, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Holders, and Holders have no rights to claim any Distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral.

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

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

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

that, in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than U.S.\$200,000,000.

In addition, the Issuer also has the right to redeem the Securities at their principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (if any) and Distribution (if any) accrued to the date fixed for redemption if (a) there are any amendments or changes to the Relevant Accounting Standard such that the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard, (b) there is an amendment, clarification or change in the equity credit of Standard & Poor's or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee of the Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit methodology for the Securities and/or the Guarantee of the Securities (for the Issuer or the Guarantor) than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time, or (c) there are any changes to the laws or regulations Bermuda (in the case of the Guarantor) or the British Virgin Islands (in the case of the Issuer) or any political subdivision or any authority thereof or therein having power to tax such that the Issuer or the Guarantor has or will become obliged to pay additional amounts in respect of tax on the Securities or the Guarantee of the Securities as referred to in the Conditions.

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

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

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

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

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. In addition, an Extraordinary Resolution (i) in writing signed by or on behalf of the Holders of not less than 90 per cent. of the aggregate principal amount of Securities outstanding or (ii) passed by way of electronic consents through the clearing systems by or on behalf of Holders of not less than 75 per cent. in aggregate principal amount of Securities for the time being outstanding, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

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

Majority interests in meetings of holders of the Securities

The Conditions contain provisions for calling meetings of holders of the Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the

Securities including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Securities may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular and any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, 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;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- 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.

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

An active trading market for the Securities may not develop

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

The liquidity and price of the Securities following the offering may be volatile

If an active trading market for the Securities were to develop, the price and trading volume of the Securities may be highly volatile. The Securities may trade at prices that are higher or lower than the price at which the Securities have been issued. The price at which the Securities trade depends on many factors, including:

- prevailing interest rates and interest rate volatility;
- the Group's results of operations, financial condition and future prospects;
- the market conditions for similar securities; and
- general economic conditions.

Any such developments may result in large and sudden changes in the trading volume and price of the Securities. There can be no assurance that these developments will not occur in the future.

Investors in the Securities may be subject to foreign exchange risk

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

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

One or more independent credit rating agencies may assign credit ratings to an issue of the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Securities will remain in effect for any given period or that the ratings will not be revised or withdrawn by the rating agencies in the future if, in their judgement, the circumstances so warrant. The Group has no obligation to inform holders of the Securities of any such suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Securities at any time may adversely affect the market price of the Securities.

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

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

The Securities are issued by a special purpose vehicle and the Guarantee of the Securities is given by a holding company

The Issuer is an indirect, wholly owned subsidiary of the Guarantor formed for the principal purpose of issuance of securities and will on-lend the entire proceeds from the issue of the Securities to the Guarantor and its subsidiaries. The Issuer does not and will not have any net assets other than on-lent loans and its ability to make payments under the Securities depends on timely payments under such loans. In the event that the Guarantor and its subsidiaries do not make such payments due to limitations in such loans or other agreements, lack of available cash flows or other factors, the Issuer's ability to make payments under the Securities could be adversely affected.

The Guarantor is primarily a holding company and its ability to make payments in respect of the Guarantee of the Securities or to fund payments by the Issuer depends largely upon the receipt of dividends, distributions, interests or advances from its wholly or partly owned subsidiaries, its associated companies and the Group's jointly controlled entities. The ability of the subsidiaries and associated companies of the Guarantor and the Group's jointly controlled entities to pay dividends and other amounts to the Guarantor may be subject to the performance and cash flow requirements of such subsidiaries, associated companies and jointly controlled entities and to applicable laws and to restrictions on the payment of dividends contained in financing or other instruments. Payments under the Guarantee are effectively subordinated to all existing and future liabilities and obligations of each of the Guarantor's subsidiaries (other than the Issuer), its associated companies and the Group's jointly controlled entities. Claims of creditors of such companies will have priority as to the assets of such companies over the Guarantor and its creditors, including Holders seeking to enforce the Guarantee of the Securities. In addition, a significant amount of the Guarantors' subsidiaries' indebtedness is secured on the assets of those subsidiaries, and the beneficiaries of the security will have priority as to those assets, which would reduce the amount available to unsecured parties, including Holders, in the event of an insolvency.

The terms of the Securities do not restrict the ability of the Guarantor's subsidiaries, the Group's associated companies and the Group's jointly controlled entities to incur additional debt. In addition, further issues of equity interests by such subsidiaries, associated companies and jointly controlled entities may dilute the ownership interest of the Guarantor in such entities.

The Securities will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s)

The Securities will be represented by a Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive the Securities. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by a Global Certificate, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Securities by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the Securities. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. 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.

TERMS AND CONDITIONS OF THE SECURITIES

The U.S.\$300,000,000 4.20 per cent. guaranteed perpetual capital securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Cheung Kong Infrastructure Finance (BVI) Limited (the "**Issuer**") are constituted by a deed of covenant dated 2 June 2021 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are the subject of (a) a deed of guarantee dated 2 June 2021 (as amended and supplemented from time to time, the "**Deed of Guarantee**") entered into by CK Infrastructure Holdings Limited (the "**Guarantor**") and (b) a fiscal agency agreement dated 2 June 2021 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Securities), The Hongkong and Shanghai Banking Corporation Limited as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Securities), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Securities) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Securities). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agent and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and subject to their detailed provisions. The Holders (as defined in Condition 3(a) (*Register, Title and Transfers – Register*)) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Holders with prior written notice during normal business hours at the principal office for the time being of the Fiscal Agent, being at the date hereof Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. **Form and Denomination**

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

2. **Status and Subordination of the Securities and the Guarantee of the Securities**

- (a) *Status of the Securities:* The Securities constitute direct, unsecured and subordinated obligations of the Issuer which rank *pari passu* and without any preference among themselves and with any Parity Securities (as defined in Condition 4(c)(viii) (*Distribution – Distribution Deferral – Definitions*)) of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in this Condition 2.
- (b) *Ranking of claims in respect of the Securities:* In the event of the Winding-Up (as defined in Condition 8(e) (*Non-payment – Definitions*)) of the Issuer, the rights and claims of the Holders in respect of the Securities shall rank ahead of those persons whose claims are in respect of any Junior Securities of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Issuer, other than the claims of holders of Parity Securities of the Issuer.
- (c) *Status of the Guarantee of the Securities:* The Guarantor has, in the Deed of Guarantee, unconditionally and irrevocably guaranteed on a subordinated basis the due and punctual payment of all sums payable by the Issuer in respect of the Securities. This guarantee (the "**Guarantee of the Securities**") constitutes a direct, unsecured and subordinated obligation of the Guarantor which ranks *pari passu* with any Parity Securities of the Guarantor. The rights and claims of the Holders in respect of the Guarantee of the Securities are subordinated as provided in this Condition 2.
- (d) *Ranking of claims in respect of the Guarantee of the Securities:* In the event of the Winding-Up of the Guarantor, the rights and claims of the Holders in respect of the Guarantee of the Securities shall rank ahead of those persons whose claims are in respect

of Junior Securities of the Guarantor, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Guarantor, other than the claims of holders of Parity Securities of the Guarantor.

- (e) *Set-off – Securities:* Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
- (f) *Set-off – Guarantee of the Securities:* Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Securities, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or the liquidator or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

3. Register, Title and Transfers

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

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

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

- (b) *Title:* The Holder of each Security shall (except as otherwise required by law) be treated as the absolute owner of such Security for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating

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

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

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

- (d) *Registration and delivery of Certificates:* Within five business days of the surrender of a Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Securities transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day, excluding a Saturday and a Sunday, on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *Registration of transfer upon partial redemption:* In the event of a partial redemption of Securities under Condition 5(e), the Issuer shall not be required to register the transfer of any Security called for partial redemption.
- (f) *No charge:* The transfer of a Security will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (g) *Closed periods:* Holders may not require transfers to be registered during (i) the period of 15 days ending on the due date for any payment of principal or Distribution (as defined in Condition 4(a) (*Distribution – Accrual of Distribution*)) in respect of the Securities or (ii) during the period of 15 days ending on (and including) any date on which the Securities are called for redemption by the Issuer at its option pursuant to Condition 5(e).
- (h) *Regulations concerning transfers and registration:* All transfers of Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Securities scheduled to the Agency Agreement. The parties to the Agency Agreement may agree, without the consent of the Holders, to any modifications to any provisions thereof (including the regulations concerning the transfer of Securities). A copy of the current regulations will be mailed (free of charge) by the Registrar to any Holder who requests in writing a copy of such regulations.

4. **Distribution**

- (a) *Accrual of Distribution:* Subject to Condition 4(c) (*Distribution – Distribution Deferral*), the Securities confer a right to receive distribution (each a "**Distribution**") from 2 June 2021 (the "**Issue Date**") at the Distribution Rate in accordance with this Condition 4. Subject to Condition 4(c) (*Distribution – Deferral of Distribution*), Distribution shall be payable on the Securities semi-annually in arrear on 2 June and 2 December of each year

(each, a "**Distribution Payment Date**"), with the first Distribution Payment Date falling in December 2021.

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

The amount of Distribution payable on each Distribution Payment Date shall be U.S.\$4,200 in respect of each Security of U.S.\$200,000 denomination and U.S.\$21 in respect of each Security of U.S.\$1,000 denomination. If a Distribution is required to be paid in respect of a Security on any other date, it shall be calculated by applying the Distribution Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Security divided by the Calculation Amount, where "**Calculation Amount**" means U.S.\$1,000 and "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

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

- (b) *Rate of Distribution:* The rate of distribution ("**Distribution Rate**") applicable to the Securities shall be 4.20 per cent. per annum.
- (c) *Distribution Deferral:*
 - (i) *Optional Deferral:* The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") to the Holders (in accordance with Condition 14 (*Notices*)) not more than 10 nor less than 5 Business Days prior to a scheduled Distribution Payment Date provided that such election to defer may only be made if, during the three months ending on the day before that scheduled Distribution Payment Date no discretionary dividend, distribution or other discretionary payment has been paid or declared by the Guarantor on or in respect of its Junior Securities or its Parity Securities (except (i) in relation to Parity Securities of the Guarantor, on a *pro rata* basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants) (an "**Optional Deferral Event**").
 - (ii) *No obligation to pay:* The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(c)(i) (*Distribution – Distribution Deferral – Optional Deferral*) and any failure to pay Distribution shall not constitute a default of the Issuer in respect of the Securities or of the Guarantor in respect of the Guarantee of the Securities.
 - (iii) *Requirements as to Notice:* Each Optional Deferral Notice shall be accompanied by a certificate in the form scheduled to the Agency Agreement signed by an authorised signatory of the Guarantor confirming that an Optional Deferral Event has occurred and is continuing.

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

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

- (v) *Restrictions in the case of Deferral*: If on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(c), the Issuer and the Guarantor shall not:
- (A) declare or pay any discretionary dividends, distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other discretionary payment is made on any of its Junior Securities or (except on a *pro rata* basis) its Parity Securities, **provided that** such restriction shall not apply to payments declared, paid or made in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or
 - (B) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities on a discretionary basis, **provided that** such restriction shall not apply to an exchange of any Parity Securities in whole for Junior Securities or a repurchase or other acquisition of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants,

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

- (vi) *Satisfaction of Arrears of Distribution by payment*: The Issuer:
- (A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 14 (*Notices*)) and the Fiscal Agent not more than 20 nor less than 10 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
 - (B) in any event must satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of (1) the date of redemption of the Securities in accordance with Condition 5(b) (*Redemption and Purchase – Redemption for tax reasons*), 5(c) (*Redemption and Purchase –*

Redemption upon a ratings event), 5(d) (*Redemption and Purchase – Redemption for accounting reasons*), 5(e) (*Redemption and Purchase – Redemption at the option of the Issuer*) or 5(f) (*Redemption and Purchase – Redemption for minimum outstanding amount*); (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(c)(v) (*Distribution – Restrictions in the case of Deferral*) and (3) the date such amount becomes due under Condition 8 (*Non-payment*).

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

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

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

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

"**Junior Security**" means, in relation to the Issuer or the Guarantor, as the case may be, any class of its share capital qualifying as equity under HKFRS (other than preference shares); and

"**Parity Security**" means, in relation to the Issuer or the Guarantor, as the case may be, any instrument or security (including preference shares) issued, entered into or guaranteed by the Issuer or the Guarantor (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities (in the case of the Issuer) or the obligations of the Guarantor under the Guarantee of the Securities (in the case of the Guarantor) and (ii) for the purposes of Condition 4(c)(i) and Condition 4(c)(v) only, the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Guarantor;

5. **Redemption and Purchase**

- (a) *No fixed redemption date*: The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 (*Status and Subordination of the Securities and the Guarantee of the Securities*) and without prejudice to Condition 8 (*Non-payment*)), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.
- (b) *Redemption for tax reasons*: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if:
 - (i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 24 May 2021; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Securities) would become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Securities, as the case may be, as a result of any change in, or amendment to, the laws or regulations of Bermuda or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 24 May 2021 and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

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

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

- (A) a certificate, signed by one director of the Issuer, stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two directors of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment, provided that the Fiscal Agent may accept such certificate or opinion without further investigation or enquiry.

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

- (c) *Redemption upon a ratings event:* The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, an amendment, clarification or change has occurred in the equity credit methodology of Standard & Poor's or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee of the Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Securities and/or the Guarantee of the Securities (for the Issuer or the Guarantor) than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Guarantor shall deliver or procure that there is delivered to the Fiscal Agent a certificate signed by two directors of the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(c), **provided that** such date for redemption shall be no earlier than the last day before the date on which the Securities and/or the Guarantee of the Securities be assigned a lower category of equity credit.

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

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

- (A) a certificate, signed by two directors of the Guarantor, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) an opinion of the Guarantor's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect, provided that the Fiscal Agent may accept such certificate or opinion without further investigation or enquiry,

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

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

- (e) *Redemption at the option of the Issuer:* The Securities may be redeemed at the option of the Issuer in whole or in part, on the Distribution Payment Date falling in June 2026 or on any day thereafter (each, a "**Call Settlement Date**") on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date at their prevailing principal amount plus Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount)), **provided that**, in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than U.S.\$200,000,000.
- (f) *Redemption for minimum outstanding amount:* The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if prior to the date of such notice at least 80 per cent. in principal amount of the Securities originally issued (including any further Securities issued pursuant to Condition 13 (*Further Issues*) and consolidated and forming a single series with the Securities) has already been redeemed or purchased and cancelled.
- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Securities and shall have no obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 5(b) (*Redemption for tax reasons*) to 5(f) (*Redemption for minimum outstanding amount*) above.

- (h) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Securities in the open market or otherwise and at any price.
- (i) *Cancellation:* All Securities so redeemed or purchased by the Issuer or the Guarantor or their respective subsidiaries may be held, resold, or cancelled. All securities redeemed by the Issuer (pursuant to Conditions 5(b) (*Redemption for tax reasons*) to 5(f) (*Redemption for minimum outstanding amount*) above) shall be cancelled.

*Given the intention of the Issuer and the Guarantor that the equity content of the Securities and the Guarantee of the Securities forms a permanent part of their respective capital structures, the Issuer and the Guarantor intend to replace the Securities with common equity or issue of Junior Securities or Parity Securities (with such replacement having equal or greater equity content as the Securities) in the event that the redemption option in Condition 5(e) (*Redemption at the option of the Issuer*) and/or Condition 5(f) (*Redemption for minimum outstanding amount*) is exercised.*

6. **Payments**

- (a) *Principal:* Payments of principal shall be made in U.S. dollars, upon application by a Holder of a Security to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (b) *Distribution:* Payments of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall be made in U.S. dollars, upon application by a Holder of a Security to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of Distribution payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and Distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of Distribution payable other than on redemption) on the due date for payment. A Holder of a Security shall not be entitled to any Distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph, "**business day**" means any day, other than a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in New York City and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Security, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

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

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

7. **Taxation**

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

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Security; or
- (b) where (in the case of a payment of principal or Distribution on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days.

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

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

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

8. **Non-payment**

- (a) *Non-payment when due*: Notwithstanding any of the provisions below in this Condition 8, the right to institute Winding-Up (as defined in Condition 8(e) (*Non-payment – Definitions*)) proceedings is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to, or is required to, defer that Distribution in accordance with Condition 4(c) (*Distribution – Distribution Deferral*).
- (b) *Proceedings for Winding-Up*: If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor or (ii) the Issuer or the Guarantor shall

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

- (c) *Enforcement:* Without prejudice to Condition 8(b) (*Non-payment – Proceedings for Winding-Up*), Holders holding not less than 15 per cent. of the aggregate principal amount of the outstanding Securities may without further notice to the Issuer and/or the Guarantor institute such proceedings against the Issuer, the Guarantor or both of them (as applicable) as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Securities or the Guarantee of the Securities (other than any payment obligation of the Issuer or the Guarantor under or arising from the Securities or the Guarantee of the Securities, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities or the Guarantee of the Securities, including any damages awarded for breach of any obligations) and in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (d) *Extent of Holders' remedy:* No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 8, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Securities or the Guarantee of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Guarantee of the Securities.
- (e) *Definitions:* In these Conditions, "**Winding-Up**" means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be.

9. **Prescription**

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

10. **Replacement of Certificates**

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

11. **Agents**

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

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

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

12. **Meetings of Holders; Modification**

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

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

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

13. **Further Issues**

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

14. **Notices**

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

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

15. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by, and construed in accordance with, English law, except that the subordination provisions applicable to (i) the Issuer set out in Condition 2(a) (*Status and Subordination of the Securities and the Guarantee of the Securities – Status of the Securities*), Condition 2(b) (*Status and Subordination of the Securities and the Guarantee of the Securities – Ranking of claims in respect of the Securities*) and Condition 2(c) (*Status and Subordination of the Securities and the Guarantee of the Securities – Set-off – Securities*) shall be governed by, and construed in accordance with, British Virgin Islands law and (ii) the Guarantor set out in Condition 2(c) (*Status and Subordination of the Securities and the Guarantee of the Securities – Guarantee of the Securities; Status of the Guarantee of the Securities*), Condition 2(d) (*Status and Subordination of the Securities and the Guarantee of the Securities – Ranking of claims in respect of the Guarantee of the Securities*) and Condition 2(f) (*Status and Subordination of the Securities and the Guarantee of the Securities – Set-off – Guarantee of the Securities*) shall be governed by, and construed in accordance with, Bermuda law.
- (b) *Jurisdiction:* The Issuer (i) agrees for the benefit of the Holders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Securities (including any non-contractual obligation arising out of or in connection with the Securities); (ii) agrees that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) has designated a company in England to accept service of any process on its behalf.

THE GLOBAL CERTIFICATE

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

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

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

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

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

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

Record date: Notwithstanding Condition 6(f) (*Record date*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**"), each payment in respect of the Global Certificate will be made to the person shown as the Holder in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

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

Partial Exercise of Call Option: In connection with an exercise of the option contained in Condition 5(e) (*Redemption at the option of the Issuer*) in relation to some only of the Securities, the Securities represented by the Global Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Securities to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion).

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

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

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

USE OF PROCEEDS

The net proceeds from the issue of the Securities after deduction of underwriting commissions and expenses are estimated to be approximately U.S.\$298,800,000 and will be used for the general corporate purposes of the Guarantor and its subsidiaries.

CAPITALISATION AND INDEBTEDNESS

CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets out the consolidated capitalisation and indebtedness of the Guarantor as at 31 December 2020 on an actual basis⁽²⁾ and as adjusted⁽³⁾⁽⁴⁾⁽⁵⁾ to give effect to (i) the issuance of the Securities and (ii) the redemption of the U.S.\$1,200,000,000 5.875 per cent. Guaranteed Perpetual Capital Securities (the "Existing Perpetual Securities") issued by the Issuer and guaranteed by the Guarantor on 1 March 2021 (the "March Redemption"):

	As of 31 December 2020	
	Actual ⁽²⁾	Adjusted ⁽³⁾⁽⁴⁾
	<i>HK\$ million (unaudited)</i>	
Short-term borrowings:		
Bank loans.....	4,655	4,655
Long-term borrowings:		
Bank loans.....	20,857	20,857
Other loans.....	7,076	7,076
Total long-term borrowings.....	27,933	27,933
Total borrowings	32,588	32,588
Equity:		
Share capital.....	2,651	2,651
Reserves.....	108,791	108,791
Perpetual capital securities ⁽³⁾	14,701	5,157
Securities to be issued in this offering ⁽⁴⁾	-	2,340
Non-controlling interests.....	119	119
Total equity	126,262	119,058
Total capitalisation⁽¹⁾	158,850	151,646

⁽¹⁾ Total capitalisation consists of total equity and total borrowings.

⁽²⁾ The figures are extracted from the 2020 Financial Statements.

⁽³⁾ Assuming the March Redemption had occurred, with the Existing Perpetual Securities in the total amount of U.S.\$1,200,000,000 had been redeemed and all distributions due and payable for the period from 1 September 2020 to 31 December 2020 under the Existing Perpetual Securities paid, as at 31 December 2020. For the purpose of the above table, U.S. dollars is translated into Hong Kong dollars at a rate of HK\$7.80 to U.S.\$1.00.

⁽⁴⁾ Assuming the Securities to be issued in this offering in the total amount of U.S.\$300,000,000 had been issued as at 31 December 2020. For the purpose of the above table, U.S. dollars is translated into Hong Kong dollars at a rate of HK\$7.80 to U.S.\$1.00.

Save for the above, there has been no material change in the consolidated capitalisation and indebtedness of the Guarantor since 31 December 2020.

CAPITALISATION OF THE ISSUER

The authorised share capital of the Issuer is U.S.\$50,000, divided into 50,000 shares of U.S.\$1 par value each.

DESCRIPTION OF THE ISSUER

History and introduction

The Issuer was incorporated as an international business company with limited liability under the laws of the British Virgin Islands on 9 July 1997 with registration number 239939. The Issuer has a wide objects clause under clause 4 of its Memorandum of Association and has full capacity to carry on or undertake any business activity, do any act or enter into any transaction that is not prohibited under any law for the time being in force in the British Virgin Islands.

The Issuer has not published, and does not propose to publish, any of its accounts since it is not required to do so under the laws of the British Virgin Islands. The Issuer has, however, audited and kept proper books of account as are necessary to give a true and fair view of the state of its affairs and to explain its transactions.

Management

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

LI Tzar Kuoi, Victor
KAM Hing Lam
IP Tak Chuen, Edmond
Frank John SIXT

They are also the directors of the Guarantor.

The registered office of the Issuer is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of each of the Directors of the Issuer for the purposes of his directorship in the Issuer is at 12/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. The Secretary of the Issuer is Eirene YEUNG.

The Issuer has no employees.

Ownership and Capital Structure

As at the date of this Offering Circular, the Issuer has an authorised share capital of U.S.\$50,000, divided into 50,000 shares of U.S.\$1.00 par value each, of which 1 share has been issued. The Issuer is an indirect wholly-owned subsidiary of the Guarantor and has no subsidiaries. The Issuer has outstanding borrowings equivalent to HK\$7,076 million as at 31 December 2020.

DESCRIPTION OF THE GUARANTOR

HISTORY AND INTRODUCTION

The Guarantor was incorporated in Bermuda on 28 May 1996 as a limited liability company for the purpose of acquiring certain infrastructure and infrastructure-related businesses of CKH, Hutchison and certain other companies. Shares of the Guarantor were listed on the main board of the Hong Kong Stock Exchange in July 1996. In March 1997, Hutchison acquired an 84.58 per cent. interest in the Guarantor. On 26 July 2011, 23 March 2012, 3 August 2012 and 30 January 2015, the Guarantor issued 84,500,000, 50,901,000, 50,000,000 and 80,000,000 new shares via share placement exercises, upon completion of which Hutchison held approximately 75.67 per cent. of the Guarantor.

In March 2015, CK Hutchison has replaced CKH as the listed holding company of the CK group by way of a scheme of arrangement under Hong Kong laws. On 3 June 2015, Hutchison was privatised and became a wholly-owned subsidiary of CK Hutchison by way of a scheme of arrangement under Hong Kong laws, and subsequent to these transactions, CK Hutchison indirectly holds approximately 75.67 per cent. of the issued share capital in the Guarantor.

On 2 March 2016, the Guarantor allotted 131,065,097 new shares to OVPH, upon completion of which CK Hutchison indirectly holds approximately 71.93 per cent. of the issued share capital in the Guarantor.

On 31 August 2018, the Guarantor entered into an economic benefits agreement with CK Hutchison. The Guarantor, through its subsidiaries, and Power Assets acquired 30 per cent. and 20 per cent. economic benefits respectively in CK Hutchison's direct interests in six co-owned infrastructure investments - Northumbrian Water, UK Rails, Wales & West Utilities, Australian Gas Networks, Park'N Fly and Dutch Enviro Energy. By the end of 2019, the Guarantor and Power Assets completed the supplemental agreements with CK Hutchison for the effective transfer of the proportionate voting rights of (i) CK Hutchison's holding vehicle of those co-owned infrastructure investments in Europe and (ii) the joint venture company of Park'N Fly from CK Hutchison to the respective parties. For the purpose of this Offering Circular, the Guarantor's and Power Assets' respective interests arising from the supplemental agreement in these co-owned infrastructure investments are included.

Based on the closing price of its shares on the Hong Kong Stock Exchange on 30 April 2021, the Guarantor had a market capitalisation of approximately HK\$126 billion.

The Group is engaged in the development, investment, operation and management of global infrastructure businesses. The infrastructure businesses of the Group include electricity generation, transmission and distribution, gas transmission and distribution, transportation, water treatment and distribution, waste management, waste-to-energy and household infrastructure, and include projects in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. The Group is also engaged in infrastructure materials businesses in Hong Kong, Mainland China and the Philippines, including the production, distribution and sale of cement, concrete, asphalt, limestone and aggregates.

The principal business activities of the Group are as follows:

In Hong Kong, the Group holds approximately 35.96 per cent. interest in Power Assets, a listed company in Hong Kong. Power Assets is a global investor in energy and utility-related businesses with investments in electricity generation, transmission and distribution, renewable energy, waste-to-energy business, gas transmission and distribution as well as oil transmission which are located in Hong Kong, the United Kingdom, Australia, New Zealand, Mainland China, the United States, Canada, Thailand and Continental Europe.

In Mainland China, the Group has interests in joint ventures that own and operate approximately 149.8 kilometres of toll roads and bridges.

The Group has also been actively exploring investment opportunities in other regions and industries and owns various interests in the United Kingdom, Continental Europe, Australia, New Zealand and Canada.

In the United Kingdom, the Guarantor (i) through its subsidiaries and together with Power Assets, holds an 80 per cent. interest in UK Power Networks, one of the largest power distributors in the United Kingdom, (ii) through its subsidiaries and together with Power Assets, holds a 60 per cent. interest in Northumbrian

Water, one of the ten regulated water supply and sewerage service businesses in England and Wales, (iii) through its subsidiaries and together with Power Assets, holds an 88.35 per cent. interest in Northern Gas, and a 75 per cent. interest in Wales & West Utilities, two of the eight major gas distribution networks in the United Kingdom, (iv) through its subsidiaries and together with Power Assets, holds a 75 per cent. interest in UK Rails, which in turn holds a 100 per cent. interest in Eversholt UK Rails Group, one of the three major rolling stock leasing companies that were established at the time of privatisation of the UK rail industry, (v) through its subsidiaries and together with Power Assets, holds a 50 per cent. interest in Seabank Power, which owns a power station near Bristol, and (vi) through its subsidiaries, holds a 4.75 per cent. interest in Southern Water, which is a regulated business supplying water and waste water services across Sussex, Kent, Hampshire and the Isle of Wight.

In Australia, the Guarantor (i) through its subsidiaries and together with Power Assets, has various interests in four Australian electricity distribution companies, including a 51 per cent. interest in SA Power Networks, a 51 per cent. interest in Powercor and CitiPower and a 39.6 per cent. interest in United Energy, (ii) through its subsidiaries and together with Power Assets, has various interests in three Australian gas distribution companies, including a 72.49 per cent. interest in Australian Gas Networks, a 60 per cent. interest in Multinet Gas and a 60 per cent. interest in Dampier Bunbury Pipeline and AGI Development Group, (iii) through its subsidiaries and together with Power Assets, holds a 60 per cent. interest in Energy Developments, an international provider of safe, clean, low greenhouse gas emissions energy and remote energy solutions, and (iv) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Australian Energy Operations, which constructs, owns and operates reliable transmission link that transports clean renewable power from windfarms to power grids.

In Continental Europe, the Guarantor (i) through its subsidiaries, holds a 35 per cent. interest in ista, a leading global provider of sub-metering and related services with over 100 years' experience which operates across all stages of the sub-metering value chain with strong market positions in European countries such as Germany, the Netherlands and France and (ii) through its subsidiaries and together with Power Assets, holds a 72.5 per cent. interest in Dutch Enviro Energy, which in turn owns AVR, one of the largest energy-from-waste players in the Netherlands.

In Canada, the Guarantor (i) through its subsidiaries, holds a 25 per cent. interest in CKP (Canada) Holdings Limited, a holding company that indirectly holds a 100 per cent. interest of Reliance Home Comfort, which is principally engaged in the building equipment services sector providing water heaters, heating, ventilation and air conditioning equipment, comfort protection plans and other services to homeowners primarily in Ontario, Canada, (ii) through its subsidiaries and together with Power Assets, holds a 65 per cent. interest in HMLP, a portfolio of oil pipelines, storage facilities and ancillary assets, and gas infrastructure assets primarily operating in the Lloydminster and Hardisty regions of Alberta and Saskatchewan, Canada, (iii) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Canadian Power, which owns a 100 per cent. partnership interest in Meridian Cogeneration Plant in Saskatchewan and a 49.99 per cent. partnership interest in TransAlta Cogeneration, L.P., Canadian Power owns interests in four natural gas-fired cogeneration plants in Alberta and Ontario and a power generation plant in Alberta undergoing coal-to-gas conversion, and (iv) through its subsidiaries and together with Power Assets, holds a 75 per cent. interest in Park'N Fly, the leading off-airport car park provider in Canada.

In New Zealand, the Guarantor (i) through its subsidiaries, holds a 100 per cent. interest in EnviroNZ, which is a diversified, vertically integrated waste management company that has national coverage across New Zealand, and (ii) through its subsidiaries and together with Power Assets, holds a 100 per cent. interest in Wellington Electricity, which, through its wholly-owned subsidiary, supplies electricity to the city of Wellington, the capital of New Zealand, and to Porirua and the Hutt Valley regions of New Zealand, with a system length of over 4,700 kilometres.

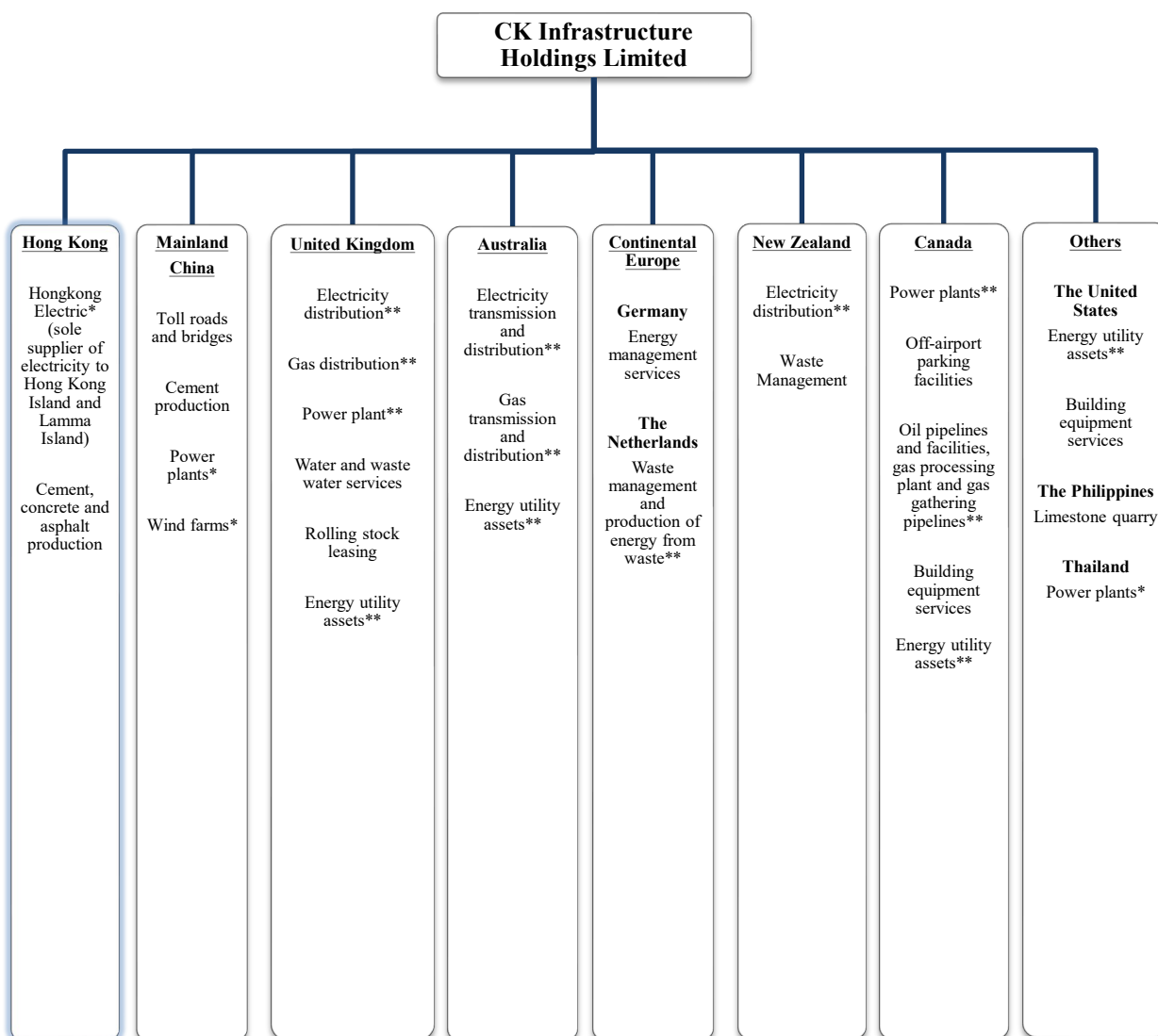
The Guarantor, through its subsidiaries and associates, is an integrated construction materials manufacturer involved in the production, distribution and sale of cement, concrete, asphalt and aggregates.

OWNERSHIP AND CAPITAL STRUCTURE

As at the date of this Offering Circular, the Guarantor has an authorised share capital of HK\$4,000,000,000 consisting of 4,000,000,000 ordinary shares of HK\$1 each and an issued and fully paid up share capital of HK\$2,650,676,042 consisting of 2,650,676,042 ordinary shares of HK\$1 each. Approximately 71.93 per cent. of the Guarantor's issued share capital is held by CK Hutchison.

PRINCIPAL ACTIVITIES

The following chart illustrates the main activities of the Group and its associates and joint ventures by geographic location:



* indirectly owned through Power Assets

** jointly owned with Power Assets

COMPETITIVE STRENGTHS

The key competitive strengths of the Group are:

A proven track record of delivering high quality, reliable and safe operation of regulated assets

The Group has extensive experience of operating regulated assets in a variety of industry sectors and across a number of geographic regions. The Group's proven track record puts it in a strong position when competing for new investment opportunities, where governments and regulators are focused on ensuring that regulated assets will be well managed and operated. In addition, the Group is well positioned to capitalise on its experience of managing regulated assets by applying this experience to new businesses and assets, to identify opportunities for efficiency savings and to enhance operational reliability and compliance with safety standards. The Group has a demonstrated ability to earn an enhanced return on its investments

across sectors and geographies through meeting service delivery, reliability and safety targets, as well as making efficiency gains.

Stable cash flows generated from the predictable nature and guaranteed returns on regulated assets

The Group's underlying businesses are regulated assets under stable regimes with guaranteed returns and defined tariff reset mechanisms.

Hongkong Electric, an associate company of Power Assets, is subject to a Scheme of Control Agreement ("SCA") which provides for Hongkong Electric to earn a permitted rate of return of 8 per cent. on average net fixed assets for the period from 1 January 2019 to 31 December 2033.

Regulated assets in the United Kingdom, Australia and New Zealand also earn a regulated return with tariff reset mechanisms in place in each country.

The table below summarises the reset schedule for certain key assets of the Group:⁽¹⁾

Assets	Date of most recent reset	Date of next reset
Hongkong Electric	January 2019	January 2034
UK Power Networks	April 2015	April 2023
Northumbrian Water	April 2020	April 2025
Northern Gas Networks	April 2021	April 2026
Wales & West Utilities	April 2021	April 2026
CitiPower/Powercor	January 2016	July 2021
SA Power Networks	July 2020	July 2025
United Energy	January 2016	July 2021
Australian Gas Networks (Victoria and Albury)	January 2018	July 2023
Australian Gas Networks (SA)	July 2016	July 2021
Dampier Bunbury Pipeline	January 2021	January 2026
Multinet Gas	January 2018	July 2023
Wellington Electricity Distribution Network	April 2020	April 2025

Note:

(1) The table is indicative only and some reset reschedules may still be subject to further change.

Familiarity with the regulatory framework in key jurisdictions

The Group's operations are strategically focused in jurisdictions where the legal and regulatory frameworks are developed and provide stability and predictability to investors and operators of regulated assets, including Hong Kong, the United Kingdom, Australia and New Zealand. The Guarantor's familiarity with the regulatory regimes in these countries allows it to identify investment opportunities as and when they arise and make a thorough assessment of potential yields and cash flows of regulated assets which come to market.

An experienced management team with managerial control over the assets, businesses and investments of the Group

The Group places considerable emphasis on the quality of its management, both at a senior level within the Group and at an operational level, and continuously seeks to attract skilled professionals to enhance its business and operations. The Group's operations are managed by executives with extensive experience of large scale infrastructure projects. The Group's senior executives have strong working relationships with government officials, regulators and other key participants in each relevant segment. At an operational level, the Group's plants, sites and facilities are managed by teams made up of technical experts and management specialists, combining up-to-date product and process knowledge with management skill.

The Guarantor has managerial control either directly or through Power Assets, over its key assets, businesses and investments. The ability to exercise management control ensures that the strategic direction of each of the Group's businesses can be controlled and aligned, making them more efficient and leading to cost savings through management synergies.

Conservative capital structure and diversified sources of funding

The Group has maintained a long conservative financial profile which it believes and creates a strong and competitive position, particularly during periods of economic and market volatility. The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pound, Canadian dollars or Euros. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans. The Group's capital expenditure and investments are funded from cash on hand, internal cash generation, syndicated loans, notes, bonds, share placements and other project loans. As a result of its conservative capital structure, the Group is able to attract a broad range of funding and is well supported by its lending banks.

Total borrowings of the Group amounted to HK\$32,588 million as at 31 December 2020, which included Hong Kong dollar borrowings of HK\$4,620 million and foreign currency borrowings of HK\$27,968 million. To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of those countries. The Group also enters into certain interest rate and currency swaps to mitigate interest rate and other currency exposure risks. The Group's debt has a sound maturity profile. Of the Group's total borrowings as at 31 December 2020, 14 per cent. were repayable in 2021, 82 per cent. were repayable between 2022 and 2025 and 4 per cent. were repayable beyond 2025. Cash on hand amounted to HK\$13,477 million as at 31 December 2020, resulting in a net debt to net total capital ratio of 13.1 per cent.

The Group has attracted a diverse range of financing including £150 million bank loan in July 2020, A\$260 million revolving facility in March 2020, JPY3 billion bank loan in April 2019, HK\$4.36 billion bank loans in October 2018, U.S.\$500 million revolving facilities in September 2018, A\$750 million bank loans in April 2018, €600 million bonds issued in December 2017 and U.S.\$150 million of guaranteed perpetual capital securities issued in November 2017.

Furthermore, the Group's joint ventures and associates are also financially independent. Their financing activities include a A\$750 million dual tranche secured notes by AGI Finance (a borrowing entity for obtaining external funding for Multinet Gas, Dampier Bunbury Pipeline and AGI Development Group) in November 2020, a HK\$744 million fixed rate bond by Victoria Power Networks Pty Ltd ("**Victoria Power Networks**") in September 2020, a €1,850 million multicurrency term and revolving facility by ista in August 2020, C\$430 million bond by Reliance Home Comfort in August 2020, a NZ\$300 million loan facility by Wellington Electricity Distribution Network in August 2020, a £500 million bond by UK Rails in June 2020, a £300 million bond by UK Power Networks in June 2020, a A\$245 million revolving syndicated facility by United Energy in April 2020, a A\$100 million bilateral facility by Australian Gas Networks in March 2020, a £250 million bond by Wales & West Utilities in February 2020, a £100 million index linked private placement by Northumbrian Water in October 2019, a A\$200 million syndicated facility by SA Power Networks in June 2019 and a £100 million private placement by Northern Gas Networks in June 2019.

Supportive shareholding structure

CK Hutchison, listed on the main board of the Hong Kong Stock Exchange, mainly comprises six listed companies/investment trust in Hong Kong and seven listed companies/business trust overseas. CK Hutchison, the major shareholder of the Group, is a leading conglomerate with operations spanning the globe in ports and related services, retail, infrastructure and telecommunications, among others. CK Hutchison boasts operations in about 50 countries with over 300,000 employees worldwide. Under the stewardship of CK Hutchison, the Guarantor has become a global market leader in the power and infrastructure sector.

BUSINESS STRATEGY

The Guarantor intends to strengthen its position and seek growth opportunities through the implementation of the following business strategies:

To continue to invest in regulated assets which yield a steady income

The Guarantor intends to continue to invest in assets and industries which are regulated, either by government or by contract. These include utility industries (such as water, gas and electricity), transport and infrastructure. Investment in these industries and assets involve predictable pricing, with periodic reviews of pricing subject to mutual agreement between the regulator and operator, and a measurable return on the investment based on meeting or exceeding defined performance, reliability and safety targets.

To invest in jurisdictions with a developed and transparent legal and regulatory framework for investment in regulated assets

The Group's existing investments are located primarily in countries with a developed and transparent system of rules and regulations for investment in regulated assets and earning returns from such regulated assets. These include Hong Kong, the United Kingdom, Australia and New Zealand. The Group's management is experienced in and familiar with the regulatory environment in the key sectors of regulated industries in each of these countries. Such familiarity and experience helps the Group in evaluating future opportunities for investment and in negotiating contracts for operating regulated assets now and in the future.

To provide high quality customer service, excellent reliability of service delivery and rigorous safety standards in all sectors.

The Group aims to meet the prescribed regulatory targets of providing high quality customer service, reliability and adherence to safety standards. Through meeting these targets, the Group believes that it will be able to continue to achieve the highest return possible on its investments. The Group's strategy is also to continue to achieve efficiency in its service delivery whilst maintaining these high standards of reliability, service and safety.

BUSINESS OF THE GROUP

Summary

The following table sets forth the results for the business segments of the Group for the years indicated:

	Year ended 31 December		
	2020	2019	2018
	HK\$ million	HK\$ million	HK\$ million
Profit contribution to shareholders			
Power Assets.....	2,205	2,991	2,903
Infrastructure investment			
United Kingdom.....	2,603	4,630	5,275
Australia.....	1,864	2,083	2,066
Continental Europe.....	1,550	785	870
Canada	268	335	335
New Zealand	136	174	172
Hong Kong and Mainland China.....	290	371	389

Power Assets

Power Assets is listed on the Hong Kong Stock Exchange. As of 31 January 2021, Power Assets had an issued share capital of HK\$6,610 million, divided into 2,134,261,654 ordinary shares. Power Assets completed the separate listing of its Hong Kong electricity business by way of the listing of the share stapled units jointly issued by HK Electric Investments and HK Electric Investments Limited (collectively "HKEI") on the Main Board of the Hong Kong Stock Exchange on 29 January 2014. As at the date of this Offering Circular, Power Assets holds 33.37 per cent. of HKEI, which became an associated company of Power Assets following its separate listing. HKEI's wholly-owned subsidiary, Hongkong Electric, generates, transmits and is the sole distributor of electricity to Hong Kong Island and Lamma Island. CLP Power Hong Kong Limited ("CLP"), which is not affiliated with Hongkong Electric, supplies electricity to the Kowloon peninsula and the New Territories of Hong Kong. The division of markets between Hongkong

Electric and CLP is based on practical considerations of geography and is not mandated by law or by contract. The Guarantor expects that the present arrangement will continue for the foreseeable future. Hongkong Electric has been supplying electricity since 1890 when the first electric street lights in the Central district in Hong Kong were switched on, making it one of the world's oldest electric companies. As at the date of this Offering Circular, Hongkong Electric supplies electricity to over half a million customers. Total unit sales in 2020 were 10,134 million kWh, an approximately 3.7 per cent. decrease from the 10,519 million kWh sold in 2019. Residential customers, commercial customers and industrial customers accounted for approximately 26.3 per cent., approximately 70.8 per cent. and approximately 2.9 per cent., respectively, of total unit sales in 2020. The system maximum demand in 2020 was 2,336 MW. In December 2020, Hongkong Electric announced for a net tariff freeze for 2021.

Hongkong Electric's installed capacity on Lamma Island is 3,617 MW, and, as at the date of this Offering Circular, comprises of six coal-fired units with a total capacity of 2,000 MW, five oil-fired gas turbines with a total capacity of 555 MW, three gas-fired combined cycle units of 1,060 MW, a 800 kW wind turbine and a thin film photovoltaic system of 1MW.

The electricity transmission network used by Hongkong Electric includes high capacity submarine cables. For environmental, reliability and operational reasons, nearly all high voltage cabling on Hong Kong Island and Lamma Island is underground. In addition, where cable-laying might cause serious disruption to the environment, Hongkong Electric has built cable tunnels. As of 31 December 2020, there were 24 switching stations, 27 zone substations and 3,944 customer substations in the system operated by Hongkong Electric. Generation, transmission and distribution are all controlled by Hongkong Electric's computerised system control center, for the safe, efficient and secure delivery of electricity to all its customers.

The operations of Hongkong Electric are subject to the SCA with the Hong Kong government.

In April 2017, Hongkong Electric and HK Electric Investments Limited signed a new SCA with the Hong Kong government for a period of 15 years commencing on 1 January 2019. The agreement provides for an 8 per cent. permitted rate of return on average net fixed assets and introduces a number of elements that will further encourage the use of renewable energy and promote energy efficiency, as well as encourage power companies to continue to enhance their customer performance standards and operational transparency.

Power Assets holds a 45 per cent. interest in Jinwan Power Plant in Mainland China as at 31 December 2020. See "*Infrastructure investments in Mainland China – Power Plants*".

Power Assets also holds 45 per cent. interest in two wind farms, one 48MW farm in Dali, Yunnan Province and one 49.5MW farm in Laoting, Hebei Province. See "*Infrastructure investments in Mainland China – Wind Farms*".

Power Assets has a 25 per cent. interest in an associate company, Ratchaburi Power Company Limited, which owns and operates a 1,400MW gas-fired power plant project located in Ratchaburi Province, Thailand.

Except for the investments mentioned above, Power Assets also participates in partnership with the Guarantor to invest in many businesses. See – "*Infrastructure investments in the United Kingdom*", "*Infrastructure investments in Australia*", "*Infrastructure investments in Continental Europe*", "*Infrastructure investments in Canada*" and "*Infrastructure investments in New Zealand*".

Power Assets may pursue other international investment opportunities on a selective basis including equity investments in infrastructure assets and, where appropriate, participating in partnership with the Guarantor.

Infrastructure investments in the United Kingdom

UK Power Networks

In October 2010, the Guarantor and Power Assets acquired an 80 per cent. interest in UK Power Networks. UK Power Networks is one of the largest power distributors in the United Kingdom, which owns, operates and manages three of the fourteen regulated electricity distribution networks in the United Kingdom. The three licensed distribution networks, with a total length of approximately 190,000 kilometres, serve London, the South East and the East of England.

UK Power Networks is one of the largest electricity distribution network owners in the United Kingdom, spanning a service area of approximately 29,000 square kilometres. Over 8.4 million connected customers are powered by UK Power Networks. The company distributes approximately 28 per cent. of the total power demand in the country.

In addition to the three regulated networks, UK Power Networks operates in the unregulated network sector and develops, delivers and manages high-voltage electrical and multi-utility networks for owners of major infrastructure. The unregulated portfolio includes a number of private networks for key national infrastructure assets, including Heathrow Airport, Gatwick Airport, Stansted Airport, HS1 rail link, and Ministry of Defence assets across Salisbury Plain in the South East of England.

As at the date of this Offering Circular, the Guarantor and Power Assets each hold a 40 per cent. interest in UK Power Networks.

Northumbrian Water

In October 2011, the Group acquired a 40 per cent. interest in Northumbrian Water. Northumbrian Water is one of the ten regulated water and sewerage companies in England and Wales, which operates in the water supply, sewerage and waste water industries in England and Wales. With a network comprising about 26,000 kilometres of mains and about 30,000 kilometres of sewers, Northumbrian Water supplies drinking water to approximately 4.6 million people in the North East and South East of England, as well as collects and treats wastewater from approximately 2.7 million people in the North East of England. In addition, Northumbrian Water operates Kielder Reservoir, the largest man-made reservoir in Northern Europe, and holds investments in a number of companies which hold and operate water and wastewater contracts in Scotland, Ireland and Gibraltar.

As at the date of this Offering Circular, the Guarantor and Power Assets hold a 52 per cent. and a 8 per cent. interest, respectively, in Northumbrian Water.

Northern Gas Networks

In August 2004, the Guarantor entered into an agreement to acquire a 69.8 per cent. interest in Northern Gas Networks, an energy project in the United Kingdom. The Guarantor then entered into a conditional agreement in September 2004 to dispose of a 19.9 per cent. interest in Northern Gas Networks to Power Assets. In November 2004, the Guarantor entered into another conditional agreement to dispose of a further 9.9 per cent. interest in Northern Gas Networks to independent third parties. The transaction was completed on 1 June 2005. In November 2008, Power Assets acquired a 15.2 per cent. interest in Northern Gas Networks. In November 2009, the Guarantor and Power Assets further acquired an additional 7.06 per cent. and 6.19 per cent. interest in Northern Gas Networks respectively.

Northern Gas Networks operates, maintains, repairs and develops the North of England gas distribution network in the United Kingdom. It is one of the eight major gas distribution networks in the United Kingdom. With a network of approximately 37,000 kilometres of gas distribution pipelines, the company's service area is approximately 25,000 square kilometres, covering a population of around 6.7 million.

As at the date of this Offering Circular, the Guarantor and Power Assets own a 47.06 per cent. and a 41.29 per cent. interest, respectively, in Northern Gas Networks.

Wales & West Utilities

In October 2012, a consortium led by the Guarantor completed the acquisition of 100 per cent. interest in Wales & West Utilities. Wales & West Utilities is a gas distribution network that serves Wales and the South West of England. The company has a service coverage area of 42,000 square kilometres, and provides service to a population of 7.5 million in Wales and the South West of England. The pipelines of Wales & West Utilities span a length of 35,000 kilometres.

As at the date of this Offering Circular, the Guarantor and Power Assets hold a 39 per cent. and a 36 per cent. interest, respectively, in Wales & West Utilities.

UK Rails

In April 2015, UK Rails, a 50/50 joint venture between the Group and CK Hutchison, acquired the Eversholt UK Rails Group, one of the three major rolling stock owning companies that were established at the time of privatisation of the UK rail industry. UK Rails leases regional, commuter and high speed passenger trains as well as freight locomotives, on long term contracts to train and freight operating companies and has a rolling stock portfolio that includes 22 different fleets of passenger trains comprising around 3,500 passenger vehicles, 83 freight locomotives and two depots.

As at the date of this Offering Circular, the Guarantor and Power Assets hold a 65 per cent. and a 10 per cent. interest, respectively, in UK Rails.

Seabank Power

In May 2010, the Guarantor acquired a 50 per cent. interest in Seabank Power, an electricity-generating company located near Bristol. It owns and operates Seabank Power Station, which comprises two combined cycle gas turbine generation units with an aggregate capacity of approximately 1,150 MW. The Guarantor then disposed of a 25 per cent. interest in Seabank Power to Power Assets in June 2010.

As at the date of this Offering Circular, the Guarantor and Power Assets each own a 25 per cent. interest in Seabank Power.

Southern Water Group

Since December 2007, the Group has held a 4.75 per cent. interest in Southern Water Group which is a regulated business supplying fresh, quality drinking water to a population of approximately 2.5 million, as well as treating and recycling wastewater from a population of 4.6 million in the South East of England across Sussex, Kent, Hampshire and the Isle of Wight.

Infrastructure investments in Australia

The Guarantor, together with Power Assets owns a 51 per cent. interest (the Guarantor holds 23.07 per cent. and Power Assets holds 27.93 per cent.) in:

SA Power Networks

SA Power Networks is engaged in building, extending, maintaining and upgrading the South Australian electricity distribution network. Electricity is delivered from the transmission network and directly connected to more than 897,000 residential and business customers. The network has a route length of over 89,000 kilometres, including over 400 zone substations, 76,000 transformers and 616,000 poles. Beginning from 2018, competitive (unregulated) construction and maintenance services which historically account for 10 to 15 per cent. of the group's revenue will be undertaken through a new wholly-owned subsidiary, Enerven Energy Infrastructure Pty. Ltd.

Victoria Power Networks

Victoria Power Networks is the holding company of Powercor and CitiPower. Powercor operates one of the most reliable rural electricity networks in Australia and is the largest electricity distributor in the state of Victoria, supplying electricity to regional and rural centres in central and western Victoria, and western suburbs of Melbourne. It services approximately 844,000 distribution customers.

CitiPower owns and operates a distribution network which supplies electricity to approximately 332,000 customers in Melbourne's central business district and inner suburbs. These customers include some of Australia's largest companies, and most important cultural and sporting icons.

Victoria Power Networks also operates a range of successful non-regulated services including engineering, design and construction services under the trading name of Beon Energy Solutions.

In May 2017, the Guarantor, together with Power Assets, acquired CK William Group, an owner and operator of energy utility assets in Australia, the U.S., Canada, the United Kingdom and Europe, which was previously listed on the Australian Securities Exchange. The acquisition is the largest acquisition ever made by the Guarantor. CK William Group is composed of four business units:

Dampier Bunbury Pipeline and AGI Development Group

Dampier Bunbury Pipeline is a natural gas transmission pipeline connecting the Carnarvon/ Browse Basins with Perth. It is Western Australia's principal gas transmission pipeline, stretching almost 1,600 kilometres, linking the gas fields in the Carnarvon Basin off the Pilbara coast and the Perth Basin to mining, industrial and commercial customers as well as to residential customers. The total length of the pipeline (including looping and laterals) is 4,099 kilometres. AGI Development Group was established to build, own, operate and maintain gas transmission pipelines and associated infrastructure. As at the date of this Offering Circular, AGI Development Group owns and operates several pipelines including Wheatstone Ashburton West Pipeline, Tanami Pipeline, Fortescue River Gas Pipeline (AGI Development Group has a 57 per cent. interest in a joint venture with TransAlta Corporation), Ashburton Onslow Gas Pipeline and a Tubridgi Gas Storage Facility with a capacity of 60PJ.

As at the date of this Offering Circular, the Guarantor and Power Assets own a 40 per cent. and a 20 per cent. interest, respectively, in Dampier Bunbury Pipeline and AGI Development Group.

United Energy

United Energy is one of the major electricity distribution networks in the state of Victoria which distributes electricity to approximately 703,000 customers across east and southeast Melbourne and the Mornington Peninsula, an area of approximately 1,500 square kilometres.

As at the date of this Offering Circular, the Guarantor and Power Assets own a 26.4 per cent. and a 13.2 per cent. interest, respectively, in United Energy.

Energy Developments

Energy Developments specialises in producing safe, clean, low greenhouse gas emission energy, and in providing energy solutions in remote regions. Energy Developments owns and operates an international portfolio of over 1,000 MW of power generation facilities in Australia, North America and Europe.

As at the date of this Offering Circular, the Guarantor owns a 40 per cent. interest while Power Assets owns a 20 per cent. interest in Energy Developments.

Multinet Gas

Multinet Gas operates a regulated gas distribution network covering 1,860 square kilometres of the eastern and south-eastern suburbs of Melbourne, the Yarra Ranges and South Gippsland, serving approximately 718,000 customers.

As at the date of this Offering Circular, the Guarantor and Power Assets own a 40 per cent. and a 20 per cent. interest, respectively, in Multinet Gas.

Australian Gas Networks

The Group has been a shareholder of Envestra Limited ("**Envestra**") since 1999. In May 2014, a consortium led by the Group announced an off-market takeover bid for Envestra, in which the Group held a shareholding of 17.46 per cent. prior to the completion of the takeover, for a cash consideration of A\$1.32 per share. The transaction was completed in the third quarter of 2014 and Envestra was renamed Australian Gas Networks.

Australian Gas Networks is one of the largest natural gas distribution companies in Australia with approximately 25,000 kilometres of natural gas distribution networks and 1,400 kilometres of transmission pipelines serving around 1.345 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

As at the date of this Offering Circular, the Guarantor owns a 44.97 per cent. interest while Power Assets owns a 27.51 per cent. interest in Australian Gas Networks.

Australian Energy Operations

In 2012, the Guarantor and Power Assets formed Australian Energy Operations, each holding a 50 per cent. interest. This is the Group's first investment in the renewable energy power transmission sector in Australia. Australian Energy Operations owns and operates 71 kilometres of transmission lines and terminal stations in Victoria, Australia that connect Mount Mercer, Lal Lal, Moorabool and Ararat wind farms to the national power grid.

As at the date of this Offering Circular, the Guarantor and Power Assets each own a 50 per cent. interest in Australian Energy Operations.

Infrastructure investments in Continental Europe

ista

In October 2017, the Group acquired a 35 per cent. interest in ista, a leading global provider of fully-integrated sub-metering services for heat and water with over 100 years' experience in the business. ista's operations include hardware development, manufacturing, installation and maintenance, meter reading, data collection and processing, individual billing of residents based on actual consumption, energy data management products as well as customer and after-sales services. With a presence in 22 countries, ista services more than 13 million dwellings with over 60 million installed measuring devices.

As at the date of this Offering Circular, the Guarantor owns a 35 per cent. interest in ista.

Dutch Enviro Energy

In August 2013, Dutch Enviro Energy, a joint venture formed by a consortium led by the Group, completed the acquisition of the entire interest in AVR. AVR is principally engaged in the business of waste processing and production and supply of sustainable energy from the incineration of waste in the Netherlands. It operates five waste treatment plants in Duiven and Rozenburg and has an energy-from-waste capacity of 2,300 kilotonnes per year.

As at the date of this Offering Circular, the Guarantor and Power Assets hold a 45.5 per cent. and a 27 per cent. interest, respectively, in Dutch Enviro Energy.

Infrastructure investments in Canada

Reliance Home Comfort

In September 2017, the Group acquired a 25 per cent. stake in Reliance Home Comfort. The business is principally engaged in the building equipment service sector providing water heaters, HVAC (heating, ventilation and air-conditioning) equipment, comfort protection plans to homeowners primarily in Ontario, Canada. It serves over 1.9 million customers and has one of the largest networks of licensed technicians in Canada. It also has operations in Manitoba, Saskatchewan, Alberta and British Columbia in Canada, as well as Georgia in the U.S..

As at the date of this Offering Circular, the Guarantor owns a 25 per cent. interest in Reliance Home Comfort.

HMLP

In July 2016, the Guarantor, together with Power Assets, acquired 65 per cent. of HMLP. HMLP owns and operates approximately 2,200 kilometres of conventional crude oil gathering systems and pipelines in the Lloydminster region, has 5.9 million barrels of oil storage capacity at Hardisty and Lloydminster, and other ancillary assets in Alberta and Saskatchewan in Canada. The Lloydminster Terminal, with a total storage capacity of 1.0 million barrels, serves as a hub for the gathering systems. The pipeline systems transport blended heavy crude oil to Lloydminster, accessing markets through Cenovus's upgrader and asphalt refinery in Lloydminster. Blended heavy crude oil and bitumen from the field and synthetic crude oil from the upgrading operations are transported south to Hardisty, Alberta to a connection with the major export trunk pipelines. The Hardisty Terminal, with a total storage capacity of 4.9 million barrels, acts as the exclusive blending hub for Western Canada Select, the largest heavy oil benchmark pricing point in Canada. This acquisition represents the Guarantor's first major investment in oil pipelines and storage.

As at the date of this Offering Circular, the Guarantor owns a 16.25 per cent. interest while Power Assets owns a 48.75 per cent. interest in HMLP.

Canadian Power

Canadian Power holds a 49.99 per cent. interest in TransAlta Cogeneration, L.P., which has ownership stakes in four electricity generation plants, including three natural gas-fired cogeneration plants in Alberta and Ontario, and one coal/gas fired generation plant in Alberta with total capacity of approximately 1,054 MW.

In addition, Canadian Power owns a 100 per cent. interest in the Meridian Cogeneration Plant, a natural gas-fired plant in the province of Saskatchewan with an installed capacity of 220 MW. The plant sells electricity under a long-term power purchase agreement to Saskatchewan Power Corporation, and has a long-term steam supply contract with Cenovus, both lasting until 2025.

As at the date of this Offering Circular, the Guarantor and Power Assets each hold a 50 per cent. stake in Canadian Power.

Park'N Fly

In July 2014, a joint venture led by the Group completed the acquisition of a 100 per cent. shareholding interest in Park'N Fly, Canada's leading off-airport car park company with operations spanning from Vancouver to Halifax, including Edmonton, Winnipeg, Ottawa, Toronto and Montreal. Park'N Fly provides either a self-park or valet option or both, plus a host of vehicle related services such as detailing and oil change services.

As at the date of this Offering Circular, the Guarantor and Power Assets hold a 65 per cent. and a 10 per cent. interest, respectively, in Park'N Fly.

Infrastructure investments in New Zealand

EnviroNZ

In April 2013, the Group acquired the entire interest in EnviroNZ. EnviroNZ is a diversified, vertically integrated waste management business that has national coverage. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to approximately half a million commercial and residential sources via collection services, landfills and transfer stations across the country.

EnviroNZ owns and manages the Hampton PARRC (Power and Resource Recovery Centre), the largest landfill measured by remaining capacity in New Zealand. Situated on an area of 360 hectares outside of Auckland, Hampton PARRC accounts for approximately 40 per cent. of annual landfill volumes in Greater Auckland. The landfill is consented to receive waste until 2030 while having a capacity to receive waste for many decades to come.

As at the date of this Offering Circular, the Guarantor owns a 100 per cent. interest in EnviroNZ.

Wellington Electricity

In July 2008, the Group, together with Power Assets, completed the acquisition of a 100 per cent. interest (on a 50/50 basis) in Wellington Electricity, which owns and manages an electricity network which serves approximately 171,000 domestic, commercial and industrial customers in Wellington, the capital of New Zealand, and extends to Porirua and the Hutt Valley regions of New Zealand. Spanning about 4,700 kilometres, the network is characterised by its high customer density and a large proportion of underground assets in the central Wellington City area.

As at the date of this Offering Circular, the Guarantor and Power Assets each own a 50 per cent. interest in Wellington Electricity.

Infrastructure investments in Mainland China and Infrastructure related business

Roads and Bridges

As at the date of this Offering Circular, the Group has interests in various projects with a total length of approximately 140 kilometres of toll roads and 9.8 kilometres of toll bridges in Mainland China.

The following table summarises certain information with respect to the Group's transportation projects in Mainland China:

Business	Business Scale (kilometres "km")	The Group's Interest (%)⁽¹⁾	Commencement Date of Operation	Expiration Date
Shantou Bay Bridge	2.5 km toll bridge ⁽²⁾	30.0	December 1995	2028
Shen-Shan Highway (Eastern Section)	140.0 km toll road	33.5	November 1996	2028
Panyu Beidou Bridge	3.3 km toll bridge	40.0	January 2001	2024

Notes:

- (1) This represents the approximate share of the Group's contribution to the total investment of each project in the form of registered capital contribution and shareholders' loans. It does not necessarily represent either the profit distribution ratio or the ratio of the distribution of assets upon the termination or expiration of the joint venture.
- (2) The toll bridge including the approach roads is 6.5 kilometres in length.

Shen-Shan Highway (Eastern Section) and Shantou Bay Bridge

The Shen-Shan Highway (Eastern Section) and the Shantou Bay Bridge form a section of an eastern coastal corridor which connects two of Mainland China's five Special Economic Zones, and also form a part of one of the two north-south national trunk highways that run across Mainland China. The Group has fully funded its obligation for the construction of the Shen-Shan Highway (Eastern Section) and has funded most of its RMB218 million obligation for the construction of the Shantou Bay Bridge.

Panyu Beidou Bridge

In December 1999, the Group entered into a joint venture contract for the construction and operation of the Panyu Beidou Bridge. The bridge, which is approximately 3.3 kilometres long, has commenced operation in January 2001. The Group has fulfilled its funding obligations with regards to this project.

Power Plants

Through Power Assets, the Group has interests in power projects with an aggregate design capacity of 1,200 MW in Mainland China. The following table summarises certain information with respect to these power projects as of the date of this Offering Circular:

Business	Business Scale (megawatt "MW")	Power Assets' Interest (%)⁽¹⁾	Commencement Date of Operation	Expiration Date
Jinwan Power Plant	Two units of coal-fired power plants with a total installed capacity of 1,200 MW	45.0	February 2007	2035

Notes:

- (1) This represents the approximate share of Power Assets' contribution to the total investment of each project in the form of registered capital contribution. It does not necessarily represent either the profit distribution ratio or the ratio of the distribution of assets upon the termination or expiration of the joint venture.

Wind Farms

Through Power Assets' 45 per cent. interest, the Group has interests in two wind farms, one 48 MW farm in Dali, Yunnan Province and one 49.5 MW farm in Laoting, Hebei Province. Both wind farms commenced operations in 2009.

Infrastructure related business

The Group owns a 100 per cent. interest in Green Island Cement (Holdings) Limited ("**Green Island Cement**"), a 100 per cent. interest in Green Island International (BVI) Limited and a 50 per cent. interest in Alliance Construction Materials Limited ("**Alliance**"), each of which are involved in the production, distribution and sale of cement, concrete, asphalt, limestone and aggregates.

Cement

The Group operates as an integrated cement business, starting from resource extraction, cement clinker production, and cement manufacturing to ultimate down-stream distribution.

Green Island Cement supplied approximately a quarter of Hong Kong's annual cement requirements in 2019 and 2020. The Hong Kong facility has a cement-grinding capacity of approximately 2.5 million tonnes per year and a clinker production capacity of approximately 1.5 million tonnes per year. In addition, Green Island Cement is involved in the recycling of industrial by-products such as glass cullet, slag, limestone crush-rock fines, fly ash/bottom ash, and flue-gas desulfurisation gypsum from coal-fired power stations, as its raw materials. The Hong Kong operation is also granted the license to utilise alternative fuels derived from wood, rubber, polyurethanes and plastic to replace conventional fuel used in its cement clinker production.

The Guarantor, through Green Island Cement, has a 67 per cent. interest in a joint venture operating a cement manufacturing plant in Yunfu, Guangdong Province in Mainland China with an annual clinker production capacity of approximately 1 million tonnes and an annual cement grinding capacity of 1.5 million tonnes.

The Guarantor, through Green Island Cement, further expanded its scope in Mainland China in new cement production facilities in Yunfu which has an annual clinker production capacity of 2.0 million tonnes and an annual cement grinding capacity of 1.5 million tonnes. The facilities also encompasses a 9MW waste heat regeneration system.

In April 2018, the Guarantor, through Green Island Cement (Yunfu) Company Limited, acquired a 100 per cent. interest in a cement grinding plant and three berths in a pier in Yunfu. The plant occupies an area of 67,870 square metres and is equipped with a high-efficiency roller press cement mill. The annual cement production capacity of the grinding plant is 1.0 million tonnes, and the three berths command an area of 38,870 square metres and a coastline of 270 metres in length. The berthing ability of each berth is 3,000 tonnes of cement with an annual throughput capacity reaching 3.0 million tonnes. The jetty operation provides loading, transfer and storage services.

Concrete

Alliance is Hong Kong's largest producer of concrete and aggregates and is estimated to account for approximately a quarter of the concrete market share and half of the aggregates market share in the territory. Alliance has one quarry in Mainland China with probable aggregate reserves adequate for consumption for the next decade. Alliance has an annual production capacity of approximately 3.2 million cubic metres of concrete and 3.0 million tonnes of aggregates.

Asphalt

The Group is one of Hong Kong's market leaders in the production and laying of asphalt. The Group has an annual production capacity in excess of 0.5 million tonnes of asphalt, and approximately 0.15 million tonnes of recycling capacity.

EMPLOYEES

As at 31 December 2020, the Group, including its subsidiaries but excluding affiliated companies, employed a total of 2,195 employees.

RECENT DEVELOPMENTS

Portugal Renewable Energy

On 17 August 2020, the Guarantor and Power Assets entered into a quota sale and purchase agreement, pursuant to which the Guarantor and Power Assets, through a wholly-owned subsidiary of a 50/50 joint venture between the Guarantor and Power Assets, agreed to sell and transfer the entire issued share capital of Portugal Renewable Energy, together with the shareholder loan and the supplementary capital contributions provided to Portugal Renewable Energy, to Ventient Energy S.à r.l., of which the transaction was subsequently completed in October 2020. Taking into account the Guarantor's 35.96 per cent. interest in Power Assets, the Guarantor effectively gained approximately HK\$1.1 billion from the transaction.

Northumbrian Water

Northumbrian Water is currently constructing a new 3.6 million water treatment facility and completion is expected to take place in the summer of 2021.

Victoria Power Networks

Victoria Power Networks was engaged in several major solar farm projects in 2020, including (i) the construction of the 120 MW Bomen Solar Farm located near Wagga Wagga and 62 MW Jemalong Solar Farm in New South Wales, which were completed; and (ii) the construction of the 90 MW Sebastopol Solar Farm in New South Wales, which is in progress.

Dampier Bunbury Pipeline

In December 2020, Dampier Bunbury Pipeline signed a contract with Mitsui and Beach Energy for Dampier Bunbury Pipeline's Waitsia expansion project, securing a major new customer, and a major new gas supply source in Western Australia for export and domestic use.

ista

During 2020, ista acquired two sub-metering companies: Hildebrand & Schoenfeldt GmbH & Co. KG in northern Germany and Krohn + Scheddel GmbH & Co. KG in Bad Homburg.

Reliance Home Comfort

Reliance Home Comfort acquired the asset portfolios of Field P & H, and TAS Plumbing in Saskatchewan, and Simply Smart in Greater Toronto in Canada in 2020.

Canadian Power

In February 2021, Canadian Power announced that it signed an agreement to acquire two wind farms located in the Okanagan region of British Columbia, Canada.

MANAGEMENT AND DIRECTORS OF THE GUARANTOR

BOARD OF DIRECTORS

The table below sets out the names of the current directors of the Guarantor and their current positions:

Executive Directors

<u>Name</u>	<u>Position</u>
LI Tzar Kuoi, Victor.....	Executive Director and Chairman
KAM Hing Lam	Executive Director and Group Managing Director
IP Tak Chuen, Edmond	Executive Director and Deputy Chairman
FOK Kin Ning, Canning	Executive Director and Deputy Chairman
Frank John SIXT	Executive Director
Andrew John HUNTER	Executive Director and Deputy Managing Director
CHAN Loi Shun.....	Executive Director and Chief Financial Officer
CHEN Tsien Hua	Executive Director

Non-executive Directors

<u>Name</u>	<u>Position</u>
CHEONG Ying Chew, Henry	Independent Non-Executive Director
KWOK Eva Lee	Independent Non-Executive Director
SNG Sow-mei alias POON Sow Mei.....	Independent Non-Executive Director
Colin Stevens RUSSEL.....	Independent Non-Executive Director
LAN Hong Tsung, David	Independent Non-Executive Director
Barrie COOK	Independent Non-Executive Director
Paul Joseph TIGHE.....	Independent Non-Executive Director
LEE Pui Ling, Angelina	Non-Executive Director
George Colin MAGNUS	Non-Executive Director

Alternate Directors

<u>Name</u>	<u>Position</u>
WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan).....	Alternate Director to FOK Kin Ning, Canning
MAN Ka Keung, Simon.....	Alternate Director to IP Tak Chuen, Edmond
Eirene YEUNG	Alternate Director to KAM Hing Lam

The business address of the directors is 12th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

EXCHANGE RATES

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

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

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

Period	Noon Buying Rate			Period End
	Low	Average	High	
	<i>(HK\$ per U.S.\$1.00)</i>			
2010	7.7501	7.7687	7.8040	7.7810
2011	7.7634	7.7841	7.8087	7.7663
2012	7.7493	7.7569	7.7699	7.7507
2013	7.7503	7.7565	7.7654	7.7539
2014	7.7495	7.7545	7.7669	7.7531
2015	7.7495	7.7524	7.7686	7.7507
2016	7.7505	7.7620	7.8270	7.7534
2017	7.7540	7.7926	7.8267	7.8128
2018	7.8043	7.8376	7.8499	7.8305
2019	7.7850	7.8351	7.8499	7.7894
2020	7.7498	7.7559	7.7951	7.7534
2021				
January	7.7517	7.7533	7.7555	7.7531
February	7.7515	7.7529	7.7567	7.7567
March	7.7562	7.7651	7.7746	7.7746
April	7.7596	7.7691	7.7849	7.7664
May (up to 14 May 2021)	7.7651	7.7673	7.7697	7.7663

Source: The Federal Reserve Board

TAXATION

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

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

THE BRITISH VIRGIN ISLANDS

As the Issuer was incorporated in the British Virgin Islands, (i) payment of principal and interest in respect of the Securities will not be subject to taxation in the British Virgin Islands, (ii) no withholding tax will be required to be deducted by the Issuer on such payments to any holder of the Securities, and (iii) the Securities will not be liable to stamp duty in the British Virgin Islands. Capital gains realised with respect to the Securities by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act of the British Virgin Islands. A holder of the Securities who is a non-resident of the British Virgin Islands will not be subject to estate or gift taxes with respect to the Securities, save for interest payable to or for the benefit of an individual resident in the European Union.

BERMUDA

Under current Bermuda legislation, there is no withholding tax, capital gains tax, income or profits tax, capital transfer tax, estate duty or inheritance tax payable in Bermuda by the Guarantor or its shareholders or holders of the Securities other than those shareholders or holders ordinarily resident in Bermuda.

HONG KONG

Withholding tax

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

Profits tax

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

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department, distribution on the Securities may be deemed to be profits arising in or derived from Hong Kong from a trade, professional or business carried on in Hong Kong in the following circumstances:

- (a) distribution on the Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the distribution is received or accrues are made available outside of Hong Kong; or
- (b) distribution on the Securities is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong; or

- (c) distribution on the Securities is derived from Hong Kong and is received by or accrues to a person other than a company (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Gains or profits derived from the sale, disposal or redemption of the Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sums are revenue in nature and have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Securities are acquired and disposed of.

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

Stamp duty

No stamp duty is payable on the issue or transfer of the Securities.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

The discussion of U.S. federal tax issues in this Offering Circular is not intended or written to be relied upon and cannot be relied upon by Holders for the purpose of avoiding penalties that may be imposed on Holders under the U.S. Internal Revenue Code and Holders should seek advice based on their particular circumstances from an independent tax adviser.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with The Hongkong and Shanghai Banking Corporation Limited, Mizuho Securities Asia Limited and UBS AG Hong Kong Branch (each, a "**Joint Lead Manager**" and together, the "**Joint Lead Managers**") dated 24 May 2021 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Securities at an issue price of 100.00 per cent. of their principal amount (the "**Issue Price**") in the amount set forth below. Any subsequent offering of the Securities to investors may be at a price different from such Issue Price.

	Principal amount of Securities
	<i>(U.S.\$)</i>
UBS AG Hong Kong Branch	100,000,000
The Hongkong and Shanghai Banking Corporation Limited.....	100,000,000
Mizuho Securities Asia Limited.....	100,000,000
Total	300,000,000

Certain private banks will be paid a commission in connection with the distribution of the Securities to their clients. This commission will be based on the principal amount of the Securities so distributed.

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

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

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

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

In connection with the issue of the Securities, UBS AG Hong Kong Branch (the "**Stabilising Manager**") may over-allot Securities or effect transactions with a view to supporting the price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities.

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

GENERAL

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

UNITED STATES

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

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

UNITED KINGDOM

Each of the Joint Lead Managers has represented, warranted and agreed that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

HONG KONG

Each of the Joint Lead Managers has represented, warranted and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong or elsewhere, by means of any document or otherwise, any Securities 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 "**CWUMPO**") and which do not constitute an offer to the public within the meaning of the CWUMPO; and
2. it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong or otherwise is or contains an invitation to the public (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as

defined in Section 4A of the 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 the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

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

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

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

JAPAN

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

BERMUDA

Each of the Joint Lead Managers has represented and agreed that the Securities may not be offered, sold or transferred in Bermuda or to and between any person, firm or company regarded as a resident of Bermuda for exchange control purposes.

BRITISH VIRGIN ISLANDS

Each of the Joint Lead Managers has represented, warranted and agreed that the Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, to the public in the British Virgin Islands.

GENERAL INFORMATION

1. **Clearing Systems:** The Securities have been accepted for clearance through Euroclear and Clearstream under Common Code number 232745819 and the International Securities Identification Number for the Securities is XS2327458191.
2. **Listing of Securities:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities by way of debt issues to professional investors only. It is expected that dealing in, and listing of, the Securities on the Hong Kong Stock Exchange will commence on or around 3 June 2021.
3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Securities. The issue of the Securities was authorised by resolutions of the sole director of the Issuer dated as at 2 March 2021. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the provision of and performance of its obligations under the Guarantee of the Securities. The provision of the Guarantee of the Securities was authorised by resolutions of the Board of Directors of the Guarantor dated as at 2 March 2021.

4. **Significant or Material Change:**

The Group is a diversified infrastructure investment company with businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. 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. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group's financial position or results of operations, asset value and liabilities. To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (i) currency swaps and (ii) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transactions.

The fluctuations in currencies and in particular, the devaluation of the pound sterling arising from Brexit impacts on all businesses in the market that have exposure in the UK and/or to pound sterling. While the Guarantor is not immune from such impact, there is no material change beyond market expectation.

After taking into account the above and save as disclosed in this Offering Circular, there have been no material adverse changes in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the date of this Offering Circular.

5. **Litigation:** Neither the Guarantor, the Issuer nor any of the subsidiaries of the Guarantor is involved in any litigation or arbitration proceedings that the Guarantor believes are material in the context of the Securities or the Guarantee of the Securities nor is the Issuer nor the Guarantor aware that any such proceedings are pending or threatened.
6. **Available Documents:** Copies of the Guarantor's annual reports for the years ended 31 December 2019 and 2020 and copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee will be available for inspection by the Holders from the Issue Date, at the specified office of the Paying Agent during normal business hours, so long as any of the Securities is outstanding.
7. **Financial Statements:** The consolidated financial statements of the Group for the years ended 31 December 2019 and 2020 included in this Offering Circular have been audited by its independent auditor, Deloitte Touche Tohmatsu, Certified Public Accountants, as stated in its reports incorporated by reference herein.

ISSUER

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Limited**

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AUDITORS OF THE GUARANTOR

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Certified Public Accountants

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