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Pricing Supplement dated 28 April 2020

WHARF REIC FINANCE (BVI) LIMITED

(Incorporated in the British Virgin Islands with limited liability)

Issue of U.S.$450,000,000 2.375 per cent. Guaranteed Notes due 2025 Guaranteed by

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

九龍倉置業地產投資有限公司

(Incorporated in the Cayman Islands with limited liability)

under a U.S.$3,000,000,000 Medium Term Note Programme (the "Programme")

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

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

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (together, "**Professional Investors**") only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

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

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

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. This document must be read in conjunction with the offering circular dated 11 December 2019 relating to the Programme (the "**Offering Circular**") which has not been updated since its publication date, save for any supplement by this Pricing Supplement and the incorporation by reference of the audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2019.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular.

1	(i)	Issuer:	Wharf REIC Finance (BVI) Limited
	(ii)	Guarantor:	Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司
2	(i)	Series Number:	2020-016
	(ii)	Tranche Number:	1
3	Specified Currency or Currencies:		United States Dollars ("**U.S.$**")
4	Aggregate Nominal Amount:		
	(i)	Series:	U.S.$450,000,000
	(ii)	Tranche:	U.S.$450,000,000
5	(i)	Issue Price:	99.677 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	Approximately U.S.$440,000,000
6	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	7 May 2020
	(ii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		7 May 2025
9	Interest Basis:		2.375 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:		Redemption at par
11	Change of Interest or Redemption/Payment Basis:		Not Applicable
12	Put/Call Options:		Not Applicable
13	Listing:		The Stock Exchange of Hong Kong Limited (The expected effective listing date of the Notes is 8 May 2020)

14	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate of Interest:	2.375 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	7 May and 7 November in each year not adjusted
	(iii)	Fixed Coupon Amount:	U.S.$11.875 per Calculation Amount
	(iv)	Broken Amount:	Not Applicable
	(v)	Day Count Fraction (Condition 5(j)):	30/360
	(vi)	Determination Date(s) (Condition 5(j)):	Not Applicable
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	**Floating Rate Provisions**		Not Applicable
17	**Zero Coupon Note Provisions**		Not Applicable
18	**Index Linked Interest Note Provisions**		Not Applicable
19	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20	**Call Option**		Not Applicable
21	**Put Option**		Not Applicable
22	**Final Redemption Amount of each Note**		U.S.$1,000 per Calculation Amount
23	**Early Redemption Amount**		
	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):		U.S.$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	**Form of Notes:**		Registered Notes
	(i)	Temporary or permanent global Note:	Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the permanent Global Certificate

	(ii) Applicable TEFRA exemption:	Not Applicable
25	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	Hong Kong
26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
28	Details relating to Instalment Notes:	Not Applicable
29	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
30	Consolidation provisions:	Not Applicable
31	Other terms or special conditions:	Not Applicable

DISTRIBUTION

32	(i) If syndicated, names of Managers:	The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited BOCI Asia Limited DBS Bank Ltd. Mizuho Securities Asia Limited SMBC Nikko Capital Markets Limited Standard Chartered Bank
	(ii) Date of Subscription Agreement	28 April 2020
	(iii) Stabilisation Manager(s) (if any):	Any one of the Managers appointed and acting in its capacity as stabilisation manager
33	If non-syndicated, name of Dealer:	Not Applicable
34	Prohibition of Sales to EEA and UK Retail Investors:	Not Applicable
35	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

36	ISIN Code:	XS2161924605
37	Common Code:	216192460

38	CMU Instrument Number:	Not Applicable
39	Legal Entity Identifier of Wharf REIC Finance (BVI) Limited:	254900N6PHCMYYNUWV59
40	Any clearing system(s) other than Euroclear and Clearstream, the CMU Service and CDP and the relevant identification number(s):	Not Applicable
41	Delivery:	Delivery against payment
42	The Agents appointed in respect of the Notes are:	Deutsche Bank AG, Hong Kong Branch (as Fiscal Agent, Paying Agent, Calculation Agent and Transfer Agent) Deutsche Bank AG, Singapore Branch (as Registrar)
GENERAL		
43	Use of Proceeds:	As described in the "Use of Proceeds" section in the Offering Circular
44	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a):	Not Applicable
45	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of ____, producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable
46	In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London:	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$3,000,000,000 Medium Term Note Programme of Wharf REIC Finance (BVI) Limited guaranteed by Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司.

STABILISATION

In connection with this issue, any one of the Managers appointed and acting in its capacity as the stabilisation manager (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in the Offering Circular (as supplemented by this Pricing Supplement and the incorporation by reference of the audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2019), there has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Group since 31 December 2019 and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since 31 December 2019.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:
K. P. L. Limited

	Group I	Group J
By:	Fung Sim YAU	Kevin Chung Ying HUI

Duly authorised

Signed on behalf of the Guarantor:
K. P. L. Limited

	Group I	Group J
By:	Fung Sim YAU	Kevin Chung Ying HUI
	Duly authorised	

Supplemental Information

The following information is supplemental to, and should be read in conjunction with, the Offering Circular and all other documents that are deemed to be incorporated by reference therein in relation to the U.S.$3,000,000,000 Medium Term Note Programme of the Issuer:

(i) The section headed "Wharf REIC Finance (BVI) Limited" in the Offering Circular shall be deleted in its entirety and replaced with Annex A herein;

(ii) The section headed "Wharf Real Estate Investment Company Limited" in the Offering Circular shall be deleted in its entirety and replaced with Annex B herein;

(iii) The section headed "Summary Financial Information" in the Offering Circular shall be deleted in its entirety and replaced with Annex C herein;

(iv) The section headed "Capitalisation and Indebtedness" in the Offering Circular shall be deleted in its entirety and replaced with Annex D herein;

(v) The Guarantor has produced annual audited consolidated financial statements for its financial year ended 31 December 2019 which shall be deemed to be incorporated by reference in, and form part of, this Pricing Supplement and the Offering Circular. Copies of the Guarantor's published audited annual consolidated financial statements may be downloaded free of charge from the websites of the Guarantor and the Hong Kong Stock Exchange at www.wharfreic.com and www.hkexnews.hk;

(vi) The final paragraph of the risk factor entitled "***The Group's business performance is influenced by macro economic conditions and may be affected by any significant change in general consumer demand or commercial market sentiment or changes in Hong Kong or the political and economic policies and conditions in Mainland China***." in the section headed "Risk Factors" in the Offering Circular shall be deleted in its entirety and replaced with the following:

"A substantial part of the Group's operations are based in Hong Kong. Therefore, any instability in the local social, political and economic landscape which may arise from events beyond its control, in particular if significant and prolonged, may materially and adversely affect its business, financial condition, results of operation and prospects. Further, civil unrest and an uncertain political environment may impact the Hong Kong economy and result in an economic slowdown. Protests, demonstrations or rioting causing disruption to businesses, commercial activities and transportation system such as the recent anti-extradition bill protests since June 2019 or the Occupy Central Movement that took place during the latter half of 2014, which are outside the control of the Group, may adversely impact consumer confidence and decrease consumer spending and affect inbound tourism to Hong Kong, which in turn may have a negative impact on the local economy. In addition, any spread of communicable diseases or public health emergencies may impact the Hong Kong economy. For example, the wide spread of the novel coronavirus, COVID-19, since January 2020 has caused severe disruptions to business and economic activities in Hong Kong, Mainland China and globally and restricted cross border travel. Consumer confidence or consumer sentiment in Hong Kong and elsewhere has been materially impacted due to the continued escalation of the COVID-19 pandemic. The Group's customers and tenants may experience financial difficulties and/or face significant disruptions to their operations and businesses. While the Hong Kong government has introduced certain economic relief measures to support the Hong Kong economy, there can be no assurance that such measures will have the intended effects. There can be no assurance that further protests, demonstrations or rioting will not occur in the future and any significant or sudden economic slowdown, recession or other adverse changes or developments in the local social and economic environment or political arrangements in Hong Kong may result in a decline in the Group's profitability and materially affect its business and expansion strategy, financial results and profitability."

(vii) The risk factor entitled "***The Group's businesses are subject to the effects of global economic events***" in the section headed "Risk Factors" in the Offering Circular shall be deleted in its entirety and replaced with the following:

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

Economic events outside Hong Kong and Mainland China may adversely affect the Group's businesses. In recent years, there has been a slowdown in the overall growth of the Mainland China economy. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. The United Kingdom's exit from the European Union has resulted in volatility in global financial markets, and it is expected to create mid-to long-term economic uncertainty to not only the economies of the United Kingdom and the European Union but also globally. In addition, the U.S. government's policies may create uncertainty for the global economy and financial markets. The United States and Mainland China have recently been involved in controversy over trade barriers that have triggered the implementation or proposed implementation of tariffs on certain imported products into the two countries. Sustained tension between the United States and Mainland China over trade policies could significantly undermine the stability of the global economies. More recently, the novel coronavirus COVID-19 pandemic has adversely affected global financial, foreign exchange, commodity and energy markets. In December 2019, the first case of a novel strain of coronavirus, COVID-19, was identified in Mainland China. The pandemic has since spread globally to other countries, including multiple regions within Asia, Australia, Italy, Spain, the United States and the United Kingdom and there have been increased initial infection and fatality rates across the world. On 11 March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have an adverse effect on consumer confidence and the general economic conditions which the Group's business is subject to. Governments of many countries (including Mainland China) have declared a state of emergency, closed their borders to international travellers and issued stay-at-home orders with a view to containing the pandemic. There is no assurance that such measures will be effective in ending or deterring the spread of COVID-19. As COVID-19 continues to spread globally, many more countries may be affected, which may result in the extension or implementation of further restrictive measures. The resultant disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the affected countries may result in an economic slowdown in such economies which, if prolonged, could cause a global recession.

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

(viii) The risk factor entitled "***The Group's prospects may be adversely affected by a recurrence of SARS, an outbreak of other epidemics, such as influenza A (H1N1) and avian flu (H5N1), natural disasters, terrorist attacks, other acts of violence or war, or social instability***" in the section headed "Risk Factors" in the Offering Circular shall be deleted in its entirety and replaced with the following:

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

The Group's operations and financial condition could be materially and adversely affected by any outbreak, epidemic and/or pandemic of (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of) infectious or contagious diseases and/or other adverse public health developments in Hong Kong, Mainland China or elsewhere. In particular, the recent outbreak of the novel coronavirus, COVID-19, in Mainland China, Hong Kong and globally has led to a significant decline in travel volumes and business activities in Mainland China, Hong Kong and globally. Consumer confidence or consumer sentiment in Mainland China, Hong Kong and elsewhere has been materially impacted due to the continued escalation of the COVID-19 pandemic. In particular, certain governments have issued travel advisories against non-essential travel to affected regions, imposed travel restrictions or quarantines and stay-at-home orders with a view to containing the pandemic. The Hong Kong government also imposed travel restrictions and mandatory quarantine measures which have reduced the number of tourists from Mainland China and other overseas countries visiting Hong Kong and the corresponding demand for the Group's hotel rooms, catering and restaurant facilities. In addition, the number of customers visiting the Group's shopping malls has also significantly reduced due to the quarantine measures imposed by the Hong Kong government. The outbreak of COVID-19 may also adversely impact on the ability of the Group's tenants to maintain their business performance and/or keep their normal business operations and/or provide uninterrupted sales and services to its customers. Whilst the Group has undertaken proactive measures to maintain occupancy rates including providing temporary rental relief and concessions to certain of its tenants, undertaking marketing and promotional initiatives to attract footfall and consumption and proactively fine-tune its tenant mix to capture potential of market recovery, there can be no assurance that such measures will be effective in improving occupancy rates and maintaining lease renewal. Moreover, the outbreak of COVID-19 or other epidemic may result in the temporary closure of hotels, restaurants and/or shopping malls, which may result in further material disruption to the Group's businesses. It is difficult to predict the level of impact of the outbreak of COVID-19 on Mainland China, Hong Kong and global economies and there can be no assurance that it would not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, all levels of business in Hong Kong, Mainland China and other Asian countries were adversely affected by the outbreak of severe acute respiratory syndrome ("**SARS**") in 2003. There have also been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. In 2009 and 2010, there have also been outbreaks among humans of the A/H1N1 influenza virus. Other recent epidemics include the Middle East Respiratory Syndrome (MERS), the H5N1 avian flu, the H7N9 avian flu, the Ebola virus disease and the

Zika virus disease. The occurrence of another outbreak of SARS, the A/H1N1 influenza virus or of any other highly contagious disease or epidemic disease (whether known or unknown to the world) (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of infectious diseases) in Mainland China, Hong Kong or elsewhere may result in another economic downturn regionally and/or globally and could materially and adversely affect the overall level of business and travel activities in the affected areas and/or globally, which in turn could have a material adverse effect on the Group's and the Group's tenants' business, results of operations and financial condition.

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

Annex A

WHARF REIC FINANCE (BVI) LIMITED

The Issuer was incorporated on 28 September 2017 in the British Virgin Islands with limited liability with BVI company number 1956513.

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

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

The Issuer is authorised to issue a maximum of 50,000 shares of a single class each with a par value of U.S.$1. Its issued share capital is U.S.$500, consisting of 500 shares of U.S.$1 each, all of which are fully paid up.

As at 31 December 2019, the Issuer had debt securities outstanding in an aggregate principal amount of HK$10,124 million. Under the laws of the British Virgin Islands, the Issuer is not required to publish any of its financial statements. The Issuer is, however, required to keep proper books of account as necessary or desirable in order to show and explain its transactions and reflect the financial position of the Issuer with reasonable accuracy.

Board and Management

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

Stephen Tin Hoi Ng, Director
Kevin Chung Ying Hui, Director
Peter Zen Kwok Pao, Director

Stephen Tin Hoi Ng is the Chairman and Managing Director of both The Wharf (Holdings) Limited ("**Wharf**") and the Guarantor and Kevin Chung Ying Hui is the Company Secretary of Wharf as well as a Director and Company Secretary of the Guarantor. None of the members of the Issuer's board of directors holds any share in the Issuer, nor any option to purchase or subscribe for, or other beneficial interests in, shares in the Issuer.

The business address of each member of the Issuer's board of directors is 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong.

Annex B

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED
九龍倉置業地產投資有限公司

HISTORY AND DEVELOPMENT

The Guarantor was incorporated in the Cayman Islands on 13 April 2017 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The Guarantor's shares (stock code: 1997) are listed on the Main Board of the Hong Kong Stock Exchange. The holding company of the Guarantor is Wheelock and Company Limited ("**Wheelock**"), a company incorporated in Hong Kong. As at the date of this Pricing Supplement, Wheelock's shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 20). Pursuant to an announcement made by Wheelock on 27 February 2020 (the "**Wheelock Announcement**"), Wheelock has issued a proposal for the privatization of Wheelock and upon approval and completion of the proposal, for the withdrawal of listing of Wheelock's shares on the Main Board of the Hong Kong Stock Exchange. Further details of the Wheelock Announcement can be obtained from the website of the Hong Kong Stock Exchange at www.hkexnews.hk. As at 31 December 2019, Wheelock, together with its subsidiaries and affiliates, owned a total of 66.01% of the Guarantor's issued share capital. Subject to the approval and completion of the proposed privatization of Wheelock, Wheelock's shareholding of the Guarantor will be adjusted accordingly. For further details, please refer to the Wheelock Announcement.

The Guarantor is an investment holding company. The Guarantor is principally engaged in development, ownership and operation of premium quality properties and hotels for investment purposes.

OVERVIEW

The Group is an owner and operator of premium quality properties which it holds for investment purposes in Hong Kong. Harbour City and Times Square, the Group's flagship properties, are strategically located in Tsim Sha Tsui and Causeway Bay, respectively. These iconic properties with substantial scale in two of the most popular shopping destinations and busiest business districts in Hong Kong attract constant flows of local shoppers and tourists. They occupy leading market positions among commercial properties in Hong Kong.

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

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

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

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

COMPETITIVE STRENGTHS

The Group believes its key competitive strengths include the following:

The Group's flagship properties, Harbour City and Times Square, are iconic properties in Hong Kong that command leading market positions, possess substantial scale and occupy strategic locations in Hong Kong

The Group's iconic flagship properties, Harbour City and Times Square, occupy commercially strategic locations and leading market positions among commercial properties in Hong Kong. Located in Tsim Sha Tsui and Causeway Bay, respectively, which are among the most popular shopping destinations and busiest business districts in Hong Kong, they possess substantial scale and are heavily sought after by tenants. These mixed-use integrated commercial complexes comprise primarily retail and office premises and offer a wide range of shopping, dining and entertainment to local shoppers and tourists. Given the strategic locations of Harbour City at the harbour front and Times Square which is directly connected to the Causeway Bay MTR station, they provide a showcase for international retailers, attracting a diversified mix of brands.

The Group believes that the strategic locations and substantial scale of its flagship properties are very difficult to be replicated in Hong Kong, and their leading market positions and substantial scale enable the Group to maintain its well-established reputation as a property owner and operator and build strong relationships with a diverse base of tenants, including internationally renowned retail brands.

The Group benefits from strong cash flow, stable income and economies of scale and synergies from its substantial investment property portfolio

The Group's business is focused on the ownership and operation of investment properties in Hong Kong, which provides it with strong cash flow from their stable revenue. The Group's revenue from investment properties was HK$14,279 million for the year ended 31 December 2019, representing a slight decrease of 0.2% compared to the corresponding previous period. Revenue from the Group's investment properties amounted to 89.0% of the Group's revenue for the year ended 31 December 2019.

The Group's flagship investment properties are complemented by its other diversified properties, comprising office and retail premises of its Central portfolio located at prime locations, Plaza Hollywood in Kowloon East and the Group's hotel properties which diversify its sources of revenue from its investment properties portfolio. In addition, the Group acquired two prime commercial properties in Singapore in December 2019, namely, Wheelock Place and Scotts Square mall, which have further enhanced the Group's investment properties portfolio.

Furthermore, the simultaneous ownership and operation of the Group's substantial investment property portfolio enables it to benefit from economies of scale through operational efficiencies and cost savings. They also provide the Group with useful information on a wide range of retail and office tenants, shoppers, diners, and tourists, enabling the Group to better understand their preferences, tastes and behaviour. These are valuable inputs in formulating the Group's strategies.

The well-established brands of the Group's shopping malls and the Group's reputation as landlord of choice create a broad, diverse and loyal tenant base

The Group's flagship properties, Harbour City and Times Square, have earned strong brand recognition from their market positions which enables the Group to optimise its tenant mix and establish a broad, diverse and loyal tenant base. The Group has developed long-term relationships with a significant number of tenants, including internationally renowned retail brands which in turn attract local shoppers and tourists to its premises. In respect of the Group's office premises, it believes that their prime locations and the cluster effect created by their significant scales also enable the Group to attract and retain tenants. The Group believes that its well-established relationships with tenants enhance the occupancy rate of its other commercial properties.

The Group's asset enhancement initiatives and effective and forward-looking marketing initiatives underpin the performance of its flagship properties

(i) Asset enhancement initiatives

The Group carries out its asset enhancement initiatives at its retail premises with the aim of optimising space utilisation and shopping experience, and thereby increasing their marketability and financial performance. The Group recognises the importance of asset enhancement both to retain existing tenants and to attract new tenants. The Group consistently carries out various asset enhancements or premises improvement works, including various conversion and relocation projects to (i) optimise layout and space utilisation of its premises, (ii) update and refresh the premises to maintain the quality of its properties, (iii) cater for the latest or anticipate future market trends, and (iv) manage the shopper flow in the properties. The Group believes such asset enhancement initiatives improved marketability to tenants, as illustrated by the opening of the Ocean Terminal Extension in the summer of 2017 which has quickly established itself as a new icon and a photography hotspot in Hong Kong.

The Group actively manages its shopping mall space to cater for a diversified range of shoppers and tenants. The Group also strives to tap into shoppers' evolving demand by continuously optimising its tenant mix. For instance, the Group undertook a value-accretive revamp in Times Square a few years ago by relocating the cinema, which had been operating for close to 20 years and needed an update, to the 13th floor, vacating its original spot on the ground and 2nd floors for new luxury anchor stores, and refining the restaurant mix to house a diverse offering of restaurants. These initiatives aim to improve the overall shopping experience, expand the Group's retail tenant mix to attract shoppers from different walks of life, strengthen Times Square's positioning as a must-visit "shoppertainment mall" on Hong Kong Island, and thereby improve its financial performance.

(ii) Effective and forward-looking marketing initiatives

The Group has a dedicated marketing team which places great emphasis on the design and launch of shopping centre-wide marketing campaigns to raise public awareness, generate additional footfall and enhance the overall shopping experience at the Group's retail premises. The Group has organised numerous marketing events and programmes attracting both local and overseas visitors to the Group's shopping centres. The Group's diverse marketing programmes include exhibitions by local and renowned international artists, interactive digital and electronic games as well as character themed events which aim to draw shoppers to its shopping malls and reinforce the brand awareness of the malls.

In recognition of the Group's marketing initiatives, the Group has received numerous awards and recognitions. Apart from marketing events, the Group also offers shopper service and membership programmes with an aim of increasing shopper loyalty as well as attracting new shoppers.

BUSINESS STRATEGIES

The Group's principal strategy is to hold and invest in premium quality commercial properties in Hong Kong and to proactively manage its properties portfolio and any other properties it may acquire in the future, while maintaining a high level of financial discipline and financial flexibility.

The implementation of the Group's strategy can be broadly categorised into the Group's (i) asset management strategy, and (ii) capital management strategy.

Asset management strategy

The Group intends to continue managing actively its properties portfolio held for investment purposes through sustaining high occupancy rates, achieving high rental reversion rates, and maintaining a high quality tenant base. These are to be achieved through firstly proactive lease management and tenant mix optimisation, secondly continual asset enhancement and value creation, and thirdly the implementation of effective and forward-looking marketing initiatives.

(i) Proactive lease management and tenant mix optimisation

The Group actively monitors and assesses its tenants' business performance, product and brand competitiveness, clientele profile and marketing strategies, with an aim of maintaining an optimal tenant mix. The Group maintains close relationships with its tenants and commence lease renewal discussions in a timely manner so as to retain quality tenants.

To stay ahead of market trends, to bring positive and regular changes to shoppers and to manage specific business sector tenancy risks, the Group also strives to refine its retail tenant mix and introduce new, aspirational and lifestyle brands. The Group also reviews and enhances the restaurant offerings at its shopping malls to offer a diverse collection of dining options. The Group's management selects its tenants based on the recommendations of the Group's leasing team, taking into consideration factors such as brand image, sales performance (for existing tenants), whether the presence of the tenant will be an attribute to the Group's property and whether the tenant will be able to drive footfall, its shop area requirement, rental it offers, its market potential and market trends. The Group also seeks to determine its tenant's locations in the Group's properties based on factors such as (i) the enhanced attraction to shoppers that comes with the cluster effect of placing tenants offering similar products or services together, (ii) shopper flow management (e.g. cinemas, restaurants and banks are often placed at less convenient locations), (iii) the impact on the visual appearance and image of the shopping mall (e.g. renowned brands are generally preferred at prime locations on the low floors of Times Square and the street level of Harbour City); and (iv) brand relationship management, e.g. the tenant's own preference as to its neighboring shops.

The Group will continue to refine and seek to attract a desirable tenant mix by attracting new tenants and providing the Hong Kong and/or Kowloon debuts of international and renowned brands.

(ii) Continual asset enhancement and value creation

The Group intends to continue enhancing its existing assets by refurbishment, repositioning and/or organic expansion as and when appropriate opportunities arise, with an aim of updating and refreshing the premises to maintain the quality of its properties, to cater for the latest or anticipate future market trends, and to manage the shopper flow in its properties. For instance, the four-storey extension building at Ocean Terminal with a LFA of approximately 94,000 sq.ft. with new food and retail offerings, together with a panoramic view of Victoria Harbour and the Hong Kong city skyline, which opened in the summer of 2017, has successfully drawn crowds and threw a new spotlight on Harbour City, thereby further reinforcing its market position and its competitive edge. In addition, as part of the Group's value accretive initiative, one block of the Gateway Apartments has been converted into an additional 15 storeys of office space, with a total GFA of 360,000 sq.ft.

The Group will continue to identify and evaluate other asset enhancement opportunities that it believes would add value to its existing assets, provide attractive yields, stable cash flows and potential for long-term capital appreciation.

(iii) Implementation of effective and forward-looking marketing initiatives

Leveraging on the Group's track record of marketing excellence and innovation, the Group will continue to implement property-wide marketing strategies to drive continued growth. In particular, the Group will continue to implement marketing strategies targeting both local shoppers and overseas visitors to maintain and enhance both Harbour City's and Times Square's market positioning.

Capital management strategy

It is the Group's intention that its capital structure should optimise its cost of capital while maintaining financing flexibility and that the Group will also maintain prudent and disciplined financial management. In addition to cash generated from operating activities, the Group may use a combination of bank loans, bonds and other types of debt and equity instruments to fund its business in the future.

The Group will adopt a prudent liquidity risk management policy and seek to have undrawn committed lines of funding with staggered maturities to reduce refinancing risk and maintain flexibility in meeting its liquidity requirements in the short and longer term.

RECENT DEVELOPMENT

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

The recent outbreak of COVID-19 poses potential risks to the Group's business operation and financial condition. For further information, please see "*Risk Factors - The Group's businesses are subject to the effects of global economic events*" and "*Risk Factors - The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of, infectious or contagious diseases, natural disasters, terrorist attacks, other acts of violence or war, or social instability*" in the Offering Circular and this Pricing Supplement.

The Guarantor issued a profit warning announcement (the "**Announcement**") on 24 April 2020 pursuant to which the Guarantor, based on the management information currently available to it and an assessment of the market conditions, informed its shareholders and investors of its preliminary estimation that the Group may report a loss for the six months ending 30 June 2020, as compared to the Group's profit attributable to equity shareholders of HK$6,989 million for the corresponding period in 2019, due mainly to the extreme market conditions' adverse impact on the Group's investment properties and hotels, and the likely unrealised revaluation deficit of the Group's investment properties and hotels caused as a result thereof. The information contained in the Announcement is only a preliminary assessment by the Group based on information currently available to it, which was neither reviewed nor audited by the Guarantor's auditors. The Group's half year results for the six months ending 30 June 2020 are subject to changes in market conditions for the period ending 30 June 2020. Therefore, the actual results of the Group for the six months ending 30 June 2020 may significantly differ from the information contained in the Announcement. For further information, please refer to the Announcement as published on the websites of the Guarantor and the Hong Kong Stock Exchange at www.wharfreic.com and www.hkexnews.hk, respectively.

PROPERTY PORTFOLIO

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

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

Harbour City: portfolio information

	Approximate GFA	**Revenue for the year ended 31 December 2019**	**Average Occupancy Rate for the year ended 31 December 2019**
	(sq.ft.)	**(HK$ Million)**	**(%)**
Retail	2,068,000	7,452	96
Office	4,615,000	2,748	95
Others	1,726,000	1,377	N/A

Times Square: portfolio information

	Approximate GFA	**Revenue for the year ended 31 December 2019**	**Average Occupancy Rate for the year ended 31 December 2019**
	(sq.ft.)	**(HK$ Million)**	**(%)**
Retail	943,000	2,020	97
Office	1,033,000	741	94

Harbour City

Harbour City is one of the Group's flagship properties. It is a showcase for internationally renowned brands and an iconic complex for shoppers. Located near the Tsim Sha Tsui MTR station and Star Ferry pier, it is a mixed-use integrated complex comprising various towers and premises for retail, office, restaurants, serviced apartments, hotels and a club.

Details of the properties in Harbour City are set out in the table below:

Property	Details
Ocean Terminal	• A three-storey shopping arcade with a car park and a berthing pier for cruise vessels • A four-storey extension building at Ocean Terminal which opened in the summer of 2017
Ocean Centre	• The property comprises a five-storey retail portion and a 13-storey office portion with a car park
Wharf T&T Centre	• The property comprises a 13-storey office block, built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium
World Commerce Centre	• The property comprises a 13-storey office/commercial block built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium
World Finance Centre	• South and North Tower, each comprising a 13-storey office building built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium
Ocean Galleries	• A portion of a six-storey (including basement level and sub-basement level) commercial/car parking/mechanical floor podium
Gateway I	• A development consisting of two 32-storey office towers over a six-storey integrated shopping centre and a car park
Gateway II	• The property comprises three towers, namely Gateway Towers 3, 5 (known as The Gateway Sun Life Tower) and 6 of offices, with Gateway Tower 3 (known as The Gateway Prudential Tower) comprises 14 storeys of serviced apartments
Commercial section of Marco Polo Hongkong Hotel	• The Marco Polo Hongkong Hotel is an 18-storey hotel/commercial/ office building • The commercial section of the building comprises shop units, restaurants, office premises and a cinema
Marco Polo Hongkong Hotel	• Located in an 18-storey hotel/commercial/office building at Harbour City

Property	Details
	• 655 rooms with sizes ranging from 270 sq.ft. for a superior room to 1,615 sq.ft. for the Marco Polo suite • Features recreational and other facilities and amenities including a swimming pool, an in-house gym, 14 function rooms, and three restaurants and bars • The Continental Club at the Marco Polo Hongkong Hotel offers dedicated accommodation with exclusive privileges, full business facilities and round the clock butler service • In the Group's effort to continually provide a top-quality environment for its guests at the Marco Polo Hongkong Hotel, an exterior upgrading programme was completed in July 2017
Gateway Hotel	• Located in a 21-storey hotel/commercial building at Harbour City • 400 rooms with sizes ranging from 296 sq.ft. for a superior room to 930 sq.ft. for the Gateway suite • Features recreational and other facilities and amenities including two restaurants and bars, access to the nearby Marco Polo Hongkong Hotel for the swimming pool and the Prince Hotel's gym, and four function rooms
Prince Hotel	• Located in a 21-storey hotel/commercial building at Harbour City • 394 rooms with sizes ranging from 314 sq.ft. for a superior room to 601 sq.ft. for a superior suite • Features recreational and other facilities and amenities including a restaurant and an in-house gym, and access to the nearby Marco Polo Hongkong Hotel for its swimming pool
The Pacific Club	• Located at Harbour City, The Pacific Club serves as a private venue for social and business events

Retail

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

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

The two-million square feet of mall space at Harbour City continued to provide a comprehensive range of product offerings and retained the best-in-class brands and attracted the most sought-after newcomers. Leveraging its strong retail experience, Harbour City proactively identifies and recruits the most differentiating and aspirational brands and a vast array of culinary offerings. The Ocean Terminal Extension, debuted in the summer 2017, attracted strong visitation from both locals and tourists as a new icon and must-see photography hotspot of Hong Kong. The harbour front attraction enjoys panoramic views of the Victoria Harbour and the city skyline. Occupancy rate of the retail premises at Harbour City was maintained at 97% as at 31 December 2019.

Office

The Group's office premises at Harbour City are located in Ocean Centre, Wharf T&T Centre, World Commerce Centre, World Finance Centre, Gateway I and Gateway II and a portion of the commercial section of the Marco Polo Hongkong Hotel. An additional 15 storeys of office space, with a total GFA of 360,000 sq.ft., has been converted from one block of the Gateway Apartments. As at 31 December 2019, the occupancy rate of the office premises at Harbour City was 93% and lease renewal retention rate was 77%.

Serviced Apartments

The 25th to 38th floors and the penthouse of Gateway Towers 3 in Gateway II are serviced apartments known as Sutton Court. They feature a total of 256 units with apartment types ranging from studios to three-bedroom penthouse units with sizes from 712 sq.ft. to 2,702 sq.ft. Occupancy rate of the serviced apartments was 89% as at 31 December 2019.

Hotels

Harbour City also includes three hotels, namely the Marco Polo Hongkong Hotel, the Gateway Hotel and the Prince Hotel, and one club, namely the Pacific Club. They are located within close proximity to a variety of means of transportation, including a main bus terminal, Star Ferry, Tsim Sha Tsui MTR station and the cruise terminal, with easy access to the area's major tourist attractions such as Kowloon Park, Hong Kong Museum of Art, Hong Kong Space Museum and Hong Kong Cultural Centre. The three hotels are managed by Wharf Hotels. The overall hotel occupancy rate was 81% during 2019 following a sharp deterioration in the second half of the year.

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

Star Ferry

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

Times Square

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

Retail

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

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

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

Occupancy rate of the retail premises at Times Square was 97% as at 31 December 2019.

Office

As at 31 December 2019, the occupancy rate of office premises at Times Square was 94%.

Other properties held for investment purposes in Hong Kong

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

Property	**Location**	**Approximate GFA (sq.ft.)**
Plaza Hollywood	Diamond Hill	562,000
Crawford House	Central	189,000

The Group's premises at Wheelock House...	Central	215,000
The Murray, Hong Kong(note)................	Central	336,000

Note:

The Murray, Hong Kong is owned by HCDL, which is owned as to approximately 72% by the Guarantor.

Plaza Hollywood

Plaza Hollywood is one of the largest shopping malls in Kowloon East. Located atop the Diamond Hill MTR station, it comprises eight storeys which accommodate retail shops, restaurants, cinema, a car park, a public transport terminus and ancillary recreational and public facilities. Following the partial opening of the Tuen-Ma Line from Tai Wai to Kai Tak via Diamond Hill in mid-February 2020, the full completion of the Sha Tin-Central MTR link by phases is poised to expand Plaza Hollywood's geographical reach in the medium term. Occupancy rate of Plaza Hollywood was 96% as at 31 December 2019.

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

	% by rental	**% by area**	**% by sales**
Restaurant, fast food, food and beverage and entertainment.............	27.8	33.4	25.7
Department store, healthcare, confectionery products	18.2	14.2	18.2
Fashion...	14.9	21.6	14.7
Jewellery, beauty and accessories.........	14.9	9.7	15.5
Travel, telecommunication and other services..	9.3	5.5	5.2
Electrical and audio-visual equipment....	4.9	4.9	12.7
Sports wear...	4.2	4.1	3.4
Others..	5.8	6.6	4.6
Total...	100.0	100.0	100.0

Central Portfolio

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

Crawford House

Crawford House is a 24-storey (including a basement) commercial/office building with retail premises in the basement and on the ground to 5th floors and Grade A office premises from the 6th to 23rd floors. The Group acquired Crawford House in August 2014.

Office

Occupancy rate of the office premises at Crawford House was 99% and lease renewal retention rate was 93% as at 31 December 2019.

Retail

Retail occupancy rate remained at 100% as at 31 December 2019.

Wheelock House

Wheelock House comprises 25 storeys of commercial/office space. The Group's premises at Wheelock House comprise 21 consecutive floors of Grade A office premises from the 3rd to 24th floor (with the 13th floor being omitted from the floor numbering) and retail premises on the ground floor, and were acquired in March 2016.

Office

The occupancy rate of the Group's office premises at Wheelock House was 97% and lease renewal retention rate was 98% as at 31 December 2019.

Retail

As at 31 December 2019, the Group's retail premises at Wheelock House were fully let.

The Murray, Hong Kong

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

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

Singapore Investment Properties

Wheelock Place

In December 2019, the Group acquired two prime assets in the heart of the renowned Orchard Road commercial and hotel belt of Singapore, namely, Wheelock Place and Scotts Square mall.

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

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

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

The occupancy rate of the retail and office premises at Wheelock Place was 96% as at 31 December 2019.

Scotts Square

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

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

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

The occupancy rate of Scotts Square mall was 97% as at 31 December 2019.

Properties held for investment purposes in Mainland China

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

Marco Polo Changzhou

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

Development Properties in Mainland China

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

Suzhou IFS

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

PROPERTY LEASING AND MANAGEMENT

The Group provides property leasing and management services for all of its properties, other than (i) Crawford House and the Group's premises at Wheelock House for which it engages the Wheelock Group (but excluding the Group) to provide property management and (ii) the Group's hotels, which are managed by Wharf Hotels. Leasing is conducted either directly by the Group's property leasing team or through the appointment of agents. The Group's principal customers are tenants of its investment properties.

Lease Renewal Policy

The Group's property management system keeps track of the expiry dates of the leases of its investment properties, and the Group takes a proactive approach in discussing lease renewals with its preferred tenants, based on the tenant's track record, and (i) for retail tenants: their retail performance and whether they conform with the prevailing market trend and the Group's planned trade mix in the relevant property, and (ii) for office tenants: their corporate image. The typical lease term is two to three years, but in exceptional cases such as major flagship stores or large restaurants which commit to make substantial capital expenditure investment, the Group may consider offering a longer lease term. Other factors which the Group takes into consideration in determining lease terms include the size and location of the premises, and whether any relocation or renovation of premises would be required.

Property Management

The Group's property management team is committed to providing professional and quality services to tenants and visitors of its properties. While the Group's on-site staff members routinely inspect the structures and conditions of the properties to ensure cleanliness, safety and security, they also actively solicit feedback from tenants and visitors with a view to continuously improving the Group's services and standards. Routine maintenance for all facilities is carried out by the Group's staff as well as outsourced contractors to ensure smooth operations.

Property Maintenance, Refurbishment and Renovation

The Group continuously carries out property maintenance and refurbishment at its investment properties as part of its property management process. Maintenance of facilities such as elevators, escalators and fire and safety equipment are conducted regularly, and in compliance with the relevant regulatory requirements where applicable. The Group frequently conducts reviews to identify any need for refurbishment and renovation for its investment properties based on the wear and tear of the premises, and as part of the Group's asset enhancement. Refurbishment and renovation works are arranged and conducted in a manner so as to minimise any disruption to the Group's tenants and the Group's retail or office operations as a whole.

Employees

As at 31 December 2019, the Group had a total of approximately 2,800 employees.

The Group offers competitive remuneration packages and medical insurance to its employees. Employees are remunerated according to their job responsibilities and market pay trends with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

In addition, the Group places great emphasis on the training and development of its employees. The Group provides its employees with appropriate job-related training and offer personal development training to its staff in managerial/supervisory roles to enhance their management and leadership abilities. The Group also offers sponsorships to eligible employees to participate in external professional or job-related seminars.

INSURANCE

The Group's properties in Hong Kong are in general insured to standards in line with industry practice in Hong Kong. In addition to statutorily required insurances, the Group purchases other insurances, where considered necessary, to cover the major risks identified by it. The principal insurances in place for completed properties are property damage insurance, employees' compensation insurance and public liability insurance.

There are no national mandatory provisions under the relevant PRC laws and regulations requiring property developers to maintain insurance coverage with respect to their property development operations in Mainland China. The Group maintains insurance policies including property all risks insurance, employer's liability insurance, accidents and public liability insurance.

Annex C

SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below has been derived from the Group's audited consolidated financial statements for the years ended 31 December 2019 and 2018. The following financial information should be read in conjunction with, and is qualified in its entirety to, the information incorporated by reference into the Offering Circular.

Results	**Year ended 31 December**	
	2019	**2018**
	(audited)	**(audited)**
	(millions of Hong Kong dollars, except per share data)	
Revenue	16,043	16,481
Operating profit before depreciation, amortisation, interest and tax	13,001	13,016
Profit attributable to equity shareholders	3,928	18,027
Basic earnings per share	HK$1.29	HK$5.94
Cash dividend per share	HK$2.03	HK$2.10

Financial Position	**As at 31 December**	
	2019	**2018**
	(audited)	**(audited)**
	(millions of Hong Kong dollars, except per share data and financial ratios)	
Total assets	284,341	280,356
Net debt	42,629	39,422
Shareholders' equity	216,164	218,797
Total equity	221,414	224,332
Net asset value per share	HK$71.20	HK$72.06
Net debt to total equity	19.3%	17.6%

Annex D

CAPITALISATION AND INDEBTEDNESS

Capitalisation and Indebtedness of the Group

The following table sets forth the consolidated capitalisation and indebtedness of the Group as at 31 December 2019 and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2019.

	As at 31 December 2019 (in HK$ million)
Short-term debt	
Bank loans and other borrowings[1]	12,300
Long-term debt	
Bank loans and other borrowings[1][2]	33,236
Capital and reserves	
Share capital	304
Reserves	215,860
Total shareholders' equity	216,164
Total capitalisation[3]	261,700

Notes:

(1) As at 31 December 2019, banking facilities of the Group in the amount of HK$1,492 million were secured by mortgages over the Group's properties under development for sale and investment properties under development with an aggregate carrying value of HK$5,701 million.

(2) The Group's borrowings include U.S.$600,000,000 3.5% Notes due 2028 and US$300,000,000 2.5% Notes due 2024, both which are listed on the Hong Kong Stock Exchange and guaranteed by the Guarantor. The funding sourced from the Group's borrowings was mainly used to finance the Group's investment properties and remaining development properties.

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

Save as disclosed above, there has been no material adverse change in the capitalisation and indebtedness of the Group since 31 December 2019.