IMPORTANT NOTICE

(THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES)

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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 UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS 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.

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Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to CK Hutchison Finance (16) (II) Limited (the "**Issuer**"), CK Hutchison Holdings Limited (the "**Guarantor**"), BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs (Asia) L.L.C. and The Hongkong and Shanghai Banking Corporation Limited (the "**Lead Managers**") that: (1) you are not in the United States nor a U.S. person, as defined in Regulation S under the Securities Act ("**Regulation S**"), (2) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States AND (3) you consent to delivery of this document by electronic transmission. To the extent you purchase the securities described in the attached document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S.

This document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Issuer, the Guarantor, the Lead Managers, nor any of their respective affiliates accept any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

Restrictions: Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Guarantor and the Lead Managers to subscribe or purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by laws.

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

CK Hutchison Finance (16) (II) Limited

(incorporated in the Cayman Islands with limited liability)

€1,000,000,000 0.875% Guaranteed Notes due 2024

unconditionally and irrevocably guaranteed by

CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Issue price: 99.211 per cent.

The €1,000,000,000 0.875% Guaranteed Notes due 2024 (the "Notes") of CK Hutchison Finance (16) (II) Limited (the "Issuer") unconditionally and irrevocably guaranteed by CK Hutchison Holdings Limited (the "Guarantor" or the "Company") will mature on 3 October 2024. The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes will bear interest from and including 3 October 2016 to but excluding 3 October 2024 at a rate of 0.875 per cent. per annum. Interest will be payable annually in arrear on each Interest Payment Date and the first Interest Payment Date (as defined herein) will be 3 October 2017, in respect of the period from and including 3 October 2016 to but excluding 3 October 2017, as further described and except as mentioned under "Terms and Conditions of the Notes".

The Issuer may redeem the Notes at any time at par plus accrued interest in the event of certain tax changes. See "Terms and Conditions of the Notes — Redemption and Purchase".

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the SGX-ST. See "General Information". The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries or the Notes.

The Notes are expected to be rated "A-" by Fitch Ratings Ltd., "A3" by Moody's Investors Service Limited and "A-" by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. A 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 organisation.

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 22 of this Offering Circular.

The Notes will be in bearer form and will initially be represented by a temporary global note (the "Temporary Global Note"), without interest coupons, which will be deposited on or about 3 October 2016 (the "Closing Date") with a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes"), without interest coupons, on or after 12 November 2016, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances — see "Summary of Provisions relating to the Notes while in Global Form".

BNP PARIBAS   Citigroup   Crédit Agricole CIB   Goldman Sachs (Asia) L.L.C.   HSBC

The date of this Offering Circular is 28 September 2016.

Except as provided below, the Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular which is material in the context of the offering of the Notes. To the best of the knowledge and belief of the Issuer and the Guarantor (each having taken reasonable care to ensure that such is the case) the information contained in this Offering Circular (subject as set out below in respect of information contained herein provided by other sources referred to herein) is in accordance with the material facts and does not omit anything likely to materially affect the import of such information. The Issuer and the Guarantor, having made all reasonable enquiries, confirm that this Offering Circular contains or incorporates all information with respect to the Issuer, the Guarantor and the Notes which is material in the context of the issue and offering of the Notes, that such information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that the Issuer and the Guarantor are not aware of any facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any material respect.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or the Lead Managers (as defined under "Subscription and Sale"). Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof. This Offering Circular does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Guarantor or the Lead Managers to subscribe for, or purchase, any of the Notes. This Offering Circular does not constitute an offer, 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 an offer or solicitation is not authorised or is unlawful.

The Lead Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Managers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Notes or their distribution.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Lead Managers that any recipient of this Offering Circular should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and are in bearer form subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Circular, see "Subscription and Sale".

The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Each person into whose possession this Offering Circular comes is required by the Issuer, the Guarantor and the Lead Managers to inform itself about and to observe any such restrictions.

This Offering Circular is based on information provided by the Issuer and the Guarantor and by other sources referred to herein that they believe are reliable. The Issuer and the Guarantor accept responsibility for accurately reproducing such information provided by such other sources. The Issuer and the Guarantor accept no further or other responsibility in respect of such information. No assurance can be given that this information is accurate or complete. This Offering Circular summarises certain documents and other information and investors should refer to them for a more complete understanding of what is discussed in this Offering Circular. In making an investment decision, each investor must rely on its own examination of the Issuer and the Guarantor and the terms of the offering and the Notes, including the merits and risks involved.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the financial position of CKHH (as defined under "Currency of Presentation and Certain Definitions"), business strategy plans and objectives of management for future operations, are forward-looking statements. Investors can identify some of these forward-looking statements by terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words.

However, investors should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding CKHH's expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements are only expectations and involve known and unknown risks, uncertainties and other factors that may cause CKHH's actual results, performance or achievements to be materially different from any historical results, future results, performance or achievements expressed or implied by these forward-looking statements.

These forward-looking statements speak only as at the date of the Offering Circular. Given the risks and uncertainties that may cause CKHH's actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Offering Circular, investors are advised not to place undue reliance on those statements. CKHH does not represent or warrant to investors that its actual future results, performance or achievements will be as discussed in those statements. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement 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 statement was based.

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IN CONNECTION WITH THE ISSUE OF THE NOTES, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSON ACTING ON BEHALF OF THE STABILISING 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, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

CURRENCY OF PRESENTATION AND CERTAIN DEFINITIONS

"CKHH" means CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and its subsidiaries, unless the context otherwise requires, and references in CKHH's audited consolidated financial statements to the "Group" are to CKHH and all of its direct and indirect subsidiaries and also includes CKHH's interest in associated companies (or "associates") and joint ventures on the basis set forth in notes 3(b), 3(c) and 3(d), respectively, to the consolidated financial statements of CKHH for the year ended 31 December 2015 incorporated by reference in this Offering Circular. For purposes of this Offering Circular only, "PRC" means the People's Republic of China, "Mainland" means the People's Republic of China excluding Hong Kong, Macau and Taiwan and "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

CKHH publishes its financial statements in Hong Kong dollars ("HK$"). For the convenience of the reader, this Offering Circular presents translations into U.S. dollars ("US$") of certain Hong Kong dollar amounts at the rate of HK$7.80 = US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be, converted into U.S. dollars at the rate indicated or at any other rate. On 23 September 2016, the noon buying rate in New York City for cable transfers in foreign currencies, as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"), was HK$7.7565 = US$1.00. This Offering Circular also includes Pound Sterling ("£"), Euro ("€"), Australian dollar ("A$"), Canadian dollar ("C$"), 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.

As used in this Offering Circular, EBIT or LBIT represents the EBIT (LBIT) of CKHH as well as CKHH's share of the EBIT (LBIT) of associates and joint ventures except for Hutchison Port Holdings Trust ("HPH Trust") which are included based on CKHH's effective share of EBIT for those operations during the respective financial period. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in CKHH's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. CKHH considers EBIT (LBIT) to be an important performance measure which is used in CKHH's internal financial and management reporting to monitor business performance. EBIT (LBIT) is not a measure of financial performance under Hong Kong Financial Reporting Standards ("HKFRS") and the EBIT (LBIT) measures used by CKHH may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with HKFRS.

EBITDA represents the EBITDA of CKHH as well as CKHH's share of the EBITDA of associates and joint ventures except for HPH Trust which are included based on CKHH's effective share of EBITDA for those operations during the respective financial period. EBITDA is defined as earnings before interest expenses and other finance costs, tax, depreciation and amortisation, and includes profits on disposal of investments and other earnings of a cash nature. Information concerning EBITDA has been included in CKHH's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. CKHH considers EBITDA to be an important performance measure which is used in CKHH's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under HKFRS and the EBITDA measures used by CKHH may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results of operations as determined in accordance with HKFRS.

SUMMARY OF THE OFFERING

The Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Notes, see the sections entitled "Terms and Conditions of the Notes".

Issuer	CK Hutchison Finance (16) (II) Limited
Guarantor	CK Hutchison Holdings Limited
Notes Offered	Euro 1,000,000,000 0.875% Guaranteed Notes due 2024 unconditionally and irrevocably guaranteed by CK Hutchison Holdings Limited.
Issue Price	99.211 per cent.
Maturity Date	3 October 2024
Interest and Interest Payment Dates	The Notes will bear interest from and including 3 October 2016 (the "Interest Commencement Date") at the rate of 0.875 per cent., payable annually in arrear on 3 October in each year (each an "Interest Payment Date"). The first Interest Payment Date will be 3 October 2017, in respect of the period from and including the Interest Commencement Date to but excluding 3 October 2017. If interest is to be calculated for a period of less than a full year, interest shall be calculated on the basis of the actual number of days elapsed divided by 365 or (in the case of a leap year) 366.
Status of Notes and Guarantee	The Notes and the Coupons are direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4 of the Notes) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4 of the Notes) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Covenants	The Issuer and the Guarantor have agreed to observe certain covenants. See the section entitled "Terms and Conditions of the Notes — Covenants".
Additional Amounts	In the event that certain Cayman Islands taxes are payable in respect of payments pursuant to the Notes, the Coupons or the Guarantee, the Issuer or the Guarantor, as the case may be, will, subject to certain exceptions, pay such additional amounts under the Notes, the Coupons or the Guarantee, as the case may be, as will result, after deduction or withholding of such taxes, in the receipt by the holders of the Notes and the Coupons of such amounts as would have been receivable in respect of the Notes, the Coupons or the Guarantee, as the case may be, had no such deduction or withholding been required.

	The Issuer, the Guarantor or any of its respective agents making a payment on its behalf shall be permitted to withhold or deduct from any payment of principal or interest any amounts (i) required by the rules of U.S. Internal Revenue Code of 1986 (the "Code") Sections 1471 through 1474 (or any amended or successor provisions), any regulations or agreements thereunder, any official interpretation thereof, or any law implementing an inter-governmental approach thereto, (ii) pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or (iii) pursuant to any agreement with the U.S. Internal Revenue Service ("FATCA withholding"), as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer or the Guarantor not being entitled to receive such payment free of FATCA withholding. The Issuer, the Guarantor and its agents will have no liability for or have any obligation to pay additional amounts in respect of any such FATCA withholding deducted or withheld by the Issuer, the Guarantor, any of its respective agents or any other party. See the section entitled "Terms and Conditions of the Notes — Taxation".
Early Redemption	None, except that Notes may be redeemed at the option of the Issuer, in whole but not in part with respect to the Notes, at the principal amount thereof plus accrued and unpaid interest, in the event the Issuer or the Guarantor would become obligated to pay certain Cayman Islands taxes in respect of the Notes. See the section entitled "Terms and Conditions of the Notes — Redemption and Purchase".
Denomination, Form and Registration	The Notes are in bearer form, and, in the case of definitive Notes, serially numbered, in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof with Coupons attached on issue. The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be deposited on or about the Closing Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without interest coupons, on or after 12 November 2016, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances — see "Summary of Provisions relating to the Notes while in Global Form".
Governing Law	The Agency Agreement, the Guarantee, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with such documents will be governed by, and will be construed in accordance with, English law.
Ratings	The Notes are expected to be rated "A-" by Fitch Ratings Ltd., "A3" by Moody's Investors Service Limited and "A-" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. A 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 organisation.

Transfer Restrictions	No action has been taken by the Issuer or the Guarantor that would, or is intended to permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. See the section entitled "Subscription and Sale".
Listing	Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organisation for Economic Co-operation and Development, for permission to deal in and the listing of the Notes. There is no assurance that the application to the SGX-ST for the listing and quotation of the Notes will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of €200,000. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a paying agent in Singapore will be appointed and maintained where the Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore. See "General Information".
US$ Notes Offering	At or about the time of the offering of the Notes or shortly before the offering of the Notes, CK Hutchison International (16) Limited, a wholly owned subsidiary of the Guarantor, may also offer debt securities denominated in US dollars (the "2016 US$ Notes"). Any 2016 US$ Notes offered are expected to be guaranteed by the Guarantor.
Identification numbers of the Notes	ISIN XS1497312295/Common Code 149731229

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(A) Historical consolidated financial information of CKHH and Cheung Kong (Holdings) Limited ("Cheung Kong")

The following tables set out selected historical consolidated financial information of CKHH and Cheung Kong, including:

(1) Selected historical consolidated financial information of CKHH as of 31 December 2015 and for the year then ended and selected historical consolidated financial information of Cheung Kong as of 31 December 2014 and for the year then ended, which is presented as comparative information for the selected historical consolidated financial information of CKHH as of 31 December 2014 and for the year then ended.

Such information has been extracted from CKHH's audited consolidated financial statements for the year ended 31 December 2015 incorporated by reference herein. This information should be read in conjunction with CKHH's audited consolidated financial statements for the year ended 31 December 2015, the comparative information for the year ended 31 December 2014 reported in CKHH's audited consolidated financial statements for the year ended 31 December 2015 and related notes thereto, incorporated by reference herein, and other historical financial information that are included elsewhere in this Offering Circular.

(2) Selected historical consolidated financial information of CKHH as of 30 June 2016 and 30 June 2015, and for the six months then ended.

Such information has been extracted from CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2016 and 30 June 2015, which are incorporated by reference herein. This information should be read in conjunction with CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2016 and 30 June 2015 and related notes thereto, incorporated by reference herein, and other historical financial information that are included elsewhere in this Offering Circular.

CKHH's consolidated financial statements are prepared and presented in accordance with HKFRS, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

CKHH's consolidated financial statements for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers ("PwC"), Certified Public Accountants, Hong Kong, as stated in their unqualified audit report dated 17 March 2016. CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2016 and 30 June 2015 have been reviewed by PwC, as stated in their review reports dated 11 August 2016 and 25 August 2015, respectively.

Financial statements and financial information of the Issuer have not been presented since the Issuer's primary business relates to the financing of CKHH's operations.

The translations of Hong Kong dollar amounts into U.S. dollars were made at the rate of HK$7.80 = US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

CK Hutchison Holdings Limited
Consolidated Income Statement:

	Year Ended 31 December			Six Months Ended 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	US$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	US$ millions (other than per share amounts)
Continuing operations						
Revenue	1,562	166,760	21,380	26,046	128,512	16,476
Cost of inventories sold	—	(68,243)	(8,749)	(11,067)	(49,044)	(6,288)
Staff costs	(990)	(20,178)	(2,587)	(3,291)	(16,301)	(2,090)
Telecommunications customer acquisition costs	—	(12,364)	(1,585)	(1,804)	(9,575)	(1,228)
Depreciation and amortisation	(107)	(9,618)	(1,233)	(1,540)	(8,201)	(1,051)
Other operating income (expenses)	535	(31,675)	(4,061)	(3,755)	(26,995)	(3,461)
Profits on disposal of investments and others . . .	—	13,613	1,745	14,158	(346)	(44)
Share of profits less losses of:						
Associated companies before profits on disposal of investments and others .	11,934	7,445	954	4,283	2,167	278
Joint ventures	1,831	6,187	793	1,431	4,142	531
Associated companies' profits on disposal of investments and others . . .	5,020	(196)	(25)	(196)	—	—
Profit before the following: . .	19,785	51,731	6,632	24,265	24,359	3,123
Interest expenses and other finance costs	(655)	(4,470)	(573)	(771)	(3,508)	(450)
Profit before tax	19,130	47,261	6,059	23,494	20,851	2,673
Current tax credit (charge) . .	312	(2,629)	(337)	(340)	(1,450)	(186)
Deferred tax	(7)	(266)	(34)	(558)	(25)	(3)
Profit after tax from continuing operations . .	19,435	44,366	5,688	22,596	19,376	2,484
Discontinued operations						
Profit after tax from discontinued operations . .	35,173	80,514	10,322	80,514	—	—
Profit after tax	54,608	124,880	16,010	103,110	19,376	2,484
Profit attributable to non-controlling interests and holders of perpetual capital securities arises from:						
Continuing operations	(491)	(6,177)	(792)	(1,119)	(4,455)	(571)
Discontinued operations	(248)	(133)	(17)	(133)	—	—
	(739)	(6,310)	(809)	(1,252)	(4,455)	(571)

	Year Ended 31 December			Six Months Ended 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	US$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	HK$ millions (other than per share amounts)	US$ millions (other than per share amounts)
Profit attributable to ordinary shareholders arises from:						
Continuing operations	18,944	38,189	4,896	21,477	14,921	1,913
Discontinued operations	34,925	80,381	10,305	80,381	—	—
	53,869	118,570	15,201	101,858	14,921	1,913
Earnings per share for profit attributable to ordinary shareholders arises from:						
Continuing operations	HK$8.18	HK$11.89	US$1.52	HK$8.41	HK$3.87	US49.6 cents
Discontinued operations	HK$15.08	HK$25.02	US$3.21	HK$31.46	—	—
	HK$23.26	HK$36.91	US$4.73	HK$39.87	HK$3.87	US49.6 cents

CK Hutchison Holdings Limited
Consolidated Statement of Financial Position:

	As of 31 December			As of 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions	HK$ millions	US$ millions	HK$ millions	HK$ millions	US$ millions
ASSETS						
Non-current assets						
Fixed assets	17,454	179,855	23,058	178,875	177,090	22,704
Investment properties	33,285	334	43	305	334	43
Leasehold land	—	7,215	925	8,036	8,897	1,140
Telecommunications licences	—	32,608	4,181	31,681	33,227	4,260
Brand names and other rights	—	82,233	10,543	103,121	80,881	10,369
Goodwill	—	261,449	33,519	261,135	259,270	33,240
Associated companies	216,841	148,372	19,022	146,468	149,721	19,195
Interests in joint ventures	68,754	92,425	11,849	78,350	89,534	11,478
Deferred tax assets	—	20,986	2,691	22,668	20,746	2,660
Other non-current assets	1,272	4,238	543	4,656	6,692	858
Liquid funds and other listed investments	10,210	10,255	1,315	11,793	8,343	1,070
	347,816	839,970	107,689	847,088	834,735	107,017
Current assets						
Cash and cash equivalents	33,179	121,171	15,535	162,062	154,407	19,796
Liquid funds and other listed investments	918	—	—	—	—	—
Trade and other receivables	2,829	52,042	6,672	50,657	53,687	6,883
Inventories	73,199	19,761	2,533	19,729	19,888	2,550
	110,125	192,974	24,740	232,448	227,982	29,229
Current liabilities						
Trade and other payables	11,642	94,849	12,160	96,106	91,422	11,721
Bank and other debts	18,352	33,016	4,233	43,774	67,696	8,679
Current tax liabilities	1,356	2,438	313	2,214	2,051	263
	31,350	130,303	16,706	142,094	161,169	20,663
Net current assets	78,775	62,671	8,034	90,354	66,813	8,566
Total assets less current liabilities	426,591	902,641	115,723	937,442	901,548	115,583
Non-current liabilities						
Bank and other debts	19,522	270,536	34,684	292,540	263,783	33,818
Interest bearing loans from non-controlling shareholders	—	4,827	619	5,440	4,341	557
Deferred tax liabilities	1,022	26,062	3,341	31,113	25,654	3,289
Pension obligations	—	4,066	521	4,227	3,502	449
Other non-current liabilities	—	48,039	6,159	47,024	51,102	6,552
	20,544	353,530	45,324	380,344	348,382	44,665
Net assets	406,047	549,111	70,399	557,098	553,166	70,918
CAPITAL AND RESERVES						
Share capital	10,489	3,860	495	3,860	3,860	495
Share premium	—	244,691	31,370	244,691	244,691	31,370
Perpetual capital securities	9,045	35,153	4,507	48,311	34,874	4,471
Reserves	383,656	144,884	18,575	143,527	147,037	18,851
Total ordinary shareholders' funds and perpetual capital securities	403,190	428,588	54,947	440,389	430,462	55,187
Non-controlling interests	2,857	120,523	15,452	116,709	122,704	15,731
Total equity	406,047	549,111	70,399	557,098	553,166	70,918

CK Hutchison Holdings Limited
Consolidated Statement of Cash Flows:

	Year Ended 31 December			Six Months Ended 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions	HK$ millions	US$ millions	HK$ millions	HK$ millions	US$ millions
Operating activities						
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	31,634	49,924	6,400	15,736	31,433	4,030
Interest expenses and other finance costs paid	(328)	(6,038)	(774)	(878)	(4,720)	(605)
Tax paid	(1,089)	(2,169)	(278)	(457)	(1,744)	(224)
Funds from operations	30,217	41,717	5,348	14,401	24,969	3,201
Changes in working capital	7,596	2,832	363	3,251	(6,095)	(781)
Net cash from operating activities	37,813	44,549	5,711	17,652	18,874	2,420
Investing activities						
Purchase of fixed assets and investment properties	(7,867)	(22,494)	(2,884)	(7,680)	(9,475)	(1,215)
Additions to telecommunications licences	—	(2,448)	(314)	(12)	(1,808)	(232)
Additions to brand names and other rights	—	(540)	(69)	(45)	(52)	(6)
Purchase of subsidiary companies	—	109,803	14,077	109,803	(278)	(36)
Additions to other unlisted investments	—	(68)	(8)	(9)	(19)	(2)
Repayments from associated companies and joint ventures	1,711	3,078	395	931	1,140	146
Purchase of and advances to (including deposits from) associated companies and joint ventures	(8,454)	(21,225)	(2,721)	(14,139)	(225)	(28)
Proceeds on disposal of fixed assets	—	471	60	46	250	32
Proceeds on disposal of subsidiary companies	—	(640)	(82)	(16)	—	—
Proceeds on disposal of joint ventures	3,298	3,642	467	2,401	—	—
Proceeds on disposal of other unlisted investments	—	403	52	240	89	11
Cash flows from (used in) investing activities before additions to/disposal of liquid funds and other listed investments	(11,312)	69,982	8,973	91,520	(10,378)	(1,330)
Disposal of liquid funds and other listed investments	595	2,718	348	2,335	1,726	221
Additions to liquid funds and other listed investments	(182)	(132)	(17)	(97)	(21)	(3)
Cash flow from (used in) investing activities	(10,899)	72,568	9,304	93,758	(8,673)	(1,112)
Net cash inflow before financing activities	26,914	117,117	15,015	111,410	10,201	1,308

	Year Ended 31 December			Six Months Ended 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions	HK$ millions	US$ millions	HK$ millions	HK$ millions	US$ millions
Financing activities						
New borrowings	—	28,065	3,597	7,696	41,260	5,290
Repayment of borrowings	(3,370)	(66,028)	(8,465)	(18,488)	(8,906)	(1,142)
Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders	(207)	(1,034)	(132)	(490)	1,920	246
Proceeds on partial disposal of subsidiary company	—	20	3	19	—	—
Redemption of perpetual capital securities	—	(13,299)	(1,705)	—	—	—
Distribution In Specie	—	40,649	5,211	40,649	—	—
Dividends paid to non-controlling interests	(309)	(2,997)	(384)	(965)	(3,071)	(394)
Distributions paid on perpetual capital securities	(460)	(1,072)	(137)	(221)	(1,028)	(132)
Dividends paid to ordinary shareholders	(24,408)	(9,687)	(1,242)	(6,985)	(7,140)	(915)
Cash flows from / (used) in financing activities	(28,754)	(25,383)	(3,254)	21,215	23,035	2,953
Increase (decrease) in cash and cash equivalents	(1,840)	91,734	11,761	132,625	33,236	4,261
Cash and cash equivalents at 1 January	31,277	29,437	3,774	29,437	121,171	15,535
Cash and cash equivalents at 31 December / 30 June	29,437	121,171	15,535	162,062	154,407	19,796

	Year Ended 31 December			Six Months Ended 30 June		
	2014	2015	2015	2015	2016	2016
	HK$ millions	HK$ millions	US$ millions	HK$ millions	HK$ millions	US$ millions
Additional information:						
Analysis of net cash flows						
Operating net cash inflows arises from:						
Continuing operations	20,958	40,474	5,189	13,577	18,874	2,420
Discontinued operations	16,855	4,075	522	4,075	—	—
	37,813	44,549	5,711	17,652	18,874	2,420
Investing net cash inflows (outflows) arises from:						
Continuing operations	(10,692)	77,650	9,956	98,840	(8,673)	(1,112)
Discontinued operations	(207)	(5,082)	(652)	(5,082)	—	—
	(10,899)	72,568	9,304	93,758	(8,673)	(1,112)
Financing net cash inflows / (outflows) arises from:						
Continuing operations	(28,255)	(25,183)	(3,229)	21,415	23,035	2,953
Discontinued operations	(499)	(200)	(25)	(200)	—	—
	(28,754)	(25,383)	(3,254)	21,215	23,035	2,953
Total net cash inflows (outflows) arises from:						
Continuing operations	(17,989)	92,941	11,916	133,832	33,236	4,261
Discontinued operations	16,149	(1,207)	(155)	(1,207)	—	—
	(1,840)	91,734	11,761	132,625	33,236	4,261
Analysis of cash, liquid funds and other listed investments						
Cash and cash equivalents, as above	29,437	121,171	15,535	162,062	154,407	19,796
Bank deposits maturing over three months	3,742	—	—	—	—	—
Cash and cash equivalents	33,179	121,171	15,535	162,062	154,407	19,796
Liquid funds and other listed investments	11,128	10,255	1,315	11,793	8,343	1,070
Total cash, liquid funds and other listed investments	44,307	131,426	16,850	173,855	162,750	20,866
Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	37,874	304,006	38,975	336,382	332,148	42,583
Interest bearing loans from non-controlling shareholders	—	4,827	619	5,440	4,341	557
Net debt (net cash)	(6,433)	177,407	22,744	167,967	173,739	22,274
Interest bearing loans from non-controlling shareholders	—	(4,827)	(619)	(5,440)	(4,341)	(557)
Net debt (net cash) (excluding interest bearing loans from non-controlling shareholders)	(6,433)	172,580	22,125	162,527	169,398	21,717

(B) Pro forma and historical consolidated results of CKHH and historical consolidated results of Hutchison Whampoa Limited ("Hutchison")

As a result of the Reorganisation and in order to make meaningful comparisons of operating performances against Hutchison's 2014 continuing businesses, management have prepared the pro forma results for year ended 31 December 2015 and six months ended 30 June 2015 as if the Reorganisation was effective on 1 January 2015. This presentation is consistent with the way CKHH manages its businesses and enables the underlying performance of CKHH to be evaluated on a comparable basis. Further details on the Reorganisation are included under the section "— Business of CKHH —" of this Offering Circular.

The following tables set out selected consolidated financial information of CKHH and Hutchison, including:

(1) Selected pro forma consolidated results of CKHH for the year ended 31 December 2015.

Such information has been extracted from the CKHH's Financial Performance Summary for the year ended 31 December 2015, incorporated by reference herein.

This information should be read in conjunction with CKHH's Financial Performance Summary for the year ended 31 December 2015 and related notes thereto including the criteria and the basis for compilation of the pro forma financial information of CKHH for the year ended 31 December 2015, PwC's Independent Assurance Report on the Unaudited Pro Forma Financial Information for the Year Ended 31 December 2015, CKHH's Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results for the year ended 31 December 2015, and related notes thereto including the criteria and the basis for compilation of the pro forma financial information of CKHH for the year ended 31 December 2015, incorporated by reference herein, and other financial information that are included elsewhere in this Offering Circular.

(2) Selected pro forma consolidated results of CKHH for the six months ended 30 June 2015.

Such information has been extracted from the comparative information contained in CKHH's Financial Performance Summary for the six months ended 30 June 2016, incorporated by reference herein.

This information should be read in conjunction with CKHH's Financial Performance Summary for the six months ended 30 June 2016, and related notes thereto including the criteria and the basis for compilation of the pro forma financial information of CKHH for the six months ended 30 June 2015, PwC's Independent Assurance Report on the Unaudited Pro Forma Financial Information for the Six Months Ended 30 June 2015, CKHH's Reconciliation from CKHH Statutory Results to CKHH Management Pro Forma Results for the six months ended 30 June 2015 and related notes thereto including the criteria and the basis for compilation of the pro forma financial information of CKHH for the six months ended 30 June 2015, incorporated by reference herein, and other financial information that are included elsewhere in this Offering Circular.

(3) Selected historical consolidated results of Hutchison (adjusted to exclude discontinued property and hotels businesses) for each of the years ended 31 December 2014 and 31 December 2013.

The selected information for the year ended 31 December 2014 has been extracted from the comparative information contained in CKHH's Financial Performance Summary for the year ended 31 December 2015, incorporated by reference herein. The selected information for the year ended 31 December 2013 has been derived from the comparative information contained in Hutchison's Analyses by Core Business Segments for the year ended 31 December 2014, incorporated by reference herein. Note 1 shows the reconciliation of the adjusted numbers to the previously reported numbers as set forth in Hutchison's Analyses by Core Business Segments for the year ended 31 December 2014.

This information should be read in conjunction with CKHH's Financial Performance Summary for the year ended 31 December 2015, and related notes thereto and Hutchison's Analyses by Core Business Segments for the year ended 31 December 2014, and related notes thereto incorporated by reference herein, and other financial information that are included elsewhere in this Offering Circular.

(4) Selected historical consolidated results of CKHH for the six months ended 30 June 2016.

Such information has been extracted from CKHH's Financial Performance Summary for the six months ended 30 June 2016, incorporated by reference herein.

This information should be read in conjunction with CKHH's Financial Performance Summary for the six months ended 30 June 2016, and related notes thereto incorporated by reference herein, and other financial information that are included elsewhere in this Offering Circular.

The translations of Hong Kong dollar amounts into U.S. dollars were made at the rate of HK$7.80 = US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

CK Hutchison Holdings Limited
Pro Forma and Historical Income Statement:

	Year Ended 31 December				Six Months Ended 30 June		
	Hutchison(note1) Actual 2013	Hutchison(note1) Actual 2014	CKHH Pro forma 2015	CKHH Pro forma 2015	CKHH Pro forma 2015	CKHH Actual 2016	CKHH Actual 2016
	HK$ millions	HK$ millions	HK$ millions	US$ millions	HK$ millions	HK$ millions	US$ millions
Total Revenue							
Ports and related services	34,119	35,624	33,767	4,329	17,308	16,142	2,069
Retail	149,147	157,397	151,903	19,475	74,926	73,413	9,412
Infrastructure	42,460	45,419	43,844	5,621	27,690	27,221	3,490
Husky Energy	59,481	57,368	33,824	4,336	21,101	13,392	1,717
3 Group Europe	61,976	65,623	62,799	8,051	30,573	30,165	3,867
Hutchison Telecommunications Hong Kong Holdings	12,777	16,296	22,042	2,826	11,058	5,369	688
Hutchison Asia Telecommunications	6,295	5,757	6,900	885	3,179	4,007	514
Finance & Investments and Others	21,691	21,389	19,668	2,521	11,184	10,802	1,385
Total Comparable Revenue	387,946	404,873	374,747	48,044	197,019	180,511	23,142
Additional Contributions	—	—	21,340	2,736	N/A	N/A	N/A
Total Revenue	387,946	404,873	396,087	50,780	197,019	180,511	23,142
Total EBITDA							
Ports and related services	11,447	12,133	11,840	1,518	6,104	5,744	736
Retail	14,158	15,549	14,838	1,902	6,683	6,562	841
Infrastructure	22,841	24,483	24,147	3,096	16,045	16,691	2,140
Husky Energy	14,779	14,410	7,922	1,016	5,496	3,686	473
3 Group Europe	12,671	15,598	17,396	2,230	7,778	8,492	1,089
Hutchison Telecommunications Hong Kong Holdings	2,758	2,780	2,891	371	1,515	1,316	169
Hutchison Asia Telecommunications	819	(278)	1,176	151	411	1,248	160
Finance & Investments and Others	1,365	3,461	1,786	229	2,133	517	66
Total Comparable EBITDA	80,838	88,136	81,996	10,513	46,165	44,256	5,674
Additional Contributions	—	—	10,097	1,294	N/A	N/A	N/A
Total EBITDA before profits on disposal of investments & others	80,838	88,136	92,093	11,807	46,165	44,256	5,674
Total EBIT							
Ports and related services	7,358	7,944	7,887	1,011	4,111	3,722	477
Retail	11,771	13,023	12,328	1,581	5,453	5,338	684
Infrastructure	17,528	18,215	18,101	2,321	11,987	12,291	1,576
Husky Energy	7,208	6,324	1,884	241	1,024	612	79
3 Group Europe	4,856	6,892	11,664	1,495	4,924	5,410	694
Hutchison Telecommunications Hong Kong Holdings	1,367	1,380	1,448	186	785	553	71
Hutchison Asia Telecommunications	(409)	(1,465)	1,176	151	411	1,197	153
Finance & Investments and Others	439	3,000	1,540	197	1,982	346	44
Total Comparable EBIT before profits on disposal of investments & others	50,118	55,313	56,028	7,183	30,677	29,469	3,778
Additional Contributions	—	—	6,051	776	N/A	N/A	N/A
Total EBIT before profits on disposal of investments & others	50,118	55,313	62,079	7,959	30,677	29,469	3,778
Interest expenses and other finance costs	(13,816)	(13,909)	(12,581)	(1,613)	(6,295)	(6,187)	(793)
Profit before tax	36,302	41,404	49,498	6,346	24,382	23,282	2,985
Tax							
Current tax	(7,456)	(7,907)	(6,734)	(863)	(2,840)	(2,718)	(348)
Deferred tax	(519)	(283)	(463)	(60)	(1,487)	(893)	(115)
Profit after tax	28,327	33,214	42,301	5,423	20,055	19,671	2,522
Non-controlling interests and perpetual capital securities holders' interests	(7,386)	(9,559)	(10,173)	(1,304)	(5,117)	(4,443)	(570)
Profit attributable to ordinary shareholders before profits on disposal of investments & others ("Recurring NPAT")	20,941	23,655	32,128	4,119	14,938	15,228	1,952
- Comparable Results	20,941	23,655	29,364	3,765	14,938	15,228	1,952
- Additional Contributions	—	—	2,764	354	N/A	N/A	N/A
Profits on disposal of investments & others, after tax	52	10,048	(960)	(123)	(482)	(307)	(39)
Profit attributable to ordinary shareholders ("NPAT")	20,993	33,703	31,168	3,996	14,456	14,921	1,913
- Comparable Results	20,993	33,703	28,404	3,642	14,456	14,921	1,913
- Additional Contributions	—	—	2,764	354	N/A	N/A	N/A

Note 1: Reconciliation to reported Hutchison results:

	Year Ended 31 December 2013 HK$ millions	Year Ended 31 December 2014 HK$ millions
Revenue		
Total comparable results	387,946	404,873
Discontinued businesses results	24,987	16,599
Total Hutchison results as reported	412,933	421,472
EBITDA		
Total comparable results	80,838	88,136
Discontinued businesses results	14,809	10,737
Total Hutchison results as reported	95,647	98,873
EBIT		
Total comparable results	50,118	55,313
Discontinued businesses results	14,479	10,400
Total Hutchison results as reported	64,597	65,713
Interest expense and other finance costs		
Total comparable results	(13,816)	(13,909)
Discontinued businesses results	(343)	(415)
Total Hutchison results as reported	(14,159)	(14,324)
Current tax		
Total comparable results	(7,456)	(7,907)
Discontinued businesses results	(3,516)	(3,025)
Total Hutchison results as reported	(10,972)	(10,932)
Deferred tax		
Total comparable results	(519)	(283)
Discontinued businesses results	(251)	1,705
Total Hutchison results as reported	(770)	1,422
Non-controlling interests and perpetual capital securities holders' interests		
Total comparable results	(7,386)	(9,559)
Discontinued businesses results	(282)	(312)
Total Hutchison results as reported	(7,668)	(9,871)
Recurring NPAT		
Total comparable results	20,941	23,655
Discontinued businesses results	10,087	8,353
Total Hutchison results as reported	31,028	32,008
NPAT		
Total comparable results	20,993	33,703
Discontinued businesses results	10,119	33,453
Total Hutchison results as reported	31,112	67,156

(C) Historical consolidated financial information of Hutchison

The following tables set out selected historical consolidated financial information of Hutchison as of 31 December 2014 and 31 December 2013 and for each of the years then ended. Such information has been extracted from Hutchison's audited consolidated financial statements for the year ended 31 December 2014. This information should be read in conjunction with Hutchison's audited consolidated financial statements for the year ended 31 December 2014, the comparative information for the year ended 31 December 2013 reported in Hutchison's audited consolidated financial statements for the year ended 31 December 2014 and related notes thereto, incorporated by reference herein, and other historical financial information that are included elsewhere in this Offering Circular.

Hutchison's consolidated financial statements are prepared and presented in accordance with HKFRS, issued by the HKICPA.

Hutchison's consolidated financial statements for the year ended 31 December 2014 have been audited by PwC, as stated in their unqualified audit report dated 26 February 2015.

The translations of Hong Kong dollar amounts into U.S. dollars were made at the rate of HK$7.80 = US$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

Hutchison Whampoa Limited
Consolidated Income Statement:

	Year Ended 31 December	
	2013	2014
	HK$ millions (other than per share amounts)	HK$ millions (other than per share amounts)
Revenue	256,234	272,161
Cost of inventories sold	(102,496)	(110,596)
Staff costs	(33,151)	(34,604)
Telecommunications customer acquisition costs	(24,170)	(24,165)
Depreciation and amortisation	(15,850)	(17,003)
Other operating expenses	(51,265)	(50,944)
Change in fair value of investment properties	26	24,678
Profits on disposal of investments and others	230	(4,532)
Share of profits less losses after tax of:		
Associated companies before profits on disposal of investments and others	10,433	9,166
Joint ventures	12,597	10,466
Associated companies' profits on disposal of investments and others	(504)	19,141
Profit before the following:	52,084	93,768
Interest expenses and other finance costs	(8,391)	(8,050)
Profit before tax	43,693	85,718
Current tax charge	(4,231)	(4,307)
Deferred tax credit (charge)	(569)	340
Profit after tax	38,893	81,751
Allocated as:		
Profit attributable to non-controlling interests and holders of perpetual capital securities	(7,781)	(14,595)
Profit attributable to ordinary shareholders of the Company	31,112	67,156
Earnings per share for profit attributable to ordinary shareholders of the Company	HK$7.30	HK$15.75

Hutchison Whampoa Limited
Consolidated Statement of Financial Position:

	As of 31 December	
	2013	2014
	HK$ millions	HK$ millions
ASSETS		
Non-current assets		
Fixed assets	177,324	173,234
Investment properties	42,454	66,211
Leasehold land	9,849	8,513
Telecommunications licences	86,576	81,602
Goodwill	38,028	39,132
Brand names and other rights	18,755	16,233
Associated companies	112,058	126,416
Interests in joint ventures	111,271	119,433
Deferred tax assets	18,548	19,203
Other non-current assets	7,934	7,139
Liquid funds and other listed investments	17,136	15,141
	639,933	672,257
Current assets		
Cash and cash equivalents	85,651	125,318
Trade and other receivables	69,083	66,576
Inventories	20,855	19,284
	175,589	211,178
Current liabilities		
Trade and other payables	86,812	87,139
Bank and other debts	18,159	42,281
Current tax liabilities	3,319	3,005
	108,290	132,425
Net current assets	67,299	78,753
Total assets less current liabilities	707,232	751,010
Non-current liabilities		
Bank and other debts	207,195	205,332
Interest bearing loans from non-controlling shareholders	5,445	8,000
Deferred tax liabilities	10,228	11,213
Pension obligations	3,095	3,083
Other non-current liabilities	5,037	4,320
	231,000	231,948
Net assets	476,232	519,062
CAPITAL AND RESERVES		
Share capital	29,425	29,425
Perpetual capital securities	40,244	39,638
Reserves	356,940	397,155
Total ordinary shareholders' funds and perpetual capital securities	426,609	466,218
Non-controlling interests	49,623	52,844
Total equity	476,232	519,062

Hutchison Whampoa Limited
Consolidated Statement of Cash Flows:

	Year Ended 31 December	
	2013	2014
	HK$ millions	HK$ millions
Operating activities		
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	60,898	62,640
Interest expenses and other finance costs paid	(7,695)	(7,403)
Tax paid	(3,813)	(4,401)
Funds from operations	49,390	50,836
Changes in working capital	(4,338)	(2,916)
Net cash from operating activities	45,052	47,920
Investing activities		
Purchase of fixed assets and investment properties	(23,028)	(21,289)
Additions to leasehold land	(532)	—
Additions to telecommunications licences	(6,828)	(41)
Additions to brand names and other rights	(105)	(229)
Purchase of subsidiary companies	(17,651)	(8,467)
Additions to other unlisted investments	(30)	(994)
Repayments from associated companies and joint ventures	8,897	3,160
Purchase of and advances to (including deposits from) associated companies and joint ventures	(14,184)	(13,200)
Proceeds on disposal of fixed assets, leasehold land and investment properties and other assets	6,442	804
Proceeds on disposal of subsidiary companies	3,149	905
Proceeds on partial disposal/disposal of associated companies	1,895	575
Proceeds on disposal of joint ventures	111	4,477
Proceeds on disposal of other unlisted investments	17	20
Cash flows used in investing activities before additions to/disposal of liquid funds and other listed investments	(41,847)	(34,279)
Disposal of liquid funds and other listed investments	6,245	1,861
Additions to liquid funds and other listed investments	(147)	(2,445)
Cash flows used in investing activities	(35,749)	(34,863)
Net cash inflow before financing activities	9,303	13,057
Financing activities		
New borrowings	28,323	77,895
Repayment of borrowings	(61,822)	(44,860)
Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders	(69)	42,775
Redemption of capital securities by a subsidiary	—	(2,340)
Payments to acquire additional interests in subsidiary companies	(9)	(93)
Proceeds on issue of perpetual capital securities, net of transaction costs	17,721	—
Repurchase of perpetual capital securities	(1,802)	(617)
Dividends paid to non-controlling interests	(3,510)	(4,265)
Distributions paid on perpetual capital securities	(1,351)	(1,980)
Dividends paid to ordinary shareholders	(9,081)	(39,905)
Cash flows from (used in) financing activities	(31,600)	26,610
Increase (decrease) in cash and cash equivalents	(22,297)	39,667
Cash and cash equivalents at 1 January	107,948	85,651
Cash and cash equivalents at 31 December	85,651	125,318

	Year Ended 31 December	
	2013	2014
	HK$ millions	HK$ millions
Analysis of cash, liquid funds and other listed investments		
Cash and cash equivalents, as above	85,651	125,318
Liquid funds and other listed investments	17,136	15,141
Total cash, liquid funds and other listed investments	102,787	140,459
Total principal amount of bank and other debts	223,822	246,867
Interest bearing loans from non-controlling shareholders	5,445	8,000
Net debt	126,480	114,408
Interest bearing loans from non-controlling shareholders	(5,445)	(8,000)
Net debt (excluding interest bearing loans from non-controlling shareholders)	121,035	106,408

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in this Offering Circular:

1. Independent Auditor's Report on the Consolidated Financial Statements of the Guarantor for the year ended 31 December 2015, which are contained in the annual report of the Guarantor for the year ended 31 December 2015;
2. Consolidated Financial Statements of the Guarantor for the year ended 31 December 2015, which are contained in the audited consolidated financial statements in the annual report of the Guarantor for the year ended 31 December 2015;
3. Consolidated Financial Statements of Cheung Kong for the year ended 31 December 2014, which are contained as comparative information in the audited consolidated financial statements in the annual report of the Guarantor for the year ended 31 December 2015;
4. Report on Review of Interim Financial Statements of the Guarantor for the six months ended 30 June 2016, which are contained in the interim report of the Guarantor for the six months ended 30 June 2016;
5. Consolidated Financial Statements of the Guarantor for the six months ended 30 June 2016, which are contained in the unaudited condensed consolidated financial statements in the interim report of the Guarantor for the six months ended 30 June 2016;
6. Report on Review of Interim Financial Statements of the Guarantor for the six months ended 30 June 2015, which are contained in the interim report of the Guarantor for the six months ended 30 June 2015;
7. Consolidated Financial Statements of the Guarantor for the six months ended 30 June 2015, which are contained in the unaudited condensed consolidated financial statements in the interim report of the Guarantor for the six months ended 30 June 2015;
8. Independent Assurance Report on the Unaudited Pro Forma Financial Information of the Guarantor for the year ended 31 December 31 2015, which is contained in the annual report of the Guarantor for the year ended 31 December 2015;
9. Independent Assurance Report on the Unaudited Pro Forma Financial Information of the Guarantor for the six months ended 30 June 2015, which is contained in the interim report of the Guarantor for the six months ended 30 June 2015;
10. Financial Performance Summary of the Guarantor for the year ended 31 December 2015, which is contained in the annual report of the Guarantor for the year ended 31 December 2015;
11. Financial Performance Summary of the Guarantor for the six months ended 30 June 2016 and 30 June 2015, which are contained in the interim report of the Guarantor for the six months ended 30 June 2016;
12. Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results for the year ended 31 December 2015, which is contained in the annual report of the Guarantor for the year ended 31 December 2015;
13. Reconciliation from CKHH Statutory Results to CKHH Management Pro Forma Results for the six months ended 30 June 2015, which is contained in the interim report of the Guarantor for the six months ended 30 June 2015;
14. Independent Auditor's Report on the Consolidated Financial Statements of Hutchison for the year ended 31 December 2014, which are contained in the annual report of Hutchison for the year ended 31 December 2014;
15. Consolidated Financial Statements of Hutchison for the years ended 31 December 2014 and 31 December 2013, which are contained in the audited consolidated financial statements in the annual report of Hutchison for the year ended 31 December 2014; and
16. Analyses by Core Business Segments of Hutchison for the year ended 31 December 2014 and 31 December 2013, which are contained in the annual report of Hutchison for the year ended 31 December 2014.

Copies of these documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Guarantor and the Fiscal Agent. See “General Information”.

The Guarantor is not required to, and has not, published any accounts other than those published up to 30 June 2016.

Investors should consider, among other things, the factors set forth below, as well as other considerations with respect to investment in Cayman Islands corporations not normally associated with investments in the securities of issuers in European countries, the United States ("U.S.") and other jurisdictions. This Offering Circular, including particularly the information set forth under the caption "Business of CKHH" to the extent that it describes properties, projects, business ventures or strategies at an early stage of development or fulfilment, includes "forward-looking statements". Although CKHH believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. Important factors that could cause actual results to differ materially from CKHH's historical results and forward-looking statements are set forth in this Offering Circular, but particularly include those set forth below. All forward-looking statements attributable to CKHH or persons acting on its behalf are expressly qualified in their entirety by the investment considerations set forth below.

Global Economy

As a global business, CKHH is exposed to the development of the global economy as well as the industries and geographical markets in which it operates. As a result, CKHH's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic activity or economic growth in the global or regional or a specific economy could adversely affect CKHH's financial condition or results of operations.

In general, adverse conditions and volatility in the U.S. and worldwide credit and financial markets, fluctuations in oil and commodity prices, including extended crude oil price weakness, the rising geopolitical risks and political turbulence, particularly in Europe and the Middle East, the U.S. and European sovereign debt concerns and the general weakness of the global economy have all contributed to the increased uncertainty of global economic prospects. During 2015, all three major credit rating agencies: Standard & Poor's, Moody's and Fitch Ratings have not revised upwards the ratings nor outlooks for any of the countries in which CKHH operates and have continued to issue sovereign downgrades (ratings and/or outlooks), including the downgrade by Standard & Poor's of United Kingdom ("UK")'s sovereign rating outlook to negative in June 2015 on the risk of the UK withdrawing from the European Union (which was approved by a majority of voters in the UK through a referendum held in June 2016) and more recently, in 2016, the downgrade by Moody's on Mainland China's Aa3 government bond rating outlook to negative and its consequential adverse impact on Hong Kong with its Aa1 government bond rating outlook being revised down to negative as well.

Furthermore, the continuing effects of the recent global financial crisis have affected not only the banking and financial sectors, but also the commercial sectors which rely on the availability of banking facilities and bank borrowings. If CKHH's customers are unable to borrow money, are put into liquidation, or experience financial difficulty, CKHH may not be paid by such customers on time or at all, and may experience a significant decline in the demand for its products and services. If another economic downturn occurs or if the weak economic sentiment continues, CKHH's business, financial condition, results of operations and prospects could experience deterioration.

CKHH's overall success as a global business depends, in part, upon its ability to succeed in different economic, social and political conditions. There can be no assurance that CKHH will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business. Moreover, any deterioration in the economic, social and/or political conditions in the markets in which CKHH conducts business could have a material adverse effect on CKHH's financial condition and results of operations.

Reliance on Major Industries, Currencies and Interest Rates

CKHH's results are affected by trends in the industries in which it operates, including the ports and related services, retail, infrastructure, energy and telecommunications industries. While CKHH believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely affected by industry trends. For example, CKHH's results have been negatively impacted by depressed oil and gas prices, cyclical downturn in the business of shipping lines, declines in retail consumer sentiment, a decline in the value of securities investments, and volatility in currencies and interest rates. There can be no assurance that the combination of industry trends, currencies and interest rates experienced by CKHH in the future will not adversely affect its financial condition and results of operations.

In particular, income from CKHH's finance and treasury operations is dependent upon interest rates, the currency environment and market conditions, and there can be no assurance that changes in these conditions will not materially and adversely affect CKHH's financial condition and results of operations.

Ports and Related Services

The container throughput handled by CKHH's ports and related services division is primarily dependent on global trading volume. The 2008 global economic crisis in the last decade and the resulting economic and financial uncertainty continues to have an adverse effect to varying degrees on the markets and geographies in which the ports and related services division operates. European trade growth remains low from a combination of government austerity measures, weak consumer sentiment and refugee issues. The U.S. economy is strengthening but recovery remains slow. A 2016 referendum in the UK in support of leaving the European Union posed downside risk to the global economic recovery and may have a potential negative impact on the UK economy. The depreciation of the British pound may also reduce Britain's imports from Asia, including China. If economic conditions deteriorate again, global throughput levels are expected to decrease.

In the Mainland, which accounts for a significant portion of the ports and related services division's total throughput, imports and exports were affected by the economic performance of the U.S. and Europe. The U.S. Federal Reserve raised interest rates for the first time in nearly a decade in December 2015 in response to the strengthening U.S. economy. Despite relatively strong growth in the first quarter of 2016, outbound cargoes to the U.S. were weak in the second quarter. The sustainability of U.S. economic growth in the remainder of the year will be the key determinant of a pickup in U.S. trade. There can be no assurance that the recovery will continue, and any similar declines in imports and exports in the future could have a material adverse effect on the business operations and financial results of CKHH's ports and related services division.

CKHH's ports business is subject to significant competition, including possible vertical integrations of international shipping lines that are major clients of CKHH's port operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and may not require the use of CKHH's terminal facilities.

Furthermore, ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime or sentiment changes in less politically stable countries may affect port concessions granted to foreign international port operations including CKHH's port operations.

There can be no assurance that any of the above factors will not materially and adversely affect CKHH's financial condition and results of operations.

Retail

CKHH's retail division has regularly experienced fluctuations in consumer sentiments and price competition. In Europe and the UK, although there are signs of modest recovery, this recovery remains slow with reduced consumer traffic as well as increased caution in consumer spending which could materially and adversely affect the performance of the retail division's operations. Since 2015, the economic slowdown in the Mainland impacted retail market growth not only in the Mainland and Hong Kong, but in other markets across Asia. Recent geopolitical tensions and social unrest also introduce further risks to CKHH's operations and financial results. In addition, significant competition and pricing pressure from retail competitors in Asia and Europe are expected to continue, which may materially and adversely affect the financial performance of CKHH's retail operations.

Retail Product Liability

CKHH's retail operations may be subject to product liability claims if consumers are injured or otherwise harmed by the products sold by its retail operations. Customers count on CKHH's retail operations to provide them with safe products. Concerns regarding the safety of food and non-food products that are sourced from a wide variety of suppliers could cause shoppers to avoid purchasing certain products from CKHH's retail operations, even if the basis for the concern may be outside of CKHH's control. Claims, recalls or actions could be based on allegations that, among other things, the products sold by the retail operations are misbranded, contain contaminants or impermissible ingredients, provide inadequate instructions regarding their use or misuse, include inadequate warnings concerning flammability or interactions with other substances or in the case of any handset and other electrical devices that the retail operations sell, are not fit for purpose or pose a safety hazard. While CKHH has maintained product liability insurance coverage in amounts and with deductibles that CKHH believes is prudent, there can be no assurance that the coverage will be applicable and adequate to cover all possible adverse outcomes of claims and legal proceedings against CKHH. Any material shortfall in coverage may have an adverse impact on the results of CKHH's retail operations. In addition, any lost confidence on the part of CKHH's customers would be difficult and costly to re-establish. As such, any material issue regarding the safety of any food and non-food items that CKHH sells, regardless of the cause, could materially and adversely affect the business and results of CKHH's retail operations.

Infrastructure

Cheung Kong Infrastructure Holdings Limited ("CKI")

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in energy, transportation and water infrastructure as well as infrastructure related business in Hong Kong, the Mainland, the UK, Australia, New Zealand, Canada, the Netherlands and Portugal. In addition to the political risks associated with investments in the Mainland, there are a number of construction, financing and other risks associated with infrastructure investments in the Mainland. While CKI does not currently anticipate that it will develop significant new infrastructure businesses in the Mainland, it may determine to do so in the future. There can be no assurance that risks associated with infrastructure businesses in the Mainland will not materially and adversely affect CKHH's financial condition and results of operations in the future. Infrastructure projects of the types undertaken by CKHH typically require substantial capital expenditure during the construction phase and usually take many months, sometimes years, before they become operational and generate revenue. The time taken and the costs involved in completing construction may 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 these could give rise to delays in the completion of construction and/or to cost overruns. Delays in the process of obtaining the requisite licences, permits or approvals from government agencies or authorities can also increase the cost or delay or prevent the commercial operation of a business. Construction delays may result in the loss of revenues and profit. The failure to complete construction according to its specifications may result in liabilities, reduced efficiency and less desirable returns.

CKI has acquired and may continue to acquire businesses as opportunities arise. There could be difficulties managing or integrating the acquisitions, and the anticipated benefits of the acquisitions may or may not materialise. These difficulties could disrupt business, distract management and employees and increase expenses, any of which could materially and adversely affect CKHH's business, financial condition and results of operations.

In addition, certain infrastructure investments of CKHH (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. Furthermore, certain regulated operations of CKI's investments are subject to price control by regulatory authorities of the local government. The relevant regulatory authorities will reset the price control terms for certain projects in accordance with predetermined schedules. There can be no assurance that such events or price resets will not have a material adverse effect on CKHH's financial conditions and results of operations.

Furthermore, new market entrants and intensified price competition among existing market players of CKHH's waste management and off-airport car park businesses could adversely affect the financial performance of CKHH's waste management and off-airport car park operations.

Aircraft leasing

Introduction of new aircraft models brought about by technological innovation and cyclical downturn in the airline industry could adversely affect the demand for, and value of, aircraft in CKHH's aircraft leasing business.

Energy

Husky Energy Inc. ("Husky Energy")'s businesses are subject to inherent operational risks in respect of safety and the environment that require continuous vigilance. Husky Energy seeks to minimise these operational risks by carefully designing and building its facilities and conducting its operations in a safe and reliable manner. However, failure to manage these operational risks effectively could result in potential fatalities, serious injury, interruptions to activities or use of assets, damage to assets, environmental impact, or loss of licence to operate. Enterprise risk management, emergency preparedness, business continuity and security policies and programmes are in place for all operating areas and are adhered to on an ongoing basis. Husky Energy, in accordance with industry practice, maintains insurance coverage against losses from certain of these risks. Nonetheless, insurance proceeds may not be sufficient to cover all losses and insurance coverage may not be available for all types of operational risks.

Husky Energy's operations and financial conditions are dependent on the prices received for its refined products, crude oil, natural gas liquids ("NGL") and natural gas production. The lower prices, seen over a prolonged period of time, for crude oil, NGL and natural gas could adversely affect the value and quantities of Husky Energy's oil and gas reserves. Husky Energy's reserves include significant quantities of heavier grades of crude oil that trade at a discount to light crude oil. Heavier grades of crude oil are typically more expensive to produce, process, transport and refine into high value refined products. Refining and transportation capacity for heavy crude oil is limited and planned increases of North American heavy crude oil production may create the need for additional heavy oil refining and transportation capacity. Wider price differentials between heavier and lighter grades of crude oil could have adverse effects on Husky Energy's financial performance and condition, reduce the value and quantities of Husky Energy's heavier crude oil reserves and delay or cancel projects that involve the development of heavier crude oil resources. There is no guarantee that pipeline development projects will provide sufficient transportation capacity and access to refining capacity to accommodate expected increases in North American heavy crude oil production.

Prices for refined products and crude oil are based on world supply and demand. Supply and demand can be affected by a number of factors including, but not limited to, actions taken by the Organization of Petroleum Exporting Countries ("OPEC"), non-OPEC crude oil supply, social 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.

Husky Energy's natural gas production is currently located in Western Canada and Asia Pacific. Western Canada is subject to North American market forces. North American natural gas supply and demand is affected by a number of factors including, but not limited to, the amount of natural gas available to specific market areas either from the well head of existing or accessible conventional or unconventional sources (such as shale), or from storage facilities, technology developments, prevailing weather patterns, the U.S. and Canadian economies, the occurrence of natural disasters and pipeline restrictions. The natural gas that Husky Energy produces in the Asia Pacific Region is sold to specific buyers with long-term contracts. The price is fixed for the initial five years for the Liwan 3-1 gas field and then linked to city-gate gas prices for the following years subject to a fixed floor and ceiling. For Liuhua 34-2, the price is fixed with a single escalation step during the contract delivery period. In Asia or in North America, refined products and the crude oil price is based on the balance of supply and demand. Natural gas price in North America is affected primarily by supply and demand, as well as by prices for alternative energy sources.

In certain instances, Husky Energy uses derivative commodity instruments and future contracts on commodity exchanges to manage exposure to price volatility on a portion of its refined products, oil and gas production, inventory or volumes in long distance transit.

The fluctuations in refined products, crude oil and natural gas prices are beyond Husky Energy's control and could have a material adverse effect on Husky Energy's, and as a result CKHH's business, financial condition and cash flow.

Lower than projected reservoir performance on Husky Energy's key growth projects could have a material impact on Husky Energy's, and consequently, CKHH's financial position, medium to long-term business strategy and cash flow. The reserves and resources data reported by Husky Energy represent estimates only. The accurate assessment of oil and gas reserves and resources is critical to the continuous and effective management of Husky Energy's Upstream assets. Reserves and resources estimates support various investment decisions about the development and management of oil and gas properties. In general, estimates of economically recoverable crude oil and natural gas reserves and resources, and the future net cash flow therefrom are based upon a number of variable factors and assumptions, such as product prices, future operating and capital costs, historical production from the properties, and the assumed effects of regulation by governmental agencies, including with respect to royalty payments, all of which may vary considerably from actual results. Inaccurate appraisal of large project reservoirs could result in missed production, revenue and earnings targets and could negatively affect Husky Energy's reputation, investor confidence, and Husky Energy's ability to deliver on its key strategies.

In order to maintain Husky Energy's future production of crude oil, natural gas and NGL and maintain the value of the reserves portfolio, additional reserves must be added through discoveries, extensions, improved recovery, performance-related revisions and acquisitions. The production rate of oil and gas properties tends to decline as reserves are depleted, while the associated unit operating costs increase. In order to mitigate the effects of this, Husky Energy must undertake successful exploration and development programmes, increase the recovery factor from existing properties through applied technology, and identify and execute strategic acquisitions of proved developed and undeveloped properties and unproved prospects. Maintaining an inventory of developable projects depends on, among other things, obtaining and renewing rights to explore, develop and produce oil and natural gas, drilling success, completing long-lead time capital intensive projects on budget and on schedule and the application of successful exploitation techniques on mature properties.

Husky Energy's results depend upon its ability to deliver products to the most attractive markets. Husky Energy's results could be impacted by restricted market access resulting from a lack of pipeline or other transportation alternatives to attractive markets, as well as by regulatory and/or other marketplace barriers. The interruptions and restrictions may be caused by the inability of a pipeline to operate, or they can be related to capacity constraints as the supply of feedstock into the system exceeds the infrastructure capacity. With growing conventional oil, shale oil and oil sands production across North America and limited availability of infrastructure to carry Husky Energy's products to the marketplace, oil and natural gas transportation capacity is expected to be restricted in the next few years. Restricted market access may potentially have a material impact on Husky Energy's, and as a result CKHH's financial position, short to long-term business strategy, cash flow, earnings and corporate reputation. Unplanned shutdowns and closures of Husky Energy's refineries and/or upgrader may limit its ability to deliver products with negative implications on sales and results from operating activities.

A security threat, terrorist attack or activist incident targeted at a facility, office or offshore vessel/installation owned or operated by Husky Energy could result in the interruption or cessation of key elements of its operations. Security threats and terrorist or activist activities may also impact Husky Energy's personnel, which could result in death, injury, extortion, hostage situations and/or kidnapping, including unlawful confinement. Outcomes of such incidents could have a material impact on Husky Energy, and as a result CKHH's financial position, business strategy and cash flow.

Husky Energy manages a variety of oil and gas projects ranging from Upstream to Downstream assets. The risks associated with project development and execution, as well as the risks involved in commissioning and integration of new assets with existing facilities, can impact the economic feasibility of Husky Energy's projects. These risks can result in cost overruns, schedule delays and decrease in product markets, as well as, impacting Husky Energy's safety and environmental performance, which could negatively affect Husky Energy's reputation.

Husky Energy anticipates that changes in environmental and safety regulations could have a material adverse effect on Husky Energy's financial condition and results of operations by requiring increased capital expenditures and operating costs or by impacting the quality, formation or demand of products, which may or may not be offset through market pricing. New regulations amending the Canadian Transportation of Dangerous Goods Regulations were published on 20 May 2015. The new regulations unveiled a new and enhanced class of tank car and were characterised by the United States Department of Transportation as an aggressive, risk-based retrofitting schedule for older tank cars carrying, in particular, crude oil and ethanol. Husky Energy leased and operated a fleet of 1,534 tank cars, 314 or approximately 20% of which are affected by the new regulations and will be replaced. In December 2015, the U.S. Congress passed the FAST Act, a federal transportation bill. Among other things, the FAST Act requires the phased implementation of new tank car standards previously finalised by the Pipeline and Hazardous Materials Safety Administration for all flammable liquids tank cars. Husky Energy loads, bills, and ships cars to destinations all over North America from five primary locations:

Lloydminster Upgrader, Lloydminster Refinery, Prince George, Ram River and Lima. Further changes in environmental and safety legislation could occur, which may result in stricter standards and enforcement, larger fines and liabilities, increased compliance costs and approval delays for critical licences and permits, which could have a material adverse effect on Husky Energy's as well as CKHH's financial condition and results of operations.

Husky Energy continues to monitor the international and domestic efforts to address climate change, including international low carbon fuel standards and regulations and emerging regulations in the jurisdictions in which Husky Energy operates. Existing regulations in Alberta require facilities that emit more than 100,000 tonnes of carbon dioxide equivalent in a year to reduce their emissions intensity by up to 20% below an established baseline emissions intensity by 1 January 2017. These regulations currently affect Husky Energy's Ram River Gas Plant and Tucker Thermal Facility but Husky Energy's Sunrise Energy Project will not be impacted by the existing regulations before they expire in 2017. British Columbia currently has a C$30 per tonne carbon tax that is placed on fuel that Husky Energy uses and purchases in that jurisdiction, which affects all of Husky Energy's operations in British Columbia. The Saskatchewan government is in the process of developing regulations similar to Alberta's and the Federal Government of Canada has announced its intention to commence developing a new federal climate change plan in consultation with provinces. Climate change regulations may become more onerous over time as governments implement policies to further reduce the emissions of greenhouse gases. Although the impact of emerging regulations is uncertain, they may adversely affect Husky Energy's financial condition and results of operations.

In addition, Husky Energy's U.S. refining business may be materially impacted by the implementation of the U.S. Environmental Protection Agency's climate change rules or by future U.S. greenhouse gas legislation that applies to the oil and gas industry or the consumption of petroleum products. Such legislation or regulations could require Husky Energy's U.S. refining operations to significantly reduce emissions and/or purchase allowances, which may have a material adverse effect on Husky Energy's financial condition and results of operations.

The cost or availability of oil and gas field equipment may adversely affect Husky Energy's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including land and offshore drilling rigs, land and offshore geological and geophysical services, engineering and construction services and construction materials. These materials and services may not be available, when required, at reasonable prices.

Extreme climatic conditions may have significant adverse effects on operations. Weather and climate affect demand, and therefore, the predictability of the demand for energy is affected to a large degree by the predictability of weather and climate. In addition, Husky Energy's exploration, production and construction operations, or disruptions to the operations of major customers or suppliers, can be affected by extreme weather. This may result in cessation or diminishment of production, delay of exploration and development activities or delay of plant construction. All of these could potentially result in adverse financial impact on Husky Energy.

Telecommunications

CKHH faces significant competition in each of the markets in which it operates its telecommunications businesses. Competition among providers of mobile and fixed-line telecommunications services, including new entrants, is expected to continue and may adversely affect the prices chargeable for services and handsets. In addition, mobile number portability policies and procedures in markets where CKHH currently operates enable customers to switch their providers of mobile telecommunications services without changing their mobile phone numbers. This has led to increased movement of customers among providers of mobile telecommunications services. Such movements increase marketing, distribution and administrative costs, slow growth in customer numbers and reduce revenues. CKHH's marketing position also depends on effective marketing initiatives and its ability to anticipate and respond to various competitive factors affecting the industry. This includes new services, pricing strategies by competitors and changes in consumer preferences and economic, political and social conditions in the countries in which it operates. Any failure by CKHH to compete effectively, including in terms of pricing of services, acquisition of customers and retention of existing customers, could decrease the revenue that CKHH receives as a major provider of telecommunications services.

The telecommunications industry is subject to changes in customer needs, evolving industry standards and frequent introductions of new products and services. For example, many Internet products have been developed with the proliferation of Internet usage. The development of Internet products such as voice-over-IP may cause a reduction in the usage of services that are provided by CKHH's existing businesses. The innovative nature of these products and services, their rapid evolution and shorter life cycles require CKHH to respond to offerings by competitors. CKHH also faces competition from entities providing alternate telecommunications access technologies and may face competition in the future from technologies being developed or to be developed.

CKHH's telecommunications businesses are highly regulated. CKHH is only permitted to provide telecommunications services and operate networks under licences granted by regulatory authorities in each country. All of these licences have historically been issued for fixed terms and subsequently renewed. However, further renewals may not be guaranteed, or the terms and conditions of these licences may be changed upon renewal. Due to changes in legislation, CKHH's mobile telecommunications licences in the UK and Italy effectively provide for perpetual renewal rights. However, all of these licences may contain regulatory requirements and carrier obligations regarding the way CKHH must conduct its business, as well as network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licences. Decisions by regulators with respect to the granting, amendment or renewal of licences to CKHH or other parties (including spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band) could result in CKHH facing unforeseen competition and/or could materially and adversely affect CKHH's financial condition and results of operations.

In addition, CKHH's business activities in certain countries are or may be subject to price control regulation with respect to their wholesale mobile termination rates and wholesale and retail international roaming rates, and such price control regulation may impact costs and revenues and therefore could have a material adverse effect on CKHH's financial condition and results of operations. Furthermore, any new regulatory initiatives or changes in legislation, regulation or government policy affecting CKHH's telecommunications businesses, as well as decisions by regulatory authorities or courts, could have a material adverse effect on CKHH's financial condition and results of operations.

CKHH's ability to provide telecommunications services depend, in part, on its interconnection agreements, as well as international roaming arrangements, with other telecommunications operators. There can be no assurance that CKHH will be able to maintain its interconnection and international roaming agreements on terms that are commercially acceptable to it.

Hutchison Telecommunications International Limited ("HTIL")

On 8 May 2007, HTIL completed the sale of its entire indirect interest in CGP Investments (Holdings) Limited ("CGP"), then a Cayman Islands incorporated subsidiary, to a subsidiary of Vodafone Group Plc ("Vodafone") incorporated in the Netherlands ("Vodafone Netherlands"). CGP held, through various subsidiaries, all of HTIL's indirect interests in the Indian mobile telecommunications operation, comprising Vodafone India Limited (then known as Hutchison Essar Limited) and its subsidiaries. As a result of the sale, the HTIL Group realised a pre-tax gain of approximately HK$69,343 million (US$8,890 million).

The Indian tax authorities initiated an investigation into Vodafone Netherlands' obligations to withhold tax from the acquisition proceeds. Vodafone Netherlands disputed the jurisdiction of the Indian tax authorities in this matter by filing a Writ Petition with the Bombay High Court. On 20 January 2012, the Indian Supreme Court gave its ruling that the Indian tax authorities did not have the jurisdiction as the sale was not taxable in India.

On 28 May 2012, the Government of India enacted several amendments to the Income Tax Act, 1961, that are retrospective to 1 April 1962 ("Retrospective Provisions"). Following the enactment of the Retrospective Provisions, early this year, the Indian tax authorities reminded Vodafone Netherlands that it is required to pay tax in India under a demand raised prior to the Retrospective Provisions.

If, as a consequence of the Retrospective Provisions, Vodafone Netherlands is required to pay tax in India, this could lead to a dispute between Vodafone Netherlands and HTIL ("Vodafone Dispute").

CKHH has not made a provision in respect of either (i) any tax that may arise as a consequence of the Retrospective Provisions or (ii) the Vodafone Dispute. If HTIL is eventually required to make a payment in respect of these items, there may be a material adverse effect on CKHH's financial condition and results of operations.

3 Group Europe

CKHH has made substantial investments in acquiring 3G and 4G Long Term Evolution ("4G (LTE)") licences and developing its mobile networks in Europe. While **3** Group Europe is reporting positive operating results, CKHH will need to continue increasing the customer levels and operating margins to remain profitable as well as grow profitability. In order to grow and retain its customer base, CKHH has made significant investments in customer acquisition costs ("CACs") in each of the markets in which it operates. CKHH may need to incur more capital expenditure to expand or improve its mobile network and incur more CACs to retain and build the customer base. CKHH may not be successful in growing the customer base and improving operating margins to a level sufficient for covering incremental operating costs, customer acquisition and retention costs and capital expenditure requirements. In particular, the growth in the **3** Group Europe operations is impacted by the effect of changes in regulatory regimes. If these operations are unsuccessful in their initiatives to remedy the effects of these adverse factors, **3** Group Europe's financial results will be materially and adversely affected and there can be no assurance that **3** Group Europe will remain profitable.

In addition, the mobile telecommunications licences and networks are subject to annual impairment tests to assess whether their carrying values are supported by the net present value of future cash flows forecast to be derived from the use of these assets. Changing the assumptions used to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result may materially and adversely affect CKHH's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement. See Note 4(c)(ii) to the audited consolidated financial statements of CKHH for the year ended 31 December 2015 incorporated by reference in this Offering Circular. Accordingly, there can be no assurance that the operating results of **3** Group Europe will not be substantially reduced in the near term.

Although CKHH has historically recognised profits from disposals of investments, CKHH's disposal of investments is entirely discretionary and there can be no assurance that CKHH will continue to generate profit from such disposals in the future.

CKHH is also exposed to legal and regulatory requirements, such as those required by the EU or other regulatory bodies. These include competition (anti-trust) laws applicable to CKHH's activities, including the regulation of monopolies and conduct of dominant firms, the prohibition of anti-competitive agreements and policies, and laws requiring the approval of mergers, acquisitions and joint ventures which could restrict CKHH's ability to acquire or merge operations in certain jurisdictions.

CKHH and/or its relevant subsidiaries may need to borrow money or issue shares to pay for the operation and further build-out of their networks as well as for possible future acquisition of mobile telecommunication licences. There can be no assurance that CKHH and/or its relevant subsidiaries will be able to obtain such financing on favourable terms or at all.

CKHH is also addressing other challenges in the markets where **3** Group Europe operates such as developing successful pricing and tariff strategies in response to local competition, strengthening its product distribution channels, responding to technical problems, and other issues relating to network stability, ensuring innovative content and strong customer service support. Competition in **3** Group Europe's markets continues as incumbents enhance the quality and speed of their networks. This may result in lower than expected revenue per user and net margins, as well as higher than anticipated CACs and churn rates. There can be no assurance that CKHH will be successful in addressing these issues. In addition, CKHH may experience competitive pressure from lower priced alternative technologies or the chosen 3G and 4G (LTE) technologies could be superseded by an advanced form of technology, thereby making the 3G and 4G (LTE) technology obsolete or less profitable. There can be no assurance that CKHH will be able to effectively anticipate and respond to such new technologies, or to new consumer trends or changing consumer preferences. As a result of the volatility in economic conditions, customers may be more cautious in their mobile usage which may significantly reduce revenues and profits.

Under HKFRS, deferred tax assets are recognised for the deductible temporary differences and the carry forward of unused tax losses and tax credits to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the deductible temporary differences and the carry forward of unutilised losses and tax credits, the asset balance will be reduced and charged to the income statement. A variety of other factors are also evaluated in considering whether there is evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, the percentages and the periods in which estimated tax losses can be utilised. As of 30 June 2016, CKHH had a total deferred tax asset balance of HK$18,772 million (US$2,407 million) related to the **3** Group Europe mobile operations. The ultimate realisation of these deferred tax assets depends principally on these businesses achieving profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In each of the countries that **3** Group Europe operates, taxation losses may be carried forward indefinitely. In addition, in the UK, CKHH benefits from the availability of group relief in relation to taxation losses generated by its telecommunications operations to offset taxable profits from its other businesses in the same period. If there is a significant adverse change in taxation rates and legislations, or in the projected performance and resulting cash flow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have a material adverse effect on CKHH's financial condition and results of operations.

Cashflow, Liquidity and Credit Ratings

From time to time, CKHH accesses short-term and long-term capital markets to obtain financing. The availability of financing with acceptable terms and conditions is impacted by many factors which include, among others, the liquidity in the capital markets and CKHH's credit ratings. Although CKHH aims to maintain a capital structure that is appropriate for long-term investment grading, the actual credit ratings may deviate from these levels due to economic circumstances. If the liquidity in the capital markets declines and/or the credit ratings of CKHH decline, the availability and cost of borrowings could be affected and impact CKHH's liquidity and cash flows.

After the completion of the reorganisation of Cheung Kong and Hutchison on 3 June 2015, CKHH was assigned long-term credit ratings of A3 from Moody's on 3 June 2015, A- from Standard & Poor's on 6 July 2015 and A- from Fitch on 13 July 2015. All three agencies have also assigned stable outlooks on CKHH's ratings. Currently, these ratings and outlooks remain unchanged. However, no assurance can be given that any of CKHH's credit ratings or outlook will remain for any given period of time or that a credit rating will not be lowered by the relevant rating agency. A negative change in one or more of CKHH's credit ratings could, notwithstanding that it is not a rating of the Notes or the Guarantee, adversely impact the market price and the liquidity of the Notes.

Currency Fluctuations

CKHH reports its results in Hong Kong dollars but its subsidiaries, associates and joint ventures around the world receive revenue and incur expenses in over 45 different local currencies. CKHH's subsidiaries, associates and joint ventures may also incur debt in these local currencies. Consequently, CKHH is exposed to the potentially adverse impact of currency fluctuations on translation of the accounts and debts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans. Although CKHH actively manages its currency exposures, any depreciation or fluctuation of the currencies in which CKHH conducts operations relative to the Hong Kong dollar could have a material adverse effect on CKHH's financial condition and results of operations.

Strategic Partners

CKHH conducts some of its businesses through non-wholly-owned subsidiaries, associates and joint ventures in which it shares control (in whole or in part) and has formed strategic alliances with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of these strategic or business partners will wish to continue their relationships with CKHH in the future or that CKHH 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, other investors in CKHH's non-wholly-owned subsidiaries, associates and joint ventures may undergo a change of control or financial difficulties, which may negatively impact CKHH's financial condition and results of operations.

Impact of National, EU and International Law and Regulatory Requirements

As a global business, CKHH is exposed to local business risks in many different countries, which could have a material adverse effect on its financial condition and results of operations. CKHH operates in many countries around the world and may increasingly become exposed to different and changing government policies, political, social, legal and regulatory requirements at the national or international level, including but not limited to those required by the EU or the World Trade Organisation ("WTO"). These include:

- changes in tariffs and trade barriers;
- changes in taxation regulations and interpretations;
- competition (anti-trust) laws applicable to all of CKHH's activities, including the regulation of monopolies and the conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and laws requiring the approval of certain mergers, acquisitions and joint ventures which could restrict CKHH's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions;
- delays in the process of obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses;
- telecommunications and broadcasting regulations; and
- environmental and safety laws, rules and regulations.

See "Business of CKHH — Telecommunications — **3** Group Europe — Regulation — European Union Regulation" for a discussion of the EU regulatory framework applicable to CKHH's **3** Group Europe businesses. There can be no assurance that the European institutions and/or the regulatory authorities of the EU member states in which **3** Group Europe operates will not make decisions or interpret and implement the EU or national regulations in a manner that does not materially and adversely affect CKHH's financial condition and results of operations in the future.

CKHH's overall success as a global business depends, in part, upon its ability to succeed in different economic, social, regulatory and political conditions. There can be no assurance that CKHH will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business.

Hong Kong and the Mainland

CKHH is a Cayman Islands corporation listed on the Stock Exchange of Hong Kong Limited ("SEHK"). As a result, CKHH's financial condition and results of operations may be influenced by the political situation in Hong Kong and by the general state of the Hong Kong economy and the economies in the surrounding region, particularly the Mainland.

As of 1 July 1997, Hong Kong ceased to be a Crown Colony of the UK and became a Special Administrative Region of the PRC. Although the Sino-British Joint Declaration on the Question of Hong Kong and the Basic Law of Hong Kong provide that Hong Kong will have a high degree of legislative, judicial and economic autonomy, there can be no assurance that CKHH's financial condition and results of operations will not be materially and adversely affected as a consequence of the exercise of Chinese sovereignty over Hong Kong or other economic, social and/or political unrest or developments in Hong Kong. In addition, political, social and economic developments in the Mainland and the Mainland's trading relationships with other countries have from time to time materially and adversely affected the Hong Kong economy.

CKHH currently has investments via subsidiaries and joint venture companies in the Mainland. CKHH could decide to invest considerable additional capital resources to enter various markets in the Mainland. The value of CKHH's investments in the Mainland may be adversely affected by significant political, social or legal uncertainties in the Mainland. The PRC Government has been reforming its economic and political systems since the late 1970s. The continued implementation of reforms may be influenced by internal political, social and economic factors. Changes in economic policy or legal requirements may have adverse effects on the Mainland economy and could materially and adversely affect CKHH's investments in the Mainland.

Future Growth

CKHH continues to cautiously expand the scale and geographic spread of its businesses through investment in organic growth, as well as undertaking selective mergers, acquisitions and disposal activities if appropriate opportunities in the market arise. The success of CKHH's mergers and acquisitions will depend, among other things, on the ability of CKHH to realise the expected synergies, cost savings and growth opportunities upon integration of the merged or acquired businesses. These businesses may require significant investment and the commitment of executive management time and other resources. There can be no assurance that a failure to operate the merged or acquired businesses successfully, or a longer than projected period to realise the expected synergies, would not have a material adverse effect on CKHH's business, financial condition, results of operations and prospects.

Completion risk of mergers and acquisitions

CKHH may from time to time engage in mergers, acquisitions, joint ventures or other consolidation transactions between its businesses and certain third party companies (including competitors). Such transactions are typically subject to merger and other regulatory approvals by the competent authorities who may only clear the transaction subject to conditions, or who may prohibit the transaction. There can be no assurance that such approvals or other conditions would be obtained or satisfied. If a proposed transaction is prohibited and therefore cannot be completed, CKHH will have incurred significant legal, accounting and other costs in connection with the transaction without realising its anticipated benefits, which may have included increased earnings, scale, competitive strength and market share. As a consequence, CKHH's financial position and results of operation could be negatively impacted. Such third party companies may also choose to merge with or be acquired by another of CKHH's competitors, which could result in a new competitor with greater scale, financial strength and other resources. As a result, if a transaction is prohibited by a competent authority, it could have a material adverse impact on CKHH's business, financial condition and results of operation.

Accounting

The HKICPA is continuing its policy of issuing HKFRS, amendments and interpretations that fully converge with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The HKICPA has issued and may in the future issue more new and revised standards, amendments and interpretations, including those required to conform to standards, amendments and interpretations issued from time to time by the IASB. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new HKFRS will not have a significant impact on CKHH's financial condition and results of operations.

In the course of auditing CKHH's consolidated financial statements, CKHH's independent auditor has in the past identified issues relating to, and made recommendations to improve, the internal controls of various CKHH operating units. While CKHH has taken steps to address these issues based on the recommendations of its independent auditor, there is no assurance that these steps will be effective or that these or other internal control issues would not be identified by CKHH's independent auditor in the future.

Impact of Regulatory Reviews

CKHH and some of its subsidiaries and associates are listed on various stock exchanges around the world and all are subject to regulatory reviews of their various filings by the respective stock exchange's regulatory bodies and/or other regulatory authorities. While all publicly listed companies endeavour to comply with all regulatory requirements of the various stock exchanges and other authorities in the countries in which they operate, and obtain independent professional advice as appropriate, there can be no assurance that the regulatory bodies' review will not result in a disagreement with CKHH's interpretations and judgements and that any required actions mandated by the authorities will not have an adverse impact on CKHH's financial position and results of operations.

Outbreak of Highly Contagious Disease

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("SARS") in the Mainland, Singapore, Hong Kong, other Asian countries and Canada. The SARS outbreak had a significant adverse impact on the economies of the affected countries. Since then, there have also been media reports regarding the spread of the H5N1 virus or "Avian Influenza A" among birds, poultry and in some cases, transmission of Avian Influenza A virus from animals to human beings, and also the spread of H1N1 virus or "Swine Flu" among humans in 2009 and the outbreak of H7N9 virus in the Mainland. More recently, since December 2013, an epidemic of the Ebola virus disease has impacted parts of West Africa and since 2015, the Zika virus which has impacted parts of North and South America, has been linked to abnormal brain development in foetuses and miscarriages. These diseases have led to travel warnings by health organisations for people to certain locations.

There can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if the Ebola virus, Zika virus or other highly contagious diseases spread to the countries in which CKHH operates, or are not satisfactorily contained, CKHH's operations could be interrupted, which could have a material adverse effect on CKHH's financial condition and results of operations.

Natural Disasters

Some of CKHH's assets and projects, and many of CKHH's customers and suppliers, are located in areas at risk of damage from earthquakes, floods, typhoons and similar events and the occurrence of any of these events could disrupt CKHH's businesses materially and adversely affect CKHH's financial condition and results of operations. For example, the Mainland experienced severe earthquakes in Sichuan and Qinghai that caused significant property damage and loss of life in 2008 and 2010, respectively. Other recent major natural disasters include typhoon Haiyan in the Philippines in 2013, which claimed nearly 6,000 lives, and severe flooding in central Europe in 2013 which resulted in several deaths and significant damage to property.

Although CKHH has not experienced any major structural damage to infrastructure projects or ports or other facilities from earthquakes and other natural disasters to date, there can be no assurance that future earthquakes or other natural disasters will not occur and result in major damage to CKHH's infrastructure projects, ports or other facilities, or on the general supporting infrastructure facilities in the vicinity, which could materially and adversely affect CKHH's financial condition and results of operations.

Political Unrest and Terrorist Attacks

CKHH has a presence in over 50 countries around the world. There can be no assurance that all of these countries will remain stable politically or immune to terrorist attacks. Between 2010 and 2012, a number of Middle Eastern and North African countries were swept by a wave of demonstrations and protests known as Arab Spring and many of the ruling parties were forced from power. The violent demonstrations resulted in political and economic upheaval in the countries that were affected. In 2015, a series of terrorist attacks occurred in Paris, France that resulted in the deaths of 130 people led to the country declaring a state of emergency, and a 2016 attack in Nice, France that resulted in the deaths of 84 people further extended the state of emergency. In early 2016, bombing attacks in Brussels, Belgium caused multiple deaths and casualties, and, most recently, bombing attacks in the New York City area resulted in numerous injuries. There is no assurance that there will not be any political unrest or immunity from terrorist attacks in the countries in which CKHH operates, and if these events occur, it may have an adverse impact on CKHH's financial condition and results of operations.

UK's Exit from the European Union

In June 2016, a majority of voters in the UK elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period of potentially two or more years, and would not initiate until the government of the UK formally initiates a withdrawal process. Nevertheless, the referendum has created significant uncertainty about the future relationship between the UK and the European Union, including with respect to the laws and regulations that will apply as the UK determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also resulted in increased debate among the populations of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, has had a material adverse effect on global economic conditions and the stability of global financial markets. The long-term impact of the national referendum is not known and there is considerable uncertainty as to the impact of the vote on the general economic conditions in the UK or its wider impact in the EU. As such, no assurance can be given as to the impact of the referendum and, in particular no assurance can be given that such matters would not adversely affect CKHH's financial condition and results of operations.

Controlling Shareholder

Mr. Li Ka-shing, the Chairman of CKHH, and Mr. Li Tzar Kuoi, Victor respectively owned one-third and two-thirds of the issued share capital of certain holding companies which in turn own one-third or more of the issued share capital of the trustees in a certain trust structure. Such trust structure, through companies 100% owned, held approximately 28.35% of the issued shares of CKHH as of 30 June 2016. In addition, as of 30 June 2016, approximately 1.72% of the issued shares of CKHH was held by companies in which Mr. Li Ka-shing, the Chairman of CKHH, is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.

Although CKHH believes that its relationship with such trust structure and its associates provides it with significant business advantages, the relationship results in various related party, or "connected", transactions. Such trust structure is a connected person of CKHH for the purposes of The Rules Governing the Listing of Securities on SEHK (the "Listing Rules") and accordingly any transactions entered into between CKHH and/or subsidiaries of CKHH and such trust structure, its subsidiaries or associates thereof are connected transactions which, unless one of the exemptions is available or relevant waivers applied for and granted, will be subject to the relevant requirements of Chapter 14A of the Listing Rules. These requirements include the issuance of certain announcements, the inclusion of certain disclosures in annual reports and accounts, and the obtaining of independent shareholders' approval at general meetings, the obtaining of which cannot be assured.

Holding Company Structure and Structural Subordination

The Issuer is a wholly-owned subsidiary of CKHH and its primary purpose is to act as a financing subsidiary of CKHH. The Guarantee is solely an obligation of the Guarantor. The Guarantor is primarily a holding company and its ability to make payments to holders of the Notes pursuant to the Guarantee in respect of the Notes depends largely upon the receipt of dividends, distributions, interest or advances from its wholly or partially owned subsidiaries and associates. The ability of the subsidiaries and associates of the Guarantor to pay dividends may be subject to applicable laws. Payments on the Notes are structurally subordinated to all existing and future liabilities and obligations of each of the Guarantor's subsidiaries (other than the Issuer) and associates. These subsidiaries had an aggregate of HK$118,339 million (US$15,172 million) of debt outstanding as of 30 June 2016. Claims of creditors of such companies will have priority as to the assets of such companies over the Guarantor and its creditors, including holders of the Notes seeking to enforce the Guarantee. The terms and conditions of the Notes do not contain any restrictions on the ability of the Issuer, CKHH or its subsidiaries to incur additional indebtedness. In addition, the terms and conditions of the Notes contain a cross acceleration provision under Condition 10 (Events of Default), but that provision is limited to the Issuer, the Guarantor and any Principal Subsidiary (as defined therein) (other than Listed Principal Subsidiaries (as defined therein) and their Subsidiaries) and contains certain carve outs for, among others, project financing indebtedness and subsidiary indebtedness with a certain credit rating which is not guaranteed by the Guarantor or any Principal Subsidiary. For further detail see "Terms and Conditions of the Notes — Events of Default".

The Issuer and the Guarantor May Raise Other Capital Which Affects the Price of the Notes

The Issuer and/or the Guarantor may from time to time without prior consultation of the holders of the Notes raise additional capital through the issue of other notes or other means (see "Terms and Conditions of the Notes"). Under the terms of the Notes, there is no restriction, contractual or otherwise, on the amount of debt securities or other liabilities which the Issuer and the Guarantor may issue or incur and which rank senior to, or *pari passu* with, the Notes. The issue of any such debt securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of the Notes on a winding-up of the Issuer and/or the Guarantor, and may also have an adverse impact on the trading price of the Notes and/or the ability of holders of the Notes to sell the Notes. There can be no assurance that such future issuance or capital raising activities will not result in a significant decrease of the market price of the Notes.

At or about the time of the offering of the Notes or shortly before the offering of the Notes, CK Hutchison International (16) Limited, a wholly owned subsidiary of the Guarantor, may also offer the 2016 US$ Notes. Any guarantee to be given by the Guarantor in respect of the 2016 US$ Notes is expected to constitute direct, unconditional, unsecured (subject to the terms and conditions of the 2016 US$ Notes) and unsubordinated obligations of the Guarantor and will (subject as aforesaid) rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Guarantor, including the Guarantor's obligations under its guarantee for the Notes but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

No Prior Market for the Notes

The Notes are new issues of securities for which there is currently no trading market. If the Notes are traded after they are issued, they may trade at a discount from their initial offering price, depending on many factors, including prevailing interest rates, the market for similar securities, general economic conditions, and CKHH's financial condition, performance and prospects. Although application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST, no assurance is made that the application to the SGX-ST will be approved or that such listing will be maintained, or that, if listed, a liquid trading market will develop or continue. If an active trading market for the Notes does not develop or continue, the market price and liquidity of the Notes may be adversely affected. The Issuer may elect to apply for a de-listing of the Notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be unduly burdensome.

Denomination

The Notes will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. Definitive Notes will be issued in certain circumstances including, but not limited to, if the payment in respect of Notes is not paid when due, if an order is made or an effective resolution is passed for the winding-up of the Issuer or the Guarantor, or if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to permanently cease business. If definitive Notes are issued, such Notes will be issued only in respect of amounts equal to denominations of €100,000 and integral multiples of €1,000 in excess thereof. Any remaining nominal amount of Notes will be cancelled and Holders will have no rights against the Issuer or the Guarantor (including rights to receive principal or interest or to vote) in respect of such Notes. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders of Notes will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

Foreign Account Tax Compliance Act Reporting and Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the U.S. Treasury regulations promulgated thereunder ("FATCA") generally impose information reporting requirements on certain non-U.S. financial institutions ("foreign financial institutions") in respect of their direct and indirect U.S. investors and U.S. accountholders in order for a foreign financial institution to avoid becoming subject to withholding on certain U.S.-source payments it receives. If the Guarantor is treated as a foreign financial institution for these purposes, or if one or more of the Guarantor's subsidiaries (including the Issuer) were to be so treated, it or they may face increased compliance costs in order to comply with these requirements.

Furthermore, FATCA may impose a 30% U.S. federal withholding tax on certain payments made by foreign financial institutions, including on debt obligations, on or after 1 January 2019 at the earliest to the extent such payments are treated as attributable to certain U.S.-source payments and the recipient of such a payment has failed to comply with the relevant information reporting requirements. Obligations issued on or prior to the date that is six months after the date on which any applicable final U.S. Treasury regulations are filed implementing rules for calculation of the tax generally would be grandfathered from this withholding obligation unless materially modified after such date. Accordingly, if the Guarantor or one or more of the Guarantor's subsidiaries (including the Issuer) were treated as a foreign financial institution, FATCA generally would only apply to payments on the Notes if there were a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period.

The withholding tax imposed by FATCA, when and if it applies, may affect payments made to custodians or intermediaries in the series of payments leading to a holder if any such custodian or intermediary has not complied with information reporting, certification and related requirements. Accordingly, a holder of Notes that holds Notes through a bank or broker could be subject to withholding if, for example, its bank or broker is subject to withholding because the bank or broker fails to comply with these requirements even though the holder itself might not otherwise have been subject to withholding.

Prospective investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. Many non-U.S. governments, including those of the Cayman Islands and Hong Kong, have entered into or are expected to enter into agreements with the United States to implement FATCA in a manner that alters the rules described herein. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, no additional amounts will be payable by the Issuer or the Guarantor with respect to any withheld amount. For further detail see “Terms and Conditions of the Notes — Taxation”.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and modification and excluding italicised text) will be endorsed on each Note in definitive form:

The €1,000,000,000 0.875 per cent. Guaranteed Notes due 2024 (in these Conditions, the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 14 and forming a single series with the Notes) of CK Hutchison Finance (16) (II) Limited (the "**Issuer**") are issued subject to an agency agreement dated on or about 3 October 2016 (the "**Agency Agreement**") made between the Issuer, CK Hutchison Holdings Limited (the "**Guarantor**") as guarantor and The Bank of New York Mellon, London Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**" and, together with any other paying agents appointed from time to time pursuant to the Agency Agreement, the "**Paying Agents**"). The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 22 September 2016 and the giving of the guarantee in respect of the Notes (the "**Guarantee**") was authorised by a resolution of the Board of Directors of the Guarantor passed on 22 September 2016. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. The holders of the Notes (the "**Noteholders**") and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and Paying Agent shall include any successor appointed under the Agency Agreement.

1. Form, Denomination and Title

(1) The Notes are in bearer form, serially numbered, in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof with Coupons attached on issue.

(2) Title to the Notes and to the Coupons will pass by delivery.

(3) The Issuer, the Guarantor and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

2. Status of the Notes

The Notes and the Coupons are direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. Guarantee

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank pari passu with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. Covenants

(1) The Issuer will not create, incur, assume or permit to exist any Lien (as defined below) upon any of its property or assets, now owned or hereafter acquired, to secure any Indebtedness for Borrowed Money (as defined below) of the Issuer (or any secured guarantee or indemnity in respect thereof) without, in any such case, making effective provision whereby the Notes and the Coupons will be secured at least equally and rateably with such Indebtedness for Borrowed Money or by such other Lien as shall have been approved by the holders of the Notes and the Coupons as provided herein and in the Agency Agreement.

The Guarantor will not, and will not permit any of its Principal Subsidiaries (as defined below) (other than Listed Principal Subsidiaries (as defined below)) to, create, incur, assume or permit to exist any Lien upon any of its property or assets, now owned or hereafter acquired, to secure any Indebtedness for Borrowed Money of the Guarantor or such Principal Subsidiary (or any secured guarantee or indemnity in respect thereof) without, in any such case, making effective provision whereby the Guarantee will be secured either at least equally and rateably with such Indebtedness for Borrowed Money or by such other Lien as shall have been approved by the holders of the Notes as provided in the Agency Agreement, for so long as such Indebtedness for Borrowed Money will be so secured, unless, after giving effect thereto, the aggregate outstanding principal amount of all such secured Indebtedness for Borrowed Money (excluding that of Listed Principal Subsidiaries and their respective Subsidiaries (as defined below)) entered into after 3 October 2016 (the **"Issue Date"**) would not exceed 50 per cent. of the Guarantor's Adjusted Consolidated Net Worth (as defined below).

If there occurs a breach of the foregoing restriction and that breach would not have occurred but for a change in the accounting standards applicable to the audited consolidated accounts of the Guarantor as at 31 December 2015 and for the financial year ended 31 December 2015 that affects the calculation of the Guarantor's Adjusted Consolidated Net Worth, such breach shall be deemed not to have occurred provided that a written opinion from the auditors of the Guarantor is delivered to the Fiscal Agent opining on a calculation of the Guarantor's Adjusted Consolidated Net Worth as if there had been no change in accounting standards showing that a breach of the foregoing restriction would not have occurred but for the relevant change in accounting standards. Such opinion shall be conclusive and binding on all holders of the Notes.

The foregoing restriction will not apply to:

(a) Liens existing on or prior to the Issue Date;

(b) Liens for taxes or assessments or other applicable governmental charges or levies;

(c) Liens created or arising by operation of law or created in the ordinary course of business, including, but not limited to, landlords' liens and statutory liens of carriers, warehousemen, mechanics, materialmen, vendors and other liens securing amounts which are not more than 60 days overdue or which are being contested in good faith;

(d) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and similar obligations;

(e) easements, rights-of-way, zoning and similar restrictions and other similar charges or encumbrances not interfering with the ordinary conduct of the business of the Guarantor and such Principal Subsidiaries;

(f) Liens created on any property or assets acquired, leased or developed after the Issue Date; provided however, that (i) any such Lien shall be confined to the property or assets acquired, leased or developed; (ii) the principal amount of the debt encumbered by such Lien shall not exceed the cost of the acquisition or development of such property or assets or any improvements thereto or thereon and (iii) any such Lien shall be created concurrently with or within three years following the acquisition, lease or development of such property or assets;

(g) rights of set-off of a financial institution with respect to deposits or other accounts of the Guarantor or such Principal Subsidiary held by such financial institution in an amount not to exceed the aggregate amount owed to such financial institution by the Guarantor or such Principal Subsidiary, as the case may be;

(h) Liens on documents and the goods they represent in connection with letters of credit and similar transactions entered into in the ordinary course of business;

(i) Liens arising in connection with industrial revenue, development or similar bonds or other means of project financing (not to exceed the value of the project financed and limited to the project financed);

(j) Liens in favour of the Guarantor or any Principal Subsidiary;

(k) leases, subleases, licences and sublicences granted to third parties in the ordinary course of business;

(l) attachment, judgment and other similar Liens arising in connection with court proceedings which are effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings;

(m) any Lien against any property or assets of a Person (as defined below) existing at the time such Person becomes such a Principal Subsidiary or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition;

(n) any Lien existing on any property or assets prior to the acquisition thereof, which Lien was not created in connection with the acquisition thereof, except for Liens permitted pursuant to clause (f) above;

(o) Liens on any property or assets of the Guarantor or any such Principal Subsidiary in favour of any government or any subdivision thereof, securing the obligations of the Guarantor or such Principal Subsidiary under any contract or payment owed to such governmental entity pursuant to applicable laws, rules, regulations or statutes;

(p) Liens created in connection with any sale/leaseback transaction;

(q) any renewal or extension of any of the Liens described in the foregoing clauses which is limited to the original property or assets covered thereby; and

(r) Liens in respect of Indebtedness for Borrowed Money with respect to which the Guarantor or any Principal Subsidiary has paid money or deposited money or securities with a fiscal agent, trustee or depository to pay or discharge in full the obligations of the Guarantor and its Subsidiaries in respect thereof (other than the obligations that such money or securities so paid or deposited, and the proceeds therefrom, be sufficient to pay or discharge such obligations in full).

(2) The Guarantor may not, without the consent of the holders of any outstanding (as defined in the Agency Agreement) Notes, consolidate with or merge into any other Person in a transaction in which the Guarantor is not the surviving entity, or convey, transfer or lease its properties and assets substantially as an entirety to, any Person unless, (i) any Person formed by such consolidation or into which the Guarantor is merged or to whom the Guarantor has conveyed, transferred or leased its properties and assets substantially as an entirety is a corporation, partnership, trust or other entity validly existing under the laws of the jurisdiction of its organisation and such Person assumes the Guarantor's obligations under the Agency Agreement and the Guarantee, (ii) immediately after giving effect to the transaction no Event of Default (as defined in Condition 10), and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (iii) any such Person not organised and validly existing under the laws of the Cayman Islands shall expressly agree in a deed of covenant made in favour of the Noteholders that all payments pursuant to the Guarantee in respect of principal of and interest on the Notes shall be made without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation of such Person or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are (a) required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Person will pay such additional amounts of, or in respect of, principal and interest (**"Successor Additional Amounts"**) as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such Successor Additional Amounts) in the payment to the holder of a Note of the amounts which would have been receivable in respect of the Notes, the Coupons or the Guarantee had no such withholding been required, subject to the same exceptions and qualifications (other than the right to redeem the Notes as a result of such consolidation, merger, conveyance, lease or transfer) as apply with respect to the payment by the Guarantor of Additional Amounts in respect of the Guarantee (inserting references to the taxing jurisdiction where appropriate) or (b) as a result of FATCA withholding (as defined in Condition 8), (iv) if, as a result of the transaction, property of the Guarantor would become subject to a Lien that would not be permitted under Condition 4(1) above, the Guarantor or such successor Person takes such steps as shall be necessary to secure the Notes and the Guarantee equally and rateably with (or prior to)

the indebtedness secured by such Lien, and (v) the Guarantor has delivered to the Fiscal Agent an officers' certificate and an opinion of counsel each stating that such consolidation, merger, conveyance, transfer or lease comply with this paragraph and that all conditions precedent herein provided for relating to such transaction have been complied with.

(3) The Issuer has made an application for the Notes to be listed and quoted on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organisation for Economic Co-operation and Development. In connection with such application, the Issuer will use endeavours considered in its sole opinion to be reasonable to it to obtain the listing as promptly as practicable after the Issue Date (if not already obtained). The Issuer may elect to apply for a de-listing of the Notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than Hong Kong Financial Reporting Standards in which event the Issuer will use endeavours considered in its sole opinion to be reasonable to it to seek a replacement listing of such Notes on another section of any stock exchange on which they are traded or another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organisation for Economic Co-operation and Development, provided that obtaining or maintaining a listing on such section or stock exchange would not be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than Hong Kong Financial Reporting Standards. In the event that no listing is obtained or maintained which satisfies the foregoing requirements, the Issuer will use endeavours considered in its sole opinion to be reasonable to it to obtain a replacement listing elsewhere.

(4) For the purposes of these Conditions:

"Adjusted Consolidated Net Worth" means the aggregate of (a) the amount paid up or credited as paid up on the issued share capital (including ordinary shares and preference shares) of the Guarantor; and (b) the amounts standing to the credit of the Guarantor's consolidated reserves (including but not limited to any such balance on the share premium account, exchange reserves, revaluation reserves and retained profits or losses); and (c) the amount of non-controlling interests and perpetual capital securities; all as shown by the then latest audited consolidated statement of financial position of the Guarantor and its Subsidiaries; *provided however,* that the aggregate of the amounts described in clauses (a) through (c) above shall be adjusted (to the extent that the same has not been taken into account in such latest audited consolidated statement of financial position) by (i) deducting therefrom any amount directly or indirectly attributable to the Guarantor by which the Market Value of any asset is less than its book value in such latest audited consolidated statement of financial position, and/or (ii) adding thereto any amount directly or indirectly attributable to the Guarantor by which the Market Value of any asset is greater than its book value in such latest audited consolidated statement of financial position;

"Indebtedness for Borrowed Money" means any indebtedness for or in respect of money borrowed that has a final maturity of one year or more from its date of incurrence or issuance and that is evidenced by any agreement or other instrument, excluding trade payables; *provided however,* that for the purposes of determining the amount of Indebtedness for Borrowed Money of the Guarantor outstanding at any relevant time, the amount included as Indebtedness for Borrowed Money of the Guarantor in respect of finance leases shall be the net amount from time to time properly characterised as "obligations under finance leases" in accordance with Hong Kong Financial Reporting Standards;

"Lien" means any mortgage, charge, pledge, lien, encumbrance, hypothecation, title retention, security interest or security arrangement of any kind provided that the term "Lien" shall not include an unsecured guarantee or Liens arising by operation of law;

"Listed Principal Subsidiary" means any Principal Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited or any other recognised stock exchange;

"Market Value" means:

(a) the best price at which the relevant asset (other than shares described falling within sub-paragraph (b) below) is expected to be sold on the relevant date assuming:

(i) a willing seller;

(ii) a reasonable period in which to negotiate the sale;

(iii) values will remain constant during the negotiation period;

(iv) the asset will be freely exposed to the market; and

(v) there is no special purchaser; and

(b) in the case of shares in associated companies of the Guarantor and its Subsidiaries which are quoted on any stock exchange, the value of such shares having regard to the underlying net assets of such associated companies and the percentage holding of the Guarantor and its Subsidiaries in such associated companies,

in each such case as reasonably determined by the Guarantor after deducting (or, where such Market Value is to result in an adjustment to the then latest audited consolidated statement of financial position, adjusting for) an estimate of the direct tax liabilities (if any) which would arise on the sale of such asset at such price computed solely by reference to such sale price and the cost price for tax purposes;

"Person" means any person or entity;

"Principal Subsidiary" means, at any time, a Subsidiary of the Guarantor:

(1) as to which one or more of the following conditions is satisfied:

(a) its net profits (before taxation and extraordinary items) or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net profits (before taxation and extraordinary items) attributable to the Guarantor are at least 10 per cent. of the consolidated net profits of the Guarantor and its Subsidiaries (in each case before taxation and extraordinary items but after deducting non-controlling interests' share of the net profits (before taxation and extraordinary items) of the Subsidiaries); or

(b) its net assets or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net assets attributable to the Guarantor represent 10 per cent. or more of the consolidated net assets (after deducting non-controlling interests in Subsidiaries) of the Guarantor and its Subsidiaries,

all as calculated by reference to the then latest audited accounts or annual accounts reviewed by the auditor (consolidated or, as the case may be, unconsolidated) of such Subsidiary, and as adjusted to conform with the group accounting policies and measurement basis of the Guarantor, and the then latest consolidated audited accounts of the Guarantor and its Subsidiaries, provided that:

(i) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until audited accounts of the Guarantor and its Subsidiaries for the financial period in which the acquisition is made are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts or annual accounts reviewed by the auditor of such Subsidiary in such accounts;

(ii) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of the combined accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose and opined on by the Guarantor's auditors; or

(2) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary of the Guarantor which immediately prior to such transfer was a Principal Subsidiary, provided that the Subsidiary which so transfers its assets and undertaking shall forthwith upon the transfer cease to be a Principal Subsidiary and the Subsidiary of the Guarantor to which the assets and undertaking are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited consolidated accounts of the Guarantor and its Subsidiaries prepared as of a date later than such transfer are published unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (1) above; and

"Subsidiary" means in relation to an entity, any other entity which would be accounted for and consolidated in the latest audited consolidated financial statements of that entity as a subsidiary pursuant to the accounting standards applicable to such financial statements.

5. Interest

(1) The Notes bear interest from and including 3 October 2016 (the **"Interest Commencement Date"**) to but excluding 3 October 2024 at the rate of 0.875 per cent. per annum, payable annually in arrear on 3 October in each year (each an **"Interest Payment Date"**). The first Interest Payment Date will be 3 October 2017, in respect of the period from and including the Interest Commencement Date to but excluding 3 October 2017.

(2) Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(3) If interest is to be calculated for a period of less than a full year, interest shall be calculated on the basis of the actual number of days elapsed divided by 365 or (in the case of a leap year) 366.

6. Payments

(1) Payments of principal and interest in respect of each Note will be made only against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

(2) Payments will be made by credit or transfer to an account denominated in Euro maintained by the payee with or, at the option of the payee, by a cheque in Euro drawn on, a bank in a city in which banks have access to the TARGET2 System (as defined below).

(3) Each Note should be presented for payment together with all unmatured Coupons relating to it. Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

(4) Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

(5) A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

"Presentation Date" means a day which (subject to Condition 9):

(a) is or falls after the relevant due date;

(b) is a Business Day; and

(c) in the case of payment by credit or transfer to an account denominated in Euro in a bank in a city in which banks have access to the TARGET2 System, is a day on which commercial banks and foreign markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city.

If payment to a holder is to be made by transfer to a Euro account maintained by the payee, and it is not practicable to transfer the relevant amount to such account for value on the relevant date of presentation as a result of differences in the time zones between Central European time and the location of such account, none of the Paying Agents shall be obliged so to do, but shall be obliged to transfer the relevant amount to such account for value on the first practicable day after such relevant date of presentation.

In this Condition, **"Business Day"** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the **"TARGET2 System"**) is operating and on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment, London, Hong Kong and New York City.

(6) The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that they will at all times maintain (i) a Fiscal Agent and (ii) so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a Paying Agent in Singapore. Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

7. Redemption and Purchase

(1) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 3 October 2024.

(2) If (a) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings promulgated thereunder or any change in the official interpretation or official application of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Cayman Islands or such political subdivision or taxing authority is a party, which change, amendment or treaty becomes effective on or after 28 September 2016, on the next Interest Payment Date either the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such Additional Amounts, and (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at their principal amount together with interest accrued to but excluding the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer or, as the case may be, the Guarantor would be required to pay the Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor stating that the requirement referred to in (a) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it and 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 the change or amendment.

(3) The Issuer, the Guarantor or any of their respective Subsidiaries (as defined above), if any, may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

(4) All Notes and/or Coupons which are redeemed will, and any Notes and/or Coupons purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, if any, may (but need not) be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold. Notes purchased by the Issuer, the Guarantor or any of their respective Subsidiaries, if any, and not cancelled may be resold.

(5) Upon the expiry of any notice as is referred to in paragraph (2) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

8. Taxation

(1) Subject to Condition 8(3) below, all payments of principal and interest in respect of the Notes, Coupons or the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands (or any political subdivision or taxing authority thereof or therein having power to tax) unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor shall pay such additional amounts (**"Additional Amounts"**) as will result in receipt by the holders of the Notes and the Coupons of such amounts as would have been received in respect of the Notes, the Coupons or the Guarantee had no such withholding or deduction been required, except that no such Additional Amounts shall be payable:

(a) in respect of any tax or other governmental charge that would not have been imposed but for a connection between the holder or beneficial owner of a Note or Coupon and the Cayman Islands or any political subdivision or any authority thereof or therein, as the case may be, otherwise than merely holding such Note or Coupon or receiving principal or interest in respect thereof; or

(b) in respect of any Note or Coupon presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such 30 day period; or

(c) to a holder or to a third party on behalf of a person who would have been able to avoid such withholding or deduction by duly presenting the Note to another Paying Agent.

For the purposes of these Conditions, the **"Relevant Date"** in relation to any Note or Coupon means (i) the due date for payment thereof and (ii) if the full amount payable on such due date has not been received by the Fiscal Agent on or prior to such due date, the first date on which such full amount has been so received and notice to that effect has been given to the holders of the Notes.

(2) Unless the context otherwise requires, any reference in the Notes and these Conditions to principal or interest shall be deemed also to refer to any Additional Amounts which may be payable as described in paragraph (1) above.

(3) The Issuer, the Guarantor or any of its respective agents making a payment on its behalf shall be permitted to withhold or deduct from any payment of principal or interest any amounts (i) required by the rules of U.S. Internal Revenue Code of 1986 (the **"Code"**) Sections 1471 through 1474 (or any amended or successor provisions), any regulations or agreements thereunder, any official interpretation thereof, or any law implementing an inter-governmental approach thereto, (ii) pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or (iii) pursuant to any agreement with the U.S. Internal Revenue Service (**"FATCA withholding"**), as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer or the Guarantor not being entitled to receive such payment free of FATCA withholding. The Issuer, the Guarantor and its agents will have no liability for or have any obligation to pay additional amounts in respect of any such FATCA withholding deducted or withheld by the Issuer, the Guarantor, any of its respective agents or any other party.

9. Prescription

Claims in respect of principal and interest will become void unless the relevant Notes and Coupons are presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, subject to the provisions of Condition 6.

10. Events of Default

The occurrence of each of the following events will constitute an event of default (each an **"Event of Default"**) with respect to the Notes:

(a) failure to pay principal of any Note within five days after the due date for such payment; or

(b) failure to pay interest on any Note within 30 days after the due date for such payment; or

(c) failure to perform any other covenant of the Issuer or the Guarantor in the Agency Agreement, the Guarantee or the Notes (excluding Condition 4(3)) which has continued for 60 days after there has been given, by registered or certified mail, to the Issuer or the Guarantor by the Fiscal Agent or by the holders of at least 25 per cent. in principal amount of the Notes then outstanding, a written notice specifying such failure and requiring it to be remedied and stating that such notice is a notice of default under the Agency Agreement, the Guarantee or the Notes, as the case may be; or

(d) (i) failure to pay upon final maturity (after giving effect to the expiration of any applicable grace period therefor) the principal of any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries), (ii) acceleration of the maturity of any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) following a default by the Issuer, the Guarantor or such Principal Subsidiary, if such Indebtedness for Borrowed Money is not discharged, or such acceleration is not annulled, within 10 days after receipt of the written notice as provided in the Agency Agreement, or (iii) failure to pay any amount payable by the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) under any guarantee or indemnity in respect of any Indebtedness for Borrowed Money of any other Person; *provided however,* that:

(1) no such event set forth in (i), (ii) or (iii) of this paragraph (d) shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money to which all such events relate exceeds HK$380,000,000 (or its equivalent in any other currency or currencies converted at the date of the relevant event); and

(2) Indebtedness for Borrowed Money which is:

(x) in the form of secured project financing or secured limited recourse financing and such Indebtedness for Borrowed Money is not guaranteed by the Guarantor or a Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries);

(y) incurred or guaranteed by a Subsidiary of the Guarantor:

(A) which has an issuer credit rating of either BB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd. or Bal or higher by Moody's Investor Services Limited; and

(B) which is not guaranteed by the Guarantor or a Principal Subsidiary (other than such Subsidiary of the Guarantor incurring or guaranteeing such Indebtedness and its Subsidiaries);

(**"Non-Recourse Debt"**); or

(z) incurred by any Subsidiary or the Guarantor before 3 June 2015 unless the relevant Indebtedness for Borrowed Money remains outstanding after 15 Business Days after the event referred to in subparagraphs (i), (ii) or (iii) of this paragraph (d);

shall be deemed not to be Indebtedness for Borrowed Money for the purposes of this paragraph (d); or

For the purpose of this Condition, **"Business Day"** means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets are open for business in London, Hong Kong and:

(a) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or purchase of Euro) any day on which the TARGET 2 System is open for settlement of payments in Euro.

(e) the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) becomes insolvent and is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all of its Indebtedness for Borrowed Money (or any part of its Indebtedness for Borrowed Money which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Principal Subsidiaries (other than a Listed Principal Subsidiary or any of its Subsidiaries) or of the Issuer or the Guarantor and their respective Subsidiaries taken as a whole; or

(f) a distress, attachment, execution or other legal process (other than one initiated in relation to a Non-Recourse Debt) is levied, enforced or sued out on or against all or any material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) and is not discharged or stayed within 30 days (or such longer period as the holders of a majority in principal amount of the Notes may permit); or

(g) any present or future encumbrance (other than any encumbrance securing a Non-Recourse Debt) on or over all or any material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries) becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer) is taken to enforce that encumbrance; or

(h) any *bona fide* step is taken by any person for the dissolution of the Issuer, the Guarantor or any Principal Subsidiary (other than a Listed Principal Subsidiary or any of its Subsidiaries), except (in each such case) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) on terms approved by an Extraordinary Resolution of the Noteholders, or (2) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Guarantor or another of its Subsidiaries pursuant to a merger of such Principal Subsidiary with the Guarantor or such other Subsidiary or by way of a voluntary winding up or dissolution where there are surplus assets in such Principal Subsidiary and such surplus assets attributable to the Guarantor and/or such other Subsidiary are distributed to the Guarantor and/or such other Subsidiary; or

(i) any event occurs which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in sub-paragraphs (e) through (h) above.

If an Event of Default (other than an Event of Default described in sub-paragraphs (e) to (i) above) with respect to the Notes shall occur and be continuing, the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding by notice as provided in the Agency Agreement may declare the principal amount of such Notes and any accrued and unpaid interest thereon to be due and payable immediately. If an Event of Default referred to in sub-paragraphs (e) to (i) above with respect to the Notes shall occur, the principal amount of all the Notes and any accrued and unpaid interest thereon will automatically, and without any action by any holder of the Notes, become immediately due and payable. After any such acceleration but before a judgment or decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all the then existing Events of Default have been cured or waived as provided in the Agency Agreement.

11. Replacement of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent in London (and for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the specified office of the Paying Agent in Singapore) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. Notices

All notices to the Noteholders will be valid if published in a leading English language daily newspaper with general circulation in Europe as the Issuer may decide and so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in one daily newspaper published in Asia. It is expected that publication will normally be made in the *Financial Times* and the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

13. Meetings of Noteholders and Modification

(1) The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting, the business of which includes the modification of certain of these Conditions, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 75 per cent., or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement does not contain any provisions requiring higher quorums in any circumstances. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders and Couponholders, whether or not they are present at the meeting. The Agency Agreement provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Notes outstanding shall be valid and effective as an Extraordinary Resolution.

(2) The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement or the Guarantee which is not, in the opinion of the Fiscal Agent, materially prejudicial to the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or to correct a manifest or proven error.

(3) Any modification made in accordance with these Conditions shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or the Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the date and the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

15. Currency Indemnity

The Issuer's obligations under the Notes or the Guarantor's obligations under the Guarantee, as the case may be, to make all payments in Euro will not be satisfied by any payment, recovery or any other realisation of proceeds in any currency other than Euro. If, for the purpose of obtaining a judgment in any court with respect to any obligation of the Issuer under any Notes or the Guarantor's obligations under the Guarantee, as the case may be, it shall become necessary to convert into any other currency or currency unit any amount in the currency or currency unit due under any Notes then such conversion shall be made by the Fiscal Agent at the market exchange rate (as determined by the Fiscal Agent) as in effect on the date of entry of the judgment (the **"Judgment Date"**); it being understood that the Fiscal Agent shall effect such conversion only after receipt of the relevant funds from the Issuer or, as the case may be, the Guarantor and that such conversion may require up to three Business Days (as defined in Condition 10) to effect after the receipt of such funds. If pursuant to any such judgment, conversion shall be made on a date (the **"Substitute Date"**) other than the Judgment Date and there shall occur a change between the market exchange rate for Euro as in effect on the Substitute Date and the market exchange rate as in effect on the Judgment Date, the Issuer agrees to pay such additional amounts (if any) in Euro as may be necessary to ensure that the amount paid is equal to the amount in such other currency or currency unit which, when converted at the market exchange rate as in effect on the Judgment Date, is the amount due under any Notes. Any amount due from the Issuer under this Condition shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due in respect of any Notes. In no event, however, shall the Issuer be required to pay more in Euro due under the Notes at the market exchange rate as in effect on the Judgment Date than the amount of Euro stated to be due under the Notes so that in any event the Issuer's obligations under the Notes or the Guarantor's obligations under the Guarantee will be effectively maintained as obligations in Euro and the Issuer shall be entitled to withhold (or be reimbursed for, as the case may be) any excess of the amount actually realised upon any such conversion on the Substitute Date over the amount due and payable on the Judgment Date.

16. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Guarantee, the Notes and the Coupons, and any non-contractual obligations arising out of or in relation to any of them, are governed by, and will be construed in accordance with, English law.

The Issuer and the Guarantor irrevocably agree for the benefit of the Noteholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Guarantee, the Notes or the Coupons (including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with any of them) and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as **"Proceedings"**) may be brought in the courts of England.

The Issuer and the Guarantor irrevocably and unconditionally waive and agree not to raise any objection which they may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and have further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and the Guarantor and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer or the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby irrevocably and unconditionally appoints Hutchison Whampoa Agents (UK) Limited at its registered office in England (presently Hutchison House, 5 Hester Road, London SW11 4AN, United Kingdom) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

17. Contracts (Rights of Third Parties) Act 1999

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

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following is a summary of certain provisions to be contained in the Temporary Global Note and/or the Permanent Global Note (together the "Global Notes") which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

(a) on or following the giving of a default notice pursuant to Condition 10 of the Permanent Global Note; or

(b) if the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

(c) if the Issuer, or the Guarantor, as the case may be, has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

In the case of (a), (b) or (c) above, the Issuer shall promptly give notice to the Noteholders by publication in a leading English language daily newspaper of general circulation in Europe as the Issuer may decide and for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in one daily newspaper in Asia (which newspapers are expected to be the *Financial Times* and the *Asian Wall Street Journal* respectively) in accordance with Condition 12 of the Notes. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined in paragraph 4 below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may (or, in the case of (c) above, the holder of the Permanent Global Note shall on the Exchange Date) surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled.

"Exchange Date" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 12 November 2016, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 12 of the Notes, provided that, so long as the Notes are listed on the SGX-ST, notice will also be given by publication in a daily newspaper published in Asia if and to the extent that the rules of the SGX-ST so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. Accountholders

For so long as any of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 of the Notes) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

The Issuer covenants in favour of each Accountholder that it will make all payments in respect of the principal amount of Notes for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as being held by the Accountholder and represented by one or both of the Global Notes to the bearer of such Global Note and acknowledges that each Accountholder may take proceedings to enforce this covenant and any of the other rights which it has pursuant to the Issuer's promise to pay as contained in each Global Note.

If the principal in respect of the Notes is not paid when due and payable the holder of the relevant Global Note may elect that Direct Rights (as defined in the schedule to the relevant Global Note) shall come into effect. If Direct Rights come into effect each Accountholder in respect of which such Direct Rights have come into effect shall acquire all the rights which such Accountholder would have had if, immediately before such Direct Rights came into effect, it had been the holder of the definitive Notes issued on the issue date of the relevant Global Note in a principal amount equal to the principal amount of the relevant Accountholder as shown in the records of Euroclear and/or Clearstream, Luxembourg, including the right to receive payments due in respect of such definitive Notes, other than payments already made under the relevant Global Note.

5. Prescription

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 of the Notes).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

USE OF PROCEEDS

The net proceeds of the sale of the Notes after deducting commissions will be approximately €988 million and will initially be advanced by the Issuer to CKHH. CKHH intends to use the net proceeds of the offering to refinance certain indebtedness, including recourse or non-recourse indebtedness owed by CKHH, indebtedness falling due in the near term and indebtedness which would provide an economic benefit to CKHH upon early repayment. Such indebtedness has been incurred for general corporate purposes, including the funding of capital expenditures and investments in CKHH's core business activities. In the event that CKHH determines not to use certain of the proceeds for this purpose, such proceeds will be used for general corporate purposes, including the funding of capital expenditures.

THE ISSUER

CK Hutchison Finance (16) (II) Limited, a wholly-owned subsidiary of the Guarantor, was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 8 August 2016. Its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, registration number MC-313976.

The Issuer, whose primary purpose is to act as a financing subsidiary of the Guarantor, will remain a wholly-owned subsidiary of the Guarantor as long as the Notes issued by it are outstanding. The Issuer has no material assets.

The directors of the Issuer are as follows:

Name	Position
Frank John SIXT	Director
Dominic Kai Ming LAI	Director
Neil Douglas MCGEE	Director
Christian Nicolas Roger SALBAING	Director
Robin Cheng Khoong SNG	Director

The business address of the abovementioned directors for the purposes of their directorships of the Issuer is CK Hutchison Finance (16) (II) Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Further information on the particulars and experience of the directors of CKHH is set forth below in "Management of CKHH".

The objects for which the Issuer are established are set forth in clause 3 of the Issuer's Memorandum of Association (copies of which are available as described under "General Information"). The Issuer has full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

The authorised share capital of the Issuer is US$50,000, divided into 50,000 shares of US$1.00 par value each, of which one ordinary share is issued and outstanding and has been fully paid.

No part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. As of the date of this Offering Circular, the Issuer does not have any debt outstanding.

The Issuer has no subsidiaries. The Issuer has not audited or published, and does not propose to audit or publish, any of its accounts since it is not required to do so under the laws of the Cayman Islands. The Issuer's non-audited financial statements are not published and are prepared only for internal purposes. The Issuer is, however, required to keep such accounts and records as are necessary to give a true and fair view of the Issuer's affairs and to explain its transactions. If the Issuer publishes any of its accounts, such published accounts of the Issuer will, in the event that and for as long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require (or for as long as the Notes are listed on another stock exchange and its rules so require), be made available free of charge at the offices of the Fiscal Agent.

CAPITALISATION OF CKHH

The following table sets forth the consolidated capitalisation of CKHH as of 30 June 2016 as adjusted to give effect to the offering of the Notes. The table has been prepared on a basis consistent with the principal accounting policies of CKHH as set forth in CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2016 that is incorporated by reference in this Offering Circular and should be read in conjunction with such unaudited condensed consolidated financial statements.

	Unaudited As of 30 June 2016		
	Actual	**As adjusted**	**As adjusted**
	(in millions)	**(in millions)**	**(in millions)**
Short-term bank and other debts(2) (including current portion of long-term debt)	HK$68,186	HK$68,186	US$8,742
Long-term bank and other debts(2) (net of current portion)	HK$263,962	HK$263,962	US$33,841
Interest bearing loans from non-controlling shareholders	HK$4,341	HK$4,341	US$557
Notes offered hereby(1)	—	HK$8,745	US$1,121
Total ordinary shareholders' funds and perpetual capital securities(3)	HK$430,462	HK$430,462	US$55,187
Non-controlling interests	HK$122,704	HK$122,704	US$15,731
Total capitalisation	HK$821,469	HK$830,214	US$106,437
Total short-term bank and other debts(2) and capitalisation(4)	HK$889,655	HK$898,400	US$115,179

(1) €1,000 million is translated based on an exchange rate of €1 = HK$8.7446 and €1 = US$1.1211.

(2) Short-term bank and other debts as well as long-term bank and other debts represent the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions and are stated before the unamortised loan facilities fees and premiums or discounts related to debts and unrealised gain on bank and other debts pursuant to interest rate swap contracts totaling approximately HK$669 million, of which HK$490 million related to the short-term bank and other debts and HK$179 million related to long-term bank and other debts.

(3) Total ordinary shareholders' funds and perpetual capital securities comprise share capital, share premium, perpetual capital securities, exchange reserve, revaluation reserve, hedging reserve, other capital reserves and retained profit as at 30 June 2016. The number stated above is before (i) deducting the 2016 interim dividend of HK$2,837 million which was paid on 22 September 2016 and (ii) redemption of S$730 million principal amount of perpetual capital securities in September 2016.

(4) This table excludes indebtedness arising from any offering of the 2016 US$ Notes, which may occur at or about the time of the offering of the notes or shortly thereafter. See "Summary — The Offering — US$ Notes Offering".

As of 30 June 2016, the share capital comprised 3,859,678,500 issued and fully paid ordinary shares.

Except for the adjustments included in the table above and the developments described below, there has been no material change in the total capitalisation of CKHH since 30 June 2016.

- In July 2016, CKHH repaid S$180 million (approximately HK$1,037 million) principal amount of fixed rate notes on maturity.
- In July 2016, CKHH repaid two floating rate loan facilities of HK$300 million each on maturity.
- In August 2016, CKHH repaid a floating rate loan facility of HK$700 million on maturity.
- In September 2016, CKHH redeemed S$730 million (approximately HK$4,210 million) principal amount of perpetual capital securities.
- In September 2016, CKHH repaid €1 billion (approximately HK$8,677 million) principal amount of fixed rate notes on maturity.
- In September 2016, CKHH obtained a five-year floating rate loan facility of US$250 million (approximately HK$1,950 million) to refinance certain existing indebtedness and, to the extent not so used, for general corporate purposes.
- In September 2016, CKHH obtained a five-year floating rate loan facility of US$300 million (approximately HK$2,340 million) for general corporate purposes.

BUSINESS OF CKHH

Overview

CKHH, an exempted company incorporated in Cayman Islands on 11 December 2014 with limited liability under no. MC-294571 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), is the holding company of the CKHH group of companies. CKHH was incorporated as part of the reorganisation and combination of Cheung Kong, Hutchison and their respective subsidiaries, associated companies and joint ventures to create CKHH, which holds the non-property related businesses of both groups, and Cheung Kong Property Holdings Limited, which holds the property and hotels businesses (the "Property Businesses") of both groups (the "Reorganisation"). The Reorganisation was completed on 3 June 2015. Further details of the Reorganisation can be found in the section "The Reorganisation" below.

CKHH is a Hong Kong-based multinational conglomerate whose shares are listed on the SEHK. CKHH operates five core business divisions in over 50 countries: ports and related services; retail; infrastructure; energy and telecommunications as well as finance & investments and other operations. Significant developments in CKHH's business since 30 June 2016 are summarised below under "Recent Developments".

Based on the closing price of its shares on the SEHK on 30 June 2016, CKHH had a market capitalisation of approximately HK$326,336 million (approximately US$41,838 million). CKHH, its listed subsidiary, CKI and its listed associated company, Power Assets Holdings Limited ("Power Assets"), are three of the 50 constituent stocks of the Hang Seng Index in Hong Kong.

CKHH's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. CKHH's principal place of business is 12 Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

The Reorganisation

On 9 January 2015, the boards of Cheung Kong and Hutchison put forward to their respective shareholders the proposals whereby:

(i) CKHH would become the holding company of the Cheung Kong group of companies by way of a scheme of arrangement ("Cheung Kong Reorganisation Proposal");

(ii) an indirect wholly-owned subsidiary of Hutchison would purchase from the Li Ka-Shing Trust approximately 6.24% shareholding interest in Husky Energy, an associate of Hutchison listed on the Toronto Stock Exchange (the "Husky Share Exchange");

(iii) CKHH would become the holding company of the Hutchison group of companies by way of a scheme of arrangement (the "Hutchison Proposal"); and

(iv) immediately following completion of the Hutchison Proposal, the Property Businesses of both groups would be transferred into Cheung Kong Property Holdings Limited and then distributed out of the CKHH Group by way of a distribution in specie (the "Spin-off Proposal").

The Reorganisation was completed on 3 June 2015 and resulted in the non-Property Businesses and the Property Businesses of the Cheung Kong group of companies and the Hutchison group of companies being combined, and the combined non-Property Businesses and combined Property Businesses then being separated and held by two companies listed on the SEHK, namely CKHH and Cheung Kong Property Holdings Limited. The listing status of Hutchison on the SEHK was withdrawn on 3 June 2015.

Cheung Kong

Cheung Kong was incorporated in June 1971 and became a public listed company on the SEHK in November 1972. In 1979, Cheung Kong acquired a strategic stake of approximately 22.4% of the issued share capital of Hutchison. Immediately prior to the completion of the Reorganisation, Cheung Kong's shareholding in Hutchison was approximately 49.97%. Prior to the Reorganisation, Cheung Kong engaged principally in property development and investment in Hong Kong and in different regions of the world, including Mainland China, the United Kingdom and Singapore and developed high quality and large-scale properties for sale and investment in the residential, retail, office, hotel and industrial sectors.

Hutchison

Hutchison was initially established as the result of the merger between Hutchison International Limited and Hongkong and Whampoa Dock Company Limited. Hongkong and Whampoa Dock Company Limited, incorporated in 1866, was the first company to be registered in Hong Kong. Hutchison became a public listed company on the SEHK in 1978. Cheung Kong became a major shareholder of Hutchison in 1979 and Mr. Li Ka-shing, the Chairman of Cheung Kong, became the Chairman of Hutchison in 1981. Immediately prior to the completion of the Reorganisation, Hutchison operated six core business divisions in over 50 countries: ports and related services; property and hotels; retail; infrastructure; energy and telecommunications as well as finance & investments and other operations.

Cheung Kong Reorganisation Proposal

Under the Cheung Kong Reorganisation Proposal and with effect from 18 March 2015, Cheung Kong and all existing subsidiaries, associated companies and joint ventures of Cheung Kong became direct and indirect subsidiaries, associates and joint ventures of CKHH, and CKHH became the holding company of the Cheung Kong group of companies. The listing status of Cheung Kong on the SEHK was withdrawn and CKHH became listed on the Main Board of the SEHK.

Husky Share Exchange

Under the Husky Share Exchange, an indirect wholly-owned subsidiary of Hutchison acquired approximately 6.24% of the common shares of Husky Energy in issue from a company indirectly wholly-owned by the Li Ka-Shing Trust, in exchange for the issue of 84,427,246 new CKHH shares by CKHH, representing a share exchange ratio of 1.376 new CKHH shares for every one Husky Energy share acquired. On completion of the Husky Share Exchange, Hutchison owned an aggregate of approximately 40.19% of the common shares of Husky Energy in issue.

Hutchison Proposal

Under the Hutchison Proposal, immediately after completion of the Husky Share Exchange, and upon completion of the Hutchison Proposal, Hutchison became a wholly-owned subsidiary of CKHH by way of a scheme of arrangement involving a share exchange at the ratio of 0.684 of a new CKHH share for every one Hutchison share and the listing status of Hutchison on the SEHK was withdrawn.

Spin-off Proposal

Under the Spin-off Proposal, immediately following completion of the Hutchison Proposal, the Property Businesses of Cheung Kong and Hutchison were transferred to Cheung Kong Property Holdings Limited, which, prior to the completion of the Spin-off Proposal, was wholly-owned by CKHH. All the Cheung Kong Property Holdings Limited shares were then distributed by CKHH by way of the distribution in specie to the CKHH shareholders at the distribution ratio of one Cheung Kong Property Holdings Limited share for every one CKHH share and Cheung Kong Property Holdings Limited was separately listed on the SEHK.

Presentation of financial information for years ended 31 December 2013, 2014 and 2015, and for the six months ended 30 June 2015 under Statutory Basis

Due to the Reorganisation, the statutory results reported for the six months ended 30 June 2015 and the year ended 31 December 2015 are not comparable to any prior period as they reflect the one-time accounting effects of several transactions that implemented the Reorganisation, which was completed on 3 June 2015.

On a statutory results basis, profit attributable to ordinary shareholders for the six months ended 30 June 2015 and the year ended 31 December 2015 of HK$101,858 million and HK$118,570 million, respectively, includes profit attributable to ordinary shareholders from continuing businesses and profit attributable to ordinary shareholders from discontinued businesses.

Profit attributable to ordinary shareholders from continuing businesses of HK$21,477 million for the six months ended 30 June 2015 and HK$38,189 million for the year ended 31 December 2015 under statutory basis represented the following:

- The respective periods' (i.e. from January to June 2015 for the six months ended 30 June 2015, and from January to December 2015 for the year ended 31 December 2015) contribution from CKHH's continuing businesses, including results of the six co-owned infrastructure businesses based on the shareholding interest prior to the Reorganisation, aircraft leasing business and CKHH's other non-property assets and liabilities;
- 49.97% share of consolidated results of Hutchison's businesses continued by CKHH for the five months prior to the Reorganisation, together with one month and seven months of full consolidated results of Hutchison's businesses continued by CKHH for the six months ended 30 June 2015 and the year ended 31 December 2015, respectively; and
- Net re-measurement gain of HK$14,260 million from re-measuring CKHH's previously held equity interests in Hutchison and certain interests in co-owned assets which continue to be retained within CKHH.

Profit attributable to ordinary shareholders from discontinued businesses of HK$80,381 million for both the six months ended 30 June 2015 and the year ended 31 December 2015, under statutory basis represented the following:

- Five months results of CKHH's discontinued property and hotels businesses conducted prior to the Reorganisation;
- 49.97% share of Hutchison's discontinued property and hotels businesses results for the five months prior to the Reorganisation; and
- Profits on disposal of investments and others totalling HK$72,859 million which comprises the gain on distribution in specie arising from the spin-off of Cheung Kong Property Holdings Limited and the net gain arising from re-measurement of CKHH's previously held interest in property joint ventures with Hutchison upon Reorganisation.

The CKHH financial information for the year ended 31 December 2015, and the comparative financial information for the year ended 31 December 2014 which represent Cheung Kong's statutory results with certain line item descriptions updated and certain comparative amounts reclassified to conform to the presentation for the year ended 31 December 2015, can be found in the CKHH's audited consolidated financial statements for the year ended 31 December 2015 as set forth in the CKHH 2015 Annual Report that is incorporated by reference in this Offering Circular.

Presentation of financial information for years ended 31 December 2013, 2014 and 2015 and the six months ended 30 June 2015 under Pro Forma Basis

Under the Reorganisation, Cheung Kong and Hutchison merged their assets and businesses into CKHH and simultaneously reallocated them between CKHH and Cheung Kong Property Holdings Limited on 3 June 2015. CKHH acquired the remaining 50.03% interest in Hutchison and distributed the Property Businesses as a distribution in specie, retaining CKHH's continuing non-Property Businesses assets and liabilities, including the six co-owned infrastructure businesses based on the shareholding interest prior to the Reorganisation, aircraft leasing business and CKHH's other non-property assets and liabilities. Management, in accordance with the applicable accounting standards, have rebased the identifiable assets and liabilities of Hutchison to their fair value on the date of acquisition. As a result of the Reorganisation and in order to make meaningful comparisons of operating performances against Hutchison's 2014 continuing businesses, management have prepared the pro forma results for year ended 31 December 2015 and six months ended 30 June 2015 as if the Reorganisation was effective on 1 January 2015, which reflects the contributions from CKHH's continuing non-Property Businesses assets and liabilities, the contributions from the comparable interests in businesses carried on by Hutchison in 2014 and the effect of rebasing of Hutchison's assets and liabilities to fair value on acquisition for the corresponding periods.

Reconciliations of the financial information from CKHH statutory results to CKHH Pro Forma results for the year ended 31 December 2015 and six months ended 30 June 2015 can be found in the Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results section as set forth in CKHH 2015 Annual Report and CKHH 2015 Interim Report that are incorporated by reference in this Offering Circular.

The information presented under the pro forma basis should be read in conjunction with the audited consolidated financial statements and unaudited consolidated financial statements of CKHH and related notes thereto incorporated by reference in this Offering Circular and "Selected Consolidated Financial Information of CKHH".

The following tables showing CKHH's Revenue, EBITDA and EBIT by business divisions for the year ended 31 December 2015 and six months ended 30 June 2015 have been prepared under the pro forma basis as if the Reorganisation was effective on 1 January 2015, as well as CKHH's Revenue, EBITDA and EBIT by business divisions for the years ended 31 December 2013 and 2014, which represent Hutchison's Revenue, EBITDA and EBIT for the respective years, excluding the discontinued property and hotels business' Revenue, EBITDA and EBIT contributions.

Vodafone Hutchison Australia ("VHA") has been operating under the leadership of VHA's other shareholder under the applicable terms of the shareholders' agreement. In order to provide a meaningful analysis of the on-going operating activities, Hutchison Telecommunications (Australia) ("HTAL")'s share of VHA's results for the years ended 31 December 2013, 2014 and 2015 and the six months ended 30 June 2015 and 2016 are presented as a separate item within the income statement line item titled "profits on disposal of investments and others" to separately identify them from CKHH's recurring earnings profile during this phase and are excluded in the Revenue, EBITDA and EBIT analysis below.

Pro forma presentation for year ended 31 December 2015

Full year 2015 pro forma results include contributions from comparable interests in businesses carried on by Hutchison in 2013 and 2014 ("Comparable Contributions") and contributions from additional interests in such businesses and interests in new businesses acquired as a result of the Reorganisation ("Additional Contributions").

Comparable Contributions include the full year contribution in 2015 from comparable interests in businesses carried on by Hutchison in 2013 and 2014 under the five core businesses: ports and related services, retail, infrastructure, energy and telecommunications. Comparable Contributions for the years ended 31 December 2013 and 31 December 2014 are as reported in the Analyses by Core Business Segments presented in Hutchison's 2014 Annual Report that is incorporated by reference in this Offering Circular, excluding the discontinued property and hotels businesses.

Additional Contributions include the full year pro forma contribution in 2015 from Cheung Kong's non-Property Businesses, such as additional interests in Hutchison Ports Trust, six co-owned infrastructure businesses with Cheung Kong Infrastructure, the aircraft leasing business, CK Life Sciences ("CKLS"), additional interests in Hutchison Telecommunications Hong Kong Holdings and its data centre joint venture, and additional interests in TOM Group; as well as a 6.23% additional interest in Husky Energy acquired as a result of the Husky Share Exchange proposal. Additional Contributions are reported as a separate line in the Revenue, EBITDA and EBIT analysis for the year ended 31 December 2015.

Pro forma presentation for the six months ended 30 June 2015

For the pro forma results for the six months ended 30 June 2015, Additional Contributions were reclassified and included in each business division to conform with the presentation of CKHH's results for the six months ended 30 June 2016.

Presentation of financial information for the six months ended 30 June 2016

The results presented for the six months ended 30 June 2016 reflected the full six months actual reported consolidated results of CKHH.

The CKHH financial information for the six months ended 30 June 2016 can be found in the CKHH's unaudited condensed consolidated financial statements as set forth in CKHH's 2016 Interim Report that is incorporated by reference in this Offering Circular.

Revenue

The following table shows the revenue including share of associates and joint ventures, by business divisions:

	Year Ended 31 December			Six Months Ended 30 June	
	Hutchison Actual 2013 [(2)]	Hutchison Actual 2014 [(2)]	CKHH Pro forma 2015	CKHH Pro forma 2015 [(4)]	CKHH Actual 2016
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	34,119	35,624	33,767	17,308	16,142
Retail	149,147	157,397	151,903	74,926	73,413
Infrastructure	42,460	45,419	43,844	27,690	27,221
Husky Energy	59,481	57,368	33,824	21,101	13,392
3 Group Europe	61,976	65,623	62,799	30,573	30,165
Hutchison Telecommunications Hong Kong Holdings	12,777	16,296	22,042	11,058	5,369
Hutchison Asia Telecommunications	6,295	5,757	6,900	3,179	4,007
Finance & Investments and Others	21,691	21,389	19,668	11,184	10,802
Comparable Revenue [(1)]	387,946	404,873	374,747	197,019	180,511
Additional Contribution [(3)]	—	—	21,340	N/A	N/A
Total Revenue	387,946	404,873	396,087	197,019	180,511

(1) To enable a better comparison of underlying performance for each division, comparable revenue has been adjusted to reflect, CKHH's attributable share of revenue based on the effective shareholding in HPH Trust during the respective financial period and exclude HTAL's share of VHA's revenue for the years ended 31 December 2013, 2014 and 2015, and the six months ended 30 June 2015 and 2016.

(2)

Revenue for the years ended 31 December 2013 and 2014 reconciles to Hutchison's 2013 and 2014 Annual Reports as follows:

	2013	2014
	HK$ millions	HK$ millions
— businesses continued by CKHH	387,946	404,873
— discontinued property and hotels businesses	24,987	16,599
— as reported in Hutchison's 2013 and 2014 Annual Reports	412,933	421,472

(3)

Revenue from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:

	For the year ended 31 December 2015
	HK$ millions
Ports and related services	242
Infrastructure	11,918
Energy	6,205
Telecommunications	80
Finance & Investments and Others	2,895
	21,340

(4) The Revenue from Additional Contributions for the six months ended 30 June 2015 was reclassified and included in each individual business division to conform with the presentation for the six months ended 30 June 2016.

Revenue from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:	For the six months ended 30 June 2015
	HK$ millions
Ports and related services	118
Infrastructure	5,458
Energy	3,272
Telecommunications	38
Finance & Investments and Others	1,379
	10,265

EBITDA

The following table shows the EBITDA including share of associates and joint ventures, by business divisions:

	Year Ended 31 December			Six Months Ended 30 June	
	Hutchison Actual 2013 (2)	**Hutchison Actual 2014 (2)**	**CKHH Pro forma 2015**	**CKHH Pro forma 2015 (4)**	**CKHH Actual 2016**
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	**HK$ millions**
Ports and related services	11,447	12,133	11,840	6,104	5,744
Retail	14,158	15,549	14,838	6,683	6,562
Infrastructure	22,841	24,483	24,147	16,045	16,691
Husky Energy	14,779	14,410	7,922	5,496	3,686
3 Group Europe	12,671	15,598	17,396	7,778	8,492
Hutchison Telecommunications Hong Kong Holdings	2,758	2,780	2,891	1,515	1,316
Hutchison Asia Telecommunications	819	(278)	1,176	411	1,248
Finance & Investments and Others	1,365	3,461	1,786	2,133	517
Comparable EBITDA (1)	80,838	88,136	81,996	46,165	44,256
Additional Contributions (3)	—	—	10,097	N/A	N/A
Total EBITDA	80,838	88,136	92,093	46,165	44,256

(1) To enable a better comparison of underlying performance for each division, comparable EBITDA has been adjusted to reflect CKHH's attributable share of EBITDA based on the effective shareholding in HPH Trust during the respective financial period, and exclude HTAL's share of VHA's EBITDA for the years ended 31 December 2013, 2014 and 2015, and the six months ended 30 June 2015 and 2016.

(2)

EBITDA for the years ended 31 December 2013 and 2014 reconciles to Hutchison's 2013 and 2014 Annual Reports as follows:	2013	2014
	HK$ millions	HK$ millions
— businesses continued by CKHH	80,838	88,136
— discontinued property and hotels businesses	14,809	10,737
— as reported in Hutchison's 2013 and 2014 Annual Reports	95,647	98,873

(3)

EBITDA from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:	For the year ended 31 December 2015
	HK$ millions
Ports and related services	124
Infrastructure	8,144
Energy	1,453
Telecommunications	20
Finance & Investments and Others	356
	10,097

(4) The EBITDA from Additional Contributions for the six months ended 30 June 2015 was reclassified and included in each individual business division to conform with the presentation for the six months ended 30 June 2016.

EBITDA from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:	For the six months ended 30 June 2015
	HK$ millions
Ports and related services	56
Infrastructure	3,679
Energy	852
Telecommunications	9
Finance & Investments and Others	445
	5,041

EBIT

The following table shows the EBIT including share of associates and joint ventures, by business divisions:

	Year Ended 31 December			Six Months Ended 30 June	
	Hutchison Actual 2013 (2)	Hutchison Actual 2014 (2)	CKHH Pro forma 2015	CKHH Pro forma 2015 (4)	CKHH Actual 2016
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	7,358	7,944	7,887	4,111	3,722
Retail	11,771	13,023	12,328	5,453	5,338
Infrastructure	17,528	18,215	18,101	11,987	12,291
Husky Energy	7,208	6,324	1,884	1,024	612
3 Group Europe	4,856	6,892	11,664	4,924	5,410
Hutchison Telecommunications Hong Kong Holdings	1,367	1,380	1,448	785	553
Hutchison Asia Telecommunications	(409)	(1,465)	1,176	411	1,197
Finance & Investments and Others	439	3,000	1,540	1,982	346
Comparable EBIT (1)	50,118	55,313	56,028	30,677	29,469
Additional Contributions (3)	—	—	6,051	N/A	N/A
Total EBIT	50,118	55,313	62,079	30,677	29,469

(1) To enable a better comparison of underlying performance for each division, comparable EBIT has been adjusted to reflect CKHH's attributable share of EBIT based on the effective shareholding in HPH Trust during the respective financial period, and exclude HTAL's share of VHA's EBIT for the years ended 31 December 2013, 2014 and 2015, and the six months ended 30 June 2015 and 2016.

(2)

EBIT for the year ended 31 December 2013 and 2014 reconciles to Hutchison's 2013 and 2014 Annual Report as follows:	2013	2014
	HK$ millions	HK$ millions
— businesses continued by CKHH	50,118	55,313
— discontinued property and hotels businesses	14,479	10,400
— as reported in Hutchison's 2013 and 2014 Annual Reports	64,597	65,713

(3)

EBIT (LBIT) from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:	For the year ended 31 December 2015
	HK$ millions
Ports and related services	70
Infrastructure	5,376
Energy	345
Telecommunications	(22)
Finance & Investments and Others	282
	6,051

(4) The EBIT (LBIT) from Additional Contributions for the six months ended 30 June 2015 was reclassified and included in each individual business division to conform with the presentation for the six months ended 30 June 2016.

EBIT (LBIT) from Additional Contributions, assuming the Reorganisation was effective on 1 January 2015, are as follows:	For the six months ended 30 June 2015
	HK$ millions
Ports and related services	30
Infrastructure	2,517
Energy	159
Telecommunications	(12)
Finance & Investments and Others	406
	3,100

Ratios and Other Information:

CKHH's EBIT and EBITDA for the six months ended 30 June 2016 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.8 times and 7.2 times, respectively.

CKHH's pro forma EBIT and pro forma EBITDA for 2015 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.9 times and 7.3 times, respectively, and Hutchison's comparable EBIT and comparable EBITDA for 2014 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.0 times and 6.3 times, respectively.

Ports and Related Services

The ports and related services division comprises the 80%-owned subsidiaries, Hutchison Port Holdings and Hutchison Ports Investments S.à r.l. (collectively "Hutchison Ports"), and HPH Trust, the associate listed on the Main Board of the SGX-ST. CKHH currently has interests in 48 ports comprising 274 operational berths in 25 countries in Asia, the Middle East, Africa, Europe, the Americas and Australasia. In 2015 and in the six months ended 30 June 2016, CKHH's ports and related services division handled combined container throughput of 83.8 million TEU and 40.0 million TEU respectively. CKHH has interests in various locations including:

- the Mainland, where Hutchison Ports holds interests in Shanghai Mingdong Container Terminals ("SMCT"), Shanghai Pudong International Container Terminals ("SPICT"), Shanghai Container Terminals ("SCT") (which ceased its container handling business in January 2011), Ningbo Beilun International Container Terminals ("NBCT"), as well as ports in Southern China, and CKHH, through its associate, HPH Trust holds interests in Phase I, II, III and West Port at Yantian International Container Terminals ("YICT");

- Hong Kong, the fifth busiest container port in the world in 2015 in terms of container throughput, where CKHH, through its associate, HPH Trust, holds interests in: Hongkong International Terminals ("HIT"); Asia Container Terminals ("ACT HK"), a strategic partnership among HPH Trust, COSCO Pacific Limited; and China Shipping Ports Development Co., Limited as well as COSCO-HIT Terminals ("CHT"), a 50/50 joint venture between HIT and COSCO Pacific Limited;
- the Netherlands, where Hutchison Ports holds interests in Europe Container Terminals ("ECT") in Rotterdam and Amsterdam Container Terminals ("ACT") (which ceased its container handling business in 2012) in Amsterdam;
- the UK, where Hutchison Ports holds interests in Hutchison Ports (UK), which operates in the Port of Felixstowe ("PFL"), London Thamesport ("LTP") and Harwich International Port ("HWH");
- Continental Europe, where Hutchison Ports holds interests in Barcelona Europe South Terminal ("BEST") in Spain, Gdynia Container Terminal ("GCT") in Poland, as well as the right to operate Container Terminal Frihamnen ("CTF") in Sweden;
- Malaysia, where Hutchison Ports holds interests in Westports Malaysia ("KMT") at Port Klang;
- Panama, where Hutchison Ports holds interests in Panama Ports Company ("PPC"), which manages and operates the ports of Cristobal and Balboa, located on the Atlantic and Pacific side respectively of the Panama Canal;
- Indonesia, where Hutchison Ports holds interests in Jakarta International Container Terminal ("JICT") in Tanjung Priok and Terminal Petikemas Koja ("KOJA") at the Port of Tanjung Priok next to JICT;
- Mexico, where Hutchison Ports holds interests in Internacional de Contenedores Asociados de Veracruz ("ICAVE"), which is located at the Port of Veracruz on the east coast, as well as other port operations in Ensenada, Manzanillo and Lazaro Cardenas which are located on the west coast;
- South Korea, where Hutchison Ports operates one deep-water container terminal in Busan through Hutchison Korea Terminals ("HKT") and one terminal in Gwangyang through Korea International Terminals ("KIT");
- Saudi Arabia, where Hutchison Ports holds interests in International Ports Services ("IPS") at Dammam;
- Thailand, where Hutchison Ports holds interests in Thai Laemchabang Terminal ("TLT") and Hutchison Laemchabang Terminal ("HLT") at Laem Chabang;
- the Bahamas, where Hutchison Ports holds interests in Freeport Container Port ("FCP") on Grand Bahama Island;
- Pakistan, where Hutchison Ports holds interests in Karachi International Container Terminal ("KICT") at the Port of Karachi and South Asia Pakistan Terminals ("SAPT") at the estuary of the Keamari Groyne basin;
- Egypt, where Hutchison Ports holds interests in Alexandria International Container Terminals ("AICT"), which operates terminals at Alexandria and El Dekheila Ports;
- Tanzania, where Hutchison Ports holds interests in Tanzania International Container Terminal Services ("TICT") at Dar es Salaam;
- Argentina, where Hutchison Ports holds interests in Buenos Aires Container Terminal Services ("BACTSSA") at the Port of Buenos Aires;
- Oman, where Hutchison Ports holds interests in Oman International Container Terminal ("OICT") at the Port of Sohar;
- The United Arab Emirates ("UAE"), where Hutchison Ports holds interests in Hutchison Ajman International Terminals ("HAJT") in Ajman;
- Vietnam, where Hutchison Ports holds interests in Saigon International Terminals Vietnam ("SITV") in Ba Ria Vung Tau Province, in southern Vietnam;

- Myanmar, where Hutchison Ports holds interests in Myanmar International Terminals Thilawa ("MITT") at Thilawa; and
- Australia, where Hutchison Ports holds interests in Brisbane Container Terminals ("BCT") at the Port of Brisbane and Sydney International Container Terminals ("SICTL") at Port Botany.

The division also has interests in other logistics and transportation-related businesses. These include cruise ship terminals, airport operations, distribution centres, rail services and ship repair facilities.

Additional contribution

Post-Reorganisation, CKHH's interest in HPH Trust, as compared to Hutchison's interest, increased slightly from 27.62% to 30.07%.

Retail

CKHH currently holds a 75.05% interest in A.S. Watson, the largest health and beauty retailer in Asia and Europe in terms of number of stores, and an operator of major chains of supermarkets and consumer electronics and electrical appliances stores. As of 30 June 2016, A.S. Watson had 12,657 stores in 25 markets mainly in Europe, Hong Kong, the Mainland and other markets in Asia. A.S. Watson also manufactures and distributes water and beverage products in Hong Kong and the Mainland.

Infrastructure

Cheung Kong Infrastructure

CKHH currently holds a 75.67%[(1)] interest in CKI, the largest publicly listed infrastructure company in Hong Kong in terms of market capitalisation, with principal operations in Hong Kong, the Mainland, the UK, Australia, New Zealand, Canada, the Netherlands and Portugal. CKI's major interests include:

- a 38.87% interest in Power Assets, a listed company in Hong Kong that holds a 33.37% interest in HK Electric Investments ("HKEI"). HKEI's wholly-owned subsidiary, Hongkong Electric, generates, transmits and is the sole distributor of electricity to Hong Kong Island and Lamma Island;
- together with Power Assets, a 51% interest (CKI: 23.07%; Power Assets: 27.93%) in each of (i) SA Power Networks, the primary electricity distributor in the State of South Australia; (ii) Powercor Australia Limited ("Powercor"), one of the largest electricity distributors in the State of Victoria; and (iii) the CitiPower Trust ("CitiPower"), another major electricity distributor in the State of Victoria;
- together with Power Assets, a 100% interest (on a 50/50 basis) in Transmission General Holdings (Australia) Pty Ltd which holds Transmission Operations (Australia) Pty Ltd ("TOA") and Transmission Operations (Australia) 2 Pty Ltd ("TOA2"). TOA owns and operates the transmission link that transports renewable energy from the wind turbines at Mt Mercer Wind Farm to Victoria's power grid. TOA2 has built, and also owns and operates the transmission connection assets for the Ararat Wind Farm;
- together with Power Assets, a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in Australian Gas Networks Holdings Pty Ltd ("AGN", previously known as Envestra), one of the largest natural gas distribution companies in Australia that owns natural gas distribution networks and transmission pipelines in South Australia, Victoria, Queensland, New South Wales and the Northern Territory;
- together with Power Assets, an 80% interest (CKI: 40%; Power Assets: 40%) in UK Power Networks Holdings Limited ("UK Power Networks"), which owns, operates and manages three regulated electricity distribution networks in the UK that cover London, the South East of England and the East of England. UK Power Networks is also engaged in certain non-regulated electricity distribution businesses in the UK, including the distribution of electricity to a number of privately owned sites;

(1) In January 2015, CKI completed a share placement and share subscription transaction that resulted in CKHH's interest in CKI reducing from 78.16% to 75.67%. In March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, CKHH currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determining the number of shares held by the public, CKHH's profit sharing in CKI continues to be 75.67%.

- a 40% interest in Northumbrian Water Group ("Northumbrian Water"), 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. Northumbrian Water provides water and sewerage services in the North East of England and water services in the South East of England. In addition, Northumbrian Water's operations include a business comprising the Kielder Reservoir, the largest man-made reservoir in Northern Europe, as well as a portfolio of water and waste water contracts;
- together with Power Assets, an 88.35% interest (CKI: 47.06%; Power Assets: 41.29%) in Northern Gas Networks Holdings Limited ("Northern Gas"), which distributes gas to homes and businesses across the North of England, an area covering West, East and North Yorkshire, and Cumbria;
- together with Power Assets, a 60% interest (CKI: 30%; Power Assets: 30%) in each of West Gas Networks Limited ("West Gas Networks") and Western Gas Networks Limited ("Western Gas Networks"), which together owns a 100% interest in Wales & West Utilities Limited ("Wales & West Utilities"). Wales & West Utilities is principally engaged in the management of gas transportation assets, gas distribution and metre work services throughout Wales and the South West of England;
- a 50% interest in UK Rails S.à.r.l. ("UK Rails"), one of the three major rolling stock leasing companies in the UK. UK Rails offers a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, to passenger and freight train operating companies;
- together with Power Assets, a 100% interest (on a 50/50 basis) in Electricity First Limited, which owns a 50% interest in Seabank Power Limited ("Seabank Power"). Seabank Power owns and operates Seabank Power Station, which is located near Bristol, England;
- a 4.75% interest in Southern Water Group ("Southern Water"), a regulated business which supplies fresh, quality drinking water, as well as treats and recycles waste water in the South East of England across Sussex, Kent, Hampshire and the Isle of Wight;
- together with Power Assets, a 55% interest (CKI: 35%; Power Assets: 20%) in Dutch Enviro Energy Holdings B.V. ("Dutch Enviro Energy") which in turn owns AVR-Afvalverwerking B.V. ("AVR"). AVR is principally engaged in the business of waste processing and production and supply of renewable energy from the incineration of waste in the Netherlands;
- together with Power Assets, a 100% interest (on a 50/50 basis) in Portugal Renewable Energy — PTRW, Unipessoal Lda ("Portugal Renewable Energy"), which in turn owns a 100% interest in Iberwind — Desenvolvimento e Projectos, S.A. ("Iberwind"). Iberwind is principally engaged in the business of electricity generation from wind power in Portugal;
- together with Power Assets, a 100% interest (on a 50/50 basis) in Canadian Power Holdings Inc. ("Canadian Power"), which owns a 100% partnership interest in the Meridian Cogeneration Plant and a 49.99% partnership interest in TransAlta Cogeneration, L.P.. The Meridian Cogeneration Plant is a natural gas-fired cogeneration plant in Saskatchewan, Canada. TransAlta Cogeneration, L.P. owns interests in four natural gas-fired cogeneration plants in Alberta, Canada and Ontario, Canada and a coal-fired generation plant in Alberta, Canada;
- a 50% interest in Park'N Fly ("Park'N Fly"), the largest off-airport car park provider in Canada, and the only national operator. The company provides parking facilities at most major airports in Canada, including Toronto, Vancouver, Montreal, Edmonton and Ottawa;
- together with Power Assets, a 65% interest (CKI: 16.25%; Power Assets: 48.75%) in Husky Midstream Limited Partnership ("HMLP"), which holds a portfolio of oil pipeline assets in Canada including approximately 1,900 kilometres of oil pipeline in Lloydminster region, oil storage capacity of 4.1 million barrels at Hardisty and Lloydminster, as well as other ancillary assets. The remaining 35% interest in HMLP is held by Husky Energy, an associated company in which CKHH owns a 40.18% interest;
- together with Power Assets, a 100% interest (on a 50/50 basis) in Wellington Electricity Distribution Network ("Wellington Electricity"), which supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand;

- a 100% interest in Enviro Waste Services Limited ("EnviroWaste"), a diversified, vertically integrated waste management business that has national coverage across New Zealand. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services commercial and residential sources via collection services, recycling, landfills and transfer stations across the country;

- interests in joint ventures that own and operate approximately 252.8 kilometres of toll roads and bridges in the Mainland; and

- various interests in an infrastructure materials business that produces cement, concrete, asphalt and aggregates mainly in Hong Kong and the Mainland.

Additional contribution

Post-Reorganisation, CKHH's infrastructure division holds direct interests in six co-owned infrastructure investments with CKI, as well as CKHH's aircraft leasing business.

Interests in the six co-owned infrastructure investments comprise a:

- 40% interest in Northumbrian Water. Including this direct interest, CKHH holds an effective 70.27% interest in Northumbrian Water;

- 30% interest in each of West Gas Networks and Western Gas Networks. Including these direct interests, CKHH holds an effective 61.52% interest in each of West Gas Networks and Western Gas Networks and therefore also in Wales & West Utilities;

- 35% interest in Dutch Enviro Energy. Including this direct interest, CKHH holds an effective 67.37% interest in Dutch Enviro Energy and therefore also in AVR;

- 27.51% interest in AGN. Including this direct interest, CKHH holds an effective 69.63% interest in AGN;

- 50% interest in Park'N Fly. Including this direct interest, CKHH holds an effective 87.84% interest in Park'N Fly; and

- 50% interest in UK Rails. Including this direct interest, CKHH holds an effective 87.84% interest in UK Rails.

Aircraft Leasing

The aircraft leasing business, including wholly-owned subsidiaries and a 50% joint venture, had 65 aircraft as at 30 June 2016. Over 90% of the aircraft in the portfolio are narrow body aircraft. The operation has a diversified customer base and currently has over 25 airline customers across more than 15 countries with all aircraft being fully leased.

Husky Energy

Husky Energy, an associated company, is an international integrated energy company incorporated in Canada and listed on the Toronto Stock Exchange. Husky Energy ranks among Canada's largest petroleum companies in terms of production and the value of its asset base. Husky Energy operates in Western Canada, the United States, the Asia Pacific Region and the Atlantic Region within Upstream and Downstream business segments.

- Upstream includes exploration for, and development and production of, crude oil, bitumen, natural gas and NGLs (Exploration and Production) and marketing of Husky Energy's and other producers' crude oil, natural gas, NGLs, sulphur and petroleum coke, pipeline transportation, the blending of crude oil and natural gas, and storage of crude oil, diluent and natural gas (Infrastructure and Marketing). Infrastructure and Marketing markets and distributes products to customers on behalf of Exploration and Production and is grouped in the Upstream business segment based on the nature of its interconnected operations. Husky Energy's Upstream operations are located primarily in Western Canada, offshore East Coast of Canada, offshore China and offshore Indonesia.

- Downstream includes upgrading of heavy crude oil feedstock into synthetic crude oil (Upgrading) in Canada, refining in Canada of crude oil, marketing of refined petroleum products including gasoline, diesel, ethanol blended fuels, asphalt and ancillary products, and production of ethanol (Canadian Refined Products) and refining in the U.S. of primarily crude oil to produce and market gasoline, jet fuel and diesel fuels that meet U.S. clean fuels standards (U.S. Refining and Marketing). Upgrading, Canadian Refined Products and U.S. Refining and Marketing all process and refine natural resources into marketable products and therefore, are grouped together as the Downstream business segment due to the similar nature of their products and services.

Additional Contribution

Post-Reorganisation, CKHH's interest in Husky Energy, as compared to Hutchison's interest, increased from 33.96% to currently 40.18%.

Telecommunications

CKHH is a leading worldwide operator of mobile telecommunications networks. The telecommunications division currently consists of: **3** Group Europe, comprising unlisted mobile telecommunications businesses in various countries in Europe; an approximate 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH") which is listed on the main board of SEHK; Hutchison Asia Telecommunications ("HAT") which consists of telecommunications operations in Indonesia, Vietnam and Sri Lanka; and an approximate 87.87% interest in HTAL which is listed on the Australian Securities Exchange ("ASX") and has a 50% interest in VHA.

- **3** Group Europe comprises mobile telecommunications businesses in the UK, Italy, Sweden, Denmark, Austria and Ireland, offering mobile telecommunications services under the brand name "Three" or "**3**". As of 30 June 2016, CKHH's **3** Group Europe operations had over 31.2 million registered customers.

  — In the UK, Hutchison 3G UK Limited ("**3** UK") serviced a registered customer base of approximately 10.8 million as of 30 June 2016.

  — In Italy, H3G S.p.A., the subsidiary of 3 Italia S.p.A. (together with H3G S.p.A. and its wholly-owned subsidiary 3 Lettronica S.p.A., "**3** Italia") serviced a registered customer base of approximately 10.5 million as of 30 June 2016.

  — In Sweden, Hi3G Access AB ("Hi3G Access") serviced a registered customer base of approximately 2.1 million as of 30 June 2016.

  — In Denmark, Hi3G Denmark ApS ("Hi3G Denmark"), a wholly-owned subsidiary of Hi3G Access, serviced a registered customer base of over 1.2 million as of 30 June 2016.

  — In Austria, Hutchison Drei Austria GmbH ("**3** Austria") serviced a registered customer base of approximately 3.8 million as of 30 June 2016.

  — In Ireland, Hutchison 3G Ireland Limited ("**3** Ireland") serviced a registered customer base of over 2.8 million as of 30 June 2016.

- HTHKH, which was listed on the SEHK in May 2009, is an integrated telecommunications operator based in Hong Kong that: provides 2G, 3G and 4G (LTE) mobile telecommunications services and Wi-Fi services in Hong Kong and 2G, 3G and 4G (LTE) telecommunications services in Macau under the **3** Brand; provides sophisticated fixed-line telecommunications services and solutions for corporate and carrier customers in Hong Kong and overseas, together with residential fixed-line services for Hong Kong residential customers. HTHKH has a combined active mobile customer base of approximately 3.1 million in Hong Kong and Macau as of 30 June 2016.

- HAT holds interests in mobile operations in Indonesia, Vietnam and Sri Lanka. HAT has an active mobile customer base of approximately 72.4 million as at 30 June 2016.

- HTAL has a 50% interest in VHA, which serviced an active customer base of approximately 5.5 million as of 30 June 2016. VHA has been operating under the leadership of the other shareholder under the applicable terms of the shareholders' agreement. In order to provide a meaningful analysis of the ongoing operating activities, HTAL's share of VHA's results are presented as a separate item within the income statement line item titled "profits on disposal of investments and others" to separately identify them from CKHH's recurring earnings profile during this phase.

Additional Contribution

Post-Reorganisation, CKHH's interest in HTHKH as compared to Hutchison's interest has increased from 65.01% to 66.09%. Included as Additional Contributions is a 50% interest in a data centre joint venture with HTHKH, of which HTHKH holds the other 50%.

Finance & Investments and Others

CKHH receives income from its finance & investments and others division, which is responsible for the management of CKHH's cash deposits, liquid assets held in managed funds and other investments. CKHH operates a central cash management system for all of its subsidiaries, except for listed subsidiaries and certain overseas entities conducting businesses in non-Hong Kong or non-U.S. dollar currencies. Income from this division includes interest income, dividends from equity investments, profits and losses from sale of securities and foreign exchange gains and losses of non-Hong Kong dollar denominated liquid assets. The interest expense and finance costs related to CKHH's various operating businesses are not attributed to this division but are borne by the operating businesses.

CKHH's share of the results of Hutchison Whampoa (China) Limited ("HWCL"), Hutchison E-Commerce operations, Hutchison Water, listed associate TOM Group, the Marionnaud Group and listed associate CKLS are reported under this division.

- HWCL operates various manufacturing, service and distribution joint ventures in the Mainland and Hong Kong, and also owns 60.5% of Hutchison China MediTech Ltd ("Chi-Med"), a subsidiary listed on both the AIM Market of the London Stock Exchange PLC in the UK and the NASDAQ Global Select Market ("NASDAQ") in the U.S.. Chi-Med is an innovative China-based biopharmaceutical company which researches, develops, manufactures and sells pharmaceuticals and healthcare products;

- CKHH has an approximate 45.32% interest in CKLS, a company listed on SEHK. CKLS is engaged in the business of research and development, commercialisation, marketing and sale of health and agriculture-related products;

- TOM Group is a Chinese-language media conglomerate in Greater China listed on the SEHK. TOM Group has diverse business interests in five key areas: e-commerce, mobile internet, publishing, outdoor media, and television and entertainment. Post-Reorganisation, CKHH's interest in TOM Group compared to Hutchison's interest increased from 24.5% to 36.7%; and

- CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe.

The following chart illustrates the main activities of CKHH and its associates and joint ventures by business segment:

CK Hutchison Holdings Limited

Ports and Related Services

HPH Trust
- HIT Terminals 4,6,7 and 9 North (HK)
- COSCO-HIT Terminal 8 East (HK)
- ACT Terminal 8 West (HK)
- Yantian International Container Terminals (Phase I and II)
- Yantian International Container Terminals (Phase III)
- Shenzhen Yantian West Port Terminals

The Mainland and Other Hong Kong
- Shanghai Pudong International Container Terminals
- Shanghai Mingdong Container Terminals
- Shanghai Container Terminals
- Ningbo Beilun International Container Terminals
- Shantou International Container Terminals
- Xiamen International Container Terminals
- Xiamen Haicang International Container Terminals
- Huizhou Port Industrial Corporation
- Huizhou International Container Terminals
- River Ports[(1)]
  - Guangdong province Nanhai and Jiangmen
- River Trade Terminal (HK)

Europe
- Port of Felixstowe (UK) London
- Thamesport (UK)
- Harwich International Port (UK)
- Europe Container Terminals (The Netherlands, Germany and Belgium)
- Amsterdam Container Terminals (The Netherlands)
- Barcelona Europe South Terminal (Spain)
- Gdynia Container Terminal (Poland)
- Container Terminal Frihamnen (Sweden)

Asia, Australia and Others
- Jakarta International Container Terminal (Indonesia)
- Terminal Petikemas Koja (Indonesia)
- Westports Malaysia
- Hutchison Korea Terminals (South Korea)
- Korea International Terminals (South Korea)
- Thai Laemchabang Terminal (Thailand)
- Hutchison Laemchabang Terminal (Thailand)
- Karachi International Container Terminal (Pakistan)
- South Asia Pakistan Terminals (Pakistan)
- Saigon International Terminals Vietnam (Vietnam)
- Myanmar International Terminals Thilawa (Myanmar)
- Brisbane Container Terminals (Australia)
- Sydney International Container Terminals (Australia)
- International Ports Services (Saudi Arabia)
- Tanzania International Container Terminal Services (Tanzania)
- Alexandria International Container Terminals (Egypt)
- Oman International Container Terminal (Oman)
- Hutchison Ajman International Terminals (UAE)
- Panama Ports Company (Panama)
- Internacional de Contenedores Asociados de Veracruz (Mexico)
- Lazaro Cardenas Terminal Portuaria de Contenedores (Mexico)
- Lazaro Cardenas Multipurpose Terminal (Mexico)
- Terminal Internacional de Manzanillo (Mexico)
- Ensenada International Terminal (Mexico)
- Freeport Container Port (Bahamas)
- Buenos Aires Container Terminal Services (Argentina)

Port Related Services
HPH Trust
Asia Port Services
Hutchison Logistics (HK) Limited
Shenzhen Hutchison Inland Container Depots

The Mainland and Other Hong Kong
Ship repair, salvage and towage operations
Hutchison Logistics (Shanghai) Ltd
Air cargo handling

Asia, Australia and Others
Vessel, platform & maritime structure repair (Mexico)
Freeport Harbour (Bahamas)
Grand Bahamas Airport (Bahamas)
Ensenada Cruiseport Village (Mexico)
Terminal Internnodal Logistica de Hidalgo (Mexico)
Zona de Activdades Logisticas Hidalgo, S.A.P.I. De C.V. (Mexico)

(1) HPH Trust holds River Ports economic benefits, the port and related services division retains the legal interests.

Retail

Hong Kong and Macau
- PARKnSHOP (supermarkets)
- Watson's Wine (wine stores)
- Watsons (health and beauty stores)
- Fortress (consumer electrical goods stores)
- Manufacturing and distribution of water, soft drinks and fruit juices

The Mainland
- PARKnSHOP (supermarkets)
- Watsons (health and beauty stores)
- Watson's Wine (wine store)
- Manufacturing and distribution of water, soft drinks and fruit juices

Asia
- Watsons (health and beauty stores) in Taiwan, Singapore, Malaysia, Thailand, the Philippines, South Korea, Indonesia and Turkey

UK and Western Europe
- Superdrug (health and beauty stores) in the UK and Ireland
- Savers (health and beauty stores) in the UK
- Kruidvat (health and beauty stores) in the Netherlands and Belgium
- Trekpleister (health and beauty stores) in the Netherlands
- Rossmann (health and beauty stores) in Germany
- ICI Paris XL (perfumeries) in the Netherlands, Belgium, Luxembourg and Germany
- The Perfume Shop (perfumeries) in the UK and Ireland

Other European countries
- Rossmann (health and beauty stores) in Poland, Hungary, Czech Republic, Turkey and Albania
- Drogas (health and beauty stores) in Latvia and Lithuania
- Spektr (health and beauty stores) in Russia
- Watsons (health and beauty stores) in Ukraine

Infrastructure

Aircraft Leasing

Cheung Kong Infrastructure
Hong Kong
- Hongkong Electric* (sole supplier of electricity to Hong Kong Island and Lamma Island)
- Cement, concrete and asphalt production

The Mainland
- Toll roads and bridges
- Cement production
- Power plants*
- Wind farms*

Australia
- Electricity distribution**
- Gas distribution**

UK
- Electricity distribution**
- Gas distribution**
- Power plant**
- Water plants
- Waste water services
- Rolling stock leasing

Canada
- Power plants**
- Off-airport car park business
- Oil pipeline, oil storage capacity and other ancillary assets**

New Zealand
- Electricity distribution**
- Waste management

The Netherlands
- Waste management and production of energy from waste**

Portugal
- Wind farms **

The Philippines
- Limestone quarry

Thailand
- Power plants*

* indirectly owned via Power Assets
** jointly owned with Power Assets

Husky Energy

Upstream-Exploration & Production
- Exploration, development and production of crude oil, bitumen, natural gas and natural gas liquids ("NGL")

U.S.
- Exploration, development and production of crude oil, natural gas and NGL

Asia
- Offshore exploration, development and production of crude oil, natural gas and NGL

Upstream-Infrastructure & Marketing of Canada
- Pipeline transportation, blending of crude oil and natural gasstorage of crude oil, diluent and natural gas and commodity marketing

Downstream of Canada
- Upgrading of heavy crude oil into synthetic crude oil, refining of crude oil, marketing refined petroleum products

U.S.
- Refining of crude oil to produce and marketing of gasoline, jet fuel and diesel fuels

Telecommunications

Hutchison Telecommunications Hong Kong Holdings
Hong Kong
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)
- Fixed-line network operator

Macau
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Hutchison Asia Telecommunications
Indonesia
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Vietnam
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)

Sri Lanka
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)

Hutchison Telecommunications Australia
VHA
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

3 Group Europe
UK
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Italy
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Sweden
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Denmark
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Austria
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Ireland
- Mobile network operator (GSM)
- 3G mobile network operator (UMTS)
- 4G mobile network operator (LTE)

Finance & Investments

Treasury operation and liquidity management activities

Others

- Pharmaceutical research and development
- Marketing and distribution of traditional Chinese medicine and related products
- Provision of aircraft maintenance and engineering services
- Manufacturing and trading of consumer detergent products
- Distribution of consumer products and provision of logistics services
- Multimedia activities including e-commerce, mobile internet, publishing, outdoor media, television and entertainment
- Water desalination plant construction and operation
- Luxury perfumery and cosmetic retail chain in Europe
- Marketing and sale of health and agricultural related products
- Vineyard leasing

Recent Developments

Husky

- On 18 July 2016, Husky Energy announced the completion of the agreement on the formation of a new limited partnership, HMLP, with CKI and Power Assets, which will assume ownership of selected midstream assets in the Lloydminster region of Alberta and Saskatchewan. Under the arrangement, Husky Energy disposed its ownership interest in the pipeline assets to this limited partnership for gross cash proceeds of C$1.7 million. As a result, HMLP holds a portfolio of oil pipeline assets in Canada which includes approximately 1,900 kilometres of oil pipeline in the Lloydminster region, oil storage capacity of 4.1 million barrels at Hardisty and Lloydminster, as well as other ancillary assets. Husky Energy has a 35% interest in the partnership and remains as the operator of the midstream assets, while CKI and Power Assets have 16.25% and 48.75% ownership interests, respectively.

- On 20 July 2016, pipeline leakage was identified in Saskatchewan. Husky Energy is currently committing to complete a full and thorough investigation, and is in active cooperation with the relevant authorities with primary focus continues to be the safety of the public and the protection of the environment.

- On 2 August 2016, Husky Energy announced that its China subsidiary has signed a Heads of Agreement with China National Offshore Oil Corporation Limited ("CNOOC") and relevant companies for the price adjustment of natural gas from the Liwan 3-1 and Liuhua 34-2 fields with the price set at C$12.50 to C$15.00 per thousand cubic feet ("mcf") at current exchange rates. Gross take-or-pay volumes from the fields remain unchanged in the range of 300 to 330 million cubic feet per day ("mmcf/day"). Liquids production, net to Husky Energy, is also expected to remain in the range of 5,000 to 6,000 barrels per day. The price adjustment under the Heads of Agreement is effective as of 20 November 2015 and the settlement of outstanding payments is calculated from that date. In addition, plans will get underway to finalise the commercial and development approach to tie the Liuhua 29-1 field into the Liwan infrastructure. Liuhua 29-1 gross gas sales volumes are expected to add approximately 80 mmcf/day.

3 Group Europe

- In September 2016, the European Commission announced its approval of the formation of an equal joint venture to jointly own and operate the mobile telecommunications businesses in Italy of **3** Italia and WIND Acquisition Holdings Finance S.p.A. ("WIND"), a wholly-owned subsidiary of VimpelCom Ltd ("VimpelCom"). Completion of the transaction is subject to obtaining Italian regulatory approvals, and is expected to complete in the fourth quarter of 2016.

Finance & Investments and Others

- In July 2016, CKHH repaid S$180 million (approximately HK$1,037 million) principal amount of fixed rate notes on maturity.

- In July 2016, CKHH repaid two floating rate loan facilities of HK$300 million (US$38 million) each on maturity.

- In August 2016, CKHH repaid a floating rate loan facility of HK$700 million on maturity.

- In September 2016, CKHH redeemed S$730 million (approximately HK$4,210 million principal amount of perpetual capital securities.

- In September 2016, CKHH repaid €1 billion (approximately HK8,677 million) principal amount of fixed rate notes on maturity.

- In September 2016, a subsidiary of VHA, a joint venture in which HTAL has a 50% interest, obtained a three-year floating rate dual-tranche facility of AUD1,700 million from two bank groups (with each bank group participating in one tranche of the facility in the amount of AUD850 million) to refinance its existing indebtedness. One of the tranches of the facility is guaranteed by CKHH.

- In September 2016, CKHH obtained a five-year floating rate loan facility of US$250 million (approximately HK$1,950 million) to refinance certain existing indebtedness and, to the extent not so used, for general corporate purposes.

- In September 2016, CKHH obtained a five-year floating rate loan facility of US$300 million (approximately HK$2,340 million) for general corporate purposes.

Business Strategy

In the current global economic environment, CKHH is focused on maintaining financial discipline and the strength of its financial position in order to successfully execute its business strategies. CKHH's overall business strategy is to focus on and continue to cautiously expand its core businesses and its market share in all markets in which it operates, mainly by organic growth, and through selective acquisitions where opportunities exists. CKHH has focused primarily in the markets which it has existing operations and with a stable economic and political environment. CKHH expects to continue to cautiously expand in its core businesses in line with demand for its products and services. CKHH also seeks to establish a strong and diversified local presence in each market in which it operates.

CKHH's divisions have the following specific business strategies:

- The ports and related services division plans to continue to optimise the performance of its existing port operations and to continue to grow and expand its existing position as a leading global competitor in container terminal operations. The division plans to pursue selective expansion opportunities to meet demand in its existing port locations to maintain market share and to cautiously expand into new markets elsewhere around the world. In addition, the division seeks to maximise the operational efficiencies among its global port operations as well as to improve the operating results of the ports through strict cost management strategies in order to maintain stable growth.
- The retail division seeks to build its leading market position by expanding its businesses through organic growth with new store openings mainly in markets with high growth potential. CKHH believes that it can use its retail expertise as a global retailer to expand and continue to grow its operations. In addition to network expansion, the retail division has been creating differentiation through developing its own brand products and building customer relationship management and digital capabilities that provide multi-channel shopping experiences, as well as increase insight into customer preferences to enhance the effectiveness of marketing campaigns.
- CKI seeks to ascertain further opportunities to invest in infrastructure projects with stable returns and accretive earnings and cash flow profiles.
- Husky Energy's strategy is to remain diverse, physically integrated and to continue its transition into a low sustaining capital business. Husky Energy will enhance production in its Heavy Oil and Western Canada foundation as it repositions these areas toward low sustaining capital thermal developments and resource plays, while advancing growth in the Asia Pacific Region, the Canadian Oil Sands and in the Atlantic Region. Husky Energy's Downstream assets provide specialised support to its Upstream operations to enhance efficiency and extract additional value from production.
- CKHH intends to continue to grow its existing **3** Group Europe businesses and increase profitability through the expansion of its mobile telecommunications operations and the continued realisation of synergies after the acquisitions of Orange Austria and O_2 Ireland. The creation of an equal joint venture merging **3** Italia and WIND, which was approved by the European Commission in September 2016, is expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in this market. This transaction is subject to obtaining Italian regulatory approval, and is expected to complete in the fourth quarter of 2016.
- HTHKH's strategy for its mobile business is to increase and diversify revenue and profitability by offering existing and potential customers a wide range of telecommunications services, from voice-driven services to ultrahigh-speed information communications technology services. HTHKH's strategy for its fixed-line business is to increase penetration and service offerings in the carrier, corporate and business segments, both locally and overseas as well as in the residential consumer segment leveraging its extensive fibre-to-the-building network.
- CKHH also aims to organically grow and increase profitability of its existing telecommunication businesses in Indonesia, Vietnam and Sri Lanka by diversifying revenue streams, network expansion, strengthening competitive positioning and increasing efficiency and continued focus on cost management.
- CKHH will continue to monitor the recovery process of the VHA operation in Australia to ensure the business is on the right path in returning to profitability.

Ports and Related Services

The ports and related services division comprises the 80%-owned subsidiaries, Hutchison Port Holdings and Hutchison Ports Investments S.à r.l. (collectively "Hutchison Ports"), and HPH Trust, the associate listed on the Main Board of the SGX-ST. CKHH is one of the world's largest privately-owned container terminal operators in terms of throughput handled and CKHH has interests in container terminals operating in five of the 10 busiest ports by container throughput in the world: those ports are in Shanghai, the Mainland; Shenzhen, the Mainland; Ningbo, the Mainland; Hong Kong and Busan, South Korea. CKHH also has interests in container terminals operating in the largest port in Europe, Rotterdam, and the Netherlands. The division handled combined container throughput of 83.8 million TEU and 40.0 million TEU in 2015 and in the six months ended 30 June 2016, respectively. CKHH currently has interests in 48 ports comprising 274 operational berths in 25 countries.

The market for ports and related services is dependent on a variety of factors. The geographic location of each port is important to its traffic flow. Ports in Hong Kong benefit from its strategic location at the centre of the developing economies of Asia. A terminal operator must also have sufficient capacity to meet the demands of its customers. In addition, through its interests in Shanghai, Ningbo, Huizhou, and Delta ports and, through its associate HPH Trust, Yantian Port, CKHH is one of the largest private container terminal operators in the Mainland. Through its European operations, CKHH is positioned as one of the market leaders in container terminal operations with businesses in the UK, the Netherlands, Belgium, Germany, Spain, Poland and Sweden. CKHH also operates the largest container terminal operation in Indonesia, one terminal in Busan Port in South Korea, and one terminal in Gwangyang Port, South Korea's second largest deep-water port. Shipping customers focus on turnaround time at ports in order to minimise the amount of time their vessels spend at ports. CKHH utilises the latest technology and management systems in all of its port operations in order to maximise turnaround performance.

The following table set out the container throughput by type of shipment and geographic location, respectively, of the portfolio of ports operated by CKHH's subsidiaries, associates and joint ventures:

	Container Throughput[(1)]	
	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	54,269.0	25,616.1
Transshipment	29,503.8	14,396.8
Total	83,772.8	40,012.9
HPH Trust	24,337.2	10,957.5
The Mainland and Other Hong Kong	13,996.7	6,643.9
Europe	15,585.6	7,343.5
Asia, Australia and Others	29,853.3	15,068.0
Total	83,772.8	40,012.9

(1) The published statistics from the Hong Kong Marine Department are not directly comparable to throughput figures of HIT, CHT and ACT HK included in the figure for HPH Trust above. HIT, CHT and ACT HK figures include volumes in relation to lighterwork etc. and are more comparable to statistics used by the industry.

HPH Trust

Yantian Port

YICT, a joint venture between HPH Trust and Shenzhen Yantian Port Group, is located in Da Peng Bay, three kilometres from the Hong Kong border.

HPH Trust has a 56.4% interest in YICT, which owns and manages Phases I and II of Yantian Port, the first deep-water port in the southern Mainland. Phases I and II of Yantian Port provide 130 hectares of yard space, five container berths and one barge berth. Yantian Phase III, in which HPH Trust holds a 51.6% interest, was formed to develop terminal facilities at Phase III and Phase III expansion of Yantian Port. A new container berth of 886-metres was put into operation in May 2016. Together they provide a total yard space of 226 hectares and 11 container berths.

HPH Trust holds a 51.6% interest in Yantian West Port Phases I and II, which are adjacent to existing Yantian Port Phases I and II facilities. Yantian West Port Phase I provides one container berth and two barge berths with yard space of 17 hectares. Upon completion, Yantian West Port Phase II will provide three container berths with yard space of 44 hectares. The first berth of Yantian West Port Phase II commenced operation in February 2016.

Yantian Port handled throughput of 12.2 million TEU in 2015 and 5.5 million TEU in the six months ended 30 June 2016.

Hong Kong Kwai Tsing Port Operations

HPH Trust holds a 100% interest in HIT. HIT's scope of operations in Hong Kong, one of the busiest ports in the world in terms of throughput in 2015, includes the loading and unloading of containers to and from container vessels, the storage of containers and cargoes and the handling of containers within the container terminal premises. HIT operates 12 container berths and four barge berths at its four terminals at Kwai Tsing. In addition, HIT's 50% joint venture, CHT, operates two container berths and five barge berths at Kwai Tsing. HIT and CHT occupy approximately 141 hectares of terminal space which is held under leases granted by the Hong Kong Government expiring in 2047. Historically, the Hong Kong Government has controlled the amount of land used for container terminals.

In March 2013, HPH Trust acquired a 100% equity interest in ACT HK, which owns and operates two container berths at Container Terminal 8 West, adjacent to the HPH Trust's existing container terminals, at Kwai Chung, Hong Kong. In March 2014, HPH Trust divested 60% of its equity interest in ACT HK to the newly established joint venture with COSCO Pacific Limited (40%) and China Shipping Ports Development Co., Limited (20%). HPH Trust currently owns an effective interest of 40% in ACT HK.

Throughput of HIT, CHT and ACT HK together amounted to 12.1 million TEU in 2015 and 5.5 million TEU in the six months ended 30 June 2016.

Ports in the Mainland and Other Hong Kong

Shanghai Ports

Shanghai was the busiest port in the world in terms of container throughput in 2015. Hutchison Ports' interests in Shanghai ports include interests in SMCT, SPICT and SCT. CKHH's Shanghai ports, comprising 17 container berths handled 8.3 million TEU in 2015 and 4.1 million TEU in the six months ended 30 June 2016.

The following table summarises the combined container throughput of CKHH's Shanghai ports:

Shanghai Ports Container Throughput

	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	6,228.9	3,104.2
Transshipment	2,061.9	1,008.7
Total	8,290.8	4,112.9

Shanghai Mingdong Container Terminals Limited. Hutchison Ports holds a 50% interest in SMCT. SMCT, located at Phase V of the Waigaoqiao in Shanghai, consists of four container berths and two barge berths along a 1,300-metre quay. SMCT is currently leasing the Waigaoqiao Phase VI container terminal with three container berths along a 958 metre quay.

Shanghai Pudong International Container Terminals Limited. Hutchison Ports owns a 30% interest in SPICT. SPICT operates three deep-water container berths at Phase I of the Waigaoqiao Port in Shanghai. It also offers supporting services that include a container freight station and reefer facilities.

Shanghai Container Terminals Limited. Hutchison Ports owns a 40% equity interest in SCT, which is a joint venture with Shanghai International Port (Group) Co. Ltd. SCT's Zhanghuabang and Jungonglu terminals are leased to Shanghai International Port (Group) Co. Ltd. for handling domestic cargo.

Ningbo Beilun International Container Terminals Limited. Hutchison Ports holds a 49% interest in NBCT. NBCT is a container-handling facility situated at Ningbo Beilun Port, a natural deep-water port on the southeast coast of China. The facility is situated on 76.2 hectares of land and is equipped with three container berths. NBCT handled 2.0 million TEU in 2015 and 0.9 million TEU in the six months ended 30 June 2016.

Hutchison Delta Ports Limited ("Delta Ports"). Delta Ports, a wholly-owned subsidiary of Hutchison Ports, manages Hutchison Ports' existing interests in river and coastal ports in the Mainland and invests in, develops and operates new river and coastal ports in the Mainland in conjunction with local government entities as its joint venture partners. Delta Ports currently operates and manages joint venture facilities in Nanhai, Jiangmen, Shantou and Xiamen of which Hutchison Ports' economic interest in the two River Ports (Jiangmen International Container Terminals and Nanhai International Container Terminals) were assigned to HPH Trust prior to its IPO, but Hutchison Ports retains the legal interest in these operations. Except for Shantou and Xiamen, these joint venture facilities are 50%-owned by Hutchison Ports. The Shantou port is 70%-owned by Hutchison Ports and the Xiamen port is 49%-owned by Hutchison Ports.

Delta Ports also managed 50%-owned joint venture facilities in Jiuzhou and Gaolan. In 2015, Hutchison Ports divested its entire interests in these operations.

Nanhai, Jiangmen, Shantou and Xiamen handled a total of 1.9 million TEU and 0.7 million tonnes of non-containerised cargo in 2015 and 1.1 million TEU and 25,600 tonnes of non-containerised cargo in the six months ended 30 June 2016.

Huizhou Port Industrial Corporation Limited ("HPIC"). Hutchison Ports holds a 33.59% interest in HPIC. HPIC, located at Quanwan Port zone in the Daya Bay Economic and Technological Development Zone of Huizhou, is a multi-purpose facility that handles containers and non-containerised goods such as refined oil, liquefied petroleum gas and general cargo.

Huizhou International Container Terminals Limited ("HICT"). Hutchison Ports holds an 80% interest in HICT. HICT, the first dedicated container terminal in Huizhou Port, is located close to the manufacturing hinterland in eastern Guangdong and has two berths with a total berth length of 800 metres, an area of 60 hectares, a depth alongside of 15.7 metres and approaching channel of 15.2 metres.

In 2015, HPIC and HICT together handled 182,200 TEU and 6.4 million tonnes of oil and gas and other non-containerised cargo. For the six months ended 30 June 2016, HPIC and HICT together handled 75,200 TEU and 3.7 million tonnes of oil and gas and other non-containerised cargo.

River Trade Terminal Co. Ltd. ("RTT"). Hutchison Ports has a 50% equity interest in RTT, which handles and consolidates container and break-bulk cargo originating from southern China river ports prior to dispatch to Kwai Tsing, Hong Kong. RTT handled throughput of approximately 1.2 million TEU in 2015 and 0.5 million TEU in the six months ended 30 June 2016.

Ports in Europe

The Netherlands, Germany and Belgium

Europe Container Terminals. Hutchison Ports has a 93.5% equity interest in ECT in Rotterdam, the Netherlands. Through ECT, Hutchison Ports has an 89.37% equity interest in ECT Delta Terminal B.V. and a 93.5% equity interest in Euromax Terminal Rotterdam B.V. ("ETR") in Rotterdam, the Netherlands. ECT is one of the largest container operators in Europe in terms of container throughput, operating two deep-sea terminals with 11 container berths. ECT also has equity interests in inland facilities in the ports of Venlo and Moerdijk in the Netherlands, Duisburg in Germany and Willebroek in Belgium. In May 2016, ECT has agreed to sell 35% equity interest in ETR to COSCO Pacific Limited and Hutchison Ports will reduce its interest in ETR to 60.8% after completion.

The following table summarises the combined container throughput with respect to ECT:

The Netherlands, Germany and Belgium Container Throughput

	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	6,826.1	3,109.6
Transshipment	3,017.1	1,393.2
Total	9,843.2	4,502.8

Amsterdam Container Terminals B.V. Hutchison Ports has a 70.08% interest in ACT in Amsterdam which is made up of three berths with a total length of 1,015 metres. The operation is currently engaged in general and project cargoes.

UK

CKHH's UK port operations consist of PFL, LTP and HWH with 13 container berths. CKHH's UK ports handled 4.3 million TEU in 2015 and 2.1 million TEU in the six months ended 30 June 2016. PFL and LTP together handled approximately 45% of the UK container throughput in 2014.

Port of Felixstowe Limited. Hutchison Ports has a 100% equity interest in PFL, the largest container facility in the UK. PFL's terminals include: Trinity, which can berth seven deep-sea container ships at any one time and Dooley, primarily a roll-on/roll-off facility. The 190-metre extension of its deep-water berth 9 was opened in November 2015, extending the container quay at berths 8 and 9 to 920 metres. The berths can handle concurrently two of the largest container ships afloat.

Thamesport (London) Limited. Hutchison Ports has an 80% equity interest in LTP in the UK. LTP is a container and general cargo terminal on the Thames estuary 35 miles from London.

Harwich International (Holdings) Limited. Hutchison Ports has a 100% equity interest in HWH, which is situated one mile from PFL on the opposite side of the Harwich Haven estuary. It has strong links with Northern Europe and Scandinavia, particularly through regular passenger and freight roll-on/roll-off services and cruise vessels. It also handles liquid bulk and agricultural products.

The following table summarises the combined container throughput with respect to PFL and LTP:

UK Container Throughput

	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	3,820.6	1,843.3
Transshipment	441.8	222.0
Total	4,262.4	2,065.3

Spain

Barcelona Europe South Terminal. Hutchison Ports has a 100% equity interest in BEST, which has a 45-year concession, extendable to 50 years at the Port of Barcelona, Spain. The semi-automated terminal at BEST, originally with a quay length of 1,000 metres, was extended with an additional 500 metres of quay in 2015. BEST handled 1.1 million TEU in 2015 and 0.6 million TEU in the six months ended 30 June 2016.

Italy

Taranto Container Terminal S.p.A. ("TCTI") Hutchison Ports holds a 50% interest in TCTI in Italy. The concession was returned to Taranto Port Authority in September 2015.

Poland

Gdynia Container Terminal S.A. The Port of Gdynia is located on the southern coast of the Baltic Sea, where 90% of Polish sea-borne containerised cargo is handled. Hutchison Ports has a 99.15% interest in GCT at the Port of Gdynia. GCT handled 327,800 TEU in 2015 and 158,600 TEU in the six months ended 30 June 2016.

Sweden

Container Terminal Frihamnen. Hutchison Ports holds the right to operate CTF for 10 years from 1 March 2009 till 1 January 2020 and is permitted under the agreement with Ports of Stockholm to develop and operate for 25 years new container-handling facilities at the Port of Nynäshamn, Norvikudden, approximately 60 kilometres south of Stockholm. The right to operate CTF will terminate early if the new facilities are completed before 1 January 2020. CTF handled 51,000 TEU in 2015 and 27,200 TEU in the six months ended 30 June 2016.

Ports in Asia, Australia and others

Malaysia

Westports Malaysia. Westports Holdings Berhad ("Westports"), Hutchison Ports' 23.55% listed associate, is listed on the Malaysia Stock Exchange. Westports is the holding company of KMT at Port Klang, Malaysia. KMT is an integrated terminal situated at Port Klang. It offers container-handling services, with the capability of also handling dry bulk, liquid bulk and other conventional cargo. KMT has 15 container berths and handled 9.1 million TEU in 2015 and 4.9 million TEU in the six months ended 30 June 2016. The first berth of Container Terminal 8 became operational in the second quarter of 2016.

Panama

Panama Ports Company. Hutchison Ports has a 90% interest in Panama Ports Company, which operates the ports of Balboa on the Pacific Ocean side and Cristobal on the Atlantic Ocean side of the Panama Canal, under a long-term concession agreement and has created a modern post-Panamax transshipment facility with 10 container berths. The ports of Cristobal and Balboa provide the link and strategic access for the transatlantic and transpacific trades to the east and west coasts of the Americas. In addition, Balboa is strategically located to participate in the transshipment trade between Asia, the west coast of the U.S., and the west and east coasts of Central and South America and the Caribbean.

The following table summarised Panama's container throughput for the periods indicated:

Panama Container Throughput

	Year Ended 31 December 2015	**Six Months Ended 30 June 2016**
	in thousands of TEU	**in thousands of TEU**
Local	334.8	162.1
Transshipment	3,556.1	1,621.5
Total	3,890.9	1,783.6

Indonesia

Jakarta International Container Terminal. Hutchison Ports has a 49% interest in JICT, located at Tanjung Priok Port in Jakarta. JICT is the largest terminal port operator in Indonesia with seven container berths. JICT has commenced the development of the final phase of its expansion program which, when completed in the fourth quarter of 2016, is expected to shorten gate transaction time and deliver improved service levels to its customers.

Terminal Petikemas Koja. Hutchison Ports has an effective 45.09% interest in KOJA at Tanjung Priok Port in Jakarta. KOJA is adjacent to JICT and has three berths. The expansion program at KOJA is complete. As a result of the investments associated with this expansion program, KOJA increased its capacity to approximately 1 million TEU.

In 2014, Hutchison Ports signed conditional agreements for 20-year extensions to the concessions of JICT and KOJA. The agreements became effective on 6 July 2015 following approval from the Indonesian Government.

The following table summarises JICT's and KOJA's container throughput for the periods indicated:

Indonesia Container Throughput

	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	3,037.2	1,464.7
Transshipment	161.9	72.1
Total	3,199.1	1,536.8

Mexico

CKHH's Mexico port operations consist of operations in Veracruz, Lazaro Cardenas, Ensenada and Manzanillo.

Internacional de Contenedores Asociados de Veracruz. Hutchison Ports has a 100% equity interest in ICAVE, which is located at the Port of Veracruz on the east coast of Mexico. In addition to facilities for handling containers, ICAVE is equipped with a container freight station, intermodal station, and empty container depot and external storage and repair facilities. In April 2016, ICAVE was granted a 20-year extension of the current concession for the relocation of ICAVE's current terminal facilities to the new port of Veracruz, on the east coast of Mexico.

Lazaro Cardenas Terminal Portuaria de Contenedores ("LCT"). Hutchison Ports has a 100% interest in LCT, which is located in the State of Michoacan, on the Pacific coast of Mexico. Phase I & II of the new terminal development has a total quay length of 930 metres.

Lazaro Cardenas Multipurpose Terminal ("LCMT"). Hutchison Ports has a 100% interest in a new multi-purpose terminal, LCMT at the Port of Lazaro Cardenas for a concession period of 20 years. It has a total area of 20 hectares, a 286-metre berth with depth alongside of 14 metres.

Ensenada International Terminal ("EIT"). Hutchison Ports has a 100% equity interest in EIT, located 110 kilometres south of the U.S.-Mexico border along the Pacific Ocean. EIT is a multi-use terminal oriented to manage containers and bulk goods.

The following table summarises the combined container throughput with respect to the Mexico operations:

Mexico Container Throughput

	Year Ended 31 December 2015	Six Months Ended 30 June 2016
	in thousands of TEU	in thousands of TEU
Local	1,925.0	912.6
Transshipment	236.7	149.7
Total	2,161.7	1,062.3

South Korea

Hutchison Korea Terminals. Hutchison Ports operates a five-berth deep-water container terminal in Busan, the world's sixth largest container port in terms of throughput in 2015.

Korea International Terminals. Hutchison Ports has an equity interest of 88.9% in KIT. KIT is located at the Gwangyang Port Phase II in South Korea with a total of four berths.

The combined throughput handled by HKT and KIT in South Korea was 2.5 million TEU in 2015 and 1.3 million TEU in the six months ended 30 June 2016.

Saudi Arabia

International Ports Services. Hutchison Ports has a 51% interest in IPS, which operates a seven container berths and four multi-purpose berths deep-water facility capable of handling containers, ro-ro cargo and weak-bulk refrigerated cargo at King Abdul Aziz Ports, Dammam, in Saudi Arabia. IPS handled 1.9 million TEU in 2015 and 0.8 million TEU in the six months ended 30 June 2016. IPS current concession was extended to 2019.

Thailand

Thai Laemchabang Terminal. Hutchison Ports has an 87.5% interest in TLT, which owns a multi-purpose facility with two container berths. The terminal is located at Laem Chabang Port on the Gulf of Thailand, which is 100 kilometres from Bangkok and 25 kilometres from Pattaya.

Hutchison Laemchabang Terminal. Hutchison Ports has an 80% interest in HLT. CKHH has construction, management and operation rights over an 11-berth facility and 141 hectares of land in Laem Chabang port for 30 years, with an option to renew for two further 10-year periods. Three of the total six terminals are currently in operation with the remaining terminals expected to commence operations in phases.

The terminals in Laem Chabang handled combined throughput of 2.3 million TEU in 2015 and 1.2 million TEU in the six months ended 30 June 2016.

The Bahamas

Freeport Container Port Limited. Hutchison Ports has a 51% interest in FCP on Grand Bahama Island in the Bahamas serving as a transshipment hub for the eastern seaboard of the U.S. and the east/west line haul routes through the region. The facility has more than 1,000 metres of quay and 49 hectares of container yard. FCP handled 1.4 million TEU in 2015 and 0.7 million TEU in the six months ended 30 June 2016.

Pakistan

Karachi International Container Terminal. Hutchison Ports has a 100% equity interest in KICT, which is one of the container terminal operators at the Port of Karachi in Pakistan. KICT operates three container berths, handled 1.0 million TEU in 2015 and 0.6 million TEU in the six months ended 30 June 2016.

South Asia Pakistan Terminals. Hutchison Ports has a 90% equity interest in SAPT, a new port with a concession period of 25 years, extendable for another 25 years. SAPT is situated at the estuary of the Keamari Groyne basin and the new terminal will provide convenient access to ships entering Karachi. The new container terminal is expected to be operational in the fourth quarter of 2016. Upon completion, SAPT will have four berths with a total quay length of 1,500 metres, a yard area of up to 85 hectares and depth alongside up to 18 metres.

Egypt

Alexandria International Container Terminals. Hutchison Ports has an 80.3% interest in two terminals at Ports of Alexandria and El Dekheila on the Mediterranean Sea. The equity shareholding was increased from 50% to 80.3% following the acquisition of a 30.3% interest in February 2016. AICT handled 688,200 TEU in 2015 and 388,200 TEU in the six months ended 30 June 2016.

Tanzania

Tanzania International Container Terminal Services. In August 2015, Hutchison Ports decreased its shareholding from 70% to 66.5% in TICT, which is located at Dar es Salaam. TICT has a total quay length of 725 metres and a yard area of 14 hectares. TICT handled 495,100 TEU in 2015 and 244,700 TEU in the six months ended 30 June 2016.

Argentina

Buenos Aires Container Terminal Services. Hutchison Ports has a 100% equity interest in BACTSSA, which is located at Terminal 5 at the Port of Buenos Aires, Argentina. BACTSSA handled 204,500 TEU in 2015 and 94,800 TEU in the six months ended 30 June 2016. In February 2016, BACTSSA was awarded a new 4-year concession which will expire in May 2020.

Oman

Oman International Container Terminal. Hutchison Ports has a 65% interest in a container terminal in the Port of Sohar. The Port of Sohar is located outside the Strait of Hormuz in the Gulf of Oman, approximately 200 kilometres from Muscat and 160 kilometres from Dubai. OICT handled 540,300 TEU in 2015 and 319,900 TEU in the six months ended 30 June 2016. OICT operates a new terminal (Terminal C) with a quay length of 970 metres and a depth alongside of 18 metres. The first phase of this new terminal commenced operation in June 2014. All vessels operations have been migrated to Terminal C while the old terminal (Terminal B) was returned to the Port Authority in November 2015 for non-containerised cargo operations.

UAE

Hutchison Ajman International Terminals. CKHH was granted a 10-year concession period to develop and operate Ajman Port in the UAE. HAJT is located 25 kilometres from Dubai and 10 kilometres from Sharjah, where most of the UAE's manufacturing and trading companies are located. The main container and general cargo berths of the terminal have a total quay length of 1,250 metres and a yard area of 12.9 hectares. HAJT handled 151,000 TEU in 2015 and 80,600 TEU in the six months ended 30 June 2016.

Vietnam

Saigon International Terminals Vietnam. Hutchison Ports has a 70% interest in SITV. SITV is located approximately 55 kilometres from the Ho Chi Minh City hinterland in Vietnam. It is a modern container terminal situated close to the manufacturing centres in the Ba Ria Vung Tau Province.

Myanmar

Myanmar International Terminals Thilawa. Hutchison Ports has a 100% interest in MITT which has a long-term concession to operate a five berths general cargo and container port facility. The terminal is located 25 kilometres from Yangon, the largest city in Myanmar and the country's international trade portal.

Australia

Brisbane Container Terminals. Hutchison Ports has a 100% equity interest in BCT, to develop and operate a container terminal at Berths 11 and 12 in the Port of Brisbane, Queensland, Australia. Berths 11 and 12 have started commercial operations.

Sydney International Container Terminals. Hutchison Ports has a 100% equity interest in SICTL, to develop and operate the third container terminal at Port Botany, New South Wales, Australia. The first two berths commenced operations in November 2013.

Port Related Services

Hutchison Ports owns 50% interest in Hongkong United Dockyards Limited ("HUD"). HUD provides both marine and general engineering services from its Tsing Yi facility which includes a floating dry-dock and workshops complex. In addition to ship maintenance and repair, HUD is a contractor for steel fabrication, mechanical and electrical engineering. HUD is the largest tug operator in Hong Kong, deploying 13 tugs. The operation provides services including harbour towage, off-shore towage, salvage, as well as tug design, new building, supervision and project consultancy. It also operates six container vessels on long-term contracts for maritime transportation of refuse for the Hong Kong Government. During 2015, HUD set up an off-site structural steel cut and bend facility that commenced business in January 2016.

Hutchison Ports has a 50% interest in Freeport Harbour Company ("FHC"), a major cruise ship passenger terminal on Grand Bahama Island in the Bahamas. FHC also holds a 100% interest in The Grand Bahama Airport Company, which operates the international airport on the island.

Hutchison Ports has a 100% equity interest in Ensenada Cruiseport Village ("ECV") in Mexico, which is an important international port for worldwide and Pacific Coast cruise ships. ECV also has marina facilities.

Hutchison Ports has a 100% equity interest in Terminal Internacional de Manzanillo, S.A. de C.V. ("TIMSA"). TIMSA is a multi-purpose stevedoring operation, which provides services at the Port of Manzanillo, Mexico. The port is strategically situated along the west coast of Mexico and is connected to major trade routes linking the Americas and Asia.

Hutchison Ports has a 100% equity interest in Talleres Navales del Golfo, S.A. de C.V. in Mexico, which provides maintenance, technical support, conservation and repair services to vessels, platforms and any other kind of maritime structures.

Hutchison Ports has a 96.7% equity interest in Terminal Intermodal Logistica de Hidalgo, S.A.P.I. de C.V. ("TILH"), which operates an intermodal terminal in the Mexican State of Hidalgo, strategically situated near Mexico City.

Hutchison Ports has a 20% equity interest in Zona de Actividades Logisticas Hidalgo, S.A.P.I. de C.V. in Mexico, which plans to develop a logistic zone adjacent to the TILH's Intermodal Terminal.

Hutchison Ports has a 20.83% interest in Hong Kong Air Cargo Terminals Ltd ("HACTL") in Hong Kong, which provides air cargo handling services to airlines at Hong Kong International Airport.

HPH Trust has a 100% interest in Asia Port Services ("APS"), which is one of the largest mid-stream operators in Hong Kong. APS operates five barge berths.

HPH Trust has a 77.7% interest in Shenzhen Hutchison Inland Container Depots Co., Ltd., which operates a container depot and warehousing facilities in Shenzhen in the Mainland to provide logistics services, including cargo consolidation, storage and distribution, quality inspection, warehousing, container storage and repair, transportation and other related services. This facility serves to enhance container traffic through Yantian Port.

Retail

CKHH's strategy in its retail operation is to continue to build on its portfolio, through a policy of carefully managed growth, while tightly controlling costs. CKHH believes that it can leverage the retail expertise gained to expand and grow its retail operations. As customers become increasingly cost and quality conscious, CKHH strives to provide customers with quality products at competitive prices. Presently, CKHH operates retail businesses across 25 markets, predominantly in Europe, Hong Kong, the Mainland and other markets in Asia. CKHH believes that significant benefits flow from the economies of scale inherent in operating a global retail organisation. All A.S. Watson's retail stores are rented, preserving the operational flexibility of the division.

In April 2014, Hutchison entered into a strategic alliance with Temasek in which Temasek acquired a 24.95% indirect equity interest in A.S. Watson Holdings Limited for approximately HK$44 billion, resulting in an increase of approximately HK$39 billion in Hutchison's shareholders' funds. The net proceeds from this transaction were partly used for a special dividend distribution of HK$7.00 per share amounting to approximately HK$30 billion in May 2014. The net impact of this transaction, after the distribution of special dividend, resulted in an increase of shareholders' funds of HK$9 billion in 2014. After the transaction, Hutchison's interest in A.S. Watson was reduced from 100% to 75.05%.

All the numbers of stores quoted in the following paragraphs are as of 30 June 2016 unless otherwise specified.

Health & Beauty China

Watsons China is the leading retailers of health and beauty products in the Mainland with 2,622 stores.

Health & Beauty Asia

The Watsons business is the leading retailer of health and beauty products in Asia with strong brand name recognition and extensive geographical coverage with 520 stores in Taiwan, 373 in Malaysia, 481 in the Philippines, 225 in Hong Kong and Macau, 387 in Thailand, 104 in Singapore, 123 in Korea and 225 in Turkey.

Health & Beauty Western Europe

A.S. Watson owns 7 leading retail chains (Kruidvat, Trekpleister, Rossmann, Superdrug, Savers, The Perfume Shop, and ICI Paris XL) with 5,075 stores in Western Europe.

A.S. Watson owns Superdrug and Savers in the UK and Ireland. Superdrug is one of the UK's leading health & beauty retailers operating 787 stores nationwide. Savers, a chain of discount health and beauty stores in the UK, has 348 stores. The company also owns a specialty perfumery retailer, The Perfume Shop in the UK and Ireland, which comprises 259 perfumery stores in the UK and Ireland.

ICI Paris XL is another leading perfumery chain in Europe with 271 stores in the Netherlands, Belgium, Luxembourg and Germany.

A.S. Watson also owns 3 leading retail chains (Kruidvat, Trekpleister and Rossmann) with 3,410 stores in Western Europe.

Health & Beauty Eastern Europe

A.S. Watson owns 4 leading retail chains (Rossmann, Drogas, Watsons and Spektr) with 2,048 stores in 7 countries (Poland, Hungary, Czech Republic, Latvia, Lithuania, Russia and Ukraine) in Eastern Europe.

Other Retail

PARKnSHOP is a leading supermarket chain with 292 locations in Hong Kong and Macau. It is one of the market leaders in Hong Kong and has further expanded its offerings into the higher end food retailing market through branded store formats such as Great, Taste, Fusion and PARKnSHOP International. In the Southern part of the Mainland, PARKnSHOP operates supermarkets, selling fresh food, general merchandise and household products. As of 30 June 2016, there were 55 PARKnSHOP stores in the Mainland, primarily in the southern region.

Fortress is one of the leading retailers of consumer electronics and electrical appliances in Hong Kong. The chain of 94 Fortress stores throughout Hong Kong and Macau offers a wide range of products and after-sales product services.

Nuance Watson, a 50% joint venture with The Nuance Group AG, held concessions to operate retail stores, both airside and landside, mainly at the Hong Kong International Airport. The joint venture also operated concession stores in the Singapore Changi Airport. In July 2014, A.S. Watsons disposed its 50% interest to The Nuance Group AG.

Watson's Wine is one of the leading Hong Kong wine retailers with 32 outlets in Hong Kong and Macau and 1 outlet in the Mainland.

The manufacturing division of A.S. Watson manufactures and distributes local and international branded drinking water, juices and other beverages in both Hong Kong and the Mainland.

The manufacturing division has a factory in Hong Kong and interests in two manufacturing plants in the Mainland. Its approximate annual manufacturing capacity is as follows: over 400 million litres of water in Hong Kong; and over 400 million litres of water and over 100 million litres of beverages in the Mainland.

A.S. Watson's "Watsons" brand is one of the leading brands of drinking water in Hong Kong. A.S. Watson's water business is growing in the Mainland, with strong sales in the Southern region, Shanghai and Beijing. "Mr. Juicy" is one of the best-selling brands of fruit juice in Hong Kong and is also increasingly distributed throughout the Southern Mainland.

Infrastructure

Cheung Kong Infrastructure

CKHH's current interest in CKI, a subsidiary listed on the SEHK, is 75.67%[(1)]. Based on the closing price of its shares on SEHK on 30 June 2016, CKI had a market capitalisation of approximately HK$176,800 million (approximately US$22,667 million) and became one of the Hang Seng Index constituents on 14 March 2016.

CKI prefers to invest in existing projects or in projects that are already under construction in order to benefit from immediate or imminent cash flow and to reduce project development risks. CKI looks for projects with strong economic fundamentals. CKI's objective is to obtain a relatively secure investment return from its infrastructure businesses by ensuring a stable minimum financial return, with the potential for participation in excess profits. In addition, it has focused on diversification and globalisation initiatives and will continue to pursue opportunities when it arises.

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(1) In January 2015, CKI completed a share placement and share subscription transaction that resulted in CKHH's interest in CKI reducing from 78.16% to 75.67%. In March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, CKHH currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determining the number of shares held by the public, CKHH's profit sharing in CKI continues to be 75.67%.

Certain regulated operations of CKI's investments are subject to price control by regulatory authorities. The relevant regulatory authorities will reset the price control terms for certain projects in accordance with predetermined schedules.

The following table summarises certain information with respect to CKI:

Cheung Kong Infrastructure Holdings Limited

	Year Ended/As of 31 December 2015	Six Months Ended/As of 30 June 2016
Profit attributable to shareholders	HK$11,162 million	HK$5,511 million
Earnings per share	HK$4.44	HK$2.19
Dividend per share	HK$2.15	HK$0.63
Equity attributable to shareholders of CKI — shareholders' funds	HK$102,571 million	HK$99,521 million
Net debt	HK$9,280 million	HK$6,347 million
Net debt to net capital ratio	8%	5%

In Hong Kong, CKI holds a 38.87% interest in Power Assets, a listed associate in Hong Kong.

Power Assets Holdings Limited

Power Assets is listed on the SEHK. Based on the closing price of its shares on SEHK on 30 June 2016, Power Assets had a market capitalisation of approximately HK$151,639 million (approximately US$19,441 million). 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 HKEI on the Main Board of the SEHK on 29 January 2014. Power Assets currently holds 33.37% of HKEI which became an associated company of Power Assets following its separate listing. HKEI's wholly-owned subsidiary, Hongkong Electric, generates, transmits, distributes and is the sole provider of electricity to Hong Kong Island and Lamma Island. Currently, Hongkong Electric supplies electricity to over half a million customers. Total unit sales in 2015 were 10,879 million kWh, a 0.7% decrease from the 10,955 million kWh sold in 2014.

The operations of Hongkong Electric are subject to the Scheme of Control Agreement ("SOC") with the Hong Kong Government.

In January 2008, Hongkong Electric signed a SOC with the Hong Kong Government for a period of ten years commencing 1 January 2009 with a Government option to extend the agreement for a further term of five years. The agreement provides for a 9.99% permitted rate of return on average net fixed assets other than for renewable energy fixed assets for which the permitted return is 11% and contains provisions that encourage emission reduction, energy efficiency, operational performance, service quality and the use of renewable energy.

Power Assets indirectly holds a 45% interest in three power plants in the Mainland including Zhuhai Power Plant in Zhuhai City, the neighbouring Jinwan Phase 1 Power Plant and Siping Cogen Power Plants in the Jilin Province.

Power Assets also holds 45% interests in two wind farms, one 48 MW farm in Dali, Yunnan Province and one 49.5 MW farm in Laoting, Hebei Province.

Power Assets has a 25% interest, through a joint venture company, Ratchaburi Power Company Limited, which owns and operates a 1,400 MW gas-fired power plant project located in Ratchaburi Province, Thailand.

Power Assets also holds interests in the following operations:

- 40% interest in UK Power Networks (CKI's direct interest: 40%);
- 41.29% interest in Northern Gas Networks (CKI's direct interest: 47.06%);
- 30% interest in Wales & West Utilities (CKI's direct interest: 30%);
- 25% interest in Seabank Power (CKI's direct interest: 25%);
- 27.93% in each of SA Power Networks, Powercor and CitiPower (CKI's direct interest in each: 23.07%);

- 27.51% interest in AGN (CKI's direct interest: 44.97%);
- 50% interest Transmission General Holdings (Australia) Pty Ltd (CKI's direct interest: 50%);
- 20% interest in Dutch Enviro Energy in the Netherlands (CKI's direct interest: 35%);
- 50% interest in Wellington Electricity (CKI's direct interest: 50%);
- 50% interest in Canadian Power (CKI's direct interest: 50%);
- 50% interest in Portugal Renewable Energy (CKI's direct interest: 50%); and
- 48.75% interest in HMLP (CKI's direct interest: 16.25%).

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 CKI.

The following table summarises certain information with respect to Power Assets extracted from Power Assets' publicly available information:

Power Assets Holdings Limited

	Year Ended/ As of 31 December 2015	Six Months Ended/As of 30 June 2016
Profit attributable to shareholders	HK$7,732 million	HK$3,476 million
Earnings per share	HK$3.65	HK$1.63
Dividend per share	HK$2.70	HK$0.70
Net cash	HK$58,744 million	HK$56,882 million

Australian Projects

CKI, together with Power Assets, owns a 51% interest (CKI: 23.07%; Power Assets: 27.93%) in:

- SA Power Networks, the owner and manager of South Australia's primary electricity distributor, which delivers electricity to more than 850,000 residential and business customers. The network has a route length of over 88,000 kilometres including over 400 zone substations, 74,000 transformers and 725,000 poles;
- Powercor, the owner and manager of the largest electricity distributors in Victoria, Australia, which delivers electricity to approximately 770,000 customers in central and western Victoria and Melbourne's outer western suburbs; and
- CitiPower, the owner and manager of the electricity distribution network servicing Melbourne's central business district and inner suburbs. The CitiPower network covers 157 square kilometres and includes distribution to the headquarters of some of Australia's largest companies and most important cultural and sporting icons, such as the Melbourne Cricket Ground, Melbourne Park and the Victorian Arts Centre.

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Transmission General Holdings (Australia) Pty Ltd which holds TOA and TOA2. TOA owns and operates the transmission link to transport renewable energy from the wind turbines at the Mt Mercer Wind Farm to Victoria's power grid. TOA2 has built, and also owns and operates the transmission connection assets for the Ararat Wind Farm, located approximately 180 kilometres northwest of Melbourne and between 9 kilometres to 17 kilometres northeast of Ararat in Victoria.

CKI, together with Power Assets, owns a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in AGN, one of the largest natural gas distribution companies in Australia with approximately 23,500 kilometres of natural gas distribution networks and 1,100 kilometres of transmission pipelines serving over 1.2 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. CKHH holds a 27.51% direct interest in AGN. Including this direct interest, CKHH holds an effective 69.63% interest in AGN.

CKI has also undertaken the following project in Australia:

Spark Infrastructure Group

CKI held a 6.73% interest in Spark Infrastructure Group, a stapled group listed on the Australian Securities Exchange, which holds investments in the Australian joint ventures, SA Power Networks, Powercor and CitiPower. This investment was fully disposed of in June 2016.

UK Projects

UK Power Networks Holdings Limited

CKI and Power Assets each currently hold a 40% interest in UK Power Networks, which comprises three regional networks with a distribution area that covers London, the South East of England and the East of England. These networks serve over 8 million customers and provide approximately 30% of the electrical power in the UK. In addition, UK Power Networks' businesses include a non-regulated business comprising the distribution of electricity to a number of privately owned sites.

Northumbrian Water Group

CKI holds a 40% interest in Northumbrian Water. Northumbrian Water is one of the ten regulated water and sewerage companies in England and Wales and operates in the water supply, sewerage and waste water industries in England and Wales. Northumbrian Water provides water and sewerage services to approximately 2.7 million people in the North East of England and water services to approximately 4.5 million people in the South East of England. In addition, Northumbrian Water's operations include a business comprising Kielder Reservoir, the largest man-made reservoir in Northern Europe, as well as a portfolio of long term water and waste water contracts. CKHH also holds a 40% direct interest in Northumbrian Water. Including this direct interest, CKHH has an effective 70.27% interest in Northumbrian Water.

Northern Gas Networks Holdings Limited

CKI and Power Assets currently own a 47.06% and a 41.29% interest respectively in Northern Gas. The region served by Northern Gas extends south from the Scottish border to South Yorkshire and has coastlines on both the east and west sides of the region. The region contains a mixture of large cities (Newcastle, Sunderland, Leeds, Hull and Bradford) and a significant rural area including North Yorkshire and Cumbria, and has a total population of approximately 6.7 million.

Wales & West Utilities

CKI and Power Assets each currently holds a 30% interest in Wales & West Utilities, which is principally engaged in the management of gas transportation assets, gas distribution and metre work services throughout Wales and the South West of England. Wales & West Utilities provides service to a population of 7.5 million and the network covers an area of 42,000 square kilometres. The total length of main gas pipeline is about 35,000 kilometres. CKHH also holds 30% in West Gas Networks and Western Gas Networks. Including these direct interests, CKHH holds an effective 61.52% interest in Wales & West Utilities.

UK Rails

CKI holds a 50% interest in UK Rails, which in turn owns Eversholt Rail Group, one of the three major rolling stock leasing companies in the UK. UK Rails offers a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, to passenger and freight train operating companies. CKHH also holds a 50% direct interest in UK Rails. Including this direct interest, CKHH holds an effective 87.84% interest in UK Rails.

Seabank Power Limited

CKI, together with Power Assets, owns a 50% interest in Seabank Power, which owns and operates Seabank Power Station, which is located near Bristol, England and comprises two combined cycle gas turbine generating units with an aggregate capacity of approximately 1,140 MW.

Southern Water Group

CKI holds a 4.75% interest in Southern Water which is a regulated business which supplies fresh, quality drinking water to a population of more than 2.4 million, as well as treats and recycles waste water from 4.5 million people in the South East of England across Sussex, Kent, Hampshire and the Isle of Wight.

The Netherlands Project

Dutch Enviro Energy Holdings B.V.

CKI, Power Assets, together with CKHH hold respective shareholdings of 35%, 20% and 35% in Dutch Enviro Energy, which in turn owns AVR. AVR is principally engaged in the business of waste processing and production and supply of renewable energy from the incineration of waste in the Netherlands. CKHH has an effective 67.37% interest in Dutch Enviro Energy.

Portugal Project

Portugal Renewable Energy

CKI, together with Power Assets owns a 100% interest (on a 50/50 basis) in Portugal Renewable Energy, which in turn owns a 100% interest in Iberwind. Iberwind is principally engaged in the business of electricity generation from wind power in Portugal. Its portfolio comprises 31 wind farms with a power generation capacity of 684 MW.

Canadian Projects

Canadian Power Holdings Inc.

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Canadian Power, which owns a 100% partnership interest in the Meridian Cogeneration Plant and a 49.99% partnership interest in TransAlta Cogeneration, L.P.. The Meridian Cogeneration Plant is a natural gas-fired cogeneration plant with an installed capacity of 220 MW in Saskatchewan, Canada. TransAlta Cogeneration, L.P. owns interests in four natural-gas fired cogeneration plants in Alberta, Canada and Ontario, Canada and a coal-fired generation plant in Alberta, Canada.

Park'N Fly

CKI holds a 50% interest in Park'N Fly, an off-airport car park business in Toronto, Montreal, Ottawa, Edmonton and Vancouver. CKHH holds a 50% direct interest in Park'N Fly. Including this direct interest, CKHH holds an effective 87.84% interest in Park'N Fly.

Husky Midstream Limited Partnership

In July 2016, CKI, together with Power Assets, completed the acquisition of a 65% interest (CKI: 16.25%; Power Assets: 48.75%) in HMLP, which holds a portfolio of oil pipeline assets in Canada including approximately 1,900 kilometres of oil pipeline in Lloydminster region, oil storage capacity of 4.1 million barrels at Hardisty and Lloydminster, as well as other ancillary assets.

New Zealand Projects

Wellington Electricity Distribution Network

CKI, together with Power Assets, owns a 100% interest (on a 50/50 basis) in Wellington Electricity, which supplies electricity to the city of Wellington, the capital of New Zealand. The distribution network extends to the Porirua and Hutt Valley regions of New Zealand and has a system length of approximately 4,600 kilometres.

Enviro Waste Services Limited

CKI holds a 100% interest of EnviroWaste, a diversified, vertically integrated waste management business that has national coverage across New Zealand. 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, recycling, landfills and transfer stations across the country.

Mainland Projects

Power Plants

Through Power Assets, CKI has interests in power projects with an aggregate design capacity of 2,800 MW in the Mainland. The following table summarises certain information with respect to these power projects as of 30 June 2016.

Business	**Business Scale**	**Power Assets' Interest**[(1)]	**Commencement Date of Operations**	**Expiration Date**
Siping Cogen Power Plants	Three units of coal-fired heat and electricity cogeneration plants with a total installed capacity of 200 MW	45.0%	1998-1999[(2)]	2019
Zhuhai Power Plant	Two units of coal-fired power plants with a total installed capacity of 1,400 MW	45.0%	April 2000[(3)] February 2001[(3)]	2019
Jinwan Phase 1 Power Plant . . .	Two units of coal-fired power plants with a total installed capacity of 1,200 MW	45.0%	February 2007	2035

(1) This represents the approximate share of Power Assets' contribution to the total investment of each project in the form of registered capital contribution as of 30 June 2016. 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) Two units of the power plant were completed and became operational in 1998. The remaining unit was completed and became operational at the end of 1999.

(3) The first generating unit became operational in April 2000 and the second generating unit became operational in February 2001.

Wind Farms

Through Power Assets' 45% interests, CKI has interests in two wind farms, one 48 MW farm in Dali, Yunnan Province and one 49.5 MW farm in Laoting, Hebei Province.

Roads and Bridges in the Mainland

As of 30 June 2016, CKI had interests in various projects with a total length of 240 kilometres of toll roads and 12.8 kilometres of toll bridges in the Mainland.

The following table summarises certain information with respect to CKI's transportation projects in the Mainland and Hong Kong as of 30 June 2016:

CKI's Transportation Projects

Business	Business Scale (kilometres "km")	CKI's Interest[(1)] %	Commencement Date of Operation	Expiration Date
Shantou Bay Bridge	2.5 km toll bridge[(2)]	30.0	December 1995	2028
Shenzhen-Shantou Highway (Eastern Section)	140.0 km toll road	33.5	November 1996	2028
Jiangmen Chaolian Bridge . .	2.0 km toll bridge	50.0	May 1999	2027
Xiangjiang Wuyilu Bridge . . .	1.5 km toll bridge	44.2	February 1998[(3)]	2022
Xiangjiang Wujialing Bridge. .	3.5 km toll bridge	44.2	February 1998[(3)]	2022
Tangshan Tangle Road	100.0 km toll road	51.0	March 1998	2019
Panyu Beidou Bridge	3.3 km toll bridge	40.0	January 2001	2024

(1) This represents the approximate share of CKI's contribution to the total investment of each project in the form of registered capital contribution and shareholders' loans as of 30 June 2016. 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.

(3) Date of injection of funds by CKI.

Infrastructure Materials

CKI, through Green Island Cement (Holdings) Limited ("Green Island"), Green Island International (BVI) Limited, Alliance Construction Materials Limited ("ACML") and other subsidiaries and associates, is an integrated construction materials manufacturer involved in the production, distribution and sale of cement, concrete, asphalt and aggregates.

Cement

Green Island operates an integrated cement business, starting from resource extraction and going through development and cement manufacturing to ultimate down-stream distribution in both Hong Kong and the Mainland. In addition, Green Island is involved in the disposal of solid waste (principally fly ash) which is produced as a waste product of power generation by coal-fired power stations.

Concrete

ACML is a major producer of concrete and aggregates in Hong Kong. ACML has two quarries in operation in Hong Kong and the Mainland with probable aggregate reserves adequate for consumption for the next decade. ACML has an annual production capacity of approximately 4 million cubic metres of concrete and 6 million tonnes of aggregates.

Aircraft Leasing

The aircraft leasing business, including its 50% joint venture, had 65 aircraft as at 30 June 2016. Over 90% of the aircraft in the portfolio are narrow body aircraft. The operation has a diversified customer base and currently has over 25 airline customers across more than 15 countries with all aircraft being fully leased.

Energy

Husky Energy

CKHH currently holds a 40.18% interest in Husky Energy, an international integrated energy company listed on the Toronto Stock Exchange. Based on the closing price of its shares on the Toronto Stock Exchange on 30 June 2016, Husky Energy had a market capitalisation of C$15,856 million (approximately HK$94,502 million).

On 22 July 2016, Husky Energy released its unaudited results for the six months ended 30 June 2016, which showed a net loss of C$654 million for the first six months of 2016 compared to net earnings of C$311 million for the same period in 2015. The adverse variance was primarily due to the impact of continued low crude oil and natural gas realised prices and a net loss on disposal of selected legacy oil and natural gas assets in Western Canada. Cash flow from operations was C$922 million for the six months ended 30 June 2016, compared to C$2,015 million for the same period in 2015. The decrease in cash flow from operations was primarily due to lower realised crude oil and natural gas prices, and lower natural gas and NGLs production from the Asia Pacific Region.

To further support Husky Energy's long-term business objectives, dividends declared for the third quarter of 2015 were issued in the form of common shares and the quarterly common share dividend was suspended since the fourth quarter of 2015. This initiative supports long-term value maximisation while providing further financial flexibility for Husky Energy to achieve its business and financial objectives. Husky Energy will continue to review its common share dividend policy on a quarterly basis.

Husky Energy operates in Western Canada, the United States, the Asia Pacific Region and the Atlantic Region within Upstream and Downstream business segments.

Upstream

- Heavy Oil

  Husky Energy's heavy oil strategy comprised of replacing natural declines in conventional production with growth in low sustaining capital thermal production. Husky Energy continued to advance its inventory of heavy oil thermal development in the first half of 2016.

  First oil was achieved at the 10,000 bbls/day Edam East heavy oil thermal development on 18 April 2016. Production from the development averaged 11,100 bbls/day in June 2016.

  First oil was achieved at the 10,000 bbls/day Vawn heavy oil thermal development on 16 June 2016 and production is ramping up as expected.

  Construction work was completed and first steam was achieved at the 4,500 bbls/day Edam West heavy oil thermal development during the second quarter of 2016. First oil is expected in the third quarter of 2016.

  Site preparation work has commenced and long lead equipment was ordered at the 10,000 bbls/day Rush Lake 2 heavy oil thermal development.

  First oil was achieved from the Colony formation at the Tucker Thermal Project in the Cold Lake region of Alberta on 19 April 2016. Total production from the Tucker Thermal Project is now averaging more than 20,000 bbls/day.

- Asia Pacific Region

  The Asia Pacific Region consists of the Wenchang oil field, the Liwan 3-1, Liuhua 34-2 and Liuhua 29-1 fields on Block 29/26 located offshore China, the Madura Strait block BD, MDA, MBH and MDK development fields, four discoveries offshore Indonesia and rights to additional exploration block in the South China Sea located at the Pearl River Mouth Basin and offshore Taiwan and in the East Java Basin, Indonesia.

  The Liwan Gas Project is located approximately 300 kilometres southeast of the Hong Kong Special Administrative Region. Husky Energy and its partner CNOOC achieved first gas production from the Liwan 3-1 gas field in March 2014 and from the Liuhua 34-2 gas field in December 2014, with ramp-up of production having taken place in 2015. Negotiations for the sale of gas and liquids from Liuhua 29-1, the third deepwater field, are ongoing. Husky Energy holds a 49% working interest in the Production Sharing Contract ("PSC") at the Liwan Gas Project and operates the deepwater infrastructure. CNOOC holds a 51% working interest in the PSC and operates the shallow water facilities and the onshore gas terminal.

  Husky Energy holds a 40% working interest in the Wenchang oil field, located in the Pearl River Mouth Basin approximately 400 kilometres south of the Hong Kong Special Administrative Region. The PSC is due to expire in the third quarter of 2017, after which Husky Energy will no longer have a working interest in this field.

  In December 2015, Husky Energy executed a PSC for an exploration block offshore China. The 15/33 block covers approximately 155 square kilometres and is located in the Pearl River Mouth Basin in the South China Sea, approximately 140 kilometres southeast of the Hong Kong Special Administrative Region, in water depths of approximately 80-100 metres. Husky Energy is the operator of the block during the exploration phase, with a working interest of

100%. In the event of a commercial discovery, its partner CNOOC may assume a working interest of up to 51% during the development and production phase. Under the PSC, exploration cost recovery from production is to be allocated to Husky Energy. Husky Energy expects to drill two exploration wells on the block in the 2017 timeframe.

Husky Energy signed a joint venture agreement with CPC Corporation in Taiwan for an exploration block in the South China Sea. The exploration block is located 100 kilometres southwest of the island of Taiwan and covers approximately 10,000 square kilometres. Husky Energy holds a 75% working interest during exploration, while CPC Corporation has the right to participate in the development program up to a 50% interest.

At offshore Taiwan, Husky Energy completed the minimum two-dimensional seismic survey obligation required in the joint venture agreement and a number of significant structures have been identified on the block. Husky Energy plans to acquire three-dimensional seismic survey data on the most attractive structures during 2017.

Husky Energy holds a 40% working interest in a joint venture company that holds the PSC for the Madura Strait Block covering approximately 622,000 acres at offshore East Java, south of Madura Island, Indonesia, and is focused on the development of the BD, MDA, MBH and MDK fields. The liquids-rich BD field is the first gas development. Husky Energy's two partners are CNOOC, which is the operator and has a 40% working interest, and Samudra Energy Ltd., which holds the remaining 20% interest through its affiliate, SMS Development Ltd. Husky Energy is advancing in the region and remains on target for first production in the 2017 timeframe.

In November 2015, Husky Energy sanctioned the development of the MDA, MBH and MDK gas fields having secured the Gas Sales Agreement for the first tranche of gas from the MDA and MBH fields development. Combined net sales volumes from the BD, MDA, MBH and MDK fields are expected to be about 100 mmcf/day of gas and 2,400 boe/day of associated NGL once fully ramped up. Production from the MDA, MBH and MDK gas fields is expected in the 2018-2019 timeframe. Also in November 2015, SKK Migas approved the plan of development for the MAC gas field which was discovered in 2012.

Husky Energy executed a PSC in February 2014 with the Government of Indonesia for the Anugerah contract area. Husky Energy has a 100% interest in the Anugerah Block covering approximately two million acres in the East Java Basin approximately 150 kilometres east of the Madura Strait Block. In 2015, a seismic acquisition programme was carried out as required under the PSC and the results are being evaluated to determine potential for future drilling opportunities.

- Oil Sands

  The Sunrise Energy Project, a multiple stage in-situ oil sands project located in the Athabasca region of northern Alberta, achieved first oil on Phase 1 in March 2015. The Sunrise Energy Project uses proven steam-assisted gravity drainage technology, keeping site disturbance to a minimum. Production from the Sunrise Energy Project averaged 19,000 bbls/day (9,500 bbls/day net Husky Energy share) in the second quarter of 2016 and was negatively impacted by wildfires in the Fort McMurray region of Alberta. Operations were successfully restarted during the second quarter of 2016, with all 55 well pairs back online, and the plant currently is fully operational. Production has been restored to pre-fire levels with average production at approximately 30,000 bbls/day (15,000 bbls/day net Husky share). Production from the Sunrise Energy Project is now expected to increase to approximately 60,000 bbls/day (30,000 bbls/day net Husky Energy share) in early 2017.

  In addition to the Sunrise Energy Project, Husky Energy has an extensive portfolio of undeveloped oil sands leases, encompassing in excess of net 2,400 square kilometres in Alberta.

- Atlantic Region

  Husky Energy's offshore East Coast exploration and development program is focused in the Jeanne d'Arc Basin on the Grand Banks, which contains the Hibernia and Terra Nova fields, the White Rose field and satellite extensions, including North Amethyst, West White Rose and the South White Rose Extensions, and the Flemish Pass Basin, which contains the Mizzen, Bay du Nord and Harpoon discoveries.

The exploration and appraisal drilling program at Bay du Nord discovery in the Flemish Pass Basin was completed in the second quarter of 2016. Husky Energy and its partner continued to evaluate the results and assess the commercial potential of the drilling at the Bay du Nord discovery. Husky Energy has a 35% working interest at Bay du Nord, Mizzen, Harpoon Bay de Verde and Baccalieu.

The White Rose field is located 354 kilometres off the coast of Newfoundland and Labrador and approximately 48 kilometres east of the Hibernia oil field on the eastern section of the Jeanne d'Arc Basin. Husky Energy is the operator of the White Rose field with a 72.5% working interest in the core field and a 68.875% working interest in satellite tiebacks, including the North Amethyst, West White Rose and South White Rose extensions. Production from the first two development wells at the South White Rose extension commenced during 2015 and reached peak rates of 15,000 bbls/day net to Husky Energy in September 2015.

Husky Energy continues to assess potential development options for the West White Rose satellite extension. One of the two concepts being assessed, a fixed wellhead platform, received government and regulatory approvals in 2015. A subsea option to develop the field is also being evaluated.

The Terra Nova oil field is located approximately 350 kilometres southeast of St. John's, Newfoundland. Husky Energy has a 13% non-operated interest in the Terra Nova oil field.

Husky Energy has secured the drilling rig Henry Goodrich for a two-year drilling program focusing on development drilling at the White Rose field and satellite extensions in 2015. This includes activities at the South White Rose extension and North Amethyst field and near-field exploration. During the second quarter of 2016, the Henry Goodrich rig resumed operations at North Amethyst. First oil is anticipated in the third quarter of 2016 and is expected to produce 5,000 bbls/day net to Husky Energy at peak production.

- Western Canada Conventional and Resource Plays

  Husky Energy's Western Canada conventional and resource play is comprised of advancing the Ansell multi-zone, Wilrich and Strachan Cardium gas resources plays.

  During the second quarter of 2016, Husky Energy completed the sale of several packages of select legacy Western Canada crude oil and natural gas assets in Saskatchewan and Alberta and select royalty interests representing approximately 22,200 boe/day. In addition, Husky signed purchase and sale agreements in the second quarter of 2016 with third parties for the sale of its southeast Saskatchewan, Redwater, Pembina and Orloff assets, representing approximately 3,500 boe/day, which are expected to close in the third quarter of 2016. These transactions are intended to allow future capital to be focused on fewer, more material plays and allow Husky Energy to further drive operating and capital efficiencies.

- Infrastructure and Marketing

  The Infrastructure and Marketing business unit manages the sale and transportation of Husky Energy's Upstream and Downstream production and third-party commodity trading volumes through access to capacity on third-party pipelines and storage facilities in both Canada and the United States.

  The Hardisty terminal expansion project, which was completed in 2015 and included multiple initiatives to increase pipeline connectivity, blending capacity and product storage to support Upstream production growth and provide additional flexibility in marketing Husky Energy's products. Construction is approximately 90% complete on the expansion of the Saskatchewan Gathering System which will accommodate production from Husky Energy's heavy oil thermal developments and is expected to be completed in the third quarter of 2016.

  On 13 July 2016, final regulatory approval was received on an agreement to sell 65% of Husky Energy's ownership interest in select midstream assets to HMLP in the Lloydminster region of Alberta and Saskatchewan for gross cash proceeds of C$1.7 billion. Husky Energy has a 35% interest in HMLP and will remain the operator of the assets. HMLP will provide the midstream takeaway capacity for another eight heavy oil thermal developments. Strategically, HMLP facilitates both the expansion of Husky Energy's Lloydminster area production and expansion of third party tariff business.

Downstream

- Upgrading

  Husky Energy owns and operates the Lloydminster Upgrader, a heavy oil upgrading facility located in Lloydminster, Saskatchewan.

- Canadian Refined Products

  Husky Energy's Canadian Refined Products operations include refining of light crude oil, manufacturing of fuel and fuel grade ethanol, manufacturing of asphalt products from heavy crude oil and acquisition by purchase and exchange of refined petroleum products. Husky Energy's retail distribution network includes the wholesale, commercial and retail marketing of refined petroleum products and provides a platform for non-fuel related convenience product businesses.

  Light oil refined products are produced at the Husky Energy's refinery at Prince George, British Columbia. The Prince George Refinery produces all grades of unleaded gasoline, seasonal diesel fuels, mixed propane and butane, and heavy fuel oil to Husky Energy and third party retail outlets in the central and northern region of the province.

  Heavy oil is processed into asphalt products at Husky Energy's asphalt refinery at Lloydminster, Alberta. Husky Energy is the largest marketer of paving asphalt in Western Canada. The refinery also produces straight run gasoline, bulk distillates and residuals.

  Husky Energy is the largest producer of ethanol in Western Canada, with plants located in Lloydminster, Saskatchewan and Minnedosa, Manitoba.

  Husky Energy is a major regional motor fuel marketer with 482 retail marketing locations as at 30 June 2016, including bulk plants and travel centres with strategic land positions in Western Canada and Ontario. During 2015, Husky Energy and Imperial Oil entered into a contractual agreement to create a single expanded truck transport network of approximately 160 sites. The agreement is subject to regulatory approval by Canada's Competition Bureau and other closing conditions.

- U.S. Refining and Marketing

  The Lima Refinery, located in Ohio between Toledo and Dayton, has a gross crude oil throughput capacity of 160,000 bbls/day and operating capacity of 135,000-155,000 bbls/day on its current crude slate. Husky Energy continued work on the initial stages of a crude oil flexibility project designed to improve reliability at the facility allowing for the processing of up to 40,000 bbls/day of heavy crude oil feedstock from Western Canada during the first half of 2016, enabling the refinery to swing between light and heavy crude oil feedstock. We expect an initial capacity of 8,000 bbls/day of heavy crude oil feedstock to be available in the fourth quarter of 2016, with the project scheduled to be fully completed in 2018.

  Husky Energy holds a 50% interest in the BP-Husky Toledo Refinery ("Toledo Refinery"), with a nameplate capacity of 160,000 bbls/day and operating capacity of 135,000-145,000 bbls/day on its current crude slate. A feedstock optimisation project, which was designed to improve Toledo Refinery's ability to process crude oil with a high content of naphthenic acids ("Hi-TAN"), was completed in July 2016. Toledo Refinery is now able to process approximately 65,000 bbls/day of Hi-TAN crude oil to support production from the Sunrise Energy Project.

Telecommunications

CKHH is one of the world's leading mobile telecommunications operators and one of the first operators in the world to offer 3G services primarily under the brand name "Three" or "**3**". The mobile telecommunications businesses span across six countries in Europe and four countries in the Asia-Pacific region, as well as in Hong Kong and Macau.

CKHH's telecommunications division currently comprises:

- listed subsidiary HTHKH (in which CKHH currently holds an approximate 66.09% interest) comprising mobile businesses in Hong Kong and Macau and a fixed-line business;

- 2G and 3G mobile operations in Indonesia, Vietnam and Sri Lanka;

- an approximate 87.87% interest in HTAL, a listed subsidiary in Australia, which has a 50% interest in VHA; and
- **3** Group Europe, comprising unlisted mobile businesses in the UK, Italy, Sweden, Denmark, Austria and Ireland.

HTHKH intends to increase the usage of the services being provided to customers through expanding its high speed 4G (LTE) network which also facilitates the upselling activities to its existing customer base. HTHKH has established a fixed-line business customer base across the carrier, corporate and business market to meet the demands of multinational carriers, corporations and enterprises of all sizes as well as residential customers of Hong Kong with fixed broadband and telephone services.

CKHH has made substantial investments to build mobile telecommunications operations in certain key mature mobile telecommunications markets in Europe and Australia, and continues to leverage the strong network coverage and capacity in the Indonesia, Vietnam and Sri Lanka markets to grow its customer base organically. 3G and 4G (LTE) networks are more technically advanced than 2G and can support a wide range of Internet protocol services and applications. This broader range of services and applications represents a horizontal integration opportunity for CKHH. Based on this opportunity, CKHH's focus is on a value-creation opportunity relating to the conversion of the incumbents' 2G customers to 3G and 4G (LTE) customers. CKHH intends to continue to grow its mobile telecommunications businesses and remain profitable, as well as grow profitability through the expansion of 3G and 4G (LTE) service offerings and competitive tariff plans to stimulate customer growth.

As part of its strategy, CKHH has formed alliances with leading international telecommunications providers and investors including:

- Investor AB, the largest diversified holding company in Sweden; and
- Vodafone, one of the world's largest mobile telecommunications companies.

In September 2016, the European Commission announced its approval of the formation of an equal joint venture to jointly own and operate the mobile telecommunications businesses in Italy of **3** Italia and WIND, a wholly-owned subsidiary of VimpelCom, which is one of the world's largest integrated telecommunications services operators providing voice and data services. Completion of the transaction is subject to obtaining Italian regulatory approvals, and is expected to complete in the fourth quarter of 2016.

Hutchison Telecommunications Hong Kong Holdings Limited

Overview

HTHKH operates mobile telecommunications services in Hong Kong and Macau, and a fixed-line operation. HTHKH uses 2G, 3G and 4G (LTE) platforms to offer customers a wide variety of telecommunications services, ranging from basic voice and data services to multimedia services using advanced mobile technologies. The services are marketed under the **3** brand in Hong Kong and Macau. The fixed-line operation provides services under the licensed HGC brand to local and international carriers, corporate and residential customers.

Based on the closing price of HTHKH's shares on SEHK on 30 June 2016, HTHKH had a market capitalisation of approximately HK$12,626 million (approximately US$1,619 million).

On 2 August 2016, HTHKH announced its unaudited results for the six months ended 30 June 2016. Profit attributable to shareholders amounted to HK$376 million (US$48 million) for the first half of 2016, which was a 26% decrease compared to the same period in 2015.

Hong Kong and Macau Mobile

HTHKH provides 2G, 3G and 4G (LTE) mobile telecommunications services, all under the **3** brand. HTHKH maintained its position as one of the leading mobile telecommunications operators in Hong Kong and Macau, providing services to approximately 3.1 million active customers as of 30 June 2016.

HTHKH's 3G network covers the population of Hong Kong and provides territory-wide HSPA+ coverage. HTHKH also offers 2G services via GSM technology using the 900 MHz and 1800 MHz spectrum bands in Hong Kong. HTHKH launched 4G (LTE) services with coverage serving all major areas in Hong Kong. HTHKH has utilised the re-farmed 900MHz and 1800 MHz spectrum for roll-out of 4G (LTE) services.

HTHKH holds a unified carrier licence ("UCL") in Hong Kong, under which it currently operates:

- 2G (GSM) service in 900 MHz band (one block of paired spectrum of 2 x 8.3 MHz for a period of 15 years until November 2020). A certain portion has been re-farmed to provide additional capacity and coverage for 4G (FDD-LTE) services;
- 3G (UMTS) service in 900 MHz band (one block of paired spectrum of 2 x 5 MHz for a period of 15 years until May 2026);
- 2G (GSM) service in 1800 MHz band (one block of paired spectrum of 2 x 11.6 MHz for a period of 15 years until September 2021) with a certain portion being re-farmed to provide additional capacity and coverage for 4G (LTE) services;
- 3G (UMTS) service in 2100 MHz band (one block of paired spectrum of 2 x 14.8 MHz and one block of 5 MHz unpaired spectrum for a period of 15 years until October 2016); and
- 4G (TDD-LTE) service in 2300 MHz band (one block of unpaired 30 MHz spectrum for a period of 15 years until March 2027).

In 2014, HTHKH acquired a block of paired spectrum of 2 x 14.8 MHz in the 2100 MHz band for the provision of mobile telecommunications services in Hong Kong for a period of 15 years until October 2031. This paired spectrum will be utilised following the expiry of the above-mentioned 2100 MHz band in October 2016.

Separately, under a 50/50 owned joint venture, Genius Brand Limited, HTHKH, together with Hong Kong Telecommunications (HKT) Limited, holds another UCL for the operation of 4G (FDD-LTE) service in the 2600 MHz band (paired spectrums of 2 x 15 MHz and 2 x 5 MHz for a period of 15 years until March 2024 and May 2028 respectively).

CKHH's fixed-line operations through Hutchison Global Communications Limited includes international business, local carrier business, corporate and SME markets, data centre business and residential market.

The international business comprises: International Private Leased Circuit ("IPLC"); leased-line; data; and IDD services plus solution based offerings provided to international telecommunications operators, internet service providers as well as international corporations and enterprises. The local carrier business represents mainly backhaul services to local mobile operators. The corporate and SME markets represent services provided to corporate customers, government sector and SME customers, ranging from network service, broadband, voice, IDD and IT solutions. The data centre business, operated under a joint venture with CKHH, runs data centres in Hong Kong, offering co-location and facilities management service to financial sector, enterprise customers and cloud service providers. The residential market includes the provision of voice, broadband and IDD services to local residential customers.

Hutchison Asia Telecommunications

Overview

HAT currently operates mobile telecommunication services in three markets in Asia: Indonesia, Vietnam and Sri Lanka. CKHH uses 2G GSM and 3G UMTS platforms to offer customers a wide variety of telecommunications services, ranging from basic voice and data services to multimedia services using advanced mobile technologies. The services are marketed under the **3** brand in Indonesia, the **Hutch** brand in Sri Lanka and the **Vietnamobile** brand in Vietnam.

Indonesia

CKHH provides mobile telecommunications services in Indonesia through PT Hutchison 3 Indonesia ("H3I") under a nationwide 2G and 3G mobile telecommunications licence and provides services on GSM 1800 and 3G 2100 networks. H3I launched its LTE services in six towns in Indonesia in April 2016 using 1800 MHz spectrum, and intends to continue upgrading its Single RAN network to provide LTE services across Indonesia progressively.

H3I has expanded its network to cover most of the major towns on the islands of Java, Bali, Lombok, Batam, Sumatra, Sulawesi and certain cities of Kalimantan. H3I has approximately 63.9 million active customers as at 30 June 2016.

Vietnam

In Vietnam, CKHH engaged in a business cooperation contract ("BCC") to operate mobile telecommunications services for a period of 15 years beginning from 8 March 2008. Vietnam has approximately 6.3 million active customers as at 30 June 2016.

In November 2011, the Vietnam operation launched its 3G services and is currently being offered in three major cities, namely Hanoi, Ho Chi Minh and Da Nang.

Sri Lanka

CKHH holds a 100% equity interest in Hutchison Telecommunications Lanka (Private) Limited, which holds one of the five nationwide mobile telecommunications licences in Sri Lanka and provides both GSM and 3G services. The operation has approximately 2.2 million active customers as at 30 June 2016.

HTAL

HTAL, an 87.87% owned subsidiary listed on the ASX, holds 50% of VHA, a 50-50 joint venture with Vodafone Group Limited.

On 29 July 2016, HTAL announced its half year results to 30 June 2016 and reported that VHA's customer base (including MVNOs) as at 30 June 2016 increased by 4.5% to approximately 5.5 million from the end of 2015. Complaints to the Telecommunications Industry Ombudsman fell 50% compared to the June 2015 quarter and VHA had the lowest ratio of complaints of all the major Australian mobile telecommunications providers for the fourth quarter in a row.

HTAL's announced total revenue for the six months ended 30 June 2016 of A$801.5 million decreased 9.7% over the same period last year as a result of a reduction of industry mobile termination rate to all carriers from 1 January 2016. EBITDA for the six months ended 30 June 2016 of A$206.0 million was a 7.7% increase over the same period last year. Loss attributable to shareholders for the six months ended 30 June 2016 reduced by 27.1% to A$65.7 million.

3 Group Europe

Overview

As a leading global player in the mobile telecommunications arena, **3** Group Europe is continuing to look towards the development of new services and network enhancement. **3** Group Europe is continuing to enhance customer experience and satisfy the increasing demand in speed and quality. **3** Group Europe operations are upgrading their networks to 4G (LTE) or LTE-enabled capabilities to ensure that their service quality meets market demands.

With the upgrade of CKHH's networks for increased speed and capacity and the increasing demand for smartphone and related products, **3** Group Europe has become a significant competitor and, in some countries, the market leader in the provision of mobile broadband Internet access and high speed mobile data services on smartphones or mobile devices.

CKHH's **3** Group Europe includes the 3G mobile telecommunications businesses in the UK, Italy, Sweden, Denmark, Austria and Ireland. As of 30 June 2016, **3** Group Europe had approximately 31.2 million registered customers and 26.8 million active customers.

Key Business Indicators ("KBIs")

The KBIs for the 3G businesses of **3** Group Europe as included in CKHH's 2016 Interim Report are as follows:

	Registered Customer Base					
	Registered Customers at 30 June 2016 ('000)			**Registered Customer Growth (%) from 31 December 2015 to 30 June 2016**		
	Prepaid	**Postpaid**	**Total**	**Prepaid**	**Postpaid**	**Total**
UK	4,677	6,171	10,848	+2%	—	+1%
Italy	4,593	5,881	10,474	—	+7%	+4%
Sweden	275	1,806	2,081	+9%	+3%	+3%
Denmark	437	783	1,220	+6%	+3%	+4%
Austria	1,307	2,466	3,773	—	-1%	—
Ireland	1,669	1,173	2,842	+6%	—	+4%
3 Group Europe Total	12,958	18,280	31,238	+2%	+2%	+2%

	Active[1] Customer Base					
	Active Customers at 30 June 2016 ('000)			Active Customer Growth (%) from 31 December 2015 to 30 June 2016		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
UK	3,096	6,061	9,157	+7%	—	+2%
Italy	3,799	5,728	9,527	+2%	+6%	+4%
Sweden	192	1,806	1,998	+18%	+3%	+4%
Denmark	407	783	1,190	+3%	+3%	+3%
Austria	436	2,457	2,893	-2%	-1%	-1%
Ireland	880	1,151	2,031	-1%	+1%	—
3 Group Europe Total	8,810	17,986	26,796	+3%	+2%	+3%

	12-month Trailing Average Revenue per Active User ("ARPU")[2] to 30 June 2016			
	Total			
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2015
UK	£5.43	£26.43	£19.50	-3%
Italy	€8.63	€17.59	€13.91	—
Sweden	SEK127.43	SEK306.39	SEK290.91	—
Denmark	DKK95.67	DKK170.29	DKK145.32	-1%
Austria	€9.78	€22.44	€20.50	—
Ireland	€16.48	€30.35	€24.27	-2%
3 Group Europe Average	€9.31	€27.84	€21.16	-3%

	12-month Trailing Net Average Revenue per Active User ("Net ARPU")[3] to 30 June 2016			
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2015
UK	£5.43	£19.23	£14.68	-2%
Italy	€8.63	€17.59	€13.91	—
Sweden	SEK127.43	SEK213.25	SEK205.83	-2%
Denmark	DKK95.67	DKK152.82	DKK133.70	-1%
Austria	€9.78	€19.17	€17.73	—
Ireland	€16.48	€25.77	€21.70	-4%
3 Group Europe Average	€9.31	€21.81	€17.69	-2%

Note 1: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 2: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 3: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

	12-month Trailing Net Average Margin per Active User ("Net AMPU")[4] to 30 June 2016			
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2015
UK	£4.79	£16.76	£12.81	-1%
Italy	€6.89	€13.81	€10.96	+1%
Sweden	SEK107.16	SEK182.84	SEK176.29	-2%
Denmark	DKK82.13	DKK128.57	DKK113.04	-4%
Austria	€8.64	€16.21	€15.05	+2%
Ireland	€13.05	€21.37	€17.72	-4%
3 Group Europe Average	€7.72	€18.34	€14.84	-2%

Note 4: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

UK

CKHH currently has a 100% interest in **3** UK, which is one of four networks licensed to operate a national 3G and 4G (LTE) network in the UK. The current 3G network coverage exceeds 98%. Building on its current high-speed network, **3** UK launched 4G (LTE) services in December 2013 and 4G (LTE) network coverage has reached over 85% at the end of 30 June 2016.

3 UK holds the following spectrum for use in operating a national 3G and 4G (LTE) network.

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800MHz	5 MHz	1	Paired	10 MHz	Indefinite
1400MHz	5 MHz	4	Unpaired	20 MHz	Indefinite
1800MHz	5 MHz	2	Paired	20 MHz	Indefinite
1800MHz (from 2015)	5 MHz	1	Paired	10 MHz	Indefinite
2100MHz	5 MHz	3	Paired	30 MHz	Indefinite
2100MHz	5 MHz	1	Unpaired	5 MHz	Indefinite

Total revenue for the six months ended 30 June 2016 decreased by -2% to £1,052 million compared to the same period in 2015. EBITDA for the first half 2016 was £348 million, 12% higher than the same period last year primarily due to improved net customer service margin. **3** UK reported EBIT results of £231 million for the first half 2016, a 16% increase from the same period last year.

3 UK has a shared network agreement with Everything Everywhere Limited via its 50:50 joint venture Mobile Broadband Network Limited. The shared network currently has over 98% outdoor coverage of the UK population.

3 UK has its own well established retail distribution division and currently has nationwide retail presence with a retail footprint of 313 stand-alone stores and 21 Superdrug concessions.

Italy

3 Italia operates one of four national mobile networks in Italy. CKHH's current interest in **3** Italia is approximately 97.41%. The remaining approximately 2.59% of **3** Italia is held by Private Equity International S.A., ("PE International") a company belonging to Intesa Sanpaolo Group, one of the leading Italian banking groups.

Total revenue for the first half of 2016 was €906 million, a 3% increase compared to the same period in 2015. EBITDA of €135 million in the six months ended 30 June 2016 was 38% higher than the same period in 2015, mainly driven by an 8% increase in net customer service margin from the increase in contract customer base. EBIT of €63 million in the first half of 2016 is a 62% increase from the same period last year which was due to improved EBITDA and the lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

3 Italia holds the following spectrum for use in operating a national mobile network.

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz	5 MHz	1	Paired	10 MHz	2021
1800 MHz	5 MHz	3	Paired	30 MHz	2029
2100 MHz	5 MHz	3	Paired	30 MHz	2029
2100 MHz	5 MHz	1	Unpaired	5 MHz	2029
2600 MHz	5 MHz	2	Paired	20 MHz	2029
2600 MHz	15 MHz	2	Unpaired	30 MHz	2029

(Note: As part of the commitments given to the European Commission in order to obtain European Commission approval of the joint venture transaction described below, certain of this spectrum will be sold to Illiad S.A.)

In September 2016, the European Commission announced its decision to approve the formation of a joint venture controlled equally by wholly-owned subsidiaries of CKHH and VimpelCom to own and operate the combined telecommunications businesses in Italy of **3** Italia and WIND, currently a wholly-owned subsidiary of VimpelCom. The European Commission approval was granted subject to commitments to divest spectrum, cell sites, and to provide other services including national roaming, from the joint venture to Illiad S.A. ("Iliad") in order to allow the entry of a fourth mobile network operator in Italy. To this end, agreements were entered into with Iliad in July 2016. Completion of the transaction is subject to obtaining Italian regulatory approvals and, if the approvals are obtained, is expected to complete in the fourth quarter of 2016. Immediately after completion of the transaction, CKHH's economic interest in the joint venture will be approximately 48.7%, with PE International indirectly holding an approximately 1.3% economic interest. CKHH has agreed, subject to completion of the transaction, to acquire PE International's effective interest in such equal joint venture by the date falling 60 months after the completion of the transaction.

Scandinavia

CKHH has a 60% interest in Hi3G Access, which owns and operates 3G mobile telecommunications networks in Scandinavia. Investor AB (publ), an owner of high quality Nordic-based international companies, owns the remaining 40% interest.

The mobile telecommunications businesses in Scandinavia comprise operations in Sweden and Denmark. CKHH has invested in these businesses through Hi3G Access, which also provides central management and financial control.

In Sweden, total revenue for the first half of 2016 increased 6% as compared to the same period in 2015. EBITDA for the first half of 2016 of SEK1,021 million increased 4% compared to the same period in 2015 and EBIT for the first half of 2016 of SEK726 million increased 1% compared to the same period in 2015.

In Denmark, total revenue for the first half of 2016 increased 1% as compared to the same period in 2015 due to the enlarged customer base. EBITDA for the first half of 2016 of DKK328 million decreased 3% compared to the same period in 2015 mainly due to higher operating expenses. EBIT for the first half of 2016 of DKK201 million decreased 4% compared to the same period in 2015 also due to higher operating expenses.

In April 2014, a SEK1,786 million term loan facility with a maturity of five years was signed with European Investment Bank.

Sweden

Hi3G Access has a licence to operate a national mobile network in Sweden. The licence was awarded after the Swedish Government's assessment of the merits of the applicants and no licence fee was paid by Hi3G Access.

Hi3G Access holds the following spectrum for use in operating a national mobile network.

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	10 MHz	1	Paired	20 MHz	2035
900 MHz	5 MHz	1	Paired	10 MHz	2025
2100 MHz	20 MHz	1	Paired	40 MHz	2025
2100 MHz	5 MHz	1	Unpaired	5 MHz	2025
2600 MHz	10 MHz	1	Paired	20 MHz	2023
2600 MHz	50 MHz	1	Unpaired	50 MHz	2023

3G Infrastructure Services AB ("3GIS"), a 50/50 joint venture with Telenor Sverige AB, constructs and operates a UMTS infrastructure network in certain areas of Sweden.

Denmark

Hi3G Denmark, a wholly-owned subsidiary of Hi3G Access, has one of four licences to operate a national mobile network in Denmark.

Hi3G Denmark holds the following spectrum for use in operating a national mobile network.

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz	5 MHz	1	Paired	10 MHz	2034
1800 MHz	10 MHz	1	Paired	20 MHz	2032
2100 MHz	15 MHz	1	Paired	30 MHz	2021
2100 MHz	5 MHz	1	Unpaired	5 MHz	2021
2600 MHz	10 MHz	1	Paired	20 MHz	2030
2600 MHz	5 MHz	5	Unpaired	25 MHz	2030

Austria

CKHH's wholly-owned subsidiary, **3** Austria, is one of three companies licensed to operate a national mobile network in Austria.

In January 2013, **3** Austria completed the acquisition of a 100% interest in Orange Austria and the simultaneous onward sale of the Yesss! brand and certain other assets (including certain licences) to Telekom Austria Group. Together with the licences acquired following the acquisition of Orange Austria, **3** Austria holds the following spectrum for use in operating a national mobile network:

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz (from 2016)	5 MHz	1	Paired	10 MHz	2034
1800 MHz (to 2017)	200 kHz	145	Paired	58 MHz	2017
1800 MHz (from 2013 to 2017)	3.5 MHz	1	Paired	7 MHz	2017
1800 MHz (from 2016 to 2017)	3 MHz	1	Paired	6 MHz	2017
1800 MHz (from 2018)	5 MHz	4	Paired	40 MHz	2034
2100 MHz	5 MHz	5	Paired	50 MHz	2020
2100 MHz	5 MHz	1	Unpaired	5 MHz	2020
2600 MHz	25 MHz	1	Unpaired	25 MHz	2026
2600 MHz	5 MHz	5	Paired	50 MHz	2026

In December 2010, **3** Austria signed a Sale and Purchase agreement selling defined assets of the 3G network to BVPenintadio Beteiligungsverwaltung GmbH ("BVPenintadio"). Subsequently, **3** Austria entered into an operating lease agreement with BVPenintadio to lease back the network assets. BVPenintadio has appointed ZTE to operate, modernise and upgrade the network. In early 2016, the network was subsequently bought back.

Total revenue for the first half of 2016 of €373 million increased 5% compared to the same period in 2015. EBITDA and EBIT for the first half of 2016 of €163 million and €116 million respectively increased 11% and 8% respectively compared to the same period in 2015.

In 2015, the network consolidation and migration to 4G/LTE was completed and **3** Austria has the largest LTE network in Austria.

Ireland

3 Ireland is one of the three companies licensed to operate a national mobile network in the Republic of Ireland. In July 2014, Hutchison completed the acquisition of O_2 Ireland for €780 million with an additional deferred payment of €70 million payable dependent upon achievement of agreed financial targets.

On 26 August 2014, **3** Ireland announced a strategic partnership with eir (previously "eircom") to extend and strengthen the existing network sharing arrangement which was in place between O_2 Ireland and eircom since 2011. The new agreement will run to 2030 and commits funding to create a shared network of over 2,000 sites within the next three years. As a result of the strategic partnership the company terminated its strategic network partnership with Vodafone.

Together with the licences acquired following the acquisition of O_2 Ireland, **3** Ireland holds the following spectrum for use in operating a national 3G network, together with Liberalised Use Licences for UMTS and LTE services.

Licence	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	5 MHz	2	Paired	20 MHz	2030
900 MHz	5 MHz	3	Paired	30 MHz	2030
1800 MHz (from 2015)	5 MHz	7	Paired	70 MHz	2030
2100 MHz	5 MHz	6	Paired	60 MHz	2022
2100 MHz	5 MHz	1	Unpaired	5 MHz	2022

Total revenue for the six months ended 30 June 2016 decreased 1% to €330 million compared to the same period in 2015. EBITDA for the six months ended 30 June 2016 was €82 million compared to €77 million for the same period in 2015 which reflected reduced operating costs from synergies achieved following the acquisition of O_2 Ireland. EBIT for the six months ended 30 June 2016 was €45 million compared to EBIT of €43 million for the same period in 2015.

As at 30 June 2016, there were 38 owned retail outlets. In addition, **3** Ireland has 30 franchise stores which are independently owned and operated stores which only retail "**3**" products and services.

Regulation

European Union Regulation

Individual national regulatory authorities ("NRA(s)") regulate **3** Group Europe businesses in the European Union ("EU") under national laws, which implement the EU regulatory framework ("EU Framework"). The current EU Framework came into force on 25 May 2011.

The EU Framework comprises several pieces of legislation which provide for, among other things, the way in which telecommunications operators are authorised to operate, the terms for access to, and interconnection between, operators' networks, principles for ensuring the universal availability of a basic set of telecommunications services at affordable prices, the protection of privacy and personal data and the principles and coordination procedures for the development of a coherent EU radio spectrum policy.

The EU Framework is built upon the general concepts of competition law, with the main objectives being:

- to maintain sector-specific obligations in situations where operators are regarded as having significant market power ("SMP"), which concept accords with the concept of "dominance" under existing EU competition laws;
- to use a competition law based approach to sector-specific regulation; and
- to conduct periodic market reviews, with the aim of gradually phasing out sector-specific regulation, in favour of generally applicable competition laws.

In order to ensure consistency in the implementation and interpretation across the EU, the EU Framework establishes powers for the European Commission ("Commission"), as well as processes for collaboration among the NRAs, and between the NRAs and the Commission.

The European Commission is currently undertaking a review of the EU Framework. It is expected to launch a public consultation in September 2016, followed by a legislative proposal amending the existing directives making up the EU Framework. That legislative proposal would need to be scrutinised and approved by the European Parliament and European Council prior to becoming law.

Under the current EU Framework, the NRAs are required to conduct market reviews periodically with respect to markets recommended by the Commission to require ex ante regulation. The NRAs may only impose remedies (such as price controls and non-discrimination obligations) on operators in identified markets if they have been designated as having SMP.

The Commission's "Recommendation on relevant markets" includes the market for "voice call termination on individual mobile markets", and although as a result of its recent review of the Recommendation the Commission announced that two fixed markets (retail fixed access and wholesale call origination) would be removed from ex ante regulation, no changes were made to the mobile markets. The list of relevant markets in the Recommendation is a non-exhaustive list, and NRAs have the discretion to examine other markets not identified by the Commission. For example, the Danish regulator previously imposed price controls on wholesale Short Message Service ("SMS") termination charges but has subsequently removed those controls, while in Italy analysis of the same market led to the regulator deciding not to impose price controls.

In May 2009, the Commission adopted a recommendation to harmonise the way NRAs determine the price controls on wholesale mobile termination rates ("MT Rates") ("MT Rates Recommendation"). The MT Rates Recommendation set out a common methodology for calculating the cost of mobile termination that would lead to lower MT Rates by 31 December 2012. In its announcement of the MT Rates Recommendation, the Commission referred to expected MT Rates of between 1.5 and 3 eurocents per minute, compared to the average in Europe at that time of 6.39 eurocents per minute. The MT Rates Recommendation also proposed that all operators in a national market should have the same MT Rate within the same timeframe. Following announcement of the MT Rates Recommendation, many NRAs did set MT Rate price controls which followed the MT Rates Recommendation. Data collected by the NRAs show the weighted average MT Rate in Europe as at 1 January 2015 was 1.23 eurocents per minute. On 15 March 2016, the Commission launched a consultation to review the MT Rates Recommendation and this could lead to a revised recommendation or it may adopt a decision which would be legally binding.

The **3** Group companies in Europe (as well as each of the incumbent Mobile Network Operators ("MNOs")) have been designated as having SMP in the UK, Ireland, Austria, Italy, Denmark and Sweden in the market for voice call termination and the NRAs have imposed price controls on their respective MT Rates. In the UK and Italy:

- The UK Office of Communications ("OFCOM") issued a statement in March 2015 in which it designated all UK mobile number range holders (including **3** UK) as each having SMP with respect to the termination of voice calls to their numbers, and imposed a three year price control for April 2015 to March 2018, with the MT Rate capped at 0.680 pence per minute; and

- the Italian NRA ("AGCOM") designated **3** Italia as having SMP in 2005 but did not impose a price control until 2008. **3** Italia's MT Rate has been regulated down to 6.3 eurocents per minute from 1 July 2011 (the rate applicable to the other MNOs in the same period was 5.3 eurocents per minute), to 3.5 eurocents per minute from 1 July 2012 (the rate applicable to the other MNOs in the same period was 2.5 eurocents per minute), to 2.06 eurocents per minute from 1 January 2013 (the rate applicable to the other MNOs in the same period was 1.5 eurocents per minute), to 1.34 eurocents per minute from 1 July 2013 (the rate applicable to the other MNOs in the same period was 0.98 eurocents per minute) and to 0.98 eurocents per minute from 1 January 2014 (decision 497/15/CONS notified on 29 September 2015). Over the years there have been several appeals of the MT Rates by the MNOs (including by **3** Italia). Currently, there are ongoing appeals with respect to the MT Rates payable during the period 1 November 2008 to 30 June 2009 as well as during the period from 1 January 2013 until present. Accordingly, the MT Rates stated above for these periods may change.

NRAs have powers to determine interconnection disputes (whether or not an SMP designation has been made) when a dispute is referred to them by a communications provider.

There is an EU Regulation which sets price controls on international roaming charges:

- The Commission issued a Regulation on international roaming charges for voice calls which came into force on 30 June 2007 and has been since amended. The Regulation imposed upper limits on the wholesale international roaming charges that MNOs based in the EU can charge other operators based in the EU, and on the retail international roaming charges that EU operators can charge their customers for calls to a number within the EU. The Regulation was subsequently amended, resulting in the extension of the duration of the price controls and further reduction in the maximum permitted wholesale and retail prices for voice roaming (progressively down to 5 eurocents per minute for wholesale voice roaming as from 1 July 2014, and down to 19 eurocents and 5 eurocents per minute to make and receive calls, respectively, as from 1 July 2014) and the introduction of maximum prices for SMS and data roaming. For SMS roaming there is a maximum permitted wholesale price of 2 eurocents per SMS and a maximum permitted retail price of 6 eurocents per SMS. For data roaming, the maximum permitted wholesale price is 5 eurocents per megabyte (as from 1 July 2014) and the maximum permitted retail price is 20 eurocents per megabyte; and

- The amended Regulation that was adopted in 2012 also included structural changes to the way roaming services are provided to allow new forms of competition in the international roaming market from, inter alia, mobile virtual network operators ("MVNOs") and resellers. In particular, the Regulation obliges MNOs to meet all reasonable requests for wholesale roaming access from 1 July 2012 and to enable their customers to choose an alternative provider of regulated voice, SMS and data roaming services from 1 July 2014.

The Telecoms Single Market Regulation that was published in the Official Journal on 26 November 2015, further amends the regulation of international roaming within the EU. The Regulation is intended to eliminate the difference between roaming and domestic charges within the EU. The first phase of the roaming price changes took effect on 30 April 2016, with retail roaming charges in the EU capped at the domestic price plus a surcharge which is equal to the current wholesale price caps (5 eurocents per minute for voice, 2 eurocents per SMS and 5 eurocents per MB of data). From 15 June 2017, surcharges will be abolished and customers will be charged their domestic prices when roaming, subject to a fair use policy, which will allow operators to limit international roaming in the EU at the domestic prices to periodic travel. The Regulation requires the European Commission to define the rules on fair use. The proposal on the fair use policy is expected by December 2016. For roaming traffic that exceeds the fair use limit, retail international roaming prices will be capped at the domestic price plus the foregoing surcharges. The European Commission has undertaken a review of wholesale charges and on 15 June 2016 published legislative proposals for new wholesale roaming price caps. These proposals are subject to scrutiny and approval by the European Parliament and the European Council. The new wholesale caps will take effect from 15 June 2017. The Regulation requires that operators must be able to recover their costs and the Commission must define a test for the "sustainability" of offering roaming at domestic prices. This is expected, together with the proposal on the fair use policy, by December 2016.

The Telecoms Single Market Regulation also imposes obligations on operators not to discriminate in their treatment of data traffic (commonly referred to as "net neutrality"). The Regulation requires providers of "internet access services" to treat all data traffic equally. It also gives end-users the right to access and distribute information and content, via their internet access service, and use and provide applications and services and terminal equipment of their choice, regardless of location, origin or destination of the information, content, application or service. The Regulation allows "reasonable" traffic management, which must be transparent, non-discriminatory and reasonable and not based on commercial considerations. The Regulation requires the Body of European Regulators of Electronic Communications ("BEREC") to issue guidelines on the implementation of the obligations, which were issued by BEREC on 30 August 2016. The guidelines address commercial practices, traffic management, specialised services and transparency requirements. In particular, they prohibit offers that limit the websites that can be accessed ("sub-internet offers"), restrictions on tethering, certain zero rating offers (where data use does not count against the consumer's allowance) and network based blocking of content, including blocking of advertising. National regulators are responsible for enforcing the Regulation and are to take utmost account of BEREC's guidelines. Depending on how the guidelines are applied by the NRAs in light of the underlying Regulation, they could reduce the flexibility of operators to manage traffic in order to provide a certain quality of service, or to agree terms (including preferential remuneration) with content and application providers related to quality of service.

On 14 March 2012, the European Parliament and Council adopted the Radio Spectrum Policy Programme ("RSPP"). The RSPP is a Decision that sets the strategic objectives for spectrum policy in the EU. One such objective is to identify sufficient spectrum for wireless broadband. In that regard, the RSPP required European Member States to authorise the use of the 800 MHz band for mobile operators by 1 January 2013, with derogations possible only until 31 December 2015. On 2 February 2016 the European Commission presented a proposal to coordinate the use of the 700 MHz band for mobile services. The Commission's draft decision requires Member States to assign the 694—790 MHz band to wireless broadband services by 30 June 2020.

In the UK and Italy:

- **3** UK holds licences to use spectrum in the UK (excluding the Isle of Man and Channel Islands): (i) 2x15 MHz of 2100 MHz (paired) and 5 MHz of 2100 MHz (unpaired); (ii) 2x15 MHz of 1800 MHz (paired); (iii) 2x5 MHz of 800 MHz (paired) and (iv) 20 MHz of 1400 MHz spectrum (unpaired). Each of these are of indefinite term, subject only to revocation by OFCOM for spectrum management reasons and giving 5 years' notice (though not to be served before 15 May 2023 in the case of the 1400 MHz licence or 1 March 2028 in the case of the 800 MHz licence). The 1800 MHz licence requires **3** UK to provide at least 90% coverage by the end of 2017 and maintain this service going forward, although any of its spectrum holding can be used to meet this requirement. Annual licence fees are payable on each of: the 800 MHz licence (from 1 March 2033); 1800 MHz licence (from 1 October 2016) and 2100 MHz licence (from 1 January 2022); and

- **3** Italia's spectrum licence includes the rights of use for the following spectrum: 2x15 MHz of 2100 MHz (paired), one block of 5 MHz of 2100 MHz (unpaired), 2x15 MHz of 1800 MHz (paired), 2x5 MHz of 900 MHz (paired), and two blocks of 15 MHz of 2600 MHz (unpaired) and 2x10 MHz of 2600 MHz (paired). The licence expires at the end of 2029 but a 28-year extension may be applied for six months before expiry. Each right of use has its own term, but these may also be extended on application, and subject to paying the then applicable licence fees which may be a one off or an annual fee (not yet determined). With respect to the 2100 MHz spectrum, **3** Italia acquired three contiguous blocks in the spectrum auction in 2000, but the other MNOs only acquired two contiguous blocks at that time, and obtained another block (which were not contiguous with their current holdings) in 2010. **3** Italia appealed against the Ministry of Economic Development's decision to allow the other operators to re-farm the 900 MHz band early and to apply a more preferential methodology for determining the fee to be paid for the re-farming. The court upheld the appeal and **3** Italia has subsequently started an action to recover damages arising from the early re-farming by the other operators and to align the criteria applied for calculating **3** Italia's fee to that of the other operators. AGCOM has opened proceedings against **3** Italia, Wind and Telecom Italia Mobile relating to their respective implementation of the roaming provisions of the Telecoms Single Market Regulation. This could potentially lead to fines and/or loss of future revenues for each MNO (including **3** Italia).

The General Data Protection Regulation (GDPR) was adopted in April 2016 and comes into effect on 25 May 2018, when it replaces the 1995 Data Protection Directive. The Regulation is directly effective and does not need to be implemented in national laws. It applies to all data controllers and data processors in the EU that are processing personal data, and those outside the EU that target data subjects in the EU. The GDPR introduces new rights for data subjects, such as the right to be forgotten and data portability, and strengthens existing obligations on data controllers to ensure their systems and procedures are compliant (privacy by design and by default). Fines for failing to comply with the GDPR can be up to 4% or worldwide annual revenue.

Finance & Investments and Others

CKHH receives income from its finance & investments and others division, which is responsible for the management of CKHH's cash deposits, liquid assets held in managed funds and other investments. Managed funds are portfolios of short-term and liquid debt securities, primarily denominated in U.S. dollars, managed by independent professional fund managers in various financial centres around the world. CKHH also has certain investments in shares and convertible securities of listed companies. Except for its listed subsidiaries and certain overseas entities conducting businesses in non-Hong Kong or non-U.S. dollar currencies, CKHH operates a central cash management system for all its subsidiaries. Income from this division includes interest income, dividends from equity investments, profits and losses from sale of securities and foreign exchange gains and losses of non-Hong Kong dollar denominated liquid assets. CKHH has adopted a strategy of minimising credit, interest rate, market price and currency risks in its fixed income investments, and has divested its medium-term, long-term and foreign currency investments in favour of U.S. dollar denominated short-term liquid debt securities. It is CKHH's policy not to enter into derivative transactions for speculative purposes. It is also CKHH's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

CKHH has operations in over 50 countries and conducts businesses in 46 currencies. CKHH's functional currency for reporting purposes is Hong Kong Dollars and CKHH's reported results in Hong Kong Dollars are exposed to exchange translation gains or losses on its foreign currency earnings. CKHH generally does not enter into foreign currency hedges in respect of its foreign currency earnings. At times of significant exchange rate volatility and where appropriate opportunities arise, CKHH may prudently enter into forward foreign currency contracts and currency swaps for selective foreign currencies for a portion of its budgeted foreign currency earnings to limit potential downside foreign currency exposure on its earnings.

As of 30 June 2016, CKHH's liquid assets totalled HK$162,750 million (US$20,865 million) of which 19% were denominated in Hong Kong dollars, 41% in U.S. dollars, 6% in Renminbi, 19% in Euro, 6% in Pound Sterling and 9% in other currencies. Cash and cash equivalents represented 95% of such total, U.S. Treasury notes and listed/traded debt securities 4% and listed equity securities 1%. The U.S. Treasury notes and listed/traded debt securities, including those held under managed funds, consisted of U.S. Treasury notes of 61%, government and government guaranteed notes of 18%, notes issued by CKHH's associate Husky Energy of 4%, notes issued by financial institutions of 2% and others of 15%. 78% of the U.S. Treasury notes and listed/traded debt securities were rated at Aaa/AAA or Aa1/AA+, with an average maturity of approximately 1.5 years on the overall portfolio. CKHH has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

The interest expense and finance costs related to CKHH's various operating businesses are not attributed to this division but are disclosed separately in the consolidated income statement and related notes thereto set forth in the audited consolidated financial statements of CKHH incorporated by reference in this Offering Circular.

Hutchison Whampoa (China) Limited

In addition to subsidiaries and joint ventures in several of its core businesses, CKHH is also engaged in other activities in the Mainland and Hong Kong through its wholly-owned subsidiary HWCL and its 60.5% subsidiary Chi-Med. These activities include the provision of aircraft maintenance and engineering services, pharmaceutical research and development, the manufacture and distribution of healthcare and traditional Chinese medicine and pharmaceutical products, the manufacturing and trading of consumer detergent products, the distribution of consumer products, the provision of logistics services and the operation of a rice farm and rice trading.

CKHH is the major shareholder of Chi-Med, which is listed on the AIM and NASDAQ. Chi-Med had a market capitalisation of approximately £1,147.8 million (approximately HK$12,189 million) as of 30 June 2016.

HWCL has the following major investments, which operate in the Mainland and Hong Kong:

- Guangzhou Aircraft Maintenance Engineering Company ("GAMECO") (50% interest), a joint venture with China Southern Airlines. GAMECO serves both Chinese and international airlines from its maintenance facility at Guangzhou's airport, conducting both routine maintenance services and overhauls;

- China Aircraft Services Limited (20% interest), a joint venture with China Airlines, China National Aviation Corporation and United Airlines, providing aircraft maintenance and support services for various Chinese airlines, British Airways, United Airlines, Dragonair, Hong Kong Airlines and Hong Kong Express Airlines at the Hong Kong International Airport;

- Shanghai Hutchison Whitecat Company Limited (80% interest), a joint venture with Shanghai Whitecat (Group) Company Limited, which develops and manufactures consumer and industrial detergent products; and
- Chi-Med (60.5% interest), a company listed on the AIM and NASDAQ. Chi-Med is an innovative China-based biopharmaceutical company which researches, develops, manufactures and sells pharmaceuticals and healthcare products.

E-Commerce Operations

CKHH has formed alliances with a number of strategic partners to invest in e-commerce and related opportunities. These operations include:

- bigboXX.com (100% interest) — an office supplies procurement portal for business corporations in Hong Kong;
- Hutchison Travel (100% interest) — an internet based travel service company that offers air tickets, hotel rooms, rental car, air plus hotel combo and travel insurance; and
- ESD*life* (85% interest) — ESD*life* is focused on providing a one-stop shop for public and commercial electronic services, as well as professional web solutions through the establishment of a vast digital information infrastructure.

CKHH also has a 50% interest in Metro Broadcast, a licensed radio broadcasting operator in Hong Kong currently operating three analogue radio channels, namely Metro Finance (FM 104), Metro Info (FM 997) and Metro Plus (AM 1044); and three digital audio broadcasting channels, namely Metro Finance Digital, Metro Music Digital and Metro Live Digital.

Hutchison Water

CKHH has a 49% interest in a water desalination project in Israel which was granted a 26.5 year concession in 2009 by the Israeli Government to build and operate a water desalination plant in Sorek, Israel. In November 2013, the construction of the sea water desalination plant with capacity of 150 million cubic metres per year was completed. The plant has been operational since 2014 and is one of the largest desalination plants in the world in terms of capacity.

TOM Group

CKHH also has a 36.7% interest in TOM Group, a Chinese-language media conglomerate in Greater China listed on SEHK. Based on the closing price of its shares on SEHK on 30 June 2016, TOM Group had a market capitalisation of approximately HK$7,631 million (approximately US$978 million). It has diverse business interests in five key areas: e-commerce, mobile internet, publishing, outdoor media and television and entertainment.

Marionnaud Group

CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe. As of 30 June 2016, Marionnaud operates approximately 1,000 stores in 11 European markets, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

CKHH has an approximate 45.32% interest in CKLS, a company listed on SEHK. CKLS is engaged in the business of research and development, commercialisation, marketing and sale of health and agriculture-related products. Based on the closing price of its shares on SEHK on 30 June 2016, CKLS had a market capitalisation of approximately HK$6,728 million (approximately US$863 million). It has business interests in three key divisions: agriculture, nutraceutical and pharmaceutical.

Environmental Matters

CKHH's operations are subject to various environmental laws. Compliance with such laws has not had, and is not expected to have, a material adverse effect upon CKHH's capital expenditure, earnings or competitive position.

Legal Proceedings

CKHH is not engaged in any material litigation or arbitration proceeding, and no material litigation or claim is known by CKHH to be pending or threatened against it that would have a material adverse effect on CKHH's financial condition and results of operations.

MANAGEMENT OF CKHH

The Directors of CKHH are set forth below.

Name	Age	Position
LI Ka-shing	88	Chairman and Executive Director
LI Tzar Kuoi, Victor	52	Group Co-Managing Director, Deputy Chairman and Executive Director
FOK Kin Ning, Canning	65	Group Co-Managing Director and Executive Director
Frank John SIXT	64	Group Finance Director, Deputy Managing Director and Executive Director
IP Tak Chuen, Edmond	64	Deputy Managing Director and Executive Director
KAM Hing Lam	69	Deputy Managing Director and Executive Director
LAI Kai Ming, Dominic	63	Deputy Managing Director and Executive Director
CHOW Kun Chee, Roland	79	Non-executive Director
LEE Yeh Kwong, Charles	80	Non-executive Director
LEUNG Siu Hon	84	Non-executive Director
George Colin MAGNUS	80	Non-executive Director
KWOK Tun-li, Stanley	89	Independent Non-executive Director
CHENG Hoi Chuen, Vincent	68	Independent Non-executive Director
The Hon Sir Michael David KADOORIE...	75	Independent Non-executive Director
LEE Wai Mun, Rose	63	Independent Non-executive Director
William Elkin MOCATTA	63	Alternate Director to The Hon Sir Michael David Kadoorie
William SHURNIAK	85	Independent Non-executive Director
WONG Chung Hin	83	Independent Non-executive Director
WONG Yick-ming, Rosanna	64	Independent Non-executive Director

The principal place of business of CKHH is 12th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong with the principal executive office situated at 22nd Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.

The Board of Directors of CKHH consists of nineteen members (including Alternate Director) of which 8 are Independent Non-executive Directors (including Alternate Director) and 4 are Non-executive Directors. Set forth below is selected biographical information for each of the Directors:

LI Ka-shing, GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 88, is the founder of the Cheung Kong group. He has been the Chairman and an Executive Director of CKHH since 9 January 2015 and a member of the Remuneration Committee of CKHH since 18 March 2015. Mr Li is also the Chairman and Executive Director of Cheung Kong Property Holdings Limited ("Cheung Kong Property") and a member of its Remuneration Committee. He was the Chairman of Cheung Kong (Holdings) Limited ("Cheung Kong") from 1971 to 2015 and Managing Director from 1971 to 1998. The listing status of Cheung Kong on The Stock Exchange of Hong Kong Limited (the "SEHK") was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. Mr Li has also been the Chairman of Hutchison Whampoa Limited ("Hutchison") since 1981 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is the Chairman of Li Ka Shing Foundation Limited ("LKSF"), Li Ka Shing (Overseas) Foundation ("LKSOF") and Li Ka Shing (Canada) Foundation ("LKSCF"). Mr Li has been engaged in many major commercial developments in Hong Kong for more than 60 years. He served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities on the Mainland and overseas. Mr Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr Li has received Honorary Doctorates from Peking University, the University of Hong Kong, The Hong Kong

University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honours and awards from renowned institutions on the Mainland and abroad. Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor, the Group Co-Managing Director and Deputy Chairman of CKHH, and the brother-in-law of Mr Kam Hing Lam, Deputy Managing Director of CKHH. Mr Li also holds directorships in certain companies controlled by certain substantial shareholders of CKHH within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO").

LI Tzar Kuoi, Victor, aged 52, has been a Director of CKHH since 11 December 2014. Mr Victor Li was designated as Executive Director, Managing Director and Deputy Chairman of CKHH on 9 January 2015 and re-designated as Executive Director, Group Co-Managing Director and Deputy Chairman of CKHH on 3 June 2015. He joined Cheung Kong in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman of Cheung Kong since 1994, Managing Director since 1999 and Chairman of the Executive Committee since 2013. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong and ceased to act as Chairman of the Executive Committee of Cheung Kong on 3 June 2015. He is Managing Director, Deputy Chairman and Executive Director of Cheung Kong Property as well as Chairman of its Executive Committee. He has been an Executive Director of Hutchison since 1995 and Deputy Chairman since 1999 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. Mr Victor Li is the Chairman of Cheung Kong Infrastructure Holdings Limited ("CKI") and CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), a Non-executive Director of Power Assets Holdings Limited ("Power Assets") and HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI"), a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited ("HKEIL") and Co-Chairman of Husky Energy Inc. ("Husky Energy"). Save and except Cheung Kong Property, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Victor Li acts as Chairman, Co-Chairman, Deputy Chairman or Director for the purpose of overseeing the management of such businesses. Mr Victor Li is also the Deputy Chairman of LKSF, LKSOF and LKSCF, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") of the People's Republic of China. He is also a member of the Commission on Strategic Development of Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr Victor Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr Victor Li is a son of Mr Li Ka-shing, the Chairman of CKHH and a substantial shareholder of CKHH within the meaning of Part XV of the SFO, and a nephew of Mr Kam Hing Lam, Deputy Managing Director of CKHH. Mr Victor Li is also a director of certain substantial shareholders of CKHH within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of CKHH.

FOK Kin Ning, Canning, aged 65, has been a Non-executive Director of CKHH since 9 January 2015 and was re-designated as an Executive Director and Group Co-Managing Director of CKHH on 3 June 2015. Mr Fok has been a Director of Cheung Kong since 1985 and became a Non-executive Director in 1993. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. Mr Fok has been an Executive Director of Hutchison since 1984, Group Managing Director since 1993 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is also the Chairman of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), Power Assets, HKEIML as the trustee-manager of HKEI, and HKEIL, Co-Chairman of Husky Energy and Deputy Chairman of CKI. The aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Fok acts as Chairman, Co-Chairman, Deputy Chairman or Director for the purpose of overseeing the management of such businesses. Mr Fok was previously an Alternate Director to a Director of HTHKH. Mr Fok is a director of certain companies controlled by a substantial shareholder of CKHH within the meaning of Part XV of the SFO. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

Frank John SIXT, aged 64, has been a Non-executive Director of CKHH since 9 January 2015 and was re-designated as an Executive Director, Group Finance Director and Deputy Managing Director of CKHH on 3 June 2015. Mr Sixt has been an Executive Director of Cheung Kong since 1991 and became a Non-executive Director in 1998. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. He has been an Executive Director of Hutchison since 1991, Group Finance Director since 1998 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is also the Non-executive Chairman of TOM, an Executive Director of CKI, a Non-executive Director of HTHKH, HPHM as the trustee-manager of HPH Trust and Power Assets, a Director of HTAL and Husky Energy, and an Alternate Director to Directors of HTAL, HKEIML as the trustee-manager of HKEI, and HKEIL. The aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Sixt acts as Chairman or Director for the purpose of overseeing the management of such businesses. Mr Sixt is a director of certain substantial shareholders of CKHH within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of CKHH. Mr Sixt holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

IP Tak Chuen, Edmond, aged 64, has been a Director of CKHH since 11 December 2014 and was designated as an Executive Director and Deputy Managing Director of CKHH on 9 January 2015. He is an Executive Director, Deputy Managing Director of Cheung Kong Property and a member of its Executive Committee. He has been an Executive Director of Cheung Kong since 1993 and Deputy Managing Director since 2005. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. Mr Ip is also an Executive Director and Deputy Chairman of CKI, the Senior Vice President and Chief Investment Officer of CKLS, and a Non-executive Director of ARA Asset Management Limited, TOM, Shougang Concord International Enterprises Company Limited and Hui Xian Asset Management Limited ("HXAML") as the manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT"). He was previously a Non-executive Director of ARA Asset Management (Fortune) Limited as the manager of Fortune Real Estate Investments Trust, AVIC International Holding (HK) Limited and Real Nutriceutical Group Limited. Save and except Cheung Kong Property and its associated companies, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Ip acts as Director and senior executive for the purpose of overseeing the management of such businesses. Mr Ip is a director of certain companies controlled by certain substantial shareholders of CKHH within the meaning of Part XV of the SFO. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

KAM Hing Lam, aged 69, has been an Executive Director and Deputy Managing Director of CKHH since 9 January 2015. He is also an Executive Director and a Deputy Managing Director of Cheung Kong Property and a member of its Executive Committee. Mr Kam has been Deputy Managing Director of Cheung Kong since 1993. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015 and he was re-designated as Director of Cheung Kong on 3 June 2015. He is also the Group Managing Director of CKI and the President and Chief Executive Officer of CKLS. Mr Kam has been an Executive Director of Hutchison since 1993 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is also Chairman of HXAML as the manager of Hui Xian REIT. Save and except Cheung Kong Property and its associated companies, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Kam acts as Director and senior executive for the purpose of overseeing the management of such businesses. Mr Kam is an Advisor of the 12th Beijing Municipal Committee of the CPPCC of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr Kam is the brother-in-law of Mr Li Ka-shing, Chairman of CKHH and a substantial shareholder of CKHH within the meaning of Part XV of the SFO, and an uncle of Mr Li Tzar Kuoi, Victor, the Group Co-Managing Director and Deputy Chairman of CKHH.

LAI Kai Ming, Dominic, aged 63, has been an Executive Director and Deputy Managing Director of CKHH since 3 June 2015. Mr Lai has been an Executive Director of Hutchison since 2000 and was re-designated as Director on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is a Non-executive Director of HTHKH and a Director of HTAL. He is also an Alternate Director to Directors of HTHKH, HTAL and TOM. The aforementioned companies are subsidiaries of the Group in which Mr Lai acts as Director for the purpose of overseeing the management of such businesses. Mr Lai has over 30 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

CHOW Kun Chee, Roland, aged 79, has been a Non-executive Director of CKHH since 9 January 2015. He has been a Director of Cheung Kong since 1993 until his resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. He was an Independent Non-executive Director of Cheung Kong prior to his re-designation as a Non-executive Director of Cheung Kong in September 2004. Mr Chow is a solicitor of the High Court of the Hong Kong Special Administrative Region and is a consultant of Messrs. Herbert Tsoi and Partners, Solicitors. He holds a Master of Laws degree from the University of London. Mr Chow is a cousin of Mr Leung Siu Hon, a Non-executive Director of CKHH. Mr Chow is a director of certain substantial shareholders of CKHH within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of CKHH.

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP, aged 80, has been a Non-executive Director of CKHH since 9 January 2015. Mr Charles Lee has been a Non-executive Director of Cheung Kong since 2013 until his resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. He was a Director of Cheung Kong during the period from August 1972 to March 1997. Mr Charles Lee has also been a Non-executive Director of Hutchison since 2013 until his resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is a Campaign Committee Co-Chairman and member of the Former Directors Committee of The Community Chest of Hong Kong as well as Governor of the Board of Governors of Our Hong Kong Foundation. Mr Charles Lee is one of the founders of the solicitor's firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. He holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences, honoris causa by the University of Hong Kong and The Open University of Hong Kong respectively. Mr Charles Lee is also a qualified accountant and a chartered secretary.

LEUNG Siu Hon, aged 84, has been a Non-executive Director of CKHH since 9 January 2015. He has been a Director of Cheung Kong since 1984 until his resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. He was an Independent Non-executive Director of Cheung Kong prior to his re-designation as a Non-executive Director of Cheung Kong in September 2004. Mr Leung holds a B.A. Law (Honours) (Southampton) degree, and has been awarded the Honorary degree of Doctor of Laws by the University of Southampton in July 2001 and appointed by the Northwest University of Politics & Law, China to the post of Adjunct Professor in May 2014. Mr Leung is a solicitor of the High Court of the Hong Kong Special Administrative Region and an attesting officer appointed by the People's Republic of China. He is presently a consultant of Messrs. S.H. Leung and Co., Solicitors. Mr Leung is a cousin of Mr Chow Kun Chee, Roland, a Non-executive Director of CKHH.

George Colin MAGNUS, OBE, BBS, aged 80, has been a Non-executive Director of CKHH since 9 January, 2015. He acted as an Executive Director of Cheung Kong since 1980 and Deputy Chairman since 1985 until he retired from these offices in October 2005. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. He has been a Non-executive Director of Cheung Kong since November 2005 until his resignation on 3 June 2015. Mr Magnus has been an Executive Director of Hutchison since 1980 and was re-designated as a Non-executive Director since November 2005 until his resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He served as Deputy Chairman of Hutchison from 1984 to 1993. He is also a Non-executive Director of CKI, an Independent Non-executive Director of HKEIML as the trustee-manager of HKEI, and HKEIL, and a Director (independent) of Husky Energy. Mr Magnus holds a Master's degree in Economics.

KWOK Tun-li, Stanley, aged 89, has been an Independent Non-executive Director of CKHH since 9 January 2015 and a member of the Audit Committee of CKHH since 18 March 2015. He was a member of the Remuneration Committee of CKHH from 18 March 2015 to 2 June 2015. He has been a Director of Cheung Kong since 1989 until his resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. Mr Kwok holds a Bachelor's degree in Science (Architecture) from St. John's University, Shanghai, China, and an A.A. Diploma from the Architectural

Association School of Architecture, London, England. Mr Kwok is a Director (independent) of Husky Energy. He is also presently a Director of Amara Holdings Inc., CTBC Bank Corp. (Canada) (formerly known as CTC Bank of Canada), Element Lifestyle Retirement Inc. and Stanley Kwok Consultants Inc.

CHENG Hoi Chuen, Vincent, GBS, OBE, JP, aged 68, has been an Independent Non-executive Director and a member of both the Audit Committee and the Remuneration Committee of CKHH since 3 June 2015. He has been an Independent Non-executive Director of Hutchison since 2014 until his resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is an Independent Non-executive Director of MTR Corporation Limited, Great Eagle Holdings Limited, CLP Holdings Limited, HXAML as manager of Hui Xian REIT, China Minsheng Banking Corp., Ltd., Shanghai Industrial Holdings Limited and Wing Tai Properties Limited. Mr Cheng joined The Hongkong and Shanghai Banking Corporation Limited in 1978 of which he became Chief Financial Officer in 1994, General Manager and an Executive Director in 1995 and Chairman from 2005 to 2010. He was also the Chairman of HSBC Bank (China) Limited from 2007 to 2011, an Executive Director of HSBC Holdings plc from 2008 to 2011 and an adviser to the Group Chief Executive of HSBC Holdings plc from 2011 to 2012. In 2008, Mr Cheng was appointed as a member of the 11th National Committee of the CPPCC of the People's Republic of China and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC of the People's Republic of China. Mr Cheng's previous government advisory roles include being a member of the Executive Council (the Hong Kong government's highest policy-making body) from 1995 to 1997, Hong Kong Affairs Adviser to the People's Republic of China from 1994 to 1997 as well as a member of the Legislative Council of the Hong Kong Government from 1991 to 1995. In 2005, Honorary Doctorates of Social Science and of Business Administration were conferred on Mr Cheng by The Chinese University of Hong Kong and The Open University of Hong Kong respectively. Mr Cheng holds a Bachelor of Social Science degree in Economics and a Master of Philosophy degree in Economics.

The Hon Sir Michael David KADOORIE, GBS, Commandeur de la Légion d'Honneur, Commandeur de l'Ordre des Arts et des Lettres, Commandeur de l'Ordre de la Couronne, Commandeur de l'Ordre de Leopold II, aged 75, has been an Independent Non-executive Director of CKHH since 3 June 2015. He has been a Director of Hutchison since 1995 until his resignation on 24 July 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is the Chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, as well as Heliservices (Hong Kong) Limited. He was previously an Alternate Director to a Director of Hong Kong Aircraft Engineering Company Limited.

LEE Wai Mun, Rose, JP, aged 63, has been an Independent Non-executive Director of CKHH since 3 June 2015. She has been an Independent Non-executive Director of Hutchison since 2012 until her resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. She is also an Executive Director, Vice-chairman and Chief Executive of Hang Seng Bank Limited, and Chairman and a member of its Executive Committee and Nomination Committee respectively. Ms Lee is also the Chairman of Hang Seng Bank (China) Limited. Ms Lee is a Group General Manager of HSBC Holdings plc, a Director of The Hongkong and Shanghai Banking Corporation Limited, an Independent Non-executive Director and a member of Remuneration Committee of Swire Pacific Limited, Chairman of the Board of Governors of Hang Seng Management College, Chairman of the Board of Directors of Hang Seng School of Commerce, Board Member of The Community Chest of Hong Kong as well as Deputy Chairman and a member of its Executive Committee and Nominating Committee respectively, Executive Vice-chairman of the Finance Professional Committee of Guangdong's Association for Promotion of Cooperation between Guangdong, Hongkong & Macao, Vice President of The Hong Kong Institute of Bankers, Vice-chairman of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen — Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, a member of the Consulting Committee of Qianhai & Shekou Area of Shenzhen, China (Guangdong) Pilot Free Trade Zone, and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, a member of the Advisory Committee of the New College of Jockey Club Student Village III of the University of Hong Kong, a member of the Court of The Hong Kong University of Science and Technology, a member of the Board of Trustees of Ho Leung Ho Lee Foundation and a member of the Financial Services Advisory Committee of Hong Kong Trade Development Council. Ms Lee holds a Bachelor's degree in Business Administration.

William Elkin MOCATTA, aged 63, has been an Alternate Director to The Hon Sir Michael David Kadoorie, an Independent Non-executive Director of CKHH, since 3 June 2015. He has been an Alternate Director to The Hon Sir Michael David Kadoorie, former Independent Non-executive Director of Hutchison since 1997 until he ceased to be an Alternate Director on 24 July 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. He is the Chairman of CLP Power Hong Kong Limited, CLP Properties Limited and Castle Peak Power Company Limited. He is also the Vice Chairman of CLP Holdings Limited and a Director of The Hongkong and Shanghai Hotels, Limited. He is a Fellow of The Institute of Chartered Accountants in England and Wales.

William SHURNIAK, SOM, aged 85, has been an Independent Non-executive Director and a member of the Audit Committee of CKHH since 3 June 2015. He has been a Director of Hutchison since 1984 until his resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. In addition, Mr Shurniak is a Director (independent) and Deputy Chairman of Husky Energy. He has broad banking experience and he holds Honorary Doctor of Laws degrees from the University of Saskatchewan, The University of Western Ontario and the University of Regina in Canada. He was awarded the Saskatchewan Order of Merit by the Government of Saskatchewan in 2009 and the Queen Elizabeth II Diamond Jubilee Medal by the Lieutenant Governor of Saskatchewan in 2012.

WONG Chung Hin, CBE, JP, aged 83, has been an Independent Non-executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee of CKHH since 3 June 2015. He has been a Director of Hutchison since 1984 until his resignation on 8 June 2015 when Hutchison was privatised by way of a scheme of arrangement on 3 June 2015. Mr Wong is an Independent Non-executive Director of Power Assets. He was previously an Independent Non-executive Director of The Bank of East Asia, Limited. He is a solicitor.

WONG Yick-ming, Rosanna, DBE, JP, aged 64, has been an Independent Non-executive Director of CKHH since 9 January 2015 and the Chairman of the Remuneration Committee of CKHH since 18 March 2015. She has been an Independent Non-executive Director of Cheung Kong since 2001 until her resignation on 3 June 2015. The listing status of Cheung Kong on the SEHK was replaced by CKHH on 18 March 2015. She was previously an Alternate Director of CKHH and Cheung Kong. She holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates by The Chinese University of Hong Kong, The Hong Kong Polytechnic University, the University of Hong Kong, The Hong Kong Institute of Education and University of Toronto in Canada. She is currently a member of the 12th National Committee of the CPPCC of the People's Republic of China. She is also a member of The Hong Kong University of Science and Technology Business School Advisory Council and the Advisory Committee of The Jockey Club CPS Limited, and serves as a Global Advisor to Mars, Incorporated. She is an Executive Director of The Hong Kong Federation of Youth Groups, the Non-executive Chairman of The Hongkong Bank Foundation's Advisory Committee and an Independent Non-executive Director of HTHKH, The Hongkong and Shanghai Banking Corporation Limited and The Hongkong and Shanghai Hotels, Limited.

TAXATION

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

Cayman Islands Taxation

The Cayman Islands currently has no exchange control restrictions and no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to the Issuer or any holder of the Notes. Accordingly, payment of principal of (including any premium) and interest on, and any transfer of, the Notes will not be subject to taxation in the Cayman Islands, no Cayman Islands withholding tax will be required on such payments to any holder of a Note and gains derived from the sale of the Notes will not be subject to Cayman Islands capital gains tax. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Issuer.

The Issuer has applied for and received an undertaking from the Governor in Cabinet of the Cayman Islands that, in accordance with Section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from 23 August 2016, no law that is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Issuer or (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the Notes unless they are executed in or brought into the Cayman Islands.

United States Taxation

The Notes will bear a legend to the following effect:

"Any United States person (as defined in the Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

SUBSCRIPTION AND SALE

BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs (Asia) L.L.C. and The Hongkong and Shanghai Banking Corporation Limited (the "Lead Managers") have, pursuant to a Subscription Agreement (the "Subscription Agreement") dated 28 September 2016 jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.211 per cent. of the principal amount of the Notes, less commissions set out in the Subscription Agreement. The Issuer and the Guarantor have agreed in the Subscription Agreement to indemnify and hold the Lead Managers harmless against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

Each of the Lead Managers understands that the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.

Each of the Lead Managers has represented and agreed that it has offered and sold the Notes, and agreed that it will offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) (the "distribution compliance period"), only in accordance with Rule 903 of Regulation S under the Securities Act ("Regulation S"). Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each of the Lead Managers has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from or through it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of offering and the Closing Date (as defined in the Subscription Agreement), except in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Terms used in the above paragraphs have the meanings given to them by Regulation S.

In addition:

(a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "D Rules"), each of the Lead Managers (x) has represented that it has not offered or sold, and agreed that during the restricted period it will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) represented that it has not delivered and agreed that it will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;

(b) each of the Lead Managers has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, each of the Lead Managers has represented that it is acquiring the Notes for purposes of resale in connection with their original issue and if it retains the Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, each of the Lead Managers has either (x) repeated and confirmed the representations and agreements contained in sub-paragraphs (a), (b) and (c) on its behalf or (y) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c).

Terms used in the above paragraphs (a) to (d), unless otherwise defined, have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations thereunder, including the D Rules.

United Kingdom

Each Lead Manager has represented and agreed that:

(i) it has complied with, and will comply with, all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving, the United Kingdom; and

(ii) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

Cayman Islands

Each Lead Manager has represented and agreed that it has not made and will not make (on behalf of the Issuer) any invitation directly or indirectly to the public in the Cayman Islands to subscribe for any Notes.

Hong Kong

Each Lead Manager has represented and agreed that:

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

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, (whether in Hong Kong or elsewhere) any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning ascribed to it in the SFO and any rules made under the SFO.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Lead Manager or Lead Managers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the above paragraphs, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The Netherlands

Each Lead Manager has represented and agreed that unless the relevant terms of the Notes specify that Article 5:20(5) of the Dutch Financial Supervision Act *(Wet op het financieel toezicht)* is not applicable, it will not make an offer of the Notes to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of the Notes shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange Ltd. ("SIX") or any other stock exchange or other regulated trading facility in Switzerland, and this Offering Circular has been prepared without regard to the disclosure standards for issuance of prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or disclosure standards for listing prospectuses under Article 27 et seqq. of the SIX listing rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Accordingly, each Lead Manager has represented and agreed that it has not and will not (i) publicly offer, sell or advertise the Notes directly or indirectly in, into or from Switzerland and (ii) publicly distribute or otherwise make publicly available in Switzerland this Offering Circular nor any other offering or marketing material relating to the Notes or the offering thereof.

Neither this Offering Circular nor any other offering or marketing material relating to the offering of the Notes, the Issuer, the Guarantor or the Notes have been filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular has not been filed with, and the offer of the Notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of the Notes has not been authorised under the Swiss Federal Act on Collective Investment Scheme ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Notes.

Italy

Each Lead Manager has agreed and acknowledged that no application has been made or will be made by any person to obtain an authorisation from the Commissione Nazionale per le Società e la Borsa ("CONSOB") for the public offering (*offerta al pubblico*) of the Notes in the Republic of Italy and that no Notes may be offered, sold, delivered nor any copy of this Offering Circular or any other document relating to the Notes may be distributed in the Republic of Italy. Accordingly, each Lead Manager has represented and agreed that it has not offered, sold, delivered, distributed or made available, and will not offer, sell, deliver, distribute or made available in the Republic of Italy any of the Notes nor any copy of this Offering Circular or any other documents relating to the Notes other than:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("Regulation No. 11971"); or

(b) in any other circumstances where an express exemption from compliance with the rules relating to public offers of financial products (*offerta al pubblico di prodotti finanziari*) provided for by the Financial Services Act and the relevant implementing regulations (including Regulation no. 11971) applies.

Each Lead Manager has further agreed that any offer, sale or delivery of the Notes or distribution of any copy of this Offering Circular or any other documents relating to the Notes in the Republic of Italy under the preceding paragraphs (a) and (b) shall be made:

(i) only by banks, investment firms (*imprese di investimento*) or financial institutions in each case to the extent duly authorised to engage in the placement and/or underwriting (*sottoscrizione e/o collocamento*) of financial instruments (*strumenti finanziari*) in the Republic of Italy in accordance with the Italian Legislative Decree No. 385 of 1 September 1993, (as subsequently amended from time to time), the Financial Services Act and the relevant implementing regulations;

(ii) only to qualified investors (*investitori qualificati*) as set out under paragraph (a) above; and

(iii) in accordance with all applicable Italian laws and regulations, including all relevant Italian securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB, the Bank of Italy or other Italian authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly, each Lead Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Lead Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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.

This Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the SFA, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

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

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

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

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

No action has been taken by the Issuer, the Guarantor or any of the Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Lead Managers has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS1497312295 and the Common Code for the Notes is 149731229.

2. Application will be made to SGX-ST for the listing and quotation of the Notes on the SGX-ST but an application may instead be made to another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organisation for Economic Co-operation and Development, for permission to deal in and the listing of the Notes. However no assurance is made that the application to the SGX-ST or such other stock exchange will be approved. The settlement of the Notes is not conditional on obtaining listing. In connection with such application, each of the Issuer and the Guarantor will use endeavours considered in its sole opinion to be reasonable to it to obtain the listing as promptly as practicable after the Closing Date (if not already obtained). The Issuer may elect to apply for a de-listing of the Notes from any stock exchange or markets of such stock exchange on which they are traded because the maintenance of such listing is or would be, in the opinion of the Issuer, unduly burdensome, including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than HKFRS in which event the Issuer will use endeavours considered in its sole opinion to be reasonable to it to seek a replacement listing of such Notes on another section of any stock exchange on which they are traded or another stock exchange which is: (a) a member of the World Federation of Exchanges; or (b) located in a state that is a member of the Organisation for Economic Co-operation and Development, provided that obtaining or maintaining a listing on such section or such stock exchange would not be, in the opinion of the Issuer, unduly burdensome including, without limitation, any requirement on the Issuer or the Guarantor to provide financial statements prepared in accordance with, or reconcile financial statements to, accounting principles or standards other than HKFRS. In the event that no listing is obtained or maintained which satisfies the foregoing requirements, the Issuer will use endeavours considered in its sole opinion to be reasonable to it to obtain a replacement listing elsewhere.

   The Notes will be traded in a minimum board lot size of €200,000 so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

   For so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange shall be made by the Issuer or on its behalf through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

3. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations as may be required in connection with the issue and performance of the Notes, except as disclosed in this Offering Circular. The issue of the Notes was approved by resolutions of the Issuer passed on 22 September 2016, and the giving of the Guarantee of the Notes by the Guarantor was authorised by resolutions of the Guarantor passed on 22 September 2016.

4. Except as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of CKHH since 30 June 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since its date of incorporation.

5. Other than as referred to elsewhere in this Offering Circular, neither the Issuer nor the Guarantor nor any of the Guarantor's subsidiaries is involved in any litigation or arbitration proceedings that if determined adversely to the Issuer, the Guarantor or any of its subsidiaries would, in the aggregate, have a material adverse effect on the consolidated financial position of the Guarantor and the Guarantor's subsidiaries (including the Issuer) taken as a whole, nor is the Issuer, the Guarantor or any of the Guarantor's subsidiaries aware that any such proceedings are pending or threatened.

6. The Issuer has not audited or published, and does not propose to audit or publish, any of its accounts since it is not required to do so under Cayman Islands law. The Issuer is, however, required to keep such accounts and records as are necessary to give a true and fair view of the Issuer's affairs and to explain its transactions.

7. Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Guarantor is required to publish an annual report containing the audited consolidated financial statements of the Guarantor not later than four months after the date upon which the financial period ended. The Guarantor is also required to publish a semi-annual interim report, which should be reviewed by the Guarantor's independent auditor or audit committee, containing the unaudited consolidated financial statements of the Guarantor for the first six months of each financial year not later than three months after the end of that six-month period. The Guarantor does not publish audited interim consolidated nor non-consolidated financial statements.

8. The Notes and Coupons will contain the following legend: "Any United States person (as defined in the Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

9. The following contracts have been or will be entered into in relation to the issue of the Notes:

   (a) the Subscription Agreement dated 28 September 2016 between the Issuer, the Guarantor and the Lead Managers;

   (b) the Agency Agreement to be dated on or about the Closing Date between the Issuer, the Guarantor and the Fiscal Agent;

   (c) the Guarantee dated to be on or about the Closing Date entered into by the Guarantor; and

   (d) the Temporary Global Note and the Permanent Global Note.

10. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the registered office of the Guarantor:

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

   (b) the Memorandum and Articles of Association of the Guarantor;

   (c) the Agency Agreement (in execution form after the Closing Date);

   (d) the Guarantee (in execution form after the Closing Date); and

   (e) the documents referred to in the section entitled "Documents Incorporated by Reference".

GLOSSARY OF CERTAIN TERMS

Aggregates — rock, generally granite, which has been crushed into different sizes for use in the construction industry.

GSM — Global System for Mobile Communications cellular telephone technology.

IDD — International Direct Dial.

km — kilometre.

MHz — megahertz.

MW — megawatt, equal to 1,000 kilowatts.

Post Panamax — a vessel whose size does not allow it to transit the Panama Canal.

TEU — Twenty foot equivalent unit, which is the amount of cargo that can be shipped in a container 20 feet long by 8 feet wide by 8 feet 6 inches high with a maximum load of 24 tonnes.

UMTS — Universal Mobile Telecommunications Systems.

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