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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.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to CK Hutchison Capital Securities (Europe) Limited (the "**Issuer**"), CK Hutchison Holdings Limited (the "**Guarantor**"), Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited and Merrill Lynch (Asia Pacific) 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.

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CK Hutchison Capital Securities (Europe) Limited

(incorporated in the Cayman Islands with limited liability)

€ 500,000,000 Subordinated Guaranteed Perpetual

Capital Securities

unconditionally and irrevocably guaranteed on a subordinated basis by

CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Issue price: 100 per cent.

The subordinated guaranteed perpetual capital securities (the "Securities") will be issued in an initial aggregate principal amount of €500,000,000 by CK Hutchison Capital Securities (Europe) Limited (the "Issuer") and the due and punctual payment of all sums payable by the Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed on a subordinated basis (the "Guarantee") by CK Hutchison Holdings Limited (the "Guarantor" or "CKHH").

The Securities confer a right to receive distributions (each a "Distribution") at the applicable Distribution Rate described below from and including 13 December 2018 (the "Issue Date"). Subject to the provisions of the Securities relating to deferral of Distributions (see Condition 4 of "Terms and Conditions of the Securities"), Distributions are payable annually (except for a short first distribution period) in arrear on 13 June of each year (each, a "Distribution Payment Date"), with the first Distribution Payment Date being 13 June 2019. Unless previously redeemed in accordance with the terms of the Securities, Distributions (i) from and including the Issue Date to, but excluding, 13 June 2024 (the "First Reset Date") shall accrue on the outstanding principal amount of the Securities at a rate of 3.875 per cent. per annum, (ii) from and including the First Reset Date to, but excluding, 13 June 2029 (the "Second Reset Date") shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable 5 Year Swap Rate (as defined in "Terms and Conditions of the Securities") in respect of the First Reset Date plus 3.553 per cent. per annum (the "Initial Margin"), (iii) for each Reset Period (as defined in the "Terms and Conditions of the Securities") during the period from and including the Second Reset Date to, but excluding, 13 June 2044, shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable 5 Year Swap Rate in respect of that Reset Period plus the Initial Margin plus 0.25 per cent. per annum (the "Initial Step-Up Margin"), and (iv) for each Reset Period during the period from and including 13 June 2044 to, but excluding, any redemption date of the Securities shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable 5 Year Swap Rate in respect of that Reset Period plus the Initial Margin plus the Initial Step-Up Margin plus 0.75 per cent. per annum (the "Final Step-Up Margin").

The Issuer may, at its sole discretion, elect to defer payment of any Distribution, in whole or in part, which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice not more than ten nor less than five Business Days prior to a scheduled Distribution Payment Date, provided that there shall be no dividends, distributions or other payment declared, paid or made on, or any redemption, reduction, cancellation, buy-back or acquisition of, any class of share capital or any securities ranking junior or (except on a pro rata basis) ranking pari passu with the Securities of the Guarantor until the amounts owed in respect of such deferral have been fully paid (subject to the exceptions set out in Condition 4(6)(d) of the Securities). Any Distribution deferred pursuant to the terms of the Securities shall constitute "Arrears of Distribution". The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement and is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred. Each amount of Arrears of Distribution shall accrue distribution as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such accrued distribution with respect to Arrears of Distribution (the "Additional Distribution Amount") shall be due and payable on the following Distribution Payment Date, unless further deferred in accordance with the Terms and Conditions of the Securities.

The Securities are perpetual securities and have no fixed redemption date. On the First Reset Date, on the Second Reset Date and on each Distribution Payment Date falling after the Second Reset Date, the Issuer may redeem the Securities, in whole but not in part, upon giving not less than 30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount). The Securities may also be redeemed in whole, but not in part, at the option of the Issuer at a redemption price equal to the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) (i) upon the occurrence of certain changes in the Cayman Islands tax law requiring the payment of Additional Amounts (as defined in "Terms and Conditions of the Securities") or (ii) in the event that less than 20 per cent. of the aggregate principal amount of the Securities initially issued (including for these purposes, any further securities issued that are consolidated and form a single series with the Securities pursuant to Condition 13 of the Securities) remain outstanding. In addition, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at a redemption price equal to (i) 101% of the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs prior to the First Reset Date or (ii) the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs on or after the First Reset Date, on the occurrence of (A) an amendment, clarification or change in the equity credit of a Rating Agency (as defined in "Terms and Conditions of the Securities"), which amendment, clarification or change results in an equity credit of below 50 per cent. for the Securities and/or the Guarantee (for the Issuer, the Guarantor or any of the Guarantor's substantial shareholders); or (B) any change or amendment to, or any change or amendment to any interpretation of, the Relevant Accounting Standard (as defined in "Terms and Conditions of the Securities") such that the Securities, in whole or in part, must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard.

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Securities 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 Securities 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 Securities.

The Securities are expected to be rated "BBB" by Fitch Ratings Ltd., "Baa1" by Moody's Investors Service Limited and "BBB+" by S&P Global Ratings. 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 Securities involves risks that are described in the "Risk Factors" section beginning on page 20 of this Offering Circular.

The Securities will be in bearer form and will initially be represented by a temporary global certificate (the "Temporary Global Certificate"), without distribution coupons or talon, which will be deposited on or about 13 December 2018 (the "Closing Date") with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Interests in the Temporary Global Certificate will be exchangeable for interests in a permanent global certificate (the "Permanent Global Certificate" and, together with the Temporary Global Certificate, the "Global Certificates"), without distribution coupons or talon, on or after 22 January 2019, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Certificate will be exchangeable for definitive Securities only in certain limited circumstances — see "Summary of Provisions relating to the Securities while in Global Form".

Joint Lead Managers

Bank of America Merrill Lynch Deutsche Bank Goldman Sachs (Asia) L.L.C. HSBC

The date of this Offering Circular is 10 December 2018.

Except as provided below or in respect of any statements contained in this Offering Circular relating to the opinion of the manufacturers (as defined below) with respect to the target market assessment for the Securities, 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 Securities. 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 Securities which is material in the context of the issue and offering of the Securities, 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 Securities 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 Securities, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Lead Managers have not separately verified the information contained herein. Accordingly, except as otherwise indicated in this Offering Circular, 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 Securities 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 Securities. Each investor contemplating purchasing Securities 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.

Prohibition of Sales to EEA Retail Investors: The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II Product Governance / Professional Investors and ECPs Only Target Market: Solely for the purposes of the product approval process of Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C. and Merrill Lynch International (an affiliate of Merrill Lynch (Asia Pacific) Limited) (the "manufacturers"), the target market assessment by the manufacturers (and for which the manufacturers solely are responsible) in respect of the Securities has led to the conclusion by the manufacturers that:

(i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

The Securities 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 Securities 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 Securities may not be circulated or distributed, nor may the Securities 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 (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA and (with effect from 8 January 2019) as modified by the Securities and Futures (Classes of Investors) Regulations 2018) 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.

Notification under Section 309B of the SFA: The Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For a further description of certain restrictions on the offering and sale of the Securities 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 Securities 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 Securities, 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 this 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.

TABLE OF CONTENTS

	<u>Page</u>
Currency of Presentation and Certain Definitions	v
Summary of the Offering	1
Selected Consolidated Financial Information	9
Documents Incorporated by Reference	18
Risk Factors	20
Terms and Conditions of the Securities	38
Summary of Provisions relating to the Securities while in Global Form	53
Use of Proceeds	56
The Issuer	57
Capitalisation of CKHH	58
Business of CKHH	60
Management of CKHH	118
Taxation	125
Subscription and Sale	126
General Information	131
Glossary of Certain Terms	G-1

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 arrangements on the basis set forth in notes 2(b), 2(c) and 2(d), respectively, to the consolidated financial statements of CKHH for the year ended 31 December 2017 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 30 November 2018, 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\$7.8244 = 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 following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Securities, see the section entitled "Terms and Conditions of the Securities".

Issuer	CK Hutchison Capital Securities (Europe) Limited
Guarantor	CK Hutchison Holdings Limited
Securities Offered	€500,000,000 subordinated guaranteed perpetual capital securities unconditionally and irrevocably guaranteed on a subordinated basis by CK Hutchison Holdings Limited.
Issue Price	100 per cent.
Distributions	<p>Subject to Condition 4(6) of the Securities, the Securities confer a right to receive Distributions at the applicable Distribution Rate from and including the Issue Date. Unless previously redeemed in accordance with the terms of the Securities, Distributions (i) from and including the Issue Date to, but excluding, the First Reset Date shall accrue on the outstanding principal amount of the Securities at the Initial Distribution Rate, (ii) from and including the First Reset Date to, but excluding, the Second Reset Date shall accrue on the outstanding principal of the Securities at the Reset Distribution Rate, (iii) for each Reset Period during the period from and including the Second Reset Date to, but excluding, 13 June 2044 shall accrue on the outstanding principal amount of the Securities at the applicable Initial Step-Up Reset Distribution Rate for that Reset Period, and (iv) for each Reset Period during the period from and including 13 June 2044 to, but excluding, any redemption date of the Securities shall accrue on the outstanding principal amount of the Securities at the applicable Final Step-Up Reset Distribution Rate for that Reset Period. See Condition 4 of "Terms and Conditions of the Securities".</p> <p>"Initial Distribution Rate" means 3.875 per cent. per annum.</p> <p>"Reset Date" means the First Reset Date, the Second Reset Date and thereafter, each day falling five calendar years after the preceding Reset Date, as the case may be.</p> <p>"Reset Period" means the period beginning on and including the First Reset Date and ending on but excluding the following Reset Date, and each successive period beginning on and including a Reset Date and ending on but excluding the next succeeding Reset Date.</p>

“Reset Distribution Rate”	means the 5 Year Swap Rate (as defined in the section entitled “Terms and Conditions of the Securities”) in respect of the First Reset Date plus 3.553 per cent. per annum (the “Initial Margin”).
“Initial Step-Up Reset Distribution Rate”	means the 5 Year Swap Rate in respect of the applicable Reset Date plus the Initial Margin plus 0.25 per cent. per annum (the “Initial Step-Up Margin”).
“Final Step-Up Reset Distribution Rate”	means the 5 Year Swap Rate in respect of the applicable Reset Date plus the Initial Margin plus the Initial Step-Up Margin plus 0.75 per cent. per annum (the “Final Step-Up Margin”).
Distribution Payment Dates	13 June of each year, commencing 13 June 2019. The first Distribution Payment Date will be 13 June 2019, in respect of the period from and including the Issue Date to but excluding 13 June 2019.
Distribution Deferral	The Issuer may, at its sole discretion, elect to defer payment of any Distribution, in whole or in part, which is otherwise scheduled to be paid on a Distribution Payment Date, to the next Distribution Payment Date by giving notice not more than ten nor less than five Business Days prior to a scheduled Distribution Payment Date, provided that there shall be no dividends, distributions or other payment declared, paid or made on, or any redemption, reduction, cancellation, buy-back or acquisition of, any class of share capital or any securities ranking junior or (except on a <i>pro rata</i> basis) ranking <i>pari passu</i> with the Securities of the Guarantor until the amounts owed in respect of such deferral have been fully paid (subject to the exceptions set out in Condition 4(6)(d) of the Securities). Any Distribution deferred pursuant to the terms of the Securities shall constitute “Arrears of Distribution”. The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement and is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred. Each amount of Arrears of Distribution shall accrue distribution as if it constituted principal of the Securities at the Distribution Rate described above and the amount of such accrued distribution with respect to Arrears of Distribution (the “Additional Distribution Amount”) shall be due and payable on the following Distribution Payment Date, unless further deferred in accordance with Condition 4(6) of the Securities. See the “Terms and Conditions of the Securities”.

Status of Securities and Guarantee

The Securities are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank, and will at all times rank, *pari passu* without any preference or priority among themselves and with any Parity Securities (as defined in the section entitled “Terms and Conditions of the Securities”) of the Issuer. In the event of the Winding-Up of the Issuer, the rights and claims of holders of the Securities and Distribution Coupons shall rank ahead of those persons whose claims are in respect of Junior Securities (as defined in the section entitled “Terms and Conditions of the Securities”) of the Issuer but shall be subordinated in right of payment to the claims of all other present and future creditors of the Issuer other than claims of holders of Parity Securities of the Issuer.

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and rank, and will at all times rank, *pari passu* with any of the Parity Securities of the Guarantor. In the event of the Winding-Up of the Guarantor, the rights and claims of holders of the Securities and Distribution Coupons shall rank ahead of those persons whose claims are in respect of Junior Securities of the Guarantor, but shall be subordinated in right of payment to the claims of all other present and future creditors of the Guarantor other than claims of holders of Parity Securities of the Guarantor.

Additional Amounts

In the event that withholding or deduction for or on account of certain Cayman Islands taxes is required in respect of payments pursuant to the Securities, Distribution 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 Securities, Distribution Coupons or the Guarantee, as the case may be, as will result in the receipt by the holders of the Securities or Distribution Coupons of such amounts as would have been received in respect of the Securities, the Distribution 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 Distribution 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 Securities — Taxation”.

Redemption

The Securities are perpetual securities and have no fixed redemption date. On the First Reset Date, the Second Reset Date and on each Distribution Payment Date falling after the Second Reset Date, the Issuer may redeem the Securities, in whole but not in part, upon giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts).

The Securities may also be redeemed at the option of the Issuer, in whole but not in part, at a redemption price equal to the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including Arrears of Distribution and any Additional Distribution), (i) in the event the Issuer or the Guarantor would become obligated to pay Additional Amounts as referred to in Condition 7(1) of the Securities as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, which change or amendment becomes effective after 10 December 2018 or (ii) in the event that less than 20 per cent. of the aggregate principal amount of the Securities initially issued (including for these purposes, any further securities issued that are consolidated and form a single series with the Securities pursuant to Condition 13 of the Securities) remains outstanding.

In addition, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at a redemption price equal to (i) 101% of the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs prior to the First Reset Date or (ii) the principal amount thereof plus any Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs on or after the First Reset Date, upon the occurrence of (A) an amendment, clarification or change in the equity credit of a Rating Agency, which amendment, clarification or change results in an equity credit of below 50 per cent. for the Securities and/or the Guarantee (for the Issuer, the Guarantor or any of the Guarantor’s substantial shareholders) or (B) any change or amendment to, or any change or amendment to any interpretations of, the Relevant Accounting Standard such that the Securities, in whole or in part, must not or must no longer be recorded as “equity” of the Guarantor pursuant to the Relevant Accounting Standard.

See Condition 6 of “Terms and Conditions of the Securities”.

Replacement Intention

The Issuer intends (without thereby assuming any legal obligation to do so), during the period from the Issue Date to and including 13 June 2044, that if the Securities are assigned an “equity credit” (or such similar classification then used by S&P Global Ratings (“S&P”)) at the time of such redemption or repurchase, it will redeem or repurchase the Securities pursuant to:

- (a) a redemption of the Securities at the option of the Issuer pursuant to Condition 6(2) or pursuant to Condition 6(3) of the Securities, or
- (b) a repurchase of the Securities by the Issuer, the Guarantor or their respective affiliates of more than: (i) 10% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 12 month period, or (ii) 25% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 10 year period,

only if the Aggregate Equity Credit of the Securities to be redeemed or repurchased as at the Issue Date does not exceed the Aggregate Equity Credit received by the Issuer, the Guarantor or any other Subsidiaries of the Guarantor during the 365 day period prior to the date of such redemption or repurchase from securities offerings involving the sale or issuance, by the Issuer, the Guarantor or any other Subsidiaries of the Guarantor of securities to third party purchasers other than the Issuer, the Guarantor or any other Subsidiaries of the Guarantor (taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) (the “Restrictions”).

“Aggregate Equity Credit” means the “equity credit” (expressed as a percentage) assigned by S&P to the relevant securities multiplied by the aggregate principal amount of such securities.

The Restrictions shall not apply if on the date of such redemption or repurchase:

- (a) the Guarantor has a corporate credit rating from S&P that is equal to or greater than the rating assigned to the Guarantor by S&P as at the Issue Date, and to the best knowledge of the Guarantor, after giving effect to such redemption or repurchase, such rating will not be revised downward, withdrawn or placed on review or “credit watch” with negative implications (or other similar review or change of outlook) by S&P to levels below the rating assigned to the Guarantor as at the Issue Date as a result of such redemption or repurchase; or
- (b) the Guarantor no longer has a corporate credit rating by S&P; or

- (c) an Equity Classification Event (as defined in the “Terms and Conditions of the Securities”), an Accounting Event (as defined in the “Terms and Conditions of the Securities”), or a combination of the foregoing has occurred; or
- (d) the Issuer, the Guarantor or any Subsidiary of the Guarantor has individually or in the aggregate, redeemed, cancelled or purchased the Securities equal to or in excess of 90% of the aggregate principal amount of the Securities issued on the Issue Date; or
- (e) the statements made in the Restrictions set forth hereunder are no longer required for the Securities to be assigned an “equity credit” that is equal to or greater than the “equity credit” assigned by S&P on the Issue Date; or
- (f) there shall have occurred a general moratorium on, or disruption in, commercial banking activities in the Cayman Islands, Hong Kong, the United Kingdom, the European Economic Area or the United States by any Cayman Islands, Hong Kong, United Kingdom, European Economic Area, New York State or United States Federal authorities, which would be likely to materially prejudice dealings in the Securities in the secondary market.

Denomination and Form

The Securities are issued in bearer form, and, in the case of definitive Securities, serially numbered, in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof with Distributions Coupons and a talon for further Distribution Coupons (the “Talon”) attached on issue.

The Securities will initially be represented by the Temporary Global Certificate, without distribution coupons or talon, which will be deposited on or about the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Certificate will be exchangeable for interests in the Permanent Global Certificate, without distribution coupons or talon, on or after 22 January 2019, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Certificate will be exchangeable for definitive Securities only in certain limited circumstances — see “Summary of Provisions relating to the Securities while in Global Form”.

Governing Law

The Agency Agreement, the Guarantee and the Securities 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 except that the subordination provisions applicable to the Issuer set out in Condition 3(2) and the subordination provisions applicable to the Guarantor set out in Condition 3(3) and in clause 2 of the Guarantee will be governed by the laws of the Cayman Islands.

Ratings	The Securities are expected to be rated “BBB” by Fitch Ratings Ltd., “Baa1” by Moody’s Investors Service Limited and “BBB+” by S&P. 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 Securities in any country or jurisdiction where any such action for that purpose is required. See the section entitled “Subscription and Sale”.
Listing	<p>Application will be made to the SGX-ST for the listing and quotation of the Securities 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 Securities. No assurance is made that the application to the SGX-ST will be approved. The offering and settlement of the Securities are not conditional on obtaining such listing. For so long as any of the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of €200,000.</p> <p>For so long as any of the Securities 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 Securities may be presented or surrendered for payment or redemption, in the event that any of the Global Certificates is exchanged for definitive Securities. In addition, in the event that any of the Global Certificates is exchanged for definitive Securities, 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 Securities, including details of the paying agent in Singapore. See “General Information”.</p>
Use of Proceeds	The net proceeds of the sale of the Securities after deducting commissions will be approximately €496 million and will initially be advanced by the Issuer to CKHH and/or one or more of its subsidiaries. CKHH intends to use the net proceeds of the offering to refinance certain indebtedness, including recourse or non-recourse indebtedness owed by subsidiaries of 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.

Clearance and Settlement

The Securities have been accepted for clearance by Euroclear and Clearstream, Luxembourg under the following codes: ISIN XS1892340826/Common Code 189234082

Fiscal Agent and Principal Paying Agent

The Bank of New York Mellon, London Branch

Calculation Agent

The Calculation Agent will be a financial institution of international standing selected by the Issuer. The Calculation Agent shall initially be The Bank of New York Mellon, London Branch.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

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

CKHH's condensed consolidated financial statements for the six months ended 30 June 2018 and 30 June 2017 have been reviewed, and CKHH's consolidated financial statements for the year ended 31 December 2017, 2016 and 2015 have been audited, by PricewaterhouseCoopers ("PwC"), Certified Public Accountants, Hong Kong, as stated in their review reports dated 2 August 2018 and 3 August 2017 and their unqualified audit reports dated 16 March 2018, 22 March 2017 and 17 March 2016, respectively.

During these financial periods/years, CKHH has adopted all of the new and revised HKFRS standards, amendments and interpretations issued by HKICPA that are relevant to its operations and mandatory for the respective annual periods, including Hong Kong Financial Reporting Standard 9 "Financial instruments" ("HKFRS 9") and Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers" ("HKFRS 15"). The adoption of these new and revised HKFRS standards, amendments and interpretations issued by HKICPA does not require CKHH to make retrospective adjustments to restate its previously published consolidated financial statements.

In addition, CKHH has also adopted two changes in the presentation or reclassification of certain line items in (i) 2017 with respect to the consolidated income statement and (ii) 2018 with respect to the consolidated statement of financial position, which have no impact on CKHH's profit attributable to ordinary shareholders and total equity. The previously published consolidated income statement for the year ended 31 December 2015 and the previously published consolidated statements of financial position as of 30 June 2017, 31 December 2016 and 31 December 2015 have not been updated to conform to these changes in presentation. If they had been updated to conform to these changes in presentation:

- consolidated income statement line items "Other operating expenses" and "Profits on disposal of investments and others" for the year ended 31 December 2015 would both be increased by the same amount of HK\$647 million; and
- "Total ordinary shareholders' funds" would be shown as a separate item within "Capital and reserves" section of the consolidated statement of financial position as of 30 June 2017, 31 December 2016 and 31 December 2015 in the amounts of HK\$406,740 million, HK\$394,169 million and HK\$393,435 million, respectively.

For consistency and comparison purposes, the selected historical consolidated financial information for the year ended 31 December 2015 set out in the table "Consolidated Income Statement" below and the selected historical consolidated financial information as at 30 June 2017, 31 December 2016 and 31 December 2015 set out in the table "Consolidated statement of financial position" have reflected these changes.

(A) HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF CKHH

The tables in this section (A) below set out selected historical consolidated financial information of CKHH as of 30 June 2018 and 2017 and for each of the six months then ended, and as of 31 December 2017, 2016 and 2015 and for each of the years then ended. Such information, except to the extent of incorporating the reclassification changes as discussed in (i) and (ii) above, has been extracted from CKHH's consolidated financial statements, as follows:

- selected historical consolidated financial information of CKHH as of 30 June 2018 and for the six months then ended has been extracted from CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2018;

- selected historical consolidated financial information of CKHH as of 30 June 2017 has been extracted from the condensed consolidated statement of financial position as of 30 June 2017 reported in CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2017;
- selected historical consolidated financial information of CKHH for the six months ended 30 June 2017 has been extracted from the comparative condensed consolidated income statement and comparative condensed consolidated statement of cash flows reported in CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2018;
- selected historical consolidated financial information of CKHH as of 31 December 2017 has been extracted from the comparative condensed consolidated statement of financial position as of 31 December 2017 reported in CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2018;
- selected historical consolidated financial information of CKHH as of 31 December 2016 and for each of the years ended 31 December 2017 and 2016 has been extracted from CKHH's audited consolidated financial statements for the year ended 31 December 2017; and
- selected historical consolidated financial information of CKHH as of 31 December 2015 and for the year then ended has been extracted from the comparative information reported in CKHH's audited consolidated financial statements for the year ended 31 December 2016.

CKHH's consolidated financial statements noted above are incorporated by reference herein. The selected historical consolidated financial information of CKHH should be read in conjunction with these consolidated financial statements, including the notes thereto, and other financial information that is incorporated by reference and/or included elsewhere in this Offering Circular.

Amounts in CKHH's consolidated financial statements are stated in Hong Kong dollars. The translation of Hong Kong dollar amounts into U.S. dollars is for convenience only and has been made at the rate of HK\$7.80 to 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		
	2015	2016	2017	2017	2017	2018	2018
	HK\$ million (other than per share amounts)	HK\$ million (other than per share amounts)	HK\$ million (other than per share amounts)	US\$ million (other than per share amounts)	HK\$ million (other than per share amounts)	HK\$ million (other than per share amounts)	US\$ million (other than per share amounts)
Continuing operations							
Revenue	166,760	259,842	248,515	31,861	117,755	130,984	16,793
Cost of inventories sold	(68,243)	(101,943)	(101,328)	(12,991)	(47,650)	(54,546)	(6,993)
Staff costs	(20,178)	(32,792)	(33,572)	(4,304)	(16,290)	(18,004)	(2,308)
Expensed customer acquisition and retention costs	(12,364)	(19,170)	(16,545)	(2,121)	(7,350)	(7,201)	(923)
Depreciation and amortisation	(9,618)	(16,014)	(17,105)	(2,193)	(7,238)	(8,855)	(1,135)
Other operating expenses	(32,322)	(52,955)	(44,570)	(5,714)	(23,592)	(24,561)	(3,150)
Profits on disposal of investments and others	14,260	—	—	—	—	—	—
Share of profits less losses of:							
Associated companies	7,445	6,362	6,797	871	2,587	4,089	524
Joint ventures	6,187	10,251	12,500	1,603	6,232	6,221	798
Associated companies' profits on disposal of investments and others	(196)	—	—	—	—	—	—
Profit before the following:	51,731	53,581	54,692	7,012	24,454	28,127	3,606
Interest expenses and other finance costs	(4,470)	(7,118)	(8,274)	(1,061)	(3,856)	(4,335)	(556)
Profit before tax	47,261	46,463	46,418	5,951	20,598	23,792	3,050
Current tax charge	(2,629)	(3,334)	(5,415)	(694)	(1,652)	(1,939)	(249)
Deferred tax credit (charge)	(266)	(1,217)	2,599	333	1,418	395	51
Profit after tax from continuing operations	44,366	41,912	43,602	5,590	20,364	22,248	2,852
Discontinued operations							
Profit after tax from discontinued operations	80,514	—	—	—	—	—	—
Profit after tax	124,880	41,912	43,602	5,590	20,364	22,248	2,852
Profit attributable to non-controlling interests and holders of perpetual capital securities arises from:							
Continuing operations	(6,177)	(8,904)	(8,502)	(1,090)	(4,445)	(4,228)	(542)
Discontinued operations	(133)	—	—	—	—	—	—
	<u>(6,310)</u>	<u>(8,904)</u>	<u>(8,502)</u>	<u>(1,090)</u>	<u>(4,445)</u>	<u>(4,228)</u>	<u>(542)</u>
Profit attributable to ordinary shareholders arises from:							
Continuing operations	38,189	33,008	35,100	4,500	15,919	18,020	2,310
Discontinued operations	80,381	—	—	—	—	—	—
	<u>118,570</u>	<u>33,008</u>	<u>35,100</u>	<u>4,500</u>	<u>15,919</u>	<u>18,020</u>	<u>2,310</u>
Earnings per share for profit attributable to ordinary shareholders arises from:							
Continuing operations	HK\$11.89	HK\$8.55	HK\$9.10	US\$1.17	HK\$4.13	HK\$4.67	US\$9.9 cents
Discontinued operations	HK\$25.02	—	—	—	—	—	—
	<u>HK\$36.91</u>	<u>HK\$8.55</u>	<u>HK\$9.10</u>	<u>US\$1.17</u>	<u>HK\$4.13</u>	<u>HK\$4.67</u>	<u>US\$9.9 cents</u>

CK Hutchison Holdings Limited
Consolidated Statement of Financial Position

	As of 31 December				As of 30 June		
	2015	2016	2017	2017	2017	2018	2018
	HK\$ million	HK\$ million	HK\$ million	US\$ million	HK\$ million	HK\$ million	US\$ million
Non-current assets							
Fixed assets	179,855	145,598	158,789	20,358	152,905	159,745	20,480
Investment properties	334	344	360	46	344	360	46
Leasehold land	7,215	8,155	8,305	1,065	8,088	8,049	1,032
Telecommunications licences	32,608	23,936	27,271	3,496	26,203	30,344	3,890
Brand names and other rights	82,233	73,625	75,985	9,742	74,869	75,183	9,639
Goodwill	261,449	254,748	255,334	32,735	257,702	254,617	32,643
Associated companies	148,372	150,406	145,343	18,634	147,750	140,915	18,066
Interests in joint ventures	92,425	106,253	162,134	20,786	133,416	163,338	20,941
Deferred tax assets	20,986	15,856	20,195	2,589	17,660	20,738	2,659
Liquid funds and other listed investments	10,255	5,954	7,813	1,002	7,570	7,689	986
Other non-current assets	4,238	5,096	5,180	664	4,440	7,837	1,005
	<u>839,970</u>	<u>789,971</u>	<u>866,709</u>	<u>111,117</u>	<u>830,947</u>	<u>868,815</u>	<u>111,387</u>
Current assets							
Cash and cash equivalents	121,171	156,270	160,470	20,573	150,223	142,754	18,302
Inventories	19,761	18,852	21,708	2,783	20,601	22,584	2,895
Trade receivables and other current assets	52,042	48,372	51,368	6,585	51,067	51,810	6,642
	<u>192,974</u>	<u>223,494</u>	<u>233,546</u>	<u>29,941</u>	<u>221,891</u>	<u>217,148</u>	<u>27,839</u>
Current liabilities							
Bank and other debts	33,016	71,880	21,712	2,783	40,333	22,708	2,911
Current tax liabilities	2,438	2,334	2,948	378	2,085	2,400	308
Trade payables and other current liabilities	94,849	83,098	90,228	11,568	85,074	81,372	10,432
	<u>130,303</u>	<u>157,312</u>	<u>114,888</u>	<u>14,729</u>	<u>127,492</u>	<u>106,480</u>	<u>13,651</u>
Net current assets	<u>62,671</u>	<u>66,182</u>	<u>118,658</u>	<u>15,212</u>	<u>94,399</u>	<u>110,668</u>	<u>14,188</u>
Total assets less current liabilities	<u>902,641</u>	<u>856,153</u>	<u>985,367</u>	<u>126,329</u>	<u>925,346</u>	<u>979,483</u>	<u>125,575</u>
Non-current liabilities							
Bank and other debts	270,536	231,260	310,276	39,779	286,442	311,835	39,979
Interest bearing loans from non-controlling shareholders	4,827	4,283	3,143	403	2,976	3,122	400
Deferred tax liabilities	26,062	23,692	25,583	3,280	25,210	26,236	3,364
Pension obligations	4,066	5,369	3,770	483	5,446	3,221	413
Other non-current liabilities	48,039	47,359	51,048	6,545	46,614	54,545	6,993
	<u>353,530</u>	<u>311,963</u>	<u>393,820</u>	<u>50,490</u>	<u>366,688</u>	<u>398,959</u>	<u>51,149</u>
Net assets	<u>549,111</u>	<u>544,190</u>	<u>591,547</u>	<u>75,839</u>	<u>558,658</u>	<u>580,524</u>	<u>74,426</u>
Capital and reserves							
Share capital	3,860	3,858	3,858	495	3,858	3,858	495
Share premium	244,691	244,505	244,505	31,347	244,505	244,505	31,347
Reserves	144,884	145,806	181,693	23,294	158,377	191,230	24,516
Total ordinary shareholders' funds	<u>393,435</u>	<u>394,169</u>	<u>430,056</u>	<u>55,136</u>	<u>406,740</u>	<u>439,593</u>	<u>56,358</u>
Perpetual capital securities	35,153	30,510	29,481	3,779	30,201	7,842	1,005
Non-controlling interests	120,523	119,511	132,010	16,924	121,717	133,089	17,063
Total equity	<u>549,111</u>	<u>544,190</u>	<u>591,547</u>	<u>75,839</u>	<u>558,658</u>	<u>580,524</u>	<u>74,426</u>

CK Hutchison Holdings Limited
Consolidated Statement of Cash Flows

	Year Ended 31 December				Six Months Ended 30 June		
	2015	2016	2017	2017	2017	2018	2018
	HK\$ million	HK\$ million	HK\$ million	US\$ million	HK\$ million	HK\$ million	US\$ million
Operating activities							
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	49,924	62,051	68,137	8,735	32,209	35,968	4,611
Interest expenses and other finance costs paid	(6,038)	(9,499)	(9,375)	(1,202)	(4,576)	(4,797)	(615)
Tax paid	(2,169)	(3,364)	(4,870)	(624)	(1,977)	(2,557)	(328)
Funds from operations	41,717	49,188	53,892	6,909	25,656	28,614	3,668
Changes in working capital	2,832	(8,850)	(296)	(38)	(3,454)	(7,253)	(930)
Net cash from operating activities	44,549	40,338	53,596	6,871	22,202	21,361	2,738
Investing activities							
Purchase of fixed assets	(22,494)	(20,046)	(23,521)	(3,015)	(8,735)	(9,158)	(1,174)
Additions to leasehold land	—	—	(149)	(19)	—	—	—
Additions to telecommunications licences	(2,448)	(4,013)	(216)	(28)	(10)	(3,890)	(499)
Additions to brand names and other rights	(540)	(487)	(29)	(4)	(6)	(68)	(8)
Purchase of subsidiary companies	109,803	(333)	(3,724)	(477)	(2,963)	29	4
Additions to other unlisted investments	(68)	(87)	(130)	(17)	(31)	(398)	(51)
Repayments from associated companies and joint ventures	3,078	2,024	804	103	689	953	122
Purchase of and advances to associated companies and joint ventures	(21,225)	(2,066)	(37,798)	(4,846)	(18,633)	(1,074)	(138)
Proceeds on disposal of fixed assets	471	393	2,231	286	22	31	4
Proceeds on disposal of subsidiary companies	(640)	2,847	14,201	1,821	—	—	—
Proceeds on partial disposal / disposal of associated companies and joint ventures	3,642	—	1,348	173	80	149	19
Proceeds on disposal of other unlisted investments	403	107	19	2	4	4	1
Cash flows from (used in) investing activities before additions to/disposal of liquid funds and other listed investments	69,982	(21,661)	(46,964)	(6,021)	(29,583)	(13,422)	(1,720)
Disposal of liquid funds and other listed investments	2,718	4,446	278	36	226	—	—
Additions to liquid funds and other listed investments	(132)	(812)	(1,997)	(256)	(1,897)	(57)	(7)
Cash flow from (used in) investing activities	72,568	(18,027)	(48,683)	(6,241)	(31,254)	(13,479)	(1,727)
Net cash inflow (outflow) before financing activities	117,117	22,311	4,913	630	(9,052)	7,882	1,011

	Year Ended 31 December				Six Months Ended 30 June		
	2015	2016	2017	2017	2017	2018	2018
	HK\$ million	HK\$ million	HK\$ million	US\$ million	HK\$ million	HK\$ million	US\$ million
Financing activities							
New borrowings	28,065	76,306	100,488	12,883	59,492	21,679	2,779
Repayment of borrowings	(66,028)	(45,365)	(87,674)	(11,240)	(43,456)	(15,892)	(2,037)
Net loans from (to)							
non-controlling shareholders	(889)	59	(2,139)	(274)	(1,519)	(6)	(1)
Issue of equity securities by subsidiary companies to non-controlling shareholders	(145)	1,093	1,584	203	1	6	1
Purchase of non-controlling interests	—	—	—	—	—	(56)	(7)
Proceeds on issue of perpetual capital securities by a subsidiary, net of transaction costs	—	9,245	5,063	649	—	—	—
Redemption of perpetual capital securities by a subsidiary	—	(7,800)	—	—	—	—	—
Transaction costs in relation to issuance of shares by a subsidiary	—	—	(68)	(9)	—	—	—
Payments to acquire additional interests in subsidiary companies	—	(339)	(356)	(46)	—	—	—
Proceeds on partial disposal of subsidiary companies	20	353	—	—	—	—	—
Proceeds on issue of perpetual capital securities, net of transaction costs	—	—	7,738	992	7,738	—	—
Redemption of perpetual capital securities	(13,299)	(4,210)	(8,800)	(1,128)	(7,800)	(19,435)	(2,492)
Payments for buy-back and cancellation of issued shares	—	(189)	—	—	—	—	—
Dividends paid to ordinary shareholders	(9,687)	(9,977)	(10,512)	(1,348)	(7,503)	(7,985)	(1,024)
Dividends paid to non-controlling interests	(2,997)	(4,902)	(4,845)	(621)	(3,027)	(3,059)	(392)
Distributions paid on perpetual capital securities	(1,072)	(1,486)	(1,192)	(153)	(921)	(850)	(109)
Distribution In Specie	40,649	—	—	—	—	—	—
Cash flows from (used in) financing activities	(25,383)	12,788	(713)	(92)	3,005	(25,598)	(3,282)
Increase (decrease) in cash and cash equivalents	91,734	35,099	4,200	538	(6,047)	(17,716)	(2,271)
Cash and cash equivalents at 1 January	29,437	121,171	156,270	20,035	156,270	160,470	20,573
Cash and cash equivalents at 31 December / 30 June	121,171	156,270	160,470	20,573	150,223	142,754	18,302

(B) HISTORICAL AND PRO FORMA CONSOLIDATED INFORMATION OF CKHH

The following table sets out selected historical and pro forma consolidated financial information of CKHH, including:

- (1) Selected historical consolidated financial information of CKHH for the six months ended 30 June 2018 and 30 June 2017.

Such information has been extracted from CKHH's Financial Performance Summary for the six months ended 30 June 2018, incorporated by reference herein. This information should be read in conjunction with CKHH's Financial Performance Summary for the six months ended 30 June 2018, including comparative information in respect of the preceding six months ended 30 June 2017 and the notes thereto, and other financial information that is incorporated by reference and/or included elsewhere in this Offering Circular.

- (2) Selected historical consolidated financial information of CKHH for the years ended 31 December 2017 and 2016.

Such information has been extracted from CKHH's Financial Performance Summary for the year ended 31 December 2017, incorporated by reference herein. This information should be read in conjunction with CKHH's Financial Performance Summary for the year ended 31 December 2017, including comparative information in respect of the preceding year ended 31 December 2016 and the notes thereto, and other financial information that is incorporated by reference and/or included elsewhere in this Offering Circular.

- (3) Selected pro forma consolidated financial information of CKHH for the year ended 31 December 2015.

The pro forma consolidated financial information was prepared 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.

In 2017, CKHH adopted a change in presentation of Financial Performance Summary line items, which has no impact on CKHH's profit attributable to ordinary shareholders for the year. Previously, certain other items including impairment of certain ports assets, remeasurement gain in interest in a port operation and CKHH's share of the results of joint venture, Vodafone Hutchison Australia Pty Limited ("VHA"), were presented within the Financial Performance Summary line item titled "Profits on disposal of investments & others, after tax". With effect from the year ended 31 December 2017, these other items are incorporated, line by line, in the Financial Performance Summary and, where applicable, presented under "Finance & Investments and Others". The comparative information in respect of the preceding year ended 31 December 2016 reported in CKHH's Financial Performance Summary for the year ended 31 December 2017 has been reclassified accordingly to conform to this presentation. The previously published Financial Performance Summary for the year ended 31 December 2015 has not been updated for this reclassification. For consistency and comparison purposes, the selected pro forma consolidated financial information set out in the table "Historical and Pro Forma Income Statement" below for the year ended 31 December 2015 is derived by adjusting the amounts shown as the comparative information in respect of the preceding year ended 31 December 2015 reported in CKHH's Financial Performance Summary for the year ended

31 December 2016, incorporated by reference herein, to reflect the effect of this change in presentation. This reclassification has no impact on CKHH's profits attributable to ordinary shareholders for the year ended 31 December 2015 and is summarised as follows:

For the year ended 31 December 2015	As previously reported	Effect of a change in presentation	As reported under current presentation
	HK\$ million	HK\$ million	HK\$ million
Revenue - Finance & Investments and Others	22,563	9,503	32,066
EBITDA - Finance & Investments and Others	2,142	2,267	4,409
EBIT - Finance & Investments and Others	1,822	130	1,952
Interest expenses and other finance costs	(12,581)	(1,223)	(13,804)
Non-controlling interests and perpetual capital securities holders' interests	(10,173)	133	(10,040)
Profits on disposal of investments and others, after tax .	(960)	960	—

The selected pro forma consolidated financial information should be read in conjunction with CKHH's Financial Performance Summary for the year ended 31 December 2016, including comparative information in respect of the preceding year ended 31 December 2015 and the notes thereto, 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, including the notes thereto and other financial information, incorporated by reference and/or 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
Historical and Pro Forma Income Statement:

	Year Ended 31 December				Six Months Ended 30 June		
	Pro forma 2015	Actual 2016	Actual 2017	Actual 2017	Actual 2017	Actual 2018	Actual 2018
	HK\$ million	HK\$ million	HK\$ million	US\$ million	HK\$ million	HK\$ million	US\$ million
Revenue							
Ports and Related Services	34,009	32,184	34,146	4,378	16,195	17,591	2,255
Retail	151,903	151,502	156,163	20,021	73,557	83,874	10,753
Infrastructure	55,762	53,211	57,369	7,355	25,918	34,225	4,388
Husky Energy	40,029	30,467	44,948	5,762	19,935	27,315	3,502
3 Group Europe	62,799	62,415	70,734	9,068	33,215	36,124	4,631
Hutchison							
Telecommunications Hong Kong Holdings	22,122	12,133	9,685	1,242	5,069	4,021	516
Hutchison Asia							
Telecommunications	6,900	8,200	7,695	987	3,829	4,081	523
Finance & Investments and Others	32,066	32,211	34,097	4,371	15,941	17,276	2,215
Total Revenue	<u>405,590</u>	<u>382,323</u>	<u>414,837</u>	<u>53,184</u>	<u>193,659</u>	<u>224,507</u>	<u>28,783</u>
EBITDA							
Ports and Related Services	11,964	11,639	12,563	1,611	5,706	6,205	796
Retail	14,838	14,567	14,798	1,897	6,527	7,532	966
Infrastructure	32,291	31,128	33,033	4,235	15,841	18,945	2,429
Husky Energy	9,375	9,284	8,992	1,153	4,002	5,877	753
3 Group Europe	17,396	18,944	24,337	3,120	11,255	12,797	1,641
Hutchison							
Telecommunications Hong Kong Holdings	2,911	2,607	4,337	556	1,309	690	88
Hutchison Asia							
Telecommunications	1,176	2,298	558	72	256	346	44
Finance & Investments and Others	4,409	4,058	5,736	735	1,765	2,958	379
Total EBITDA	<u>94,360</u>	<u>94,525</u>	<u>104,354</u>	<u>13,379</u>	<u>46,661</u>	<u>55,350</u>	<u>7,096</u>
EBIT							
Ports and Related Services	7,957	7,567	8,219	1,054	3,623	3,864	495
Retail	12,328	12,059	12,089	1,550	5,232	5,992	768
Infrastructure	23,477	22,162	23,449	3,006	11,949	13,242	1,698
Husky Energy	2,229	3,429	2,703	347	839	2,761	354
3 Group Europe	11,664	12,838	16,567	2,124	7,510	7,488	960
Hutchison							
Telecommunications Hong Kong Holdings	1,426	1,055	707	91	494	284	36
Hutchison Asia							
Telecommunications	1,176	2,130	226	29	117	69	9
Finance & Investments and Others	1,952	1,879	3,632	465	778	1,688	217
Total EBIT	<u>62,209</u>	<u>63,119</u>	<u>67,592</u>	<u>8,666</u>	<u>30,542</u>	<u>35,388</u>	<u>4,537</u>
Interest expenses and other finance costs	(13,804)	(13,278)	(18,024)	(2,311)	(8,101)	(8,914)	(1,143)
Profit before tax	48,405	49,841	49,568	6,355	22,441	26,474	3,394
Tax							
Current tax	(6,734)	(6,247)	(7,898)	(1,012)	(2,977)	(3,659)	(469)
Deferred tax	(463)	(1,769)	1,843	236	844	(605)	(78)
Profit after tax	41,208	41,825	43,513	5,579	20,308	22,210	2,847
Non-controlling interests and perpetual capital securities holders' interests	(10,040)	(8,817)	(8,413)	(1,079)	(4,389)	(4,190)	(537)
Profit attributable to ordinary shareholders	<u>31,168</u>	<u>33,008</u>	<u>35,100</u>	<u>4,500</u>	<u>15,919</u>	<u>18,020</u>	<u>2,310</u>

DOCUMENTS INCORPORATED BY REFERENCE

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

1. Report on Review of Interim Financial Statements of the Guarantor for the Six Months Ended 30 June 2018, which is contained in the interim report of the Guarantor for the six months ended 30 June 2018;
2. Consolidated Financial Statements of the Guarantor for the six months ended 30 June 2018, which is contained in the unaudited condensed consolidated financial statements in the interim report of the Guarantor for the six months ended 30 June 2018;
3. Report on Review of Interim Financial Statements of the Guarantor for the Six Months Ended 30 June 2017, which is contained in the interim report of the Guarantor for the six months ended 30 June 2017;
4. Consolidated Financial Statements of the Guarantor for the six months ended 30 June 2017, which is contained in the unaudited condensed consolidated financial statements in the interim report of the Guarantor for the six months ended 30 June 2017;
5. Independent Auditor's Report on the Consolidated Financial Statements of the Guarantor for the year ended 31 December 2017, which is contained in the annual report of the Guarantor for the year ended 31 December 2017;
6. Consolidated Financial Statements of the Guarantor for the years ended 31 December 2017 and 31 December 2016, which are contained in the audited consolidated financial statements in the annual report of the Guarantor for the year ended 31 December 2017;
7. Independent Auditor's Report on the Consolidated Financial Statements of the Guarantor for the year ended 31 December 2016, which is contained in the annual report of the Guarantor for the year ended 31 December 2016;
8. 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 2016;
9. Financial Performance Summary for the six months ended 30 June 2018 and 30 June 2017, which are contained in the interim report of the Guarantor for the six months ended 30 June 2018;
10. Financial Performance Summary for the years ended 31 December 2017 and 31 December 2016, which are contained in the annual report of the Guarantor for the year ended 31 December 2017;
11. Financial Performance Summary for the year ended 31 December 2015, which is contained in the annual report of the Guarantor for the year ended 31 December 2016;
12. Independent Assurance Report on the Unaudited Pro Forma Financial Information 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 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;
14. Consolidated Operating Results for the six months ended 30 June 2018 and 30 June 2017, which are contained in the interim report of the Guarantor for the six months ended 30 June 2018;
15. Operations Highlights for the six months ended 30 June 2018 and 30 June 2017, which are contained in the interim report of the Guarantor for the six months ended 30 June 2018; and

16. Group Capital Resources and Other Information for the six months ended 30 June 2018, which is contained in the interim report of the Guarantor for the six months ended 30 June 2018.

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 2018.

RISK FACTORS

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 fulfillment, 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 developments in the global economy as well as developments in 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 growth in the global or regional or a specific economy could adversely affect CKHH’s financial condition or results of operations.

In general, volatility in the U.S. and worldwide credit and financial markets, fluctuations in oil and commodity prices, rising geopolitical risks and political turbulence and global trade competition have all contributed to the increased uncertainty of global economic prospects. The major rating actions of the countries in which CKHH operates included the lowering of the Mainland China’s government bond rating from Aa3 (negative outlook) to A1 (stable outlook) by Moody’s, which also led to a consequential adverse impact on Hong Kong with its government bond lowered from Aa1 (negative outlook) to Aa2 (stable outlook) in May 2017. In September 2017, the lowering of Mainland China’s government bond rating from AA- (negative outlook) to A+ (stable outlook) by S&P led to a consequential adverse impact on Hong Kong with its government bond lowered from AAA (negative outlook) to AA+ (stable outlook). Also in September 2017, Moody’s lowered the United Kingdom’s (“UK”) rating from Aa1 (negative outlook) to Aa2 (stable outlook).

Furthermore, the last global financial crisis 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, experience financial difficulty, or are put into liquidation, 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. The more recent trade conflicts between the U.S. and China could potentially reduce international trade and dampen economic growth in the longer run. Impact of such conflicts may result in lower throughput in its ports businesses and reduce demand for its related services. If another economic downturn occurs and as a result leads to weak economic sentiments, 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, 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 therefore 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. A 2016 referendum in the UK in support of leaving the European Union ("EU") posed downside risk to the global economic recovery and may have a potential negative impact on the UK economy. The depreciation of the Pound Sterling may also reduce the UK's imports from Asia, including the Mainland. 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 as well as regulations imposed by the Mainland government authorities on tariffs or charges. In particular, the recent escalating concerns over the trade war between the U.S. and China may impact trade volumes. Any adverse development in the trade conflicts as well as regulatory imposed tariffs or charges restrictions may 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 also 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 both retail competitors from online and brick and mortar operations 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 purchased from them. 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 maintains product liability insurance coverage in amounts and with deductibles that CKHH believes are 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

CK Infrastructure Holdings Limited ("CKI")

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in energy, transportation and water infrastructure, waste management, waste-to-energy, and household infrastructure as well as infrastructure related business in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand and North America. Investments in large infrastructure and infrastructure related businesses are subject to potential political risks in the countries of operation. Although CKI's operations have not been adversely affected by any political actions to date, there can be no assurance that potential political risks associated with large infrastructure and infrastructure related businesses will not materially and adversely affect financial condition and results of operations in the future.

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 distribution) are subject to regulatory pricing and strict 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 government regulatory authorities. The relevant government regulatory authorities will periodically review and reset the price control terms for certain projects in accordance with a predetermined timetable. There can be no assurance that such events or price resets will not have a material adverse effect on CKHH's financial condition and results of operations.

Furthermore, new market entrants and intensified price competition among existing market players of CKHH's non-regulated businesses could adversely affect the financial performance of CKHH's non-regulated businesses.

Energy

Husky Energy Inc. ("Husky Energy") businesses are subject to inherent operational risks with respect to 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 results of operations and financial condition are dependent on the prices received for its refined products, crude oil, natural gas liquids ("NGL") and natural gas production. Lower prices for crude oil, NGL and natural gas could adversely affect the value and quantity 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 and bitumen is limited and planned increases of North American heavy crude oil and bitumen production may create the need for additional heavy oil and bitumen refining and transportation capacity. Wider price differentials between heavier and lighter grades of crude oil could have a material adverse effect on Husky Energy's results of operations and financial 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 and bitumen 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 Organisation 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, government regulations and policies 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's natural gas production 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 from shale), or from storage facilities, technological developments, prevailing weather patterns, the U.S. and Canadian economies, the occurrence of natural disasters and pipeline restrictions. In certain instances, Husky Energy uses derivative instruments and firm commitments for the purchase or sale of crude oil and natural gas 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 fluctuation in refined products, crude oil and natural gas prices are beyond Husky Energy's control and could have a material effect on Husky Energy's as well as CKHH's financial condition and results of operations.

Lower than projected reservoir performance on Husky Energy's key growth projects could have a material adverse effect on Husky Energy's, and consequently, CKHH's results of operations, financial position, business strategy and reserves. The reserves data reported by Husky Energy represent estimates only. The accurate assessment of oil and gas reserves is critical to the continuous and effective management of Husky Energy's Upstream assets. Reserves 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 the future net cashflow 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 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 have a material adverse effect on Husky Energy's reputation, investor confidence, and ability to deliver on its growth 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 projects that can be developed depends on, but is not limited to, obtaining and renewing rights to explore, develop and produce oil and natural gas, drilling success, completion of 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 of operations could be materially adversely affected by restricted market access resulting from a lack of pipeline or other transportation alternatives to attractive markets as well as regulatory and/or other marketplace barriers. 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 oil production across North America and the 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 adverse effect on Husky Energy's, and as a result CKHH's results of operations, financial condition and business strategy. Unplanned shutdowns and closures of Husky Energy's refineries or Upgrader may limit Husky Energy's ability to deliver products with a material adverse effect on sales and results from operating activities.

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 manifest through cost overruns, schedule delays and commodity price decreases, as well as, impacting Husky Energy's safety and environmental performance, thereby negatively affect Husky Energy's reputation.

Changes in environmental regulation and any emerging regulations to address climate change could have a material adverse effect on Husky Energy's results of operations, financial condition and business strategy by requiring increased capital expenditures and operating costs or by impacting the quality, formulation or demand of products, which may or may not be offset through market pricing. Changes in environmental 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 results of operations, financial condition and business strategy.

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 drilling rigs, 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 material adverse effects on financial condition and results of 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 and 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.

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 over-the-top content and voice-over-IP have resulted in a reduction in the usage of traditional text and long distance voice calls provided by CKHH's telecommunications businesses. The innovative nature of these products and services, their rapid evolution and shorter life cycles require CKHH to be able to respond quickly to offerings of these products 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. Some 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 ("ITA") initiated an investigation into Vodafone Netherlands' obligations to withhold tax from the acquisition proceeds. Vodafone Netherlands disputed the jurisdiction of the ITA 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 ITA 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, ITA 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").

HTIL received an assessment order from the ITA dated 25 January 2017 ("AO") in respect of the same transaction. The AO imposes tax ("CGT") of approximately INR79 billion (US\$1.185 billion) on the afore-mentioned gains as well as interest on the unpaid CGT ("Interest") of approximately INR164.3 billion (US\$2.46 billion). HTIL also received a penalty order from the ITA dated 3 July 2017 ("PO") for a penalty of approximately INR79 billion (US\$1.185 billion) ("Penalty") relating to the CGT (CGT, Interest and Penalty together referred to as the "Taxes"). In this paragraph, the US\$ amounts have been converted from INR amounts at the rate of INR1 to US\$0.015 for illustrative purposes only.

HTIL believes that the Taxes cannot be validly imposed, and it has obtained legal advice that the AO and the PO cannot create any liability for taxes, interest, penalties or otherwise that is legally enforceable.

CKHH has not made a provision in respect of either (i) any Taxes 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 telecommunications 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 in the UK and Italy and brand names allocated to the businesses, which are accounted for as indefinite life assets, and goodwill arising from the Reorganisation allocated to the businesses are subject to annual impairment tests to assess whether their carrying values are supported by the net present value of future cashflows 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 cashflow 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 cashflow projections, it may be necessary to take an impairment charge to the income statement. See Note 1 to the unaudited condensed consolidated financial statements of CKHH for the six months ended 30 June 2018 incorporated by reference herein. Accordingly, there can be no assurance that the operating results of 3 Group Europe will not be substantially reduced in the near term.

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 and/or subject the relevant operations to fines.

CKHH and/or its group companies may need to increase borrowings or issue shares to pay for the operation and further build-out of their networks as well as for possible future acquisition of mobile telecommunications licences. There can be no assurance that CKHH and/or its group companies 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 competitors 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 have to make substantial investments to acquire licences and upgrade its mobile networks to the next generations of technologies, including 5G, or its product offerings from the chosen 3G and 4G (LTE) technologies may become 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 2018, CKHH had a total deferred tax asset balance of HK\$18,670 million (US\$2,394 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 cashflow 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 may be impacted by many factors which include, among others, 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 grade ratings, actual credit ratings may deviate from these levels due to economic circumstances. If liquidity in the capital markets declines and/or credit ratings of CKHH decline, the availability and cost of borrowings could be affected and impact CKHH's financial condition and results of operations, liquidity and cashflows.

After the completion of the Reorganisation of Cheung Kong (Holdings) Limited ("Cheung Kong") and Hutchison Whampoa Limited ("Hutchison") on 3 June 2015, CKHH was assigned long-term credit ratings of A3 from Moody's on 3 June 2015, A- from S&P's on 6 July 2015 and A- from Fitch on 13 July 2015. In November 2017, Moody's revised CKHH's rating from A3 to A2 with a stable outlook. In September 2018, S&P revised CKHH's rating from A- to A with a stable outlook. CKHH's long term rating from Fitch remained at A- with a stable outlook. 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 Securities or the Guarantee, adversely impact the market price and the liquidity of the Securities.

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 50 different local currencies. CKHH's subsidiaries, associates and joint ventures may also incur debt in these local currencies. Consequently, CKHH is exposed to potential adverse impact of currency fluctuations on translation of the results and balance sheet items of these subsidiaries, associates and joint ventures and also on repatriation of earnings, equity investments and loans. Although CKHH actively manages its currency exposures, depreciation or fluctuation of the currencies in which CKHH conducts its 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 several 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 Organization (“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 and/or result in imposition of fines on the relevant operations;
- changes 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, 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”) with a number of its businesses operating in Hong Kong. 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. 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, will not have a material adverse effect on CKHH's 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 approve 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 and even if such approvals are obtained, third parties may initiate proceedings to appeal against such approvals. If a proposed transaction is prohibited or the relevant approvals are revoked and the transaction 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 or if a transaction is approved but such approval is subsequently revoked, 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"). 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.

Publicly Available Financial Information of Certain Subsidiaries, Associates and Joint Ventures

Certain of CKHH's subsidiaries, associates and joint ventures may, or are required to, make publicly available their financial results from time to time (on an annual, interim, quarterly basis or otherwise). Due to different accounting policies and measurement bases used in preparing CKHH's financial information and the financial information of certain subsidiaries, associates and joint ventures, consolidation adjustments are required to be made to the financial information of these subsidiaries, associates and joint ventures to align accounting policies and measurement bases when preparing CKHH's consolidated financial statements. Such adjustments may be significant and the actual impact of the financial results of CKHH's subsidiaries, associates and joint ventures on the financial results of

CKHH may not be known until the consolidation of CKHH's financial results is complete. In addition, there can be no assurance that these publicly available financial results of such CKHH's subsidiaries, associates and joint ventures on an individual basis can be relied upon as an indication of the consolidated financial results of CKHH.

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 of CKHH's 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 judgments 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 been media reports regarding the spread of the H5N1 virus or "Avian Influenza A", the spread of H1N1 virus or "Swine Flu" among humans, the outbreak of H7N9 virus in the Mainland, as well as an epidemic of the Ebola virus disease and the Zika virus. 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 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 business materially and adversely affect CKHH's financial condition and results of operations.

Although CKHH has not experienced any significant structural damage to infrastructure projects or ports or other facilities from earthquakes 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 presence in over 50 countries around the world. There can be no assurance that all of these countries will remain politically stable or immune to terrorist attacks, and if any of these countries suffers from political unrest or terrorist attacks, it may have an adverse impact on CKHH's financial condition and results of operations.

Impact of Possible Economic Sanctions on Business Partners, Suppliers or Businesses in General

Governments and multinational organisations (including the State Department and the Department of the Treasury's Office of Foreign Assets Control (OFAC) of the US and the United Nations), from time to time administer certain laws and regulations that impose restrictions with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of economic sanctions. There can be no assurance that such sanctions will not affect the jurisdictions in which CKHH conducts its business, any of CKHH's business partners or suppliers or otherwise. To the extent that any such sanction is imposed in any jurisdictions where CKHH's business operates, CKHH

may need to cease operations in those jurisdictions and suffer losses in that regard. If any of CKHH's business partners or suppliers is impacted by sanctions, provision of services or support by them may be disrupted or discontinued, which may affect CKHH's ability to continue to operate related businesses. If any of CKHH's business partners is affected by sanctions, the continuation or disruption of strategic alliance with such business partners may also affect CKHH's ability to continue to operate related businesses and/or may result in suspension of operations. There can be no assurance that CKHH will be able to obtain alternative services, support or alliance it needs for the operation of its business, in a timely manner or at competitive terms, and no assurance that any compensation recoverable from business partners or suppliers for the discontinued or disrupted service, support or alliance will be available or adequate. Any of these factors could have a material adverse effect on CKHH's business, results of operations, financial condition and prospects.

Cyber security Risks

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorised access to or disrupting the operation of CKHH's networks, systems and data base of CKHH or its suppliers, vendors and other service providers, could have an adverse effect on CKHH's business, operations and reputation. Cyber attacks may cause equipment failures, loss or leakage of data, including personal data of customers or employees and technical and trade information, as well as disruptions to CKHH's or its customers' operations. Corporate cyber attacks have increased in frequency, scale and severity in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external actors operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. The measures deployed by CKHH may not be able to prevent, eliminate or minimise the risks associated with cyber attacks.

Any operational impacts caused by cyber attacks to the networks, systems and data base of CKHH or its suppliers, vendors and other service providers, even for a limited period of time, may result in costly remedial expenses and/or a loss of business. The costs required to remedy a major cyber attack on CKHH could include expensive incentives to certain existing customers and business partners, increased expenditures on cyber security measures and the use of alternate resources, lost revenues from business interruption and claims. The potential costs associated with these attacks could exceed the insurance coverage CKHH maintains. In addition, a compromise of security or leakage of data, such as personal data and technical and trade information, could result in third party claims and/or regulatory claims or investigations. Any of these occurrences could damage CKHH's reputation, adversely impact customer and investor confidence, and materially and adversely affect CKHH's financial condition and results of operations.

Compliance with Data Protection Legislation

In the ordinary course of its operations, various members of the CKHH group of companies collect, store and use data that is protected by data protection laws in the different countries in which they operate. As regulatory focus on privacy issues continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to data collection and use within CKHH's business are expected to intensify. For example, the General Data Protection Regulation (2016/679/EU), which came into effect in May 2018 introduced a number of changes to EU data protection legislation such as permitting national supervisory authorities in the European Union to levy administrative penalties of up to 4 per cent. of companies' global annual turnover in cases of significant non-compliance and direct liability for breach by data processors.

In the event that any relevant member of the CKHH group of companies is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory action or civil claims. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on 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 EU in a national referendum. The terms of any withdrawal are subject to a negotiation, as set out in Article 50 of the Treaty of Lisbon, which envisages a negotiating period of up to two years. On 29 March 2017, the UK Prime Minister formally notified withdrawal, triggering the two-year negotiating period.

In November 2018, the EU and UK Government finalised negotiations on the legally-binding withdrawal agreement (the "Withdrawal Agreement") and associated political declaration on their future relationship. The European Council approved the two documents on 25 November 2018.

Both documents now have to be ratified by the UK and European Parliaments. Debate has begun in the UK Houses of Parliament, with a vote in the House of Commons scheduled for 11 December 2018. The outcome of this vote is uncertain. The European Parliament has signaled its intention to begin the ratification process in January 2019.

The published Withdrawal Agreement includes, *inter alia*, a transition period during which, subject to a small number of specific exceptions, EU law would be applicable to and in the UK. If the Withdrawal Agreement is ratified in its current form, the transition period would run from the Withdrawal Agreement's date of entry until 31 December 2020.

The referendum and ongoing negotiations have created significant uncertainty about the future relationship between the UK and the EU, including with respect to the laws and regulations that will apply as the UK determines which EU-derived laws to replace or replicate in the event of a withdrawal. The referendum initially increased debate among the populations of other EU member states to consider withdrawal, although that has since subsided. These developments, or the perception that any of them could occur, have had a material adverse effect on global economic conditions and the stability of global financial markets. The long-term impact of the UK's decision to leave the EU is not known and will depend on the final terms agreed (if any) between the UK and the EU in the event of withdrawal. 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 Senior Advisor of CKHH, and Mr. Li Tzar Kuoi, Victor, the Chairman of CKHH, 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 30.08% of the issued shares of CKHH as of 30 September 2018.

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 business 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 Securities pursuant to the Guarantee in respect of the Securities 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 are subject to applicable laws. Payments on the Securities 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\$125,461 million (US\$16,085 million) principal amount of debt outstanding as of 30 June 2018. 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 Securities seeking to enforce the Guarantee. The terms and conditions of the Securities do not contain any restrictions on the ability of the Issuer, CKHH or its subsidiaries to incur additional indebtedness nor any cross acceleration provision.

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

The Securities are perpetual securities and have no fixed redemption date. Holders have no right to require the Issuer to redeem the Securities at any time and they can only be disposed of by sale. Holders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities. Therefore, holders of Securities should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

The Securities and the Guarantee are subordinated obligations

The obligations of the Issuer under the Securities, and of the Guarantor under the Guarantee, will constitute unsecured and subordinated obligations of the Issuer and the Guarantor, respectively. In the event of the Winding-Up (as defined in the "Terms and Conditions of the Securities") of the Issuer, the rights of the holders to receive payments in respect of the Securities will rank senior to the holders of all Junior Securities (as defined in the "Terms and Conditions of the Securities") of the Issuer but junior to the claims of all other present and future creditors of the Issuer other than claims of holders of Parity Securities of the Issuer. Upon the Winding-Up of the Guarantor, the rights and claims of holders of the Guarantee will be subordinated to the claims of all present and future creditors of the Guarantor (other than the claims of holders of Parity Securities of the Guarantor).

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

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

The Issuer and/or the Guarantor may from time to time without prior consultation of the holders of the Securities raise additional capital through the issue of other securities or other means. Under the terms of the Securities, there is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer and the Guarantor may issue or incur and which rank senior to, or pari passu with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of the Securities on a winding-up of the Issuer and/or the Guarantor, and may also have an adverse impact on the trading price of the Securities and/or the ability of holders of the Securities to sell the Securities. 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 Securities.

Holders may not receive Distribution payments if the Issuer elects to defer Distribution payments

The Issuer may, at its sole discretion, elect to defer any scheduled Distributions on the Securities for any period of time. The Issuer is not subject to any limits as to the number of times Distributions can be deferred. Although Distributions are cumulative, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to holders of the Securities. Any deferral of Distribution will likely have an adverse effect on the market price of the Securities.

The current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change, which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the DP/2018/1 Paper). If the

proposals set out in the DP/2018/1 Paper are implemented, the current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change and, if similar changes are also implemented on HKFRS, this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Securities (pursuant to Condition 6(5) of the Terms and Conditions of the Securities). The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem.

The Securities may be redeemed at the Issuer's option at certain times or upon the occurrence of certain events

The Securities are redeemable at the option of the Issuer on 13 June 2024, 13 June 2029, or on any Distribution Payment Date thereafter at 100% of their principal amount together with all other outstanding amounts due under the Securities accrued to the date fixed for redemption.

In addition, the Issuer also has the right to redeem the Securities if (a) there are any changes or amendments to, or any changes or amendments to any interpretation of relevant accounting standards such that the Securities, in whole or in part, must not or must no longer be recorded as "equity" of the Guarantor, (b) there is an amendment, clarification or change in the equity credit of S&P, Moody's, Fitch or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in an equity credit of below 50 per cent. for the Securities and/or the Guarantee (for the Issuer, the Guarantor or any of the Guarantor's substantial shareholders) (c) there are any changes in, or amendments to, the laws of the Cayman Islands or any political subdivision or any authority thereof or therein such that the Issuer or the Guarantor is or would be required to pay Additional Amounts (as defined in "Terms and Conditions of the Securities") and such obligation cannot be avoided by the use of reasonable measures available to the Issuer or the Guarantor, as the case may be or (d) the aggregate principal amount of the Securities outstanding is less than 20 per cent. of the aggregate principal amount of the Securities originally issued (including, for these purposes, any further Securities issued that are consolidated and form a single series with the Securities pursuant to Condition 13 of the Securities).

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

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

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution. The Securities do not contain any provisions to remedy any default on payment or other obligations of the Issuer. The ultimate remedy against the Issuer or the Guarantor available to a Holder for recovery of amounts in respect of the Securities or the Guarantee, as the case may be, following the occurrence of a payment default after any sum becomes due in respect of the Securities will be instituting Winding-Up proceedings and/or proving and/or claiming in that Winding-Up. The right to institute Winding-Up proceedings is limited to circumstances provided by applicable law.

The Securities may suffer a decline in distribution rate

A holder of securities with a distribution rate which will be reset during the term of the securities (as will be the case for the Securities on and after 13 June 2024 and subsequent Reset Dates (as defined in "Terms and Conditions of the Securities") if not previously redeemed) by reference to the then applicable 5 Year Swap Rate (as defined in the "Terms and Conditions of the Securities") is exposed to the risk of fluctuating distribution rate levels and uncertain distribution income. Fluctuating distribution rate levels make it impossible to determine the yield of such securities in advance.

No Prior Market for the Securities

The Securities are new issues of securities for which there is currently no trading market. If the Securities 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 Securities 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 Securities does not develop or continue, the market price and liquidity of the Securities may be adversely affected. The Issuer may elect to apply for a de-listing of the Securities 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 Securities will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. Definitive Securities will be issued only on or following a default in payment of principal or Distributions when due and payable in respect of the Securities, the Winding-Up of the Issuer or the Guarantor, if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or have announced an intention to permanently cease business or if the Issuer, or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Securities in definitive form. If definitive Securities are issued, such Securities 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 Securities will be cancelled and holders will have no rights against the Issuer or the Guarantor (including rights to receive principal or Distributions or to vote) in respect of such Securities. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders of Securities will have no rights against the Issuer (including rights to receive principal or Distributions or to vote) in respect of such Securities.

Foreign Account Tax Compliance Act Reporting and Withholding

The Code and FATCA generally impose information reporting requirements on 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 certain payments with respect to the Securities, 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.

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 Securities that holds Securities 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 Securities. 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 Securities, no additional amounts will be payable by the Issuer or the Guarantor with respect to any withheld amount. See “Description of the Securities and the Guarantee — Additional Amounts”.

TERMS AND CONDITIONS OF THE SECURITIES

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

The €500,000,000 Subordinated Guaranteed Perpetual Capital Securities (the “**Securities**” which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 13 and forming a single series with the Securities) of CK Hutchison Capital Securities (Europe) Limited (the “**Issuer**”) are issued subject to an agency agreement dated on or about 13 December 2018 (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, calculation 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 Securities was authorised by a resolution of the board of directors of the Issuer passed on 8 October 2018 and the giving of the guarantee in respect of the Securities (the “**Guarantee**”) was authorised by a resolution of the board of directors of the Guarantor passed on 8 October 2018. 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 Securities (the “**Securities Holders**”) and the holders of distribution coupons appertaining to the Securities (the “**Distribution Coupons**”, which expression, unless the context otherwise requires, includes the talons for further Distribution Coupons (the “**Talons**”)) (the “**Distribution Coupon Holders**”, which expression, unless the context otherwise requires, includes the holders of the Talons, and the Securities Holders and the Distribution Coupon Holders together referred to as “**Holder**” and each a “**Holder**”) 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 Securities are in bearer form, serially numbered, in minimum denominations of € 100,000 and integral multiples of € 1,000 in excess thereof, with Distribution Coupons and Talon attached on issue.
- (2) Title to the Securities and to the Distribution 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 bearer of any Security or Distribution Coupon as the absolute owner for all purposes (whether or not the Securities or Distribution Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Securities or Distribution Coupon or any notice of previous loss or theft of the Securities or Distribution Coupon or of any trust or interest therein) and will not be required to obtain any proof thereof as to the identity of such bearer).

2. Guarantee

The payment of the principal, Distributions, Arrears of Distribution, Additional Distribution Amounts and any Additional Amounts has been unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and rank, and will at all times rank, *pari passu* with any of the Parity Securities of the Guarantor.

3. Status and Subordination of the Securities, Distribution Coupons and the Guarantee

(1) Status of the Securities and Distribution Coupons

The Securities and the Distribution Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank, and will at all times rank, *pari passu* without any preference or priority among themselves and with any Parity Securities of the Issuer. The rights and claims of the Securities Holders and the Distribution Coupon Holders are subordinated as provided in this Condition 3.

(2) **Ranking of Claims — Securities and Distribution Coupons**

In the event of the Winding-Up of the Issuer, the rights and claims of the Securities Holders and the Distribution Coupon Holders shall rank ahead of those persons whose claims are in respect of Junior Securities of the Issuer but shall be subordinated in right of payment to the claims of all other present and future creditors of the Issuer other than claims of holders of Parity Securities of the Issuer.

(3) **Ranking of Claims — Guarantee**

In the event of the Winding-Up of the Guarantor, the rights and claims of the Securities Holders and the Distribution Coupon Holders shall rank ahead of those persons whose claims are in respect of Junior Securities of the Guarantor, but shall be subordinated in right of payment to the claims of all other present and future creditors of the Guarantor other than claims of holders of Parity Securities of the Guarantor.

(4) **Set-Off**

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

4. Distribution

- (1) Subject to Condition 4(6) the Securities confer a right to receive distributions (each a “**Distribution**”) from and including 13 December 2018 (the “**Issue Date**”) at the applicable Distribution Rate. Subject to Condition 4(3), Distributions shall be payable annually (except for a short first distribution period) in arrear on 13 June of each year (each a “**Distribution Payment Date**”). The first Distribution Payment Date will be 13 June 2019 in respect of the period from and including the Issue Date to but excluding 13 June 2019.
- (2) Each Security will cease to confer the right to receive any Distribution from and including the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, Distributions will continue to accrue at the applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of:
 - (a) the date on which all amounts due in respect of such Securities have been paid; and
 - (b) five days after the date on which the full amount of the moneys payable in respect of such Securities has been received by the Fiscal Agent and notice to that effect has been given to the relevant Holder in accordance with Condition 11.
- (3) If any amount of Distribution is required to be calculated for a period of less than a full year, it shall be calculated on the basis of the actual number of days in the period from and including the date from which Distribution begins to accrue to but excluding the date on which it falls due divided by 365 or (in the case of a leap year) 366. Distributions payable under this Condition 4 will be paid in accordance with Condition 5.

- (4) The rate of distribution (the “**Distribution Rate**”) applicable to the Securities shall be:
- (a) in respect of the period from, and including, the Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate;
 - (b) in respect of the Reset Period from, and including, the First Reset Date to, but excluding, the Second Reset Date, the Reset Distribution Rate;
 - (c) in respect of each Reset Period during the period from, and including, the Second Reset Date to, but excluding, 13 June 2044, the applicable Initial Step-Up Reset Distribution Rate for that Reset Period; and
 - (d) in respect of each Reset Period during the period from, and including, 13 June 2044 to, but excluding, the redemption date of the Securities, the applicable Final Step-Up Reset Distribution Rate for that Reset Period.
- (5) The Calculation Agent will, on the second Business Day prior to each Reset Date, calculate the applicable Distribution Rate in respect of the immediately following Reset Period. The Calculation Agent will cause the applicable Distribution Rate determined by it to be notified to the Issuer and the Fiscal Agent as soon as practicable after the relevant Reset Date but, in any case not later than on the fourth Business Day after their determination.
- (6) The payment of Distributions may be deferred subject to and in accordance with the following provisions:
- (a) The Issuer may, at its sole discretion, elect to defer payment for any Distribution, in whole or in part, which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (a “**Deferral Notice**”) to the Holders (in accordance with Condition 11) not more than ten nor less than five Business Days prior to a scheduled Distribution Payment Date.
 - (b) Subject to Condition 4(6)(e), the Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date and any failure to pay any Distribution shall not constitute a default of the Issuer in respect of the Securities.
 - (c) Any Distribution deferred pursuant to this Condition 4(6) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of accrued Distributions. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(6).

Each amount of Arrears of Distribution shall accrue distribution as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such accrued distribution (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable on the following Distribution Payment Date, unless further deferred in accordance with this Condition 4(6) and shall be calculated by applying the then prevailing Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date (if the Issuer elects to defer payment thereof) shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

- (d) If on any Distribution Payment Date, payment of all Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of this Condition 4(6), the Guarantor shall not:
- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any class of its share capital (including preference shares), its Junior Securities or (except on a pro-rata basis) its Parity Securities; or
 - (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its share capital (including preference shares), its Junior Securities or its Parity Securities (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of Securities),

unless and until (1) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution; or (2) the Issuer or the Guarantor is permitted to do so with the consent of the Securities Holders of at least a majority in aggregate principal amount of the Securities then outstanding, provided that nothing shall restrict the ability of the Issuer or the Guarantor to advance loans to any of their respective shareholders or shareholders of other subsidiaries of the Guarantor or otherwise invest in such shareholders' debt, howsoever issued or represented.

- (e) The Issuer:
- (i) may satisfy any Arrears of Distribution (in whole or in part) at any time together with any Additional Distribution Amount by giving notice of such election to the Holders (in accordance with Condition 11) and the Fiscal Agent not more than 20 nor fewer than ten Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and any Additional Distribution Amount on the payment date specified in such notice) and paying the relevant amount of Arrears of Distribution and/or Additional Distribution Amount to the Fiscal Agent for the relevant Holders; and
 - (ii) in any event shall satisfy any outstanding Arrears of Distribution and any Additional Distribution Amount (in whole but not in part) on the earlier of:
 - (A) the date of redemption of the Securities in accordance with Condition 6;
 - (B) the next Distribution Payment Date immediately following a breach by the Guarantor of Condition 4(6)(d); and
 - (C) on a Winding-Up of the Issuer or the Guarantor.

Any partial payment of outstanding Arrears of Distribution or any Additional Distribution Amount by the Issuer pursuant to Condition 4(6)(e)(i) shall be shared by the Holders of all outstanding Securities on a pro-rata basis.

- (f) Notwithstanding any other provision in these Conditions, the deferral of any Distribution payment in accordance with this Condition 4(6) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 8) on the part of the Issuer.

5. Payments

- (1) Payments of principal and Distributions (including any Arrears of Distribution and Accrued Distribution Amounts) in respect of each Security will be made only against presentation and surrender (or, in the case of part payment only, endorsement) of the Security, except that payments of Distribution (including any Arrears of Distribution and Accrued Distribution Amounts) due on a Distribution Payment Date, or a day on which such Distribution is otherwise due in accordance with these Conditions, will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Distribution 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 Security should be presented for payment together with all unmatured Distribution Coupons (including, for the avoidance of doubt, Distribution Coupons falling to be issued on exchange of matured Talons) relating to it. Upon the date on which any Security becomes due and repayable, all unmatured Distribution Coupons appertaining to the Security (whether or not attached) shall become void and no payment shall be made in respect of such Distribution Coupons.
- (4) Payments in respect of principal and Distribution (including any Arrears of Distribution and Accrued Distribution Amounts) on the Securities 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 7.
- (5) A Holder shall be entitled to present a Security or Distribution Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further Distribution or other payment if a Presentation Date is after the due date.

In this Condition:

“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.

“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 a Security or Distribution 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) for so long as any of the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, a Paying Agent in Singapore, where the Securities may be presented or surrendered for payment or redemption. Notice of any termination or appointment and of any changes in specified offices will be given to the Securities Holders promptly by the Issuer in accordance with Condition 11.
- (7) On and after the Distribution Payment Date on which the final Distribution Coupon comprised in any Distribution Coupon sheet matures, the Talon comprised in the Distribution Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Distribution Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 9. Each Talon will, for the purposes of these Conditions, be deemed to mature on the Distribution Payment Date on which the final Distribution Coupon comprised in the relative Distribution Coupon sheet matures.

6. Redemption and Purchase

- (1) The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 8), only have the right to redeem them in accordance with the following provisions of this Condition 6.
- (2) The Securities may be redeemed at the option of the Issuer in whole, but not in part, on the First Reset Date, the Second Reset Date or on each Distribution Payment Date thereafter (each, an “**Optional Redemption Date**”) at their principal amount plus Distribution accrued to, but excluding, such date (including any Arrears of Distribution and any Additional Distribution Amount) upon the Issuer giving not less than 30 nor more than 60 days’ notice to the Holders in accordance with Condition 11 (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Optional Redemption Date).
- (3) The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Holders (which notice shall be irrevocable) at their principal amount, together with Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if as a result of any change in, or amendment to, the laws of the Cayman Islands (or any political subdivision or any 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 10 December 2018, the Issuer or the Guarantor is or would be required on the next succeeding due date for payment with respect to the Securities to pay Additional Amounts as provided for or referred to in Condition 7 and such obligation cannot be avoided by the use of reasonable measures available to the Issuer or the Guarantor, as the case may be.

Prior to the publication of any notice of redemption pursuant to this Condition 6(3), the Issuer or the Guarantor, as the case may be, 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 above will apply on the occasion of the next payment due date in respect of the Securities 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 tax or 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.

Upon the expiry of any such notice as is referred to in this Condition 6(3), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(3).

- (4) The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at (i) an amount equal to 101 per cent. of the principal amount thereof together with Distributions accrued to, but excluding, the date fixed for redemption (including Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs prior to the First Reset Date or (ii) the principal amount thereof, together with Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs on or after the First Reset Date, if an amendment, clarification or change has occurred in the equity credit of Standard & Poor's, Moody's, Fitch or any other rating agency of equivalent international standing requested from time to time by the Guarantor to grant an equity classification to the Securities and/or the Guarantee and in each case, any of their respective successors to the rating business thereof (each, a "**Rating Agency**"), which amendment, clarification or change results in an equity credit of below 50 per cent. for the Securities and/or the Guarantee (for the Issuer, the Guarantor or any of the Guarantor's substantial shareholders) (an "**Equity Classification Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(4), the Issuer shall deliver or procure that there is delivered to the Fiscal Agent a certificate signed by two directors of the Guarantor on behalf of the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 6(4), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(4).

- (5) The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securities Holders (which notice shall be irrevocable) at (i) an amount equal to 101 per cent. of the principal amount thereof together with Distributions accrued to, but excluding, the date fixed for redemption (including Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs prior to the First Reset Date or (ii) their principal amount, together with Distributions accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if such redemption occurs on or after the First Reset Date, if as a result of any change or amendment to, or change or amendment to any interpretation of, HKFRS or any other accounting standards that may replace HKFRS for the purposes of the consolidated financial statements of the Guarantor (the "**Relevant Accounting Standard**"), the Securities, in whole or in part, must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard (an "**Accounting Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(5), the Issuer shall deliver or procure that there is delivered to the Fiscal Agent a certificate, signed by two directors of the Guarantor on behalf of the Guarantor, stating that the circumstances referred to above prevail and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 6(5), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(5) provided that the notice of redemption shall not be given earlier than 90 days prior to the date on which the relevant change amendment or interpretation to the Relevant Accounting Standard is due to take effect in relation to the Issuer and/or the Guarantor.

- (6) The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time at their principal amount, together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) on the Issuer giving not less than 30 nor more than 60 days' notice to the Securities Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities), if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 20 per cent. of the aggregate principal amount of the Securities originally issued (including, for these purposes, any further securities issued that are consolidated and form a single series with the Securities pursuant to Condition 13).

Upon expiry of any such notice as is referred to in this Condition 6(6), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(6).

- (7) The Issuer shall not be entitled to redeem the Securities and shall have no obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 6(2) to 6(6) above.
- (8) The Issuer, the Guarantor or any of their respective Subsidiaries may:
- (a) prior to the First Reset Date, at any time purchase Securities up to a maximum amount representing 25 per cent. of the aggregate principal amount of the Securities issued on the Issue Date (including, for these purposes, any further securities issued that are consolidated and form a single series with the Securities pursuant to Condition 13); and
 - (b) from and including the First Reset Date, at any time purchase Securities,

in any manner and at any price (provided that all unmatured Distribution Coupons and unexchanged Talons appertaining to the Securities are purchased with the Securities).

- (9) All Securities and/or Distribution Coupons which are redeemed will, and any Securities and/or Distribution 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 Distribution Coupons and unexchanged Talons attached to the Securities or surrendered with the Securities, and accordingly may not be reissued or resold. Securities purchased by the Issuer, the Guarantor or any of their respective Subsidiaries, if any, and not cancelled may be resold.

The Issuer intends (without thereby assuming any legal obligation to do so), during the period from the Issue Date to and including 13 June 2044, that if the Securities are assigned an "equity credit" (or such similar classification then used by Standard & Poor's) at the time of such redemption or repurchase, it will redeem or repurchase the Securities pursuant to:

- (a) a redemption of the Securities at the option of the Issuer pursuant to Condition 6(2) or pursuant to Condition 6(3), or

- (b) a repurchase of the Securities by the Issuer, the Guarantor or their respective affiliates of more than: (i) 10% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 12 month period, or (ii) 25% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 10 year period,

only if the Aggregate Equity Credit of the Securities to be redeemed or repurchased as at the Issue Date does not exceed the Aggregate Equity Credit received by the Issuer, the Guarantor or any other Subsidiaries of the Guarantor during the 365 day period prior to the date of such redemption or repurchase from securities offerings involving the sale or issuance, by the Issuer, the Guarantor or any other Subsidiaries of the Guarantor of securities to third party purchasers other than the Issuer, the Guarantor or any other Subsidiaries of the Guarantor (taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) (the “**Restrictions**”).

“**Aggregate Equity Credit**” means the “equity credit” (expressed as a percentage) assigned by Standard & Poor’s to the relevant securities multiplied by the aggregate principal amount of such securities.

The Restrictions shall not apply if on the date of such redemption or repurchase:

- (a) the Guarantor has a corporate credit rating from Standard & Poor’s that is equal to or greater than the rating assigned to the Guarantor by Standard & Poor’s as at the Issue Date, and to the best knowledge of the Guarantor, after giving effect to such redemption or repurchase, such rating will not be revised downward, withdrawn or placed on review or “credit watch” with negative implications (or other similar review or change of outlook) by Standard & Poor’s to levels below the rating assigned to the Guarantor as at the Issue Date as a result of such redemption or repurchase; or
- (b) the Guarantor no longer has a corporate credit rating by Standard & Poor’s; or
- (c) an Equity Classification Event (as defined in the Conditions), an Accounting Event (as defined in the Conditions), or a combination of the foregoing has occurred; or
- (d) the Issuer, the Guarantor or any Subsidiary of the Guarantor has individually or in the aggregate, redeemed, cancelled or purchased the Securities equal to or in excess of 90% of the aggregate principal amount of the Securities issued on the Issue Date; or
- (e) the statements made in the Restrictions set forth hereunder are no longer required for the Securities to be assigned an “equity credit” that is equal to or greater than the “equity credit” assigned by Standard & Poor’s on the Issue Date; or
- (f) there shall have occurred a general moratorium on, or disruption in, commercial banking activities in the Cayman Islands, Hong Kong, the United Kingdom, the European Economic Area or the United States by any Cayman Islands, Hong Kong, United Kingdom, European Economic Area, New York State or United States Federal authorities, which would be likely to materially prejudice dealings in the Securities in the secondary market.

7. Taxation

- (1) Subject to Condition 7(3), all payments of principal and Distributions (including any Arrears of Distribution and Accrued Distribution Amounts) in respect of the Securities, the Distribution 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 Securities Holders or Distribution Coupon Holders of such amounts as would have been received in respect of the Securities, the Distribution 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, duty, assessment or other governmental charge that would not have been imposed but for any connection between the holder or beneficial owner of a Security or Distribution 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 Security or Distribution Coupons or receiving principal, Distributions, Arrears of Distribution or Additional Distribution Amounts in respect thereof;
- (b) in respect of any Security or Distribution 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 Securities Holder, Distribution Coupon 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 Securities or the Distribution Coupons to another Paying Agent.

For the purposes of these Conditions, the “**Relevant Date**” in relation to any Security or Distribution 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 Securities Holders in accordance with Condition 11.

- (2) Unless the context otherwise requires, any reference in the Securities and these Conditions to principal or Distributions shall be deemed also to refer to any Additional Amounts which may be payable as described in Condition 7(1).
- (3) The Issuer, the Guarantor or any agents making a payment on their behalf shall be permitted to withhold or deduct from any payment of principal or Distribution 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 their respective 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 their respective agents or any other party.

8. Non-payment

- (1) Notwithstanding any of the provisions below in this Condition 8, the right of Securities Holders to institute proceedings for the Winding-Up of the Issuer is limited to circumstances where such remedy is available under applicable bankruptcy and insolvency laws and to where payment has become due but has not been made. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 4(6).

- (2) If the Issuer or the Guarantor shall not make payment in respect of the Securities, the Distribution Coupon or the Guarantee, for a period of ten days or more after the date on which such payment is due and has not elected to defer any such payment in accordance with Condition 4(6), or if an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor, the Issuer shall be deemed to be in default under the Securities and Holders holding not less than 25 per cent. of the aggregate principal amount of the Securities then outstanding may, if applicable and provided that such remedy is available to such Holders under applicable bankruptcy and insolvency laws, institute proceedings for the Winding-Up of the Issuer and/or prove and/or claim in the Winding-Up of the Issuer, the Guarantor or both of them for payment of the principal amount of the Securities (or 101 per cent. of the principal amount of the Securities, if the Issuer has given a redemption notice to the Securities Holders in accordance with Condition 6(4) or Condition 6(5)) together with Distributions, Arrears of Distribution and any Additional Distribution Amounts accrued to the day prior to the commencement of the Winding-Up, subject to Condition 3(2) and Condition 3(3).
- (3) Without prejudice to Condition 8(2), Holders holding not less than 25 per cent. of the aggregate principal amount of the Securities then outstanding may without further notice to the Issuer and/ or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as they may think fit and which are available to such Holders as a matter of applicable laws to enforce any term or condition binding on the Issuer under the Securities and the Distribution Coupon or the Guarantor under the Guarantee (other than any payment obligation of the Issuer or the Guarantor under or arising from the Securities, the Distribution Coupon or the Guarantee, including, without limitation, payment of any principal or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities or the Distribution Coupons including any damages awarded for breach of any obligations), but in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it under these Conditions or the Guarantee, as applicable.
- (4) To the extent permitted by applicable law, no remedy against the Issuer or the Guarantor, other than as referred to in this Condition 8, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Securities, the Distribution Coupons or the Guarantee or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Securities, the Distribution Coupons or the Guarantee.

9. Prescription

Claims in respect of principal and Distribution will become void unless the relevant Securities and Distribution Coupons are presented for payment within ten years (in the case of principal) and five years (in the case of Distribution, Arrears of Distribution and Additional Distribution Amount) of the appropriate Relevant Date, subject to the provisions of Condition 5. There may not be included in any Distribution Coupon sheet issued upon exchange of a Talon any Distribution Coupon which would be void upon issue under this Condition 9 or under Condition 6.

10. Replacement of Securities and Distribution Coupons

Should any Security or Distribution 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 any of the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the specified office of the Paying Agent in Singapore), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Securities or Distribution Coupons must be surrendered before replacements will be issued.

11. Notices

All notices to the Holders 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 Securities 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 Securities 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.

12. Meetings of Holders and Modification

- (1) The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement or the Deed of Guarantee. 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 Securities for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Securities 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 Securities 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 Holders will be binding on all Holders, 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 Securities outstanding shall be valid and effective as an Extraordinary Resolution.
- (2) The Fiscal Agent may agree, without the consent of the Holders, 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 Holders 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 Holders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 11.

13. Further Issues

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

14. Currency Indemnity

The Issuer's obligations under the Securities 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 Security 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 Security 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 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 Security. 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 Security. In no event, however, shall the Issuer be required to pay more in Euro due under the Securities at the market exchange rate as in effect on the Judgment Date than the amount of Euro stated to be due under the Securities so that in any event the Issuer’s obligations under the Securities 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.

15. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Guarantee, the Securities and the Distribution 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 except that the subordination provisions applicable to the Issuer set out in Condition 3(2) and the subordination provisions applicable to the Guarantor set out in Condition 3(3) and clause 2 of the Guarantee shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

The Issuer and the Guarantor irrevocably agree for the benefit of the Securities Holders and the Distribution Coupon Holders 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 or the Securities or the Distribution 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 15 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, Battersea, 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.

16. Contracts (Rights of Third Parties) Act 1999

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

17. Definitions

In these Conditions:

“5 Year Swap Rate” means the mid-swap rate as displayed on Reuters screen “ICESWAP2” (the **“Reset Screen Page”**) at approximately 11:00 a.m. (Central European time) on the day falling two Business Days prior to the applicable Reset Date (the **“Reset Interest Determination Date”**). In the event that the 5 Year Swap Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date at approximately that time, the 5 Year Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date.

“5 Year Swap Rate Quotations” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the applicable Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month Euro Interbank Offered Rate (**“EURIBOR”**) rate (calculated on the basis of the actual number of days elapsed and a year of 360 days) or, if the 6-month EURIBOR rate is no longer being calculated or administered as at the relevant Reset Interest Determination Date, such alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of euro denominated securities, as determined by the Issuer and as notified by the Issuer to the Holders in accordance with Condition 11 (*Notices*) provided, however, that if the Issuer determines, in good faith, that no such alternative rate is available, or if the Issuer otherwise thinks appropriate or desirable, the Issuer shall appoint an independent financial adviser (the **“IFA”**) to determine an appropriate alternative rate, and the determination of the IFA will be binding on the Issuer, the Calculation Agent and the Holders.

“Business Day” means, other than in Condition 5, any day, excluding a Saturday and a Sunday, on which the TARGET2 SYSTEM (as defined in Condition 5) is operating and on which banks are open for general business (including dealings in foreign currencies) in Hong Kong, New York City, Singapore and London.

“Calculation Agent” means a financial institution of international standing selected by the Issuer which shall initially be The Bank of New York Mellon, London Branch.

“Final Step-Up Margin” means 0.75 per cent. per annum.

“Final Step-Up Reset Distribution Rate” means the 5 Year Swap Rate as at the applicable Reset Date plus the Initial Margin plus the Initial Step-Up Margin plus the Final Step-Up Margin.

“First Reset Date” means 13 June 2024.

“Fitch” means Fitch Ratings Inc., Fitch Ratings Ltd., their respective affiliates and subsidiaries or any successor to their respective rating businesses.

“HKFRS” means the Hong Kong Financial Reporting Standards.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“Initial Distribution Rate” means 3.875 per cent. per annum.

“Initial Margin” means 3.553 per cent. per annum.

“Initial Step-Up Margin” means 0.25 per cent. per annum.

“Initial Step-Up Reset Distribution Rate” means the 5 Year Swap Rate in respect of the applicable Reset Date plus the Initial Margin plus the Initial Step-Up Margin.

“Junior Securities” means, in relation to the Issuer or the Guarantor, as the case may be, any class of its share capital qualifying as equity under HKFRS (other than any securities, including preferred stock, explicitly ranking in priority in payment and in all other respects to the equity of the Issuer or the Guarantor, as the case may be, in which case such securities will be Parity Securities).

“Moody’s” means Moody’s Investors Service, Inc., its affiliates and subsidiaries or any successor to their respective rating businesses.

“Parity Securities” means in relation to the Issuer or the Guarantor, as the case may be, any instrument or security issued, entered into or guaranteed by the Issuer or the Guarantor (a) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities (in the case of the Issuer) or the obligations of the Guarantor under the Guarantee (in the case of the Guarantor) and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the applicable issuer thereof. For the avoidance of doubt, Parity Securities shall include, in relation to the Guarantor, the US\$1,000,000,000 subordinated guaranteed perpetual capital securities of CK Hutchison Capital Securities (17) Limited unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor.

“PRC” means the People’s Republic of China.

“Reset Date” means the First Reset Date, the Second Reset Date and thereafter, each day falling five calendar years after the preceding Reset Date, as the case may be.

“Reset Distribution Rate” means the 5 Year Swap Rate with respect to the First Reset Date plus the Initial Margin.

“Reset Period” means the period beginning on and including the First Reset Date and ending on but excluding the following Reset Date, and each successive period beginning on and including a Reset Date and ending on but excluding the next succeeding Reset Date.

“Reset Reference Bank” means leading swap dealer in the interbank market selected and appointed by the Issuer and notified to the Calculation Agent.

“Reset Reference Bank Rate” means the percentage rate determined on the basis of the 5 Year Swap Rate Quotations provided by five Reset Reference Banks to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last 5 Year Swap Rate available on Reuters screen “ICESWAP2” as determined by the Calculation Agent.

“Second Reset Date” means 13 June 2029.

“Standard & Poor’s” means S&P Global Ratings, its affiliates and subsidiaries or any successor to their respective rating businesses.

“Subsidiary” means in relation to any person and at any particular time any entity of which more than 50 per cent. of the issued share capital is then beneficially owned by such person and/or one or more of its Subsidiaries.

“Winding-Up” means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the winding up, liquidation or similar proceedings in respect of the Issuer or the Guarantor, as the case may be.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

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

1. Exchange

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

- (a) if any principal in respect of any Securities is not paid when due and payable; or
- (b) if any Distribution in respect of any Securities has not been deferred in accordance with Condition 4(6) of the Securities and is not paid when due and payable; or
- (c) if an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor; or
- (d) 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
- (e) 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 Securities in definitive form.

In the case of (a), (b), (c), (d) or (e) above, the Issuer shall promptly give notice to the Securities Holders that an Exchange Event has occurred 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 Securities 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 11 of the Securities. In the case of (a), (b), (c) or (d) above, the bearer of the Permanent Global Certificate, 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 (e) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Certificate for definitive Securities on or after the Exchange Date (as defined below).

On or after the Exchange Date the bearer of the Permanent Global Certificate may (or, in the case of (e) above, the holder of the Permanent Global Certificate shall on the Exchange Date) surrender the Permanent Global Certificate to or to the order of the Fiscal Agent. In exchange for the Permanent Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Securities (having attached to them all Distribution Coupons in respect of Distribution which has not already been paid on the Permanent Global Certificate), 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 Certificate, 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 (d) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 22 January 2019, no payment will be made on the Temporary Global Certificate unless exchange for an interest in the Permanent Global Certificate is improperly withheld or refused. Payments of principal, redemption price and Distribution in respect of Securities represented by a Global Certificate 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 Securities, surrender of such Global Certificate to the order of the Fiscal

Agent or such other Paying Agent as shall have been notified to the holders of the Securities for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Certificate 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 Securities. Payments of Distribution on the Temporary Global Certificate (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 Securities are represented by one or both of the Global Certificates and such Global Certificate(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to holders of the Securities 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 11 of the Securities, provided that, so long as the Securities 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 holders of the Securities 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 Securities are represented by one or both of the Global Certificate and such Global Certificate(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) 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 Securities (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Securities standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Securities 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 holders of the Securities) other than with respect to the payment of principal, redemption price and Distribution on such Securities, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the bearer of the relevant Global Certificate 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 Certificate.

The Issuer covenants in favour of each Accountholder that it will make all payments in respect of the principal amount or redemption price of Securities 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 Certificates to the bearer of such Global Certificate 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 Certificate.

If the principal in respect of the Securities is not paid when due and payable (but subject to the terms of the relevant Global Certificate), the relevant Accountholder(s) or the holder of the relevant Global Certificate may elect that Direct Rights (as defined in the schedule to the relevant Global Certificate) 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 Securities issued on the issue date of the relevant Global Certificate 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 Securities, other than payments already made under the relevant Global Certificate.

5. Prescription

Claims against the Issuer and the Guarantor in respect of principal or redemption price and Distribution on the Securities represented by a Global Certificate will be prescribed after ten years (in the case of principal or redemption price) and five years (in the case of Distribution, Arrears of Distribution and Additional Distribution Amount) from the Relevant Date (as defined in Condition 7 of the Securities).

6. Cancellation

Cancellation of any Securities represented by a Global Certificate and required by the Terms and Conditions of the Securities 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 Certificate on the relevant part of the schedule thereto.

7. Euroclear and Clearstream, Luxembourg

Securities represented by a Global Certificate are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Certificates 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 Securities are held.

USE OF PROCEEDS

The net proceeds of the sale of the Securities after deducting commissions will be approximately €496 million and will initially be advanced by the Issuer to CKHH and/or one or more of its subsidiaries. CKHH intends to use the net proceeds of the offering to refinance certain indebtedness, including recourse or non-recourse indebtedness owed by subsidiaries of 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 Capital Securities (Europe) 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 10 September 2018. Its registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, registration number MC-342461.

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 Securities 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
Edith SHIH	Director
Neil Douglas MCGEE	Director
Christian Nicholas Roger SALBAING	Director
Thomas Georg GEIGER	Director

The business address of the abovementioned directors for the purposes of their directorships of the Issuer is CK Hutchison Capital Securities (Europe) 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 is 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 Securities are listed on the SGX-ST and the rules of the SGX-ST so require (or for as long as the Securities 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 2018 as adjusted to give effect to the issuance of the Securities. The table has been prepared on a basis consistent with the principal accounting policies of CKHH as set out in CKHH's unaudited condensed consolidated financial statements for the six months ended 30 June 2018 that are 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 2018		
	Actual	As adjusted	As adjusted ⁽¹⁾
	(in million)	(in million)	(in million)
Short-term bank and other debts ⁽²⁾ (including current portion of long-term debt)	HK\$22,708	HK\$22,708	US\$2,911
Long-term bank and other debts ⁽²⁾ (net of current portion) . . .	HK\$313,217	HK\$313,217	US\$40,156
Interest bearing loans from non-controlling shareholders	HK\$3,122	HK\$3,122	US\$400
Total ordinary shareholders' funds ⁽³⁾	HK\$439,593	HK\$439,593	US\$56,358
Securities offered hereby ⁽¹⁾	—	HK\$4,450	US\$571
Perpetual capital securities	HK\$7,842	HK\$7,842	US\$1,005
Non-controlling interests	HK\$133,089	HK\$133,089	US\$17,063
Total capitalisation	HK\$896,863	HK\$901,313	US\$115,553
Total short-term bank and other debts ⁽²⁾ and capitalisation . . .	HK\$919,571	HK\$924,021	US\$118,464

⁽¹⁾ €500 million is translated based on an exchange rate of €1 = HK\$8.9006 and €1 = US\$1.1411.

⁽²⁾ Short-term bank and other debts and Long-term bank and other debts represent the respective current and non-current portion of bank and other debts. Bank and other debts comprise the principal amount and the unamortised fair value adjustments arising from acquisitions in respect of the bank and other debts, and are stated before the unamortised loan facilities fees and premiums or discounts related to debts and adjustments to bank and other debts pursuant to unrealised gains (losses) on interest rate swap contracts.

⁽³⁾ Total ordinary shareholders' funds comprise share capital, share premium and reserves as at 30 June 2018. The number stated above is before deducting the 2018 proposed interim dividend of HK\$3,356 million.

As of 30 June 2018, the share capital comprised 3,857,678,500 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 2018.

- In August 2018, CKHH obtained a floating rate short term loan facility of EUR2,450 million (approximately HK\$22,222 million) for funding its acquisition of the entire interest of Veon in the Wind Tre joint venture. The facility matured and was repaid fully by internal funds in November 2018.
- In August 2018, CKHH prepaid a floating rate loan facility of GBP245 million (approximately HK\$2,472 million) maturing in March 2020 and a floating rate loan facility of GBP250 million (approximately HK\$2,523 million) maturing in April 2020.
- In September 2018, CKHH acquired a total of 1,438,000 of its own shares through purchases on the SEHK. The purchased shares were subsequently cancelled. The total amount paid to acquire the shares was approximately HK\$130.4 million and has been deducted from CKHH's share capital and share premium (HK\$130 million) and retained profit (HK\$0.4 million).

- In September 2018, CKHH announced the completion of acquiring the entire interest of Veon in the Wind Tre joint venture. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH. The principal amount of Wind Tre's debts of EUR8,625 million (approximately HK\$78,229 million) and US\$2,000 million (approximately HK\$15,600 million) has been consolidated to CKHH's total debts. In addition, a EUR400 million (approximately HK\$3,628 million) revolving facility remains undrawn.
- In September 2018, listed subsidiary CKI obtained two five-year floating rate loan facilities of US\$300 million (approximately HK\$2,340 million) and US\$200 million (approximately HK\$1,560 million).
- In October 2018, listed subsidiary CKI obtained a three-year floating rate loan facility of HK\$2,000 million and two five-year floating rate loan facilities of HK\$800 million and HK\$1,560 million, respectively.

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, immediately after such reorganisation and combination, then held the non-property related businesses of both groups, and CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited), which, immediately after such reorganisation and combination, then held 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 2018 are summarised below under “Recent Developments”.

Based on the closing price of its shares on the SEHK on 30 June 2018, CKHH had a market capitalisation of approximately HK\$320,959 million (approximately US\$41,149 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, Uglund 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 CK Asset 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 CK Asset 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 UK 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 then 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 CK Asset Holdings Limited, which, prior to the completion of the Spin-off Proposal, was wholly-owned by CKHH. All the CK Asset 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 CK Asset Holdings Limited share for every one CKHH share and CK Asset Holdings Limited was separately listed on the SEHK.

Presentation of financial information for the year ended 31 December 2015 under Statutory Basis

Due to the Reorganisation, the statutory results reported for the year ended 31 December 2015 are not comparable to any subsequent periods 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 year ended 31 December 2015 of HK\$118,570 million, 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\$38,189 million for the year ended 31 December 2015 under statutory basis represented the following:

- Full year's contribution (from January to December 2015) 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 seven months of full consolidated results of Hutchison's businesses continued by CKHH; 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 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 totaling HK\$72,859 million which comprises the gain on distribution in specie arising from the spin-off of CK Asset 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 presented under statutory basis, for the year ended 31 December 2015 (which is derived by adjusting the comparative information in respect of the year ended 31 December 2015 reported in CKHH's consolidated financial statements for the year ended 31 December 2016, incorporated by reference herein) to reflect the effect of a change in presentation of consolidated income statement line items, should be read in conjunction with the selected consolidated financial information set forth under "Selected Consolidated Financial Information" and CKHH's audited consolidated financial statements for the year ended 31 December 2016, its comparative information and related notes thereto that are incorporated by reference in this Offering Circular.

The CKHH financial information for the year ended 31 December 2015 has been included as comparative financial information reported in CKHH's audited consolidated financial statements for the year ended 31 December 2016, incorporated by reference in this Offering Circular.

Presentation of financial information for the year ended 31 December 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 CK Asset 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 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 year ended 31 December 2015.

Reconciliations of the financial information from CKHH statutory results to CKHH Pro Forma results for the year ended 31 December 2015 can be found in the Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results for the year ended 31 December 2015, incorporated by reference in this Offering Circular.

The information presented under the pro forma basis (which has been extracted from the comparative information in respect of the preceding year ended 31 December 2015 reported in CKHH's Financial Performance Summary for the year ended 31 December 2016) should be read in conjunction with CKHH's audited consolidated financial statements for the year ended 31 December 2016, its comparative information and related notes thereto that are incorporated by reference in this Offering Circular with certain information being reclassified to conform to the presentation for the year ended 31 December 2017. Such reclassification can be found in the "Selected Consolidated Financial Information" section.

The following tables showing CKHH's Revenue, EBITDA and EBIT by business divisions for the year ended 31 December 2015 have been prepared under the pro forma basis as if the Reorganisation was effective on 1 January 2015.

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 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 2014 under the five core businesses: ports and related services, retail, infrastructure, energy and telecommunications.

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 CKI, the aircraft leasing business, CK Life Sciences Int'l (Holdings) Inc. ("CKLS"), additional interests in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") 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.

For comparative information purposes for the year ended 31 December 2016, Additional Contributions of the pro forma results for the year ended 31 December 2015 were reclassified and included in each business division to conform with the presentation of CKHH's results for the year ended 31 December 2016.

In addition, the comparative information for the year ended 31 December 2015 has been reclassified to enable a better comparison of performance. The items in "profits on disposal of investments & others" have been reclassified to the respective line items to conform to the 2017 presentation.

Presentation of financial information for years ended 31 December 2016 and 2017 and for six months ended 30 June 2017 and 2018

The results presented for the years ended 31 December 2016 and 2017 and for six months ended 30 June 2017 and 2018 reflected the actual reported consolidated results of CKHH and can be found in the CKHH's audited consolidated financial statements for the year ended 31 December 2017 and unaudited condensed consolidated financial statements for the six months ended 30 June 2018 that is incorporated by reference in this Offering Circular.

The comparative information for the year ended 31 December 2016 and for the six months ended 30 June 2017, have been reclassified to enable a better comparison of performance and to conform to the presentation basis of the 2017 annual and 2018 interim results. The items in “profits on disposal of investments & others” have been reclassified to the respective line items, as well as CKHH’s share of Husky Energy’s revenue reclassification for the first six months of 2017.

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	
	Pro forma 2015 ⁽²⁾	Actual 2016 ⁽²⁾	Actual 2017	Actual 2017 ⁽²⁾	Actual 2018
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Ports and Related Services	34,009	32,184	34,146	16,195	17,591
Retail	151,903	151,502	156,163	73,557	83,874
Infrastructure	55,762	53,211	57,369	25,918	34,225
Husky Energy	40,029	30,467	44,948	19,935	27,315
3 Group Europe	62,799	62,415	70,734	33,215	36,124
Hutchison Telecommunications					
Hong Kong Holdings	22,122	12,133	9,685	5,069	4,021
Hutchison Asia					
Telecommunications	6,900	8,200	7,695	3,829	4,081
Finance & Investments and					
Others	32,066	32,211	34,097	15,941	17,276
Total Revenue ⁽¹⁾	<u>405,590</u>	<u>382,323</u>	<u>414,837</u>	<u>193,659</u>	<u>224,507</u>

(1) To enable a better comparison of underlying performance for each division, total revenue has been adjusted to reflect CKHH’s attributable share of revenue based on the effective shareholding in HPH Trust during the respective financial year.

(2) The comparative information for the years ended 31 December 2015, 2016 and six months ended 30 June 2017 have been reclassified to enable a better comparison of performance and to conform to the presentation basis of the 2017 annual and 2018 interim results. The items in “profits on disposal of investments & others” in 2015, 2016 and first six months of 2017 have been reclassified to Revenue — Finance & Investments and Others, as well as CKHH’s share of Husky Energy’s revenue reclassification for the first six months of 2017 as follows:

	Year Ended 31 December		Six Months Ended 30 June
	Pro forma 2015	Actual 2016	Actual 2017
	HK\$ million	HK\$ million	HK\$ million
Total Revenue as reported in CKHH’s 2015 and 2016 Annual Reports and 2017 Interim Report	396,087	372,686	190,053
- Share of Husky Energy’s revenue*	—	—	(1,249)
- Share of VHA’s revenue*	9,503	9,637	4,855
Total Revenue	<u>405,590</u>	<u>382,323</u>	<u>193,659</u>

* Including consolidation adjustments.

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	
	Pro forma 2015 ⁽²⁾	Actual 2016 ⁽²⁾	Actual 2017	Actual 2017 ⁽²⁾	Actual 2018
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Ports and Related Services	11,964	11,639	12,563	5,706	6,205
Retail	14,838	14,567	14,798	6,527	7,532
Infrastructure	32,291	31,128	33,033	15,841	18,945
Husky Energy	9,375	9,284	8,992	4,002	5,877
3 Group Europe	17,396	18,944	24,337	11,255	12,797
Hutchison Telecommunications					
Hong Kong Holdings	2,911	2,607	4,337	1,309	690
Hutchison Asia					
Telecommunications	1,176	2,298	558	256	346
Finance & Investments and					
Others	4,409	4,058	5,736	1,765	2,958
Total EBITDA⁽¹⁾	<u>94,360</u>	<u>94,525</u>	<u>104,354</u>	<u>46,661</u>	<u>55,350</u>

(1) To enable a better comparison of underlying performance for each division, total EBITDA has been adjusted to reflect CKHH's attributable share of EBITDA based on the effective shareholding in HPH Trust during the respective financial year.

(2) The comparative information for the years ended 31 December 2015, 2016 and six months ended 30 June 2017 have been reclassified to enable a better comparison of performance and to conform to the presentation basis of the 2017 annual and 2018 interim results. The items in "profits on disposal of investments & others" in 2015, 2016 and first six months of 2017 have been reclassified to EBITDA — Finance & Investments and Others as follows:

	Year Ended 31 December		Six Months Ended 30 June
	Pro forma 2015	Actual 2016	Actual 2017
	HK\$ million	HK\$ million	HK\$ million
Total EBITDA as reported in CKHH's 2015 and 2016 Annual Reports and 2017 Interim Report	92,093	91,980	45,311
- Share of VHA's EBITDA*	2,267	2,518	1,350
- Others	—	27	—
Total EBITDA	<u>94,360</u>	<u>94,525</u>	<u>46,661</u>

* Including consolidation adjustments

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	
	Pro forma 2015 ⁽²⁾	Actual 2016 ⁽²⁾	Actual 2017	Actual 2017 ⁽²⁾	Actual 2018
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Ports and Related Services	7,957	7,567	8,219	3,623	3,864
Retail	12,328	12,059	12,089	5,232	5,992
Infrastructure	23,477	22,162	23,449	11,949	13,242
Husky Energy	2,229	3,429	2,703	839	2,761
3 Group Europe	11,664	12,838	16,567	7,510	7,488
Hutchison Telecommunications					
Hong Kong Holdings	1,426	1,055	707	494	284
Hutchison Asia					
Telecommunications	1,176	2,130	226	117	69
Finance & Investments and					
Others	1,952	1,879	3,632	778	1,688
Total EBIT ⁽¹⁾	<u>62,209</u>	<u>63,119</u>	<u>67,592</u>	<u>30,542</u>	<u>35,388</u>

(1) To enable a better comparison of underlying performance for each division, total EBIT has been adjusted to reflect CKHH's attributable share of EBIT based on the effective shareholding in HPH Trust during the respective financial year.

(2) The comparative information for the years ended 31 December 2015, 2016 and six months ended 30 June 2017 have been reclassified to enable a better comparison of performance and to conform to the presentation basis of the 2017 annual and 2018 interim results. The items in "profits on disposal of investments & others" in 2015, 2016 and first six months of 2017 have been reclassified to EBIT — Finance & Investments and Others as follows:

	Year Ended 31 December		Six Months Ended 30 June
	Pro forma 2015	Actual 2016	Actual 2017
	HK\$ million	HK\$ million	HK\$ million
Total EBIT as reported in CKHH's 2015 and 2016 Annual Reports and 2017 Interim Report	62,079	62,414	30,012
- Share of VHA's EBIT*	130	678	530
- Others	—	27	—
Total EBIT	<u>62,209</u>	<u>63,119</u>	<u>30,542</u>

* Including consolidation adjustments.

Ratios and Other Information:

CKHH's EBIT and EBITDA for the six months ended 30 June 2018 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 4.0 times (30 June 2017: 3.8 times) and 6.2 times (30 June 2017: 5.8 times), respectively.

CKHH's EBIT and EBITDA for the year ended 31 December 2017 covered total interest expenses and other finance costs, including share of associates and joint ventures, by 3.8 times (31 December 2016: 4.8 times) and 5.8 times (31 December 2016: 7.1 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 4.5 times and 6.8 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 52 ports comprising 290 operational berths⁽¹⁾ in 26 countries in Asia, the Middle East, Africa, Europe, the Americas and Australasia. In 2017 and in the six months ended 30 June 2018, CKHH's ports and related services division handled combined container throughput of 84.7 million TEU and 40.6 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") and Huizhou International Container Terminals ("HICT");
- Hong Kong, the fifth busiest container port in the world in 2017 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 between HPH Trust and COSCO SHIPPING Ports Limited; as well as COSCO-HIT Terminals ("CHT"), a 50/50 joint venture between HIT and COSCO SHIPPING Ports Limited;
- the Netherlands, where Hutchison Ports holds interests in Europe Container Terminals ("ECT") in Rotterdam, Amsterdam Container Terminals ("ACT") and TMA Logistics ("TMA") 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;
- 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;

⁽¹⁾ Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres, which may be different to the number of physical container berths for vessel mooring. Unless otherwise stated, the number of berths stated elsewhere in this memorandum represented the number of physical berths.

- 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”);
- Thailand, where Hutchison Ports holds interests in Thai Laemchabang Terminal (“TLT”) and Hutchison Laemchabang Terminal (“HLT”) at Laem Chabang;
- 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;
- 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;
- 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;
- Saudi Arabia, where Hutchison Ports holds interests in International Ports Services (“IPS”) at Dammam;
- Egypt, where Hutchison Ports holds interests in Alexandria International Container Terminals (“AICT”), which operates terminals at Alexandria and El Dekheila Ports;
- The United Arab Emirates (“UAE”), where Hutchison Ports holds interests in Hutchison Ajman International Terminals (“HAJT”) in Ajman, Hutchison Ports RAK (“RAK”) in Ras Al Khaimah and Hutchison Ports UAQ (“UAQ”) in Umm Al Quwain;
- Oman, where Hutchison Ports holds interests in Oman International Container Terminal (“OICT”) at the Port of Sohar;
- Iraq, where Hutchison Ports holds interest in NAWAH for Ports Management LLC, a container terminal at the Port of Basra (“Basra”);
- 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;
- Argentina, where Hutchison Ports holds interests in Buenos Aires Container Terminal Services (“BACTSSA”) at the Port of Buenos Aires;
- the Bahamas, where Hutchison Ports holds interests in Freeport Container Port (“FCP”) on Grand Bahama Island;
- 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; and
- Tanzania, where Hutchison Ports holds interests in Tanzania International Container Terminal Services (“TICT”) at Dar es Salaam.

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 2018, A.S. Watson had over 14,400 stores in 24 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

CKI

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, Continental Europe, Australia, New Zealand and North America. As of 30 June 2018, CKI's major interests include:

- a 38.01% interest in Power Assets, a listed company in Hong Kong that holds a 33.37% interest in HK Electric Investments and HK Electric Investments Limited (collectively "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, 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;
- 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 meter 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;

⁽¹⁾ Based on CKHH's profit sharing ratio in CKI.

- 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 treating and recycling 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;
- a 35% interest in ista, a fully integrated energy management services provider that runs submetering businesses across 24 countries, measuring energy and water consumption and the cost allocation for properties. It also sells a range of meter hardware and provides a range of related services such as maintenance, meter reading, data processing and billing;
- 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 Australian Energy Operations Pty Ltd (formerly known as Transmission General Holdings (Australia) Pty Ltd) which holds Transmission Operations (Australia) Pty Ltd (“TOA”) and Transmission Operations (Australia) 2 Pty Ltd (“TOA2”). Both TOA and TOA2 own and operate electricity transmission assets that connect wind turbines to the Victorian power grid. TOA connects the Mt Mercer Wind Farm, located approximately 30 kilometres south of Ballarat, to the grid and TOA2 connects the Ararat Wind Farm, located approximately 180 kilometres northwest of Melbourne and between 9 kilometres to 17 kilometres northeast of Ararat in Victoria, to the grid;
- together with Power Assets, a 72.48% interest (CKI: 44.97%; Power Assets: 27.51%) in Australian Gas Networks Holdings Pty Ltd (“AGN”), 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, a 60% interest (CKI: 40%; Power Assets: 20%) in DUET Group, international owner and operator of energy utility assets, providing low emissions and remote energy generation solutions, gas transmission through the Dampier Bunbury Pipeline in Western Australia and distribution of gas and electricity in Victoria;
- 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 (NZ) Limited (“EnviroNZ”), 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 more than half a million commercial and household customers via collection services, recycling, landfills and transfer stations across the country;

- 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, Ottawa and Winnipeg;
- 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 across the provinces of Alberta and Saskatchewan and oil storage capacity of 4.1 million barrels between Hardisty and Lloydminster. The remaining 35% interest in HMLP is held by Husky Energy, an associated company in which CKHH owns a 40.19% interest;
- a 25% interest in Reliance, which operates in the building equipment services sector providing water heaters, heating, ventilation and air conditioning (“HVAC”) equipment, comfort protection plans and other services to homeowners in Canada and the United States;
- 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 (disposed of in December 2016).

Interests in the six co-owned infrastructure investments (“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 61.33% interest in each of West Gas Networks and Western Gas Networks and therefore also in Wales & West Utilities;
- 50% interest in UK Rails. Including this direct interest, CKHH holds an effective 87.84% interest in UK Rails;
- 35% interest in Dutch Enviro Energy. Including this direct interest, CKHH holds an effective 67.24% interest in Dutch Enviro Energy and therefore also in AVR;
- 27.51% interest in AGN. Including this direct interest, CKHH holds an effective 69.45% interest in AGN; and
- 50% interest in Park’N Fly. Including this direct interest, CKHH holds an effective 87.84% interest in Park’N Fly.

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's business is conducted predominantly through two major business segments: Upstream and Downstream.

- Upstream operations in the Integrated Corridor and Offshore include exploration for, and development and production of, crude oil, bitumen, natural gas and NGL (Exploration and Production) and marketing of Husky Energy's and other producers' crude oil, natural gas, NGL, 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 Alberta, Saskatchewan and British Columbia (Western Canada), offshore the east coast of Canada (Atlantic), offshore China and offshore Indonesia (Asia Pacific).
- Downstream operations in the Integrated Corridor include upgrading of heavy crude oil feedstock into synthetic crude oil in Canada (Upgrading), refining crude oil in Canada, marketing of refined petroleum products including gasoline, diesel, ethanol blended fuels, asphalt and ancillary products, production of ethanol (Canadian Refined Products), and refining in the U.S. of primarily crude oil to produce and market asphalt, 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 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 40.19%.

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 HTHKH which is listed on the main board of SEHK; and Hutchison Asia Telecommunications ("HAT") which consists of telecommunications operations in Indonesia, Vietnam and Sri Lanka; and an approximate 87.87% interest in Hutchison Telecommunications (Australia) Limited ("HTAL").

- **3** Group Europe comprises mobile telecommunications businesses in the UK, Sweden, Denmark, Austria and Ireland, offering mobile telecommunications services under the brand name "Three" or "**3**", and in Italy where Wind Tre S.p.A. ("Wind Tre"), in which CKHH indirectly previously held a 50% interest until it became a wholly-owned operation of CKHH subsequent to the completion of the acquisition by CKHH from Veon the remaining 50% interest in Wind Tre in September 2018, offers mobile telecommunications services under the "Three" or "**3**" and "Wind" brand names, and fixed-line services under the "Infostrada" brand name. As of 30 June 2018, CKHH's **3** Group Europe operations had approximately 51.9 million registered customers.
 - In the UK, Hutchison 3G UK Limited ("**3** UK") serviced a registered customer base of approximately 13.0 million as of 30 June 2018.

- In Italy, Wind Tre, previously a joint venture of which CKHH held a 50% interest, serviced a registered customer base of approximately 28.6 million as well as 2.7 million fixed line customers as of 30 June 2018. In July 2018, CKHH announced that it had reached an agreement to acquire from Veon the remaining 50% interest in the Wind Tre joint venture at a cash consideration of EUR2.45 billion. The transaction was completed in September 2018. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH.
- In Sweden, Hi3G Access AB (“Hi3G Access”), in which CKHH holds a 60% interest, serviced a registered customer base of approximately 2.0 million as of 30 June 2018.
- In Denmark, Hi3G Denmark ApS (“Hi3G Denmark”), in which CKHH holds a 60% interest and a wholly-owned subsidiary of Hi3G Access, serviced a registered customer base of over 1.3 million as of 30 June 2018.
- In Austria, Hutchison Drei Austria GmbH (“3 Austria”) serviced a registered customer base of approximately 3.6 million as of 30 June 2018.
- In Ireland, Hutchison 3G Ireland Limited (“3 Ireland”) serviced a registered customer base of approximately 3.4 million as of 30 June 2018.
- HTHKH, which was listed on the SEHK in May 2009, is a mobile telecommunications operator that provides services in Hong Kong and Macau under the 3 Brand. HTHKH has a combined active mobile customer base of approximately 3.4 million in Hong Kong and Macau as of 30 June 2018.
- HAT holds interests in mobile operations in Indonesia, Vietnam and Sri Lanka. HAT has an active mobile customer base of approximately 64.2 million as of 30 June 2018.
- HTAL, an 87.87% owned subsidiary listed on the Australian Securities Exchange (“ASX”), has a 50% interest in VHA, which serviced an active customer base of approximately 6.0 million (including mobile virtual network operators (“MVNOs”)) in Australia as of 30 June 2018. CKHH’s share of VHA’s results is included under the “Finance & Investments and Others” division. In August 2018, VHA entered into an agreement with TPG Telecom Limited (“TPG”) for a proposed merger of equals to establish a fully integrated telecommunications operator in Australia (the “Merged Group”). The proposed merger is subject to various conditions including shareholder, court and regulatory approvals, and is expected to complete in 2019. Following completion, VHA shareholders will own 50.1% of the equity of the Merged Group and TPG shareholders will own the remaining 49.9%.

Additional Contribution

Post-Reorganisation, CKHH’s interest in HTHKH 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 held the other 50%. In March 2017, CKHH’s 50% interest was disposed of to HTHKH and in October 2017, the 100% interest was disposed of by HTHKH as part of the fixed-line business disposal.

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 (deconsolidated in December 2017), listed associate TOM Group, the Marionnaud Group, AlipayHK, listed associate CKLS and listed subsidiary, HTAL, which has a 50% interest in VHA are reported under this division.

- HWCL operates various manufacturing, service and distribution joint ventures in the Mainland and Hong Kong, and also owns 60.27% of Hutchison China MediTech Ltd ("Chi-Med"), a subsidiary listed on both the AIM Market of the London Stock Exchange in the UK and the Nasdaq Global Select Market ("Nasdaq") in the U.S. Chi-Med is an innovative 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, manufacturing, commercialisation, marketing, sale of, and investment in nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products;
- CKHH has an approximate 36.73% interest in the TOM Group, a media and technology company listed on the SEHK. In addition to its media businesses in publishing and advertising, TOM Group also has a technology platform with operations in e-commerce, social network, mobile internet; and investments in fintech and advanced data analytics sectors;
- CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe; and
- CKHH has a 50% interest in AlipayHK, a consumer-oriented digital app, which integrates online and offline payments for consumers in Hong Kong.

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



Recent Developments

Retail

- In October 2018, CKHH's retail operation A.S. Watson entered into an investment agreement with Yonghui Superstores Co Ltd. ("Yonghui") and Tencent Mobility ("Tencent") to form a new joint venture for the operation of grocery retail business in Guangdong Province in the Mainland. The joint venture will combine A.S. Watson's current PARKnSHOP China supermarket asset with Yonghui's portfolio in Guangdong, to reach a store portfolio of over 70 stores, while Tencent will contribute cash, technology and big data analytical capabilities. A.S. Watson will hold 40% of the joint venture, while Yonghui and Tencent will hold 50% and 10% respectively. Completion of the transaction is subject to regulatory approval.

Infrastructure

- In August 2018, a consortium comprising CK Assets Holdings Limited, CKI and Power Assets agreed to acquire 100% interest in APA Group, owner and operator of energy assets and investments across mainland Australia, which is listed on the Australian Securities Exchange, for an estimated total consideration of approximately A\$13 billion. In November, the consortium announced the proposed acquisition will not proceed as the condition precedent cannot be satisfied.
- In August 2018, CK Assets Holdings Limited, CKI and Power Assets agreed to acquire 90% of the economic benefits of the six Co-owned Infrastructure Investments directly owned by CKHH for a total consideration of HK\$21.6 billion. The transaction was completed in October 2018.
- In September 2018, listed subsidiary CKI obtained two five-year floating rate loan facilities of US\$300 million (approximately HK\$2,340 million) and US\$200 million (approximately HK\$1,560 million).
- In October 2018, listed subsidiary CKI obtained a three-year floating rate loan facility of HK\$2,000 million and two five-year floating rate loan facilities of HK\$800 million and HK\$1,560 million, respectively.

Husky Energy

- On 30 September 2018, Husky Energy announced a proposal to acquire all of the outstanding shares of MEG Energy Corp. ("MEG") for a total equity consideration of C\$3.3 billion and MEG shareholders have an option to receive C\$11 in cash or 0.485 of a Husky share per MEG share (the "Offer"), subject to a maximum aggregate cash consideration of C\$1 billion and a maximum aggregate number of Husky shares issued of approximately 107 million. Including the assumption of approximately C\$3.1 billion of net debt, the implied enterprise value of MEG totals C\$6.4 billion. The Offer will be subject to certain conditions, including that the MEG shares tendered under the Offer constitute more than 66 2/3 percent of the shares of MEG then outstanding, on a fully-diluted basis. The Offer will also be conditional upon receipt of all necessary regulatory approvals, confirmation that the MEG shareholder rights plan will not adversely affect the Offer, no material adverse effect at MEG, and other customary conditions. The Offer will not be subject to any financing conditions, and the cash component of the Offer will be financed through Husky's existing cash resources. The transaction is expected to complete in the first quarter of 2019.
- On 2 October 2018, Husky Energy announced its unaudited results for the three months ended 30 September 2018. Husky Energy reported net earnings of C\$545 million for the three months ended 30 September 2018, representing 300% increase compared to C\$136 million for the three months ended 30 September 2017. The net earnings for the nine months ended 30 September 2018 were C\$1,241 million, compared to net earnings of C\$114 million for the same nine-month period in 2017, which included an after-tax impairment charge of C\$123 million.

3 Group Europe

- In September 2018, CKHH announced the completion of acquiring the entire interest of Veon in the Wind Tre joint venture. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH. The principal amount of Wind Tre's debts of EUR8,625 million (approximately HK\$78,229 million) and US\$2,000 million (approximately HK\$15,600 million) has been consolidated to CKHH's total debts. In addition, a EUR400 million (approximately HK\$3,628 million) revolving facility remains undrawn.
- At a recent spectrum auction held in October 2018, Wind Tre secured 20 MHz of 3.6 — 3.8 GHz spectrum and 200 MHz of 26.5 — 27.5 GHz spectrum at an aggregate cost of approximately EUR517 million (approximately HK\$4,700 million).

Finance & Investments and Others

- In August 2018, VHA entered into an agreement with TPG Telecom Limited ("TPG") for a proposed merger of equals to establish a fully integrated telecommunications operator in Australia (the "Merged Group"). The proposed merger is subject to various conditions including shareholder, court and regulatory approvals, and is expected to complete in 2019. Following completion, VHA shareholders will own 50.1% of the equity of the Merged Group and TPG shareholders will own the remaining 49.9%.

Major Financing Activities and Share Buy-Back

- In August 2018, CKHH obtained a short term bridging loan facility of EUR2,450 million (approximately HK\$22,222 million) for funding its acquisition of the entire interest of Veon in the Wind Tre joint venture. The facility matured and was repaid fully by internal funds in November 2018.
- In August 2018, CKHH prepaid a floating rate loan facility of GBP245 million (approximately HK\$2,472 million) maturing in March 2020 and a floating rate loan facility of GBP250 million (approximately HK\$2,523 million) maturing in April 2020.
- In September 2018, CKHH acquired a total of 1,438,000 of its own shares through purchases on the SEHK. The purchased shares were subsequently cancelled. The total amount paid to acquire the shares was approximately HK\$130.4 million and has been deducted from CKHH's share capital and share premium (HK\$130 million) and retained profit (HK\$0.4 million).

Business Strategy

In the current global economic environment, CKHH focuses 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 exist. 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 cashflow profiles.
- Husky Energy's business strategy is to focus on returns from investment in a deep portfolio of opportunities that can generate increased funds from operations and free cashflow. Husky Energy has two main areas of focus:
 - the Integrated Corridor which includes crude oil, bitumen, natural gas and NGL production from Western Canada, the Lloydminster upgrading and asphalt refining complex, the Prince George Refinery, Husky Midstream Limited Partnership (35% working interest and operatorship), and the Lima, Toledo and Superior refineries in the U.S. midwest. Natural gas production from the Western Canada portfolio is closely aligned with Husky Energy's energy requirements for refining and thermal bitumen production and acts as a natural hedge; and
 - the Offshore business which includes operations, development and exploration in the Asia Pacific and Atlantic. Each area generates high-netback production, with near and long-term investment potential.
- CKHH intends to continue to grow its existing 3 Group Europe businesses, as well as the VHA operation in Australia, and increase profitability through in-market consolidation strategy and the continued realisation of synergies after the acquisitions of Orange Austria and O₂ Ireland. The formation of an equal joint venture, Wind Tre, which merged 3 Italia S.p.A. ("3 Italia") and Wind Telecomunicazioni S.p.A. ("WIND") in Italy, was completed in November 2016 and became the largest mobile operator in Italy by customer numbers. CKHH will closely monitor the integration progress and focus on the successful integration of the legacy business and delivery of the expected merger synergies by Wind Tre. In July 2018, CKHH announced that it had reached agreement to acquire the entire interest of Veon in the Wind Tre joint venture

at a cash consideration of EUR2.45 billion. The transaction was completed in September 2018. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH. In August 2018, VHA entered into an agreement with TPG for a proposed merger of equals to establish the Merged Group. The proposed merger is subject to various conditions including shareholder, court and regulatory approvals, and is expected to complete in 2019. Following completion, VHA shareholders will own 50.1% of the equity of the Merged Group and TPG shareholders will own the remaining 49.9%.

- 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.
- CKHH also aims to organically grow and increase profitability of its existing telecommunications 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.

Ports and Related Services

The ports and related services division comprises 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: Shanghai, the Mainland; Ningbo, the Mainland; Shenzhen, the Mainland; Busan, South Korea and Hong Kong. CKHH also has interests in container terminals operating in the largest port in Europe, Rotterdam, the Netherlands. The division handled combined container throughput of 84.7 million TEU and 40.6 million TEU in 2017 and in the six months ended 30 June 2018, respectively. CKHH currently has interests in 52 ports comprising 290 operational berths⁽¹⁾ in 26 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, and Delta ports and, through its associate HPH Trust, Yantian Port and Huizhou 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 and Thailand. Shipping lines 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.

⁽¹⁾ Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres, which may be different to the number of physical container berths for vessel mooring. Unless otherwise stated, the number of berths stated elsewhere in this memorandum represented the number of physical berths.

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⁽²⁾

	Year Ended 31 December 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	54,461.4	26,434.7
Transshipment	30,211.4	14,165.4
Total	<u>84,672.8</u>	<u>40,600.1</u>
HPH Trust	24,587.4	11,409.6
The Mainland and Other Hong Kong	14,409.0	6,680.5
Europe	15,380.2	7,603.4
Asia, Australia and Others	30,296.2	14,906.6
Total	<u>84,672.8</u>	<u>40,600.1</u>

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 at Phase III expansion 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. Yantian West Port Phase II has been completed and provides three container berths with yard space of 44 hectares. The first berth of Yantian West Port Phase II commenced operation in February 2016, and the other two berths commenced operation in January 2018.

Yantian Port handled throughput of 12.7 million TEU in 2017 and 5.8 million TEU in the six months ended 30 June 2018.

⁽²⁾ 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.

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 2017, 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.

HPH Trust currently holds an effective interest of 40% 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 December 2016, HIT, CHT and ACT HK entered into a Co-Management Agreement for which they will collaborate towards the efficient management and operation of 16 berths across Terminals 4, 6, 7, 8 and 9 in Kwai Tsing, Hong Kong with effect from 1 January 2017.

Throughput of HIT, CHT and ACT HK together amounted to 11.7 million TEU in 2017 and 5.5 million TEU in the six months ended 30 June 2018.

Huizhou International Container Terminals Limited

HPH Trust holds an effective interest of 41.3% in HICT, the first dedicated container terminal in Huizhou Port, which 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 December 2016, Hutchison Ports disposed its 80% interest in HICT to HPH Trust.

In 2017, HICT handled throughput of 211,900 TEU and in the six months ended 30 June 2018 handled throughput of 119,600 TEU.

Ports in the Mainland and Other Hong Kong

Shanghai Ports

Shanghai was the busiest port in the world in terms of container throughput in 2017. Hutchison Ports' interests in Shanghai ports include interests in SMCT, SPICT and SCT. CKHH's Shanghai ports, comprising 17 container berths handled 9.3 million TEU in 2017 and 4.4 million TEU in the six months ended 30 June 2018.

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

Shanghai Ports Container Throughput

	Year Ended 31 December 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	6,933.6	3,346.2
Transshipment	<u>2,376.8</u>	<u>1,083.0</u>
Total	<u>9,310.4</u>	<u>4,429.2</u>

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 container berths at Phase I of the Waigaoqiao 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 2.1 million TEU in 2017 and 0.9 million TEU in the six months ended 30 June 2018.

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 2.1 million TEU and 88,600 tonnes of non-containerised cargo in 2017 and 0.9 million TEU and 22,700 tonnes of non-containerised cargo in the six months ended 30 June 2018.

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 mainly handles non-containerised cargo such as refined oil and cement.

In 2017, HPIC handled 10.5 million tonnes of oil and other non-containerised cargo. For the six months ended 30 June 2018, HPIC handled 5.8 million tonnes of oil 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 1.0 million TEU in 2017 and 0.4 million TEU in the six months ended 30 June 2018.

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 60.78% 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 10 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 September 2016, ECT sold 35% equity interest in ETR to COSCO SHIPPING Ports Limited and Hutchison Ports reduced its interest in ETR from 93.5% to 60.78%.

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

The Netherlands, Germany and Belgium Container Throughput

	Year Ended 31 December 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	5,976.9	3,028.8
Transshipment	<u>2,815.7</u>	<u>1,306.9</u>
Total	<u>8,792.6</u>	<u>4,335.7</u>

Amsterdam Container Terminals. In December 2017, Hutchison Ports acquired the remaining 29.92% interest in ACT in Amsterdam from Nippon Yusen Kabushiki Kaisha and now has a 100% equity interest in ACT which comprises three berths with a total length of 1,015 metres. The operation is currently engaged in general and project cargoes.

TMA Logistics. In December 2017, Hutchison Ports acquired a 50% equity interest in TMA Logistics B.V., which handles general cargo, project cargo and short-sea container traffic together with warehousing, transport and agency operations.

UK

CKHH's UK port operations consist of PFL, LTP and HWH with 11 container berths and 2 non-container berths. CKHH's UK ports handled 4.3 million TEU in 2017 and 2.0 million TEU in the six months ended 30 June 2018. PFL and LTP together handled approximately 41% of the UK container throughput in 2017.

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 920-metre deep water berths 8 and 9 was extended in 2015 and can handle two of the largest container ships afloat concurrently.

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, 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 2017 in thousands of TEU	Six months Ended 30 June 2018 in thousands of TEU
Local	3,870.6	1,713.9
Transshipment	<u>413.8</u>	<u>261.7</u>
Total	<u>4,284.4</u>	<u>1,975.6</u>

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 has a quay length of 1,500 metres. BEST handled 1.8 million TEU in 2017 and 1.0 million TEU in the six months ended 30 June 2018.

Poland

Gdynia Container Terminal. The Port of Gdynia is located on the southern coast of the Baltic Sea, where approximately 95% of Polish sea-borne containerised cargo is handled. Hutchison Ports increased its interest in GCT at the Port of Gdynia from 99.15% to 99.57% in June 2017 and further increased its interest to 100% in July 2017. GCT handled 344,600 TEU in 2017 and 204,300 TEU in the six months ended 30 June 2018.

Sweden

Container Terminal Frihamnen. Hutchison Ports holds the right to operate CTF for 11 years from 1 March 2009 until 31 December 2020. In February 2017, Hutchison Ports signed an agreement with Ports of Stockholm to develop and operate new container-handling facilities at the Port of Nynäshamn, Norvikudden, approximately 60 kilometres south of Stockholm, under a 25-year concession, extendable to 30 years. The right to operate CTF will terminate early if the new facilities are completed before 31 December 2020. CTF handled 60,200 TEU in 2017 and 27,800 TEU in the six months ended 30 June 2018.

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 20 container berths and handled 9.0 million TEU in 2017 and 4.5 million TEU in the six months ended 30 June 2018. Container Terminals 8 and 9 were fully operational during 2017.

Indonesia

Jakarta International Container Terminal. Hutchison Ports has a 49% economic interest in JICT, located at Tanjung Priok Port in Jakarta. JICT is the largest terminal port operator in Indonesia with seven container berths. JICT completed its final phase of the expansion programme in November 2016, which has shortened the gate transaction time, and is delivering 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 container berths. The expansion programme at KOJA has been completed. As a result of the investments associated with this expansion programme, 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:

Indonesia Container Throughput

	Year Ended 31 December 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	2,538.0	1,311.3
Transshipment	166.7	78.9
Total.	<u>2,704.7</u>	<u>1,390.2</u>

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 2017.

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 2.9 million TEU in 2017 and 1.4 million TEU in the six months ended 30 June 2018.

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. Four 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 2.8 million TEU in 2017 and 1.4 million TEU in the six months ended 30 June 2018.

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 five container berths.

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. Operation of the first and second berth of phase one commenced in the fourth quarter of 2016 and in May 2017 respectively. SAPT is situated at the estuary of the Keamari Groyne basin and the new terminal provides convenient access to ships entering Karachi. Upon full completion of the terminal construction, 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.

The terminals in Pakistan handled combined throughput of 1.5 million TEU in 2017 and 0.8 million TEU in the six months ended 30 June 2018 and negotiation for concession extension is underway.

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 berth 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 which operates a container terminal at Berths 11 and 12 in the Port of Brisbane, Queensland, Australia.

Sydney International Container Terminals. Hutchison Ports has a 100% equity interest in SICTL which operates the third container terminal at Port Botany, New South Wales, Australia.

The terminals in Australia handled a combined throughput of 527,600 TEU in 2017 and 233,400 TEU in the six months ended 30 June 2018.

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, roll-on/roll-off cargo and weak-bulk refrigerated cargo at King Abdul Aziz Ports, Dammam, in Saudi Arabia. IPS handled 1.1 million TEU in 2017 and 0.5 million TEU in the six months ended 2018. IPS current concession will expire in 2019 and negotiation for concession extension is underway.

Egypt

Alexandria International Container Terminals. Hutchison Ports has an 80.33% interest in two terminals at Ports of Alexandria and El Dekheila on the Mediterranean Sea. The equity shareholding was increased from 50% to 80.33% following the acquisition of a 30.33% interest in February 2016. AICT handled 747,000 TEU in 2017 and 455,400 TEU in the six months ended 30 June 2018.

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 844,600 TEU in 2017 and 434,700 TEU in the six months ended 30 June 2018. OICT operates Terminal C with a quay length of 970 metres and a depth alongside of 18 metres.

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 166,500 TEU in 2017 and 84,500 TEU in the six months ended 30 June 2018.

Hutchison Ports RAK. Hutchison Ports has a 60% equity interest in RAK. In October 2017, CKHH was granted a 25-year concession period to operate at Saqr Port in Ras Al Khaimah of the UAE, located in close proximity to the RAK Maritime City Free Zone and the industrial zones of Al Hamra and Al Ghail. Currently, it has a quay length of 815 metres and a yard area of 20 hectares.

Hutchison Ports UAQ. Hutchison Ports has a 60% equity interest in UAQ. In December 2017, CKHH was granted a concession to operate in Umm Al Quwain of the UAE. Currently, it has a quay length of 845 metres and a yard area of 23 hectares.

Iraq

NAWAH for Ports Management LLC. In July 2017, Hutchison Ports acquired 51% interest in a container terminal in the Port of Basra, an existing port with a concession of 15 years, extendable for 10 years based on mutual agreement with Port Authority. The Port of Basra is located in downtown Basra City, Iraq, on the banks of Shatt Al Arab River. Currently, it has a quay length of 158 metres and a yard area of 2 hectares.

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 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 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	1,854.1	814.8
Transshipment	245.9	84.3
Total.	<u>2,100.0</u>	<u>899.1</u>

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 211,500 TEU in 2017 and 137,300 TEU in the six months ended 2018. In February 2016, BACTSSA was awarded a new 4-year concession which will expire in May 2020.

The Bahamas

Freeport Container Port. 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 0.9 million TEU in 2017 and 0.5 million TEU in the six months ended 30 June 2018.

Panama

Panama Ports Company. Hutchison Ports has a 90% interest in PPC, 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 8 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 summarises Panama's container throughput:

Panama Container Throughput

	Year Ended 31 December 2017 in thousands of TEU	Six Months Ended 30 June 2018 in thousands of TEU
Local	327.5	161.2
Transshipment	3,888.8	1,622.2
Total	<u>4,216.3</u>	<u>1,783.4</u>

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 501,700 TEU in 2017 and 287,100 TEU in the six months ended 30 June 2018.

Port Related Services

Hutchison Ports owns 50% interest in the port operation of 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 vessels on long-term contracts for maritime transportation of refuse for the Hong Kong Government. HUD also has a structural steel cut and bend facility on the premises.

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 (“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 in Mexico, which provides maintenance, technical support, conservation and repair services to vessels, platforms and other kinds of maritime structures.

Hutchison Ports has a 96.7% equity interest in Terminal Intermodal Logistica de Hidalgo (“TILH”), which operates an intermodal terminal in the Mexican State of Hidalgo, strategically situated near Mexico City.

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 24 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. Currently, CKHH’s interest in A.S. Watson is 75.05%.

All the numbers of stores quoted in the following paragraphs are as of 30 June 2018 unless otherwise specified.

Health & Beauty China

Watsons China is the leading retailers of health and beauty products in the Mainland with 3,377 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 555 stores in Taiwan, 471 in Malaysia, 663 in the Philippines, 237 in Hong Kong and Macau, 482 in Thailand, 105 in Singapore, 92 in Indonesia and 346 in Turkey.

Health & Beauty Western Europe

A.S. Watson owns 7 leading retail chains (Kruidvat, Trepleister, Rossmann, Superdrug, Savers, The Perfume Shop, and ICI Paris XL) with 5,413 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 808 stores. Savers, a chain of discount health and beauty stores in the UK, has 417 stores. The company also owns a specialty perfumery retailer, The Perfume Shop in the UK and Ireland, which comprises 257 perfumery stores in the UK and Ireland.

ICI Paris XL is another leading perfumery chain in Europe with 279 stores in the Netherlands, Belgium, Luxembourg and Germany.

A.S. Watson also owns 3 leading retail chains (Kruidvat, Trekpleister and Rossmann) with 3,652 stores in Western Europe.

Health & Beauty Eastern Europe

A.S. Watson owns 3 leading retail chains (Rossmann, Drogas and Watsons) with 2,236 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 280 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. In the Southern part of the Mainland, PARKnSHOP operates supermarkets, selling fresh food, general merchandise and household products. As of 30 June 2018, there were 56 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 87 Fortress stores throughout Hong Kong and Macau offers a wide range of products and after-sales product services.

Watson's Wine is one of the leading Hong Kong wine retailers with 31 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.

A.S. Watson's "Watsons" brand is one of the leading brands of drinking water in Hong Kong. A.S. Watson's water business continues to develop 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

CKI

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 2018, CKI had a market capitalisation of approximately HK\$154,137 million (approximately US\$19,761 million) and became one of the Hang Seng Index constituents on 14 March 2016.

CKI looks for projects with strong economic fundamentals and prefers to invest in operational projects or in projects that are already under construction in order to benefit from immediate or imminent cashflow and to reduce project development risks. 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 they arise.

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.

⁽¹⁾ Based on CKHH's profit sharing ratio in CKI.

The following table summarises certain information with respect to CKI:

CK Infrastructure Holdings Limited

	Year Ended/ As of 31 December 2017	Six Months Ended/ As of 30 June 2018
Profit attributable to shareholders	HK\$10,256 million	HK\$5,942 million
Earnings per share	HK\$4.07	HK\$2.36
Dividend per share	HK\$2.38	HK\$0.68
Equity attributable to shareholders of CKI — shareholders' funds	HK\$103,473 million	HK\$106,764 million
Net debt	HK\$25,255 million	HK\$21,722 million
Net debt to net capital ratio	17.6%	15.2%

CKI has reduced its interest in Power Assets, a HK-listed associate from 38.87% to 38.01% during 2017.

Power Assets Holdings Limited

Power Assets is listed on the SEHK. Based on the closing price of its shares on SEHK on 30 June 2018, Power Assets had a market capitalisation of approximately HK\$117,064 million (approximately US\$15,008 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 2017 were 10,615 million kWh, a 1.6% decrease from the 10,792 million kWh sold in 2016.

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

In April 2017, Hongkong Electric and HK Electric Investments Limited signed a new SCA with the Hong Kong Government for a period of 15 years commencing 1 January 2019. The agreement provides for a 8% permitted rate of return on average net fixed assets.

Power Assets indirectly holds a 45% interest in three power plants in the Mainland including Zhuhai Power Plant in Zhuhai City, the neighbouring Jinwan 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 an associate 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%);

- 20% interest in Dutch Enviro Energy in the Netherlands (CKI's direct interest: 35%);
- 50% interest in Portugal Renewable Energy (CKI's direct interest: 50%);
- 27.51% interest in AGN (CKI's direct interest: 44.97%);
- 50% interest in Australian Energy Operations Pty Ltd (CKI's direct interest: 50%);
- 20% interest in DUET Group (CKI's direct interest: 40%);
- 50% interest in Wellington Electricity (CKI's direct interest: 50%);
- 50% interest in Canadian Power (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:

Power Assets Holdings Limited

	Year Ended/ As of 31 December 2017	Six Months Ended/ As of 30 June 2018
Profit attributable to shareholders.	HK\$8,319 million	HK\$4,120 million
Earnings per share	HK\$3.90	HK\$1.93
Dividend per share	HK\$16.30 include one-off special dividends HK\$13.50	HK\$0.77
Net cash.	HK\$18,184 million	HK\$3,415 million

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 approximately 8.2 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 and South East of England and water services to approximately 1.8 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 provides services to a 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 meter 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% direct interest in Wales & West Utilities. Including these direct interests, CKHH holds an effective 61.33% 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 more than 2.4 million customers, as well as treating and recycling waste water from 2.4 million customers in the South East of England across Sussex, Kent, Hampshire and the Isle of Wight.

Other European Projects

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 67.24% interest in Dutch Enviro Energy.

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 726 MW.

ista

CKI holds a 35% interest in ista, a fully integrated energy management services provider which provides submetering services across 24 countries and over 12 million homes.

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 865,000 residential and business customers. The network has a route length of over 89,000 kilometres including over 400 zone substations, 75,000 transformers and 745,000 poles;
- Powercor, the owner and manager of the largest electricity distributors in Victoria, Australia, which delivers electricity to more than 794,000 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 Australian Energy Operations Pty Ltd which wholly owns TOA and TOA2. Both TOA and TOA2 own and operate electricity transmission assets that connect wind turbines to the Victorian power grid. TOA connects the Mt Mercer Wind Farm, located approximately 30 kilometres south of Ballarat, and will be connecting the Lal and Lal and Moorabool Wind Farms in 2019, to the grid and TOA2 connects the Ararat Wind Farm, located approximately 180 kilometres northwest of Melbourne and between 9 kilometres to 17 kilometres northeast of Ararat in Victoria, to the grid.

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 24,300 kilometres of natural gas distribution networks and 1,100 kilometres of transmission pipelines serving around 1.3 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 69.45% interest in AGN.

CKI, together with Power Assets, owns a 60% interest (CKI: 40%; Power Assets: 20%) in DUET Group, international owner and operator of energy utility assets, providing low emissions and remote energy generation solutions, gas transmission through the Dampier Bunbury Pipeline in Western Australia and distribution of gas and electricity in Victoria. DUET Group is also an operator of energy utility assets in the U.S., Canada and the UK.

Spark Infrastructure Group

CKI previously 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.

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 over 4,700 kilometres.

Enviro (NZ) Limited

CKI holds a 100% interest of EnviroNZ, 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 more than half a million commercial and household customers via collection services, recycling, landfills and transfer stations across the country.

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, Vancouver and Winnipeg. 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

CKI, together with Power Assets, owns 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 across the provinces of Alberta and Saskatchewan and oil storage capacity of 4.1 million barrels between Hardisty and Lloydminster.

Reliance

CKI holds a 25% interest in Reliance, building equipment services sector providing water heaters, HVAC equipment, comfort protection plans and other services to homeowners in Canada and the United States, serving more than 1.7 million customers.

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 2018.

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

Business	Business Scale	Power Assets' Interest⁽¹⁾	Commencement Date of Operations	Expiration Date
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 2018. 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 2018, 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 as of 30 June 2018:

CKI's Transportation Projects

Business	Business Scale (kilometers "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 as of 30 June 2018. 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 one quarry in operation in 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 4.5 million tonnes of aggregates.

Aircraft Leasing

The aircraft leasing business, which was previously reported in this division, was disposed of in December 2016.

Energy

Husky Energy

CKHH currently holds a 40.19% 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 2018, Husky Energy had a market capitalisation of C\$20,595 million (approximately HK\$121,510 million).

On 26 July 2018, Husky Energy announced its unaudited results for the six months ended 30 June 2018 with net earnings of C\$696 million for the six months ended 30 June 2018 compared to a net loss of C\$22 million for the same period in 2017, which included an after-tax impairment charge of C\$123 million recognised in the first half of 2017. Husky Energy's underlying performance improved significantly during the first half of 2018, benefiting from its integrated business model. Although year on year production volumes were reduced, performance improved primarily due to the higher earnings from crude oil marketing with the widening of the location pricing differentials between Canada and the U.S., higher realised margins for both U.S. Refining & Marketing and Upgrading operations. In Asia, Husky Energy reported strong contributions from natural gas production in Liwan which operates under fixed-price contracts, as well as production ramp up of the liquids-rich BD Project in Indonesia which achieved first gas in the second half of 2017.

Husky Energy's business is conducted predominantly through two major business segments: Upstream and Downstream.

Upstream Operations

- **Thermal Developments**

Husky Energy is building on its thermal expertise by expanding its Lloyd thermal bitumen projects, and ramping up both the Tucker Thermal Project and the Sunrise Energy Project. Husky Energy continued to advance its inventory of thermal projects in the first half of 2018. These long-life developments are being built with modular, repeatable designs and require low sustaining capital once brought online. Total bitumen production, including Lloyd thermal projects, the Tucker Thermal Project and the Sunrise Energy Project, averaged 123,200 barrels per day ("bbls/day") in the second quarter of 2018.

At the Lloyd thermal bitumen projects, Husky Energy is currently developing six 10,000 bbls/day Lloyd thermal bitumen projects, representing a combined design capacity of 60,000 bbls/day.

At Rush Lake 2, first steam is expected in the third quarter of 2018 with production to follow early in the fourth quarter of 2018 and a ramp-up to 10,000 bbls/day design capacity anticipated by the first quarter of 2019.

At Dee Valley, construction of the Central Processing Facility is progressing, with first oil expected in the first half of 2020.

At Spruce Lake Central, site clearing is completed and module fabrication is underway. At Spruce Lake North, site grading is set to begin in the third quarter. Both projects are expected to start production in the second half of 2020.

At the Tucker Thermal Project, production averaged 23,400 bbls/day during the second quarter of 2018 and is continuing to ramp up, with new production from the remaining five wells on a new 15-well pad. Following planned de-bottlenecking work in the third quarter, Tucker is expected to reach a peak daily rate of 30,000 bbls/day by the end of 2018.

At the Sunrise Energy Project, production averaged 49,400 bbls/day (24,700 bbls/day Husky Energy's working interest) during the second quarter of 2018. The project is expected to reach its nameplate capacity of 60,000 bbls/day (30,000 bbls/day Husky Energy's working interest) by the end of 2018.

- Western Canada Oil and Natural Gas Resource Plays

Western Canada continues to execute its resource play strategy to advance developments in the Spirit River formation, in the Ansell and Kakwa areas and Montney formations in the Karr and Wembley areas.

The new Corser gas processing plant is now under construction by Husky Midstream Limited Partnership in the Ansell area of Central Alberta. It is expected to add 120 mmcf/day of processing capacity when it starts up in the fourth quarter of 2019.

- Non-Thermal Developments

Husky Energy is managing the natural decline in Cold Heavy Oil Production with Sand ("CHOPS") operations with an active optimisation programme as well as using waterflooding and polymer injection technology, and enhanced oil recovery.

- Asia Pacific

Asia Pacific consists of the Liwan 3-1, Liuhua 34-2 and Liuhua 29-1 fields on Block 29/26 located offshore China. The Madura Strait, offshore Indonesia, consists of the operating BD field, the MDA, MBH, MDK and MAC developments, and three additional discoveries. Husky Energy has rights to additional exploration blocks in the South China Sea, offshore Taiwan and Indonesia. Husky Energy continues to develop its fixed-price natural gas business offshore China and Indonesia, further protecting the business from commodity price instability.

The Liwan Gas Project includes the natural gas discoveries at the Liwan 3-1, Liuhua 34-2 and Liuhua 29-1 fields within the Contract Area 29/26 exploration block located in the Pearl River Mouth Basin of the South China Sea. Husky Energy has a 49% working interest in the project, and China National Offshore Oil Corporation ("CNOOC") has a 51% working interest. The initial development project of the Liwan 3-1 and Liuhua 34-2 fields was separated into deepwater and shallow water development projects, with Husky Energy acting as deepwater operator and CNOOC acting as shallow water operator. Construction to develop Liuhua 29-1, the third deepwater gas field of the Liwan Gas Project, began in May 2018. All of the major contracts have been executed and detailed design work is underway. Three additional wells are scheduled to be drilled in the fourth quarter of 2018, adding to four previously drilled wells. First gas production from this seven-well development is expected around the end of 2020, with target net production of 45 mmcf/day gas and 1,800 bbls/day liquids when fully ramped up.

Husky Energy's participation in the Wenchang oil field petroleum contract expired in November 2017 and is not entitled to any further production rights.

Husky Energy executed the Production Sharing Contracts (“PSC”) for the exploration blocks, Block 15/33 and Block 16/25 offshore China, with CNOOC in December 2015 and April 2017 respectively. Block 15/33 is located in the Pearl River Mouth Basin in the South China Sea, about 140 kilometres southeast of the Hong Kong Special Administrative Region and Block 16/25 is located in the Pearl River Mouth Basin, about 150 kilometres southeast of the Hong Kong Special Administrative Region. Husky Energy is the operator of both blocks during the exploration phase, with a working interest of 100%. In the event of a commercial discovery, 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. During the second quarter of 2018, two exploration wells were drilled on Block 15/33 in the South China Sea. The first well was a success and demonstrated four oil-bearing zones with a combined net pay thickness of about 70 metres. Husky Energy is progressing commercial development plans following the drilling of the well. The second well, which was drilled on a separate structure, did not encounter commercial hydrocarbons and was written off.

During the second quarter of 2018, Husky Energy and CNOOC signed two PSC for Blocks 22/11 and 23/07 in the Beibu Gulf area of the South China Sea. Block 22/11 covers an area of 1,663 square kilometres with a water depth of 40-80 metres, and Block 23/07 covers an area of 1,210 square kilometres with a water depth of 20-40 metres. Husky Energy is the operator of both blocks with a 100% working interest during the exploration phase. In the event of a commercial discovery, CNOOC may assume a participating partnership interest of up to 51% in either or both blocks for the development and production phases.

Husky Energy and its joint venture partner CPC Corporation have rights to an exploration block in the South China Sea covering approximately 7,700 square kilometres located southwest of the island of Taiwan. Husky Energy holds a 75% working interest during exploration, while CPC Corporation has the right to participate in the development programme up to a 50% interest. Husky Energy is analysing the three-dimensional seismic survey data to identify potential drilling prospects.

Husky Energy has a 40% interest in approximately 622,000 acres of the Madura Strait, located offshore East Java, in Indonesia.

First gas production from the BD Project was achieved during the third quarter of 2017 and the first lifting of NGL occurred in mid-October. Gas is being sold from the onshore gas distribution facility in East Java under a fixed-price gas contract. NGL are produced and stored in the purpose built floating production, storage and offloading vessel (“FPSO”). Gross natural gas production for the BD Project averaged 72 mmcf/day (28.7 mmcf/day Husky Energy’s working interest) and gross NGL production averaged 4,400 bbls/day (1,800 bbls/day Husky Energy’s working interest) during the second quarter of 2018. At the MDA and MBH fields, five MDA field production wells and two MBH field production wells are scheduled to be drilled in the second half of 2018, with the platform topsides already installed on the shallow water jackets. First gas production and sales are expected in the second half of 2019. An additional shallow water field at MDK is scheduled to be tied in following the MDA-MBH startup and is expected to begin production in 2020. The fields will share infrastructure including a floating production vessel, and the processed gas will be tied directly into the East Java subsea pipeline system.

Husky Energy holds a 100% interest in the Anugerah Block, which is located in the East Java Basin approximately 150 kilometres east of the Madura Strait. Husky Energy acquired two-dimensional and three-dimensional seismic survey data on the contract area during 2015. Results from analysis of this and other data are being evaluated to determine the potential for future drilling opportunities.

- Atlantic Region

Husky Energy’s Atlantic exploration and development programme is focused in the Jeanne d’Arc Basin and the Flemish Pass. The Jeanne d’Arc Basin contains the Hibernia, Terra Nova and

Hebron fields, as well as the White Rose field and satellite extensions, including North Amethyst, West White Rose and South White Rose. In the Flemish Pass Basin, Husky Energy holds a 35% non-operated working interest in each of the Bay du Nord, Bay de Verde, Baccalieu, Harpoon and Mizzen discoveries.

The White Rose field is located 354 kilometres off the coast of Newfoundland and Labrador and is approximately 48 kilometres east of the Hibernia oil field on the eastern flank of the Jeanne d'Arc Basin. Husky Energy is the operator of the White Rose field and satellite tiebacks, with a 72.5% working interest in the main field and a 68.875% working interest in satellite extensions. Construction of the concrete gravity structure began in the second quarter of 2018 at the purpose-built graving dock in Argentina, Newfoundland and Labrador. First production is expected in 2022. Husky Energy continues to progress a subsea programme to offset natural reservoir declines through infill drilling and workover operations at the White Rose field and satellite extensions.

The Terra Nova oil field is located approximately 350 kilometres southeast of St. John's, Newfoundland and Labrador. Husky Energy has a 13% non-operated interest in the Terra Nova oil field. The Terra Nova field is divided into three distinct areas, known as the Graben, the East Flank and the Far East.

Husky Energy holds working interests ranging from 5.8% to 100% in 24 Significant Discovery Areas in the Jeanne d'Arc Basin and Flemish Pass Basin, offshore Newfoundland and Labrador, and Baffin Island. In May 2017, Husky Energy announced a new discovery at Northwest White Rose, and evaluation of results is ongoing. A potential development could leverage the SeaRose FPSO vessel, existing subsea infrastructure, and the West White Rose wellhead platform. Husky Energy has a 93.232% ownership interest in this discovery.

Husky Energy continues to evaluate the results of recent drilling programmes in the Flemish Pass where it holds a 35% non-operated working interest in each of the Bay du Nord, Bay de Verde, Baccalieu, Harpoon and Mizzen discoveries. The Canada-Newfoundland and Labrador Offshore Petroleum Board ("C-NLOPB") issued a significant discovery licence for Bay du Nord in November 2017, which covers an area of 13,149 hectares. In November 2017, the C-NLOPB announced that Husky Energy was the successful bidder on a parcel of land in its 2017 land sale (50% Husky working interest). The lands cover an area of 121,453 hectares in the Jeanne d'Arc Basin and are adjacent to Husky Energy's other exploration licences in the basin.

- Infrastructure and Marketing

Husky Energy is engaged in the marketing of both its own and other producers' crude oil, natural gas, NGL, sulphur and petroleum coke production. The Infrastructure and Marketing business 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. Husky Energy is able to capture differences between the two markets by utilising infrastructure capacity to deliver feedstock acquired in Canada to the U.S. market.

On 15 July 2016, Husky Energy completed the sale of 65% of its ownership interest in select midstream assets in the Lloydminster region of Alberta and Saskatchewan for gross proceeds of C\$1.69 billion in cash. The assets are held by Husky Midstream Limited Partnership ("HMLP"), of which Husky Energy owns 35%, Power Assets owns 48.75% and CKI owns 16.25%. Husky Energy remains the operator of HMLP's assets. HMLP has approximately 1,900 kilometres of pipeline in the Lloydminster region, storage at Hardisty and Lloydminster, and other ancillary assets. The pipeline systems transport blended heavy crude oil to Lloydminster, accessing markets through Husky Energy's upgrader and asphalt refinery. The Hardisty Terminal acts as the exclusive blending hub for Western Canada Select. HMLP is in the process of diversifying its operations beyond the Lloydminster and Hardisty area and has commercial support to enter the natural gas

processing segment. During 2017, HMLP commenced the construction of a new 150-kilometre pipeline system in Alberta, which creates additional pipeline capacity to handle the expected growth in Husky Energy's thermal operations in Alberta and Saskatchewan. The construction is ahead of schedule and is expected to be completed in the fourth quarter of 2018.

Downstream

- Upgrading

Husky Energy owns and operates the Lloydminster Upgrader, a heavy oil upgrading facility located in Lloydminster, Saskatchewan with a throughput capacity of 82,000 bbls/day. Lloydminster Upgrader produces synthetic crude oil, diluent and ultra-low sulphur diesel. It is designed to process blended heavy crude oil feedstock into high quality, low sulphur synthetic crude oil.

- 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 bitumen 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.

The Prince George Refinery in British Columbia has a throughput capacity of 12,000 bbls/day and produces low sulphur gasoline and ultra-low sulphur diesel.

Husky Energy is the largest marketer of paving asphalt in Western Canada. The Lloydminster Asphalt Refinery in Lloydminster, Alberta, has a throughput capacity of 29,000 bbls/day and is integrated with the local heavy oil and bitumen production, as well as transportation and upgrading infrastructure.

Husky Energy is the largest producer of ethanol in Western Canada with a combined 260 million litres per year of capacity at plants located in Lloydminster, Saskatchewan and Minnedosa, Manitoba.

Husky Energy is a major regional motor fuel marketer, including bulk plants and travel centres, with strategic land positions in Western Canada and Ontario. In the third quarter of 2017, Husky Energy and Imperial Oil announced completion of transaction to create a single expanded truck transport network of approximately 160 sites.

- U.S. Refining and Marketing

The Lima Refinery in Ohio has a throughput capacity of 165,000 bbls/day and produces low sulphur gasoline, gasoline blend stocks, ultra-low sulphur diesel, jet fuel, petrochemical feedstock and other by-products. The first stage of the crude oil flexibility project was completed in 2016 and the refinery is now able to process up to 10,000 bbls/day of heavy crude oil feedstock. The project is designed to allow for the processing of up to 40,000 bbls/day of heavy crude oil feedstock from Western Canada when completed, providing the ability to swing between light and heavy crude oil feedstock. The full scope of the crude oil flexibility project is expected to be completed by the end of 2019.

Husky Energy holds a 50% interest in the BP-Husky Refinery in Toledo, Ohio with a nameplate throughput capacity of 160,000 bbls/day and produces low sulphur gasoline, ultra-low sulphur diesel, aviation fuels, propane and asphalt. Husky Energy and its partner completed a feedstock optimisation project in 2016, allowing the refinery to process approximately 55,000 to 70,000 bbls/day of high content naphthenic acids ("High-TAN") crude oil to support production from the Sunrise Energy Project. The refinery's overall nameplate capacity remains unchanged.

On 8 November 2017, Husky Energy completed the purchase of the Superior Refinery, a 50,000 barrels per day permitted capacity facility located in Superior, Wisconsin, U.S. for C\$670 million in cash. The refinery produces gasoline, diesel, asphalt and heavy fuel oils. A project to increase the

heavy oil processing capacity at the Superior Refinery is expected to be completed in the first half of 2018. On 26 April 2018, a fire occurred at the Superior Refinery and operations were suspended. An investigation into the cause is ongoing and Husky Energy is making steady progress to secure and stabilise the site. Once the investigation and cleanup are complete, repair work will begin. The refinery is not expected to resume normal operations for at least 18 to 24 months. Husky Energy has insurance to cover business interruption, third-party liability and property damage. During the second quarter of 2018, Husky Energy spent C\$53 million in relation to the incident and derecognised C\$27 million of assets damaged in the incident in the U.S. Refining and Marketing segment. In addition, Husky Energy accrued insurance recoveries for property damage associated with the incident of C\$27 million.

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;
- 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, Sweden, Denmark, Austria, Ireland and the Wind Tre joint venture in Italy (including fixed-line business).

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. CKHH intends to continue to grow its mobile telecommunications businesses and remain profitable, as well as grow profitability through the expansion of data 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;
- Vodafone, one of the world's largest mobile telecommunications companies; and
- VEON, a global provider of telecommunications services.

In July 2018, CKHH announced that it had reached an agreement to acquire the entire interest of Veon in the Wind Tre joint venture at a cash consideration of EUR2.45 billion. The transaction was completed in September 2018. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH.

Hutchison Telecommunications Hong Kong Holdings Limited

Overview

HTHKH operates mobile telecommunications services in Hong Kong and Macau marketed under the **3** brand. In October 2017, HTHKH completed the disposal of its 100% interest in the fixed-line operation for a consideration of approximately HK\$14.5 billion.

Based on the closing price of HTHKH's shares on SEHK on 30 June 2018, HTHKH had a market capitalisation of approximately HK\$13,348 million (approximately US\$1,711 million).

On 25 July 2018, HTHKH announced its unaudited results for the six months ended 30 June 2018. Profit attributable to shareholders from continuing mobile operations amounted to HK\$198 million (US\$25 million) for the six months ended 30 June 2018.

Hong Kong and Macau Mobile

HTHKH provides services to approximately 3.4 million active customers as of 30 June 2018 in Hong Kong and Macau.

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

<u>License</u>	<u>Spectrum Lot</u>	<u>Blocks</u>	<u>Paired/ Unpaired</u>	<u>Available Spectrum</u>	<u>Expiry</u>
900 MHz	8.3MHz	1	Paired	16.6MHz	2020
900 MHz	5MHz	1	Paired	10MHz	2026
1800 MHz	11.6MHz	1	Paired	23.2MHz	2021
2100 MHz	14.8MHz	1	Paired	29.6MHz	2031
2300 MHz	30MHz	1	Unpaired	30MHz	2027
2600 MHz ⁽¹⁾	5MHz	1	Paired	10MHz	2028
2600 MHz ⁽¹⁾	15MHz	1	Paired	30MHz	2024

Note 1: Held by Genius Brand Limited, a 50/50 owned joint venture between HTHKH and Hong Kong Telecommunications (HKT) Limited.

In September 2018, HTHKH exercised a right of first refusal offered by the Communications Authority of Hong Kong and is re-assigned 20MHz of the 1800MHz spectrum band for a 15-year term commencing from 30 September 2021 after expiry of the existing licence. The cost of this spectrum will be dependent upon the results of the spectrum auction that is expected to take place in late 2018.

CKHH's fixed-line operations through Hutchison Global Communications Limited included international business, local carrier business, corporate and SME markets, data centre business and residential market. The operation was disposed of in October 2017.

Hutchison Asia Telecommunications

Overview

HAT currently operates mobile telecommunications services in three markets in Asia: Indonesia, Vietnam and Sri Lanka. 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"). H3I has completed its network upgrade to provide LTE services across Indonesia in 2017 with population coverage of approximately 71% as at 30 June 2018.

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 52.2 million active customers as at 30 June 2018.

Vietnam

In Vietnam, CKHH has been engaged in a mobile operation as part of a business cooperation contract (“BCC”). In October 2016, this operation was converted into a Joint Stock Company (“JSC”) and continues to operate the mobile telecommunications services in Vietnam under the same brand, **Vietnamobile**. Upon the completion of the conversion, CKHH holds 49% of the business. **Vietnamobile** has approximately 8.6 million active customers as at 30 June 2018.

The Vietnam operation provides its 3G services in three major cities, namely Hanoi, Ho Chi Minh and Da Nang. From 2017, the Vietnam operation is expanding its 3G footprint on a nationwide scale as well as starting to launch the LTE services since Q2 2018 in certain regions with high growth potential.

Sri Lanka

CKHH held a 100% equity interest in Hutchison Telecommunications Lanka (Private) Limited, which holds one of the five nationwide mobile telecommunications licences in Sri Lanka. The operation has approximately 3.4 million active customers as at 30 June 2018. In April 2018, CKHH announced that it had reached agreement with Emirates Telecommunications Group Company PJSC (“Etisalat Group”) to merge their mobile telecommunications business in Sri Lanka, operating under Hutchison Telecommunications Lanka (Private) Limited (“Hutch Lanka”) and Etisalat Lanka (Private) Limited (“ESL”) respectively. Upon completion of the transaction, CKHH will have the majority and controlling stake in the combined entity. The transaction was completed in November 2018. Subsequent to the completion, CKHH holds a 85% equity interest in Hutch Lanka.

HTAL, share of VHA (included in Finance & Investments and Others division)

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

On 31 July 2018, HTAL announced its results for the six months ended 30 June 2018 and reported that VHA’s active customer base increased 5.2% to approximately 6.0 million (including MVNOs) at 30 June 2018. Complaints to the Telecommunications Industry Ombudsman were 50% lower than the industry average for the second quarter in 2018.

VHA’s EBITDA increased 6.8% to A\$509.6 million for the six months ended 30 June 2018 and its loss attributable to shareholders increased from A\$81.5 million in the six months ended 30 June 2017 to A\$92.3 million in the six months ended 30 June 2018.

In August 2018, VHA entered into an agreement with TPG for a proposed merger of equals to establish the Merged Group. The proposed merger is subject to various conditions including shareholder, court and regulatory approvals, and is expected to complete in 2019. Following completion, VHA shareholders will own 50.1% of the equity of the Merged Group and TPG shareholders will own the remaining 49.9%. In addition, VHA and TPG have signed a separate joint venture agreement, whereby the joint venture has registered as a participant in the auction for 125 MHz of 3.6 GHz spectrum which has commenced in late November 2018.

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 upgrade their network capabilities and enhance customer experience 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 mobile telecommunications businesses in the UK, Sweden, Denmark, Austria, Ireland and Italy (including fixed-line business). As of 30 June 2018, 3 Group Europe had approximately 51.9 million registered mobile customers and 44.6 million active mobile customers.

In July 2018, CKHH announced having reached agreement to acquire the entire interest of Veon in the Wind Tre joint venture at a cash consideration of EUR2.45 billion. The acquisition will be accretive to earnings and cash flow in the second half of 2018. The transaction was completed in September 2018. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH.

Key Business Indicators ("KBIs")

The KBIs for the 3G businesses of 3 Group Europe as included in CKHH's 2018 Interim Report are as follows:

	Registered Customers					
	Registered Customers at 30 June 2018 ('000)			Registered Customer Growth (%) from 31 December 2017 to 30 June 2018		
	Non-contract	Contract	Total	Non-contract	Contract	Total
UK	6,002	6,960	12,962	+6%	—	+3%
Italy ¹	21,211	7,435	28,646	-5%	+2%	-3%
Sweden	447	1,564	2,011	+26%	-4%	+1%
Denmark	535	809	1,344	+4%	+1%	+3%
Austria	1,098	2,495	3,593	-2%	-1%	-1%
Ireland	2,094	1,287	3,381	+5%	+7%	+6%
3 Group Europe Total . . .	31,387	20,550	51,937	-2%	+1%	-1%

	Active Customers ²					
	Active Customers at 30 June 2018 ('000)			Active Customer Growth (%) from 31 December 2017 to 30 June 2018		
	Non-contract	Contract	Total	Non-contract	Contract	Total
UK	3,297	6,836	10,133	+2%	—	+1%
Italy ¹	19,320	6,906	26,226	-2%	+1%	-1%
Sweden	364	1,564	1,928	+33%	-4%	+1%
Denmark	496	809	1,305	+4%	+1%	+2%
Austria	379	2,486	2,865	-4%	-1%	-1%
Ireland	870	1,261	2,131	-1%	+7%	+4%
3 Group Europe Total . . .	24,726	19,862	44,588	-1%	—	—

	12-month Trailing Average Revenue per Active User ("ARPU") ³ to 30 June 2018			
	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2017
	UK	£5.22	£24.27	£17.97
Italy	€ 11.29	€ 14.89	€ 12.21	-3%
Sweden	SEK120.51	SEK344.93	SEK302.61	+3%
Denmark	DKK89.06	DKK158.37	DKK132.33	-8%
Austria	€ 10.98	€ 23.21	€ 21.53	+2%
Ireland	€ 15.65	€ 24.75	€ 20.89	-7%
3 Group Europe Average⁶	€ 10.39	€ 24.30	€ 17.58	-3%

**12-month Trailing Net Average Revenue per Active User
("Net ARPU")⁴ to 30 June 2018**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2017
UK	£5.22	£17.70	£13.57	-6%
Italy	€ 11.29	€ 14.89	€ 12.21	-3%
Sweden	SEK120.51	SEK223.27	SEK207.78	+1%
Denmark	DKK89.06	DKK143.21	DKK122.87	-10%
Austria	€ 10.98	€ 19.29	€ 18.15	—
Ireland	€ 15.65	€ 20.23	€ 18.28	-7%
3 Group Europe Average⁶	€ 10.39	€ 19.06	€ 14.87	-4%

**12-month Trailing Net Average Margin per Active User
("Net AMPU")⁵ to 30 June 2018**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2017
UK	£4.53	£15.34	£11.76	-7%
Italy	€9.11	€ 12.92	€ 10.09	-3%
Sweden	SEK98.86	SEK189.65	SEK175.96	—
Denmark	DKK73.84	DKK118.19	DKK101.53	-11%
Austria	€9.64	€ 16.50	€ 15.56	+1%
Ireland	€ 13.77	€ 17.48	€ 15.90	-5%
3 Group Europe Average⁶	€ 8.56	€ 16.41	€ 12.61	-4%

Note 1: Italy's customer base as at 30 June 2018 was calculated based on 100% Wind Tre. In addition to the above, Wind Tre has 2.7 million fixed line customers.

Note 2: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

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

Note 4: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

Note 5: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in 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 period.

Note 6: 3 Group Europe ARPU, net ARPU, net AMPU for the six months ended 30 June 2018 and 2017 were calculated based on 50% contribution from Wind Tre joint venture.

UK

CKHH currently has a 100% interest in 3 UK, which is one of four networks licenced to operate a national 3G and 4G (LTE) network in the UK. The current 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 94% at the end of 30 June 2018.

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

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	5MHz	1	Paired	10MHz	Indefinite
1400 MHz	5MHz	4	Unpaired	20MHz	Indefinite
1800 MHz	5MHz	3	Paired	30MHz	Indefinite
1800 MHz	3.5MHz	1	Paired	7MHz	Indefinite
2100 MHz	5MHz	3	Paired	30MHz	Indefinite
2100 MHz	5MHz	1	Unpaired	5MHz	Indefinite
3400 MHz	5MHz	4	Unpaired	20MHz	Indefinite
3.5 GHz	40MHz	1	Unpaired	40MHz	Indefinite
3.6 GHz	84MHz	1	Unpaired	84MHz	Indefinite
3.9 GHz	84MHz	1	Unpaired	84MHz	Indefinite
28 GHz	224MHz	1	Unpaired	224MHz	Indefinite
40 GHz	2000MHz	1	Unpaired	2000MHz	Indefinite

Revenue for the six months ended 30 June 2018 increased by 2% to £1,186 million compared to the same period in 2017. EBITDA for the six months ended 30 June 2018 was £364 million, representing a 7% increase from the same period in 2017, mainly driven by the benefits in total CACs from the adoption of new accounting standard, partly offset by higher cost incurred for UK Broadband acquired in May 2017 and network and IT transformation projects, both pivotal for future revenue growth potential. EBIT remained flat at £197 million for the six months ended 30 June 2018 primarily due to higher depreciation and amortisation from an enlarged asset base and accelerated depreciation charges on certain assets to be replaced under the network and IT transformation projects, offsetting the growth in EBITDA.

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.

In May 2017, 3 UK completed the acquisition of UK Broadband for a total consideration of approximately £300 million. UK Broadband provides wireless home and business broadband services in Central London and Swindon, and has spectrum holdings in the 3.4GHz and 3.6 to 3.8 GHz bandwidths.

Italy

Prior to 5 November 2016, CKHH held a 97.414% shareholding interest in 3 Italia S.p.A., which operated one of four national mobile networks in Italy. The remaining 2.586% shareholding in 3 Italia S.p.A. was held by Private Equity International S.A. ("PE International"), a company belonging to the Intesa Sanpaolo group, one of the leading Italian banking groups.

On 5 November 2016, CKHH and Veon Ltd. ("VEON"), an international telecommunications company whose shares are listed on Nasdaq (symbol: VIP), formed a joint venture company, VIP-CKH Luxembourg S.à r.l. ("VCL"), in which CKHH and VEON each indirectly owned a 50% interest. VCL combined the ownership and operations of the Italian telecommunications businesses of 3 Italia S.p.A. and WIND Acquisition Holdings Finance S.p.A. under VCL's wholly-owned subsidiary, Wind Tre. The combined businesses trade under the "Wind", "Tre", and "Wind Tre Business" brands. As of 30 June 2018, Wind Tre had approximately 28.6 million registered mobile customers, making it the largest mobile operator in Italy measured by customer numbers, and approximately 2.7 million fixed-line customers.

CKHH's 50% interest in VCL includes a 1.293% indirect economic interest in VCL received by PE International in exchange for its 2.586% shareholding in 3 Italia S.p.A. prior to 5 November 2016. CKHH has the right to acquire PE International's 1.293% economic interest in VCL under an option with a mandatory exercise date no later than 25 July 2022.

In July 2018, CKHH announced that it had reached agreement to acquire from Veon the remaining 50% interest in the Wind Tre joint venture at a cash consideration of EUR2.45 billion. The acquisition will be accretive to earnings and cash flow in the second half of 2018. The transaction was completed in September 2018. Subsequent to the completion, Wind Tre became a wholly-owned subsidiary of CKHH.

Wind Tre currently has incurred indebtedness under certain notes and loan facilities (both drawn and undrawn) in an aggregate principal amount of €10.7 billion, which are secured by the shares of capital stock of Wind Tre, certain subordinated shareholder loans advanced to Wind Tre and certain other assets held by Wind Tre.

The results of the telecommunications businesses in Italy included in CKHH's consolidated income statement for 2016 represented approximately ten months results of 3 Italia and its subsidiaries prior to the formation of the joint venture that was completed on 5 November 2016 and CKHH's 50% share of approximately two months results of Wind Tre post completion. In addition, upon formation of the joint venture, accounting standards of CKHH require CKHH to account for the joint venture's assets and liabilities at fair value. Accordingly, adjustments to the results of the telecommunications businesses in Italy were made when CKHH's 50% interest in the joint venture was incorporated into CKHH's consolidated results.

CKHH's share of revenue of the telecommunications businesses in Italy for the six months ended 30 June 2018 decreased by 8% to €1,246 million. EBITDA and EBIT decreased 6% and 23% to €483 million and €294 million respectively, mainly due to customer base shortfall from unfavourable market condition and competition, partly offset by the continued synergy realisation during the period.

Wind Tre holds the following spectrum for use in operating a national mobile network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	5MHz	2	Paired	20MHz	2029
900 MHz	5MHz	2	Paired	20MHz	2029
900 MHz ⁽¹⁾	5MHz	1	Paired	10MHz	2021
1800 MHz	5MHz	4	Paired	40MHz	2029
1800 MHz ⁽¹⁾	5MHz	2	Paired	20MHz	2029
2100 MHz	5MHz	4	Paired	40MHz	2029
2100 MHz ⁽¹⁾	5MHz	2	Paired	20MHz	2029
2100 MHz	5MHz	2	Unpaired	10MHz	2029
2600 MHz	5MHz	4	Paired	40MHz	2029
2600 MHz	15MHz	2	Unpaired	30MHz	2029

Note 1: For divestment to Iliad under the remedy taker contract

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, revenue for the six months ended 30 June 2018 decreased 2% to SEK3,556 million as compared to the same period in 2017 mainly due to market competition and 1% decrease in active customer base. EBITDA of SEK1,161 million increased 3% mainly due to benefits in total CACs from the adoption of new accounting standard and lower operating costs from stringent control, partly offset by lower net customer service margin. EBIT of SEK755 million decreased 6% compared to the same period in 2017 primarily due to higher depreciation and amortisation from an enlarged asset base.

In Denmark, revenue for the six months ended 30 June 2018 decreased 3% to DKK1,076 million as compared to the same period in 2017. EBITDA of DKK366 million and EBIT of DKK208 million decreased 11% and 21% respectively compared to the same period in 2017, mainly due to lower net customer service margin as VAT reclaim was not recognised from August 2017 onwards.

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.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	10MHz	1	Paired	20MHz	2035
900 MHz	5MHz	1	Paired	10MHz	2025
1800 MHz	5MHz	1	Paired	10MHz	2027
2100 MHz	20MHz	1	Paired	40MHz	2025
2100 MHz	5MHz	1	Unpaired	5MHz	2025
2600 MHz	10MHz	1	Paired	20MHz	2023
2600 MHz	50MHz	1	Unpaired	50MHz	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.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz	5MHz	1	Paired	10MHz	2034
1800 MHz	5MHz	2	Paired	20MHz	2032
1800 MHz	10MHz	2	Paired	40MHz	2032
2100 MHz	15MHz	1	Paired	30MHz	2021
2100 MHz	5MHz	1	Unpaired	5MHz	2021
2600 MHz	10MHz	1	Paired	20MHz	2030
2600 MHz	5MHz	5	Unpaired	25MHz	2030

Hi3G Denmark also holds an equal equity interest (25% equity share) with Telenor, Telia and TDC A/S in 4T at 1. Oktober 2012 ApS ("4T DK"). The purpose of the joint venture is to provide mobile payment services in the Denmark market.

Since December 2016, Hi3G Denmark holds an equal equity interest (25% equity share) of OCH A/S with Telenor, Telia and TDC A/S. The purpose of this joint venture is to implement and handle number portability within the Danish telecommunications market.

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.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
900 MHz (from 2016)	5MHz	1	Paired	10MHz	2034
1800 MHz (from 2018)	5MHz	4	Paired	40MHz	2034
2100 MHz	5MHz	5	Paired	50MHz	2020
2100 MHz	5MHz	1	Unpaired	5MHz	2020
2600 MHz	5MHz	5	Paired	50MHz	2026
2600 MHz	25MHz	1	Unpaired	25MHz	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.

Revenue for the six months ended 30 June 2018 of €427 million increased 11% compared to the same period in 2017. EBITDA improved 13% to €193 million arising from a 9% improvement in higher net customer service margin from fixed line operations acquired from Tele2 in November 2017, good cost controls as well as the benefits in total CACs from the adoption of new accounting standard. EBIT remained stable at €122 million for the six months ended 30 June 2018 as a result of higher depreciation and amortisation offsetting the growth in EBITDA.

In November 2017, **3** Austria completed the acquisition of Tele2, a fixed-network provider in Austria, for a total consideration of approximately €100 million.

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 O₂ Ireland for €780 million with an additional deferred payment of €70 million payable dependent upon achievement of agreed financial targets.

Together with the licences acquired following the acquisition of O₂ Ireland, **3** Ireland holds the following spectrum for use in operating its national network.

License	Spectrum Lot	Blocks	Paired/ Unpaired	Available Spectrum	Expiry
800 MHz	5MHz	2	Paired	20MHz	2030
900 MHz	5MHz	3	Paired	30MHz	2030
1800 MHz	5MHz	7	Paired	70MHz	2030
2100 MHz	5MHz	6	Paired	60MHz	2022
2100 MHz	5MHz	1	Unpaired	5MHz	2022
3600 MHz	5MHz	20	Unpaired	100MHz	2032

Revenue for the six months ended 30 June 2018 decreased 3% to €290 million compared to the same period in 2017. EBITDA & EBIT were 22% and 24% respectively higher than the same period last year due to the lower operating cost from disciplined spending, partly offset by decrease in net customer service margin driven by the adverse impact of the EU roaming regulation which more than offset the new price plans implemented on contract customers since the first half of 2017.

Regulation

European Union Regulation

General regulatory and policy background

A key objective of the European Commission (“Commission”) is the creation of the “digital single market” in the EU. The Commission set out its action plan in May 2015 to create such a market in its “Digital Single Market Strategy”, which is made of three main pillars (i) improving access to digital goods and services, (ii) a regulatory environment where digital networks and services can prosper and (iii) digital as a driver for growth. The aim is to create the right environment and conditions for digital networks and services. See below “Proposal for reform of the EU Framework — the European Electronics Communications Code”.

EU telecoms regulatory framework

Individual national regulatory authorities (“NRA(s)”) regulate 3 Group Europe businesses in the EU under national laws, which implement the EU telecoms 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 personal data privacy 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 Commission, as well as processes for collaboration among the NRAs, and between the NRAs and the Commission.

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”. The list is a non-exhaustive list, and NRAs have the discretion to examine other markets not identified by the Commission.

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. Many NRAs have set MT Rate price controls which followed the MT Rates Recommendation and data collected by the NRAs show the weighted average MT Rate in the 28 EU Member States as at January 2018 was 0.8897 eurocents per minute (compared to the weighted average in Europe in 2012 of 2.76 eurocents per minute).

All Mobile Networks Operators (“MNOs”) in Europe, including the 3 Group companies, have been designated as having SMP 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 2018 in which it imposed a three-year price control for April 2018 to March 2021, with the MT Rate currently capped at 0.489 ppm (pence per minute) until March 2019. Regulated rates of 0.480 ppm and 0.471 ppm will apply in each financial year for the periods 2019/20 and 2020/21, respectively; and
- The Italian NRA (“AGCOM”) has regulated down the MT Rates for all MNOs in phases, and as from 1 January 2014 is 0.98 eurocents per minute for all MNOs. Over the years there have been several appeals of the MT Rates by the MNOs. Currently, there is one ongoing appeal by Telecom Italia 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 for these periods may change with respect to that MNO.

In December 2017, AGCOM issued a public consultation about MT Rates for the years 2018/2021 proposing the following glide path for all MNOs and full MVNOs: 0.98 eurocents per minute in 2018, 0.95 eurocents per minute in 2019, 0.92 eurocents per minute in 2020 and 0.89 eurocents per minute in 2021. The results of the consultation process are expected by the end of 2018 and will then be sent to the European Commission for its review. This consultation may result in the MT Rate for 2018 being revised retrospectively from its current rate of 0.98 eurocents per minute.

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.

Proposal for reform of the EU Framework — the European Electronic Communications Code

As part of the Digital Single Market Strategy, the Commission published legislative proposals on 14 September 2016 to revise the EU Framework, the main element of which is a draft directive establishing a European Electronic Communications Code (the “EEC Code”). The EEC Code will replace the EU Framework (other than the directive on e-privacy which is being reviewed separately - see below).

The proposed EEC Code contains provisions to: harmonise further the management of spectrum; lighten regulated access to infrastructure (e.g. fixed-line networks) where the operator has SMP; revise the definition of the universal service obligation; implement new consumer protection rules that would regulate internet based (“over-the-top” or “OTT”) communication services and fully harmonise many consumer protection measures across the EU (e.g. maximum contract periods, rights of termination where customer terms have changed, new rules and transparency measures with respect to bundled packages, mandated one day recipient led number porting); and set a single maximum termination rate for the whole EU. The Commission’s stated objective is to increase the availability of fast broadband connections and the EEC Code contains measures to encourage investment in fast broadband connections, principally fibre. This is partly achieved by lightening the regulation of access to new fibre infrastructure, which may make it more difficult for competitors to access the fibre infrastructure of fixed-line incumbents, including the mobile backhaul services needed by MNOs. The EEC Code also contains provisions that would allow NRAs to impose national roaming or infrastructure sharing to improve coverage of telecoms networks.

The European Parliament and European Council reached agreement on the EEC Code in June 2018, subject to the EU decision-making processes, it is expected that Member States will have two years to transpose the directive into national legislation, implying a date for the new Code to come into force in late 2020.

In addition to the EEC Code, the European Parliament and European Council agreed to formalise and enhance the Body of European Regulators of Electronic Communications (“BEREC”).

International roaming

There is EU regulation which sets price controls on the wholesale international roaming charges for voice, SMS and data roaming 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 European Parliament and Council first adopted a roaming regulation in 2007 which imposed wholesale and retail price caps on international roaming charges for voice calls, and thereafter regulation was extended to SMS and data roaming, with progressively lower wholesale and retail price caps.
- The Telecoms Single Market Regulation that was published on 26 November 2015 amended further the roaming regulation with the aim 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 was equal to the prevailing 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 have been abolished and customers are to 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.
- On 15 December 2016, the Commission adopted an implementing regulation to define the fair use policy and “sustainability” mechanism. The Commission’s fair use policy is the minimum amount of EU roaming services that operators must offer their customers at domestic prices. For roaming traffic that exceeds the fair use limit, retail international roaming prices will be capped at the domestic price plus a surcharge equal to the wholesale cap. The Telecoms Single Market Regulation requires that operators must be able to recover their costs and the sustainability mechanism defines the test that NRAs must apply if an operator claims that it cannot sustainably offer roaming at domestic prices.
- The Telecoms Single Market Regulation also required the Commission to undertake a review of wholesale roaming charges. The latest wholesale caps which came into effect from 1 January 2018 are: 3.2 eurocents per minute for wholesale voice roaming, 1 eurocent per SMS and, for data, EUR 6.00 per gigabyte. The voice and SMS caps will remain unchanged until 30 June 2022 whereas the data cap will decrease in stages down to EUR 2.50 per gigabyte from 1 January 2022.

The amendments to the regulation of roaming that were 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, 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 a local provider of data roaming services (a “local break-out” or LBO provider) from 1 July 2014.

Net neutrality

The Telecoms Single Market Regulation imposes obligations on operators not to discriminate in their treatment of data traffic (commonly referred to as “net neutrality”). The Regulation requires providers of publicly available “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 required BEREC to issue guidelines on the implementation of the obligations and these 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”), and impose 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. NRAs 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 treatment in return for remuneration) with content and application providers related to quality of service.

The Commission is obliged to review the net neutrality provisions of the Telecoms Single Market Regulation and report to the European Parliament and European Council by 30 April 2019.

Spectrum

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 Commission presented a proposal to coordinate the use of the 700 MHz band for mobile services. The European Parliament and European Council approved the regulation on 14 December 2016. It requires Member States to assign the 694—790 MHz band to wireless broadband services by 30 June 2020, with the possibility of an extension of up to 2 years in duly justified cases. The European Radio Spectrum Policy Group has set out its view that the 3400 — 3800 MHz band is likely to be the primary band suitable for the introduction of 5G services across Europe, potentially before 2020. In this regard, the Code sets a target for Member States to release 3400 — 3800 MHz spectrum and at least 1 GHz in the 24.25 — 27.5 GHz spectrum band for 5G by 31 December 2020. The Code does not amend the RSPP decision which remains valid after the entry into force of the Code.

Data protection

The General Data Protection Regulation (“GDPR”) was adopted in April 2016 and came into effect on 25 May 2018, when it replaced the 1995 Data Protection Directive. The GDPR 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 in obtaining consents and to ensure their systems and procedures are compliant (privacy by design and by default), and requires data controllers to maintain a data processing register. Fines for failing to comply with the GDPR can be up to 4% of worldwide annual revenue.

E-privacy

On 10 January 2017, the Commission published its legislative proposals to revise the e-Privacy Directive. The Directive would be replaced by an e-Privacy Regulation that would regulate not only electronic communications services, as is currently the case, but also internet based (OTT) communication services. There is a stricter requirement to obtain consent for the use of personal or meta data, revisions to the requirement to obtain consent for cookies, rules on data breach notification and higher fines for breaches of the Regulation (up to 4% of worldwide annual turnover, in line with the fines in the GDPR). Member States have proposed a range of amendments and it is not clear when the Regulation will be adopted.

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.

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.

CKHH has operations in over 50 countries and conducts businesses in approximately 50 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. 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, that have significant underlying leverage or derivative exposure.

As of 30 June 2018, CKHH's liquid assets totaled HK\$150,443 million (US\$19,288 million) of which 23% were denominated in Hong Kong dollars, 51% in U.S. dollars, 7% in Renminbi, 4% in Euro, 8% in Pound Sterling and 7% 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 57%, government and government guaranteed notes of 17%, notes issued by CKHH's associate Husky Energy of 3%, notes issued by financial institutions of 1% and others of 22%. 80% 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 2.3 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 that are 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 60.27% 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 pharmaceutical products, the manufacturing and trading of consumer detergent products, the distribution of consumer products, and the provision of logistics services.

CKHH is the major shareholder of Chi-Med, which is listed on the AIM and Nasdaq. Chi-Med had a market capitalisation of approximately £3,054 million (approximately HK\$31,850 million) as of 30 June 2018.

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 facilities at Guangzhou's airport and other locations in the Mainland, 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. This operation was disposed of as part of the Gama Aviation Plc acquisition in March 2018;
- Gama Aviation Plc (21.2% interest), a global business aviation services provider listed on the AIM.

- Shanghai Hutchison Whitecat Company Limited (“Whitecat”) (100% interest), which develops and manufactures consumer and industrial detergent products. During 2017, HWCL acquired the 20% non-controlling interest in Whitecat for RMB285 million and increased its shareholding in Whitecat from 80% to 100%. Subsequent to the completion of the return of Whitecat’s manufacturing plant in Shanghai in 2017, a total disposal gain after tax of HK\$1,605 million was recognised; and
- Chi-Med (60.27% interest), a company listed on the AIM and Nasdaq. Chi-Med is an innovative biopharmaceutical company which researches, develops, manufactures and sells pharmaceuticals and healthcare products. In October 2017, Chi-Med completed a secondary offering through new issuance of 11,369,810 American Depository Shares (“ADS”), representing 5,684,905 ordinary shares, at a price of US\$26.5 per ADS, raising gross proceeds of approximately US\$301 million.

E-Commerce Operations

CKHH has invested 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% economic 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).

Hutchison Water

CKHH had a 49% interest in a water desalination project in Israel and is one of the largest desalination plants in the world in terms of capacity. In December 2017, Hutchison Water Group was deconsolidated and is currently an unlisted investment.

On 12 September 2018, Hutchison Water International Holdings Pte. Limited (“HWIH”) completed the sale of its 49% stake in Sorek Desalination Ltd, the concessionaire under a Build-Operate-Transfer Agreement for the financing, design, construction, operation and maintenance of a 150 million m³/year reverse osmosis desalination plant at Sorek Israel, in consideration for approximately NIS 200 million. HWIH continues to hold its 49% stake in the operation and maintenance company of the Sorek plant.

TOM Group

CKHH also has a 36.73% interest in TOM Group, a media and technology company listed on SEHK. In addition to its media businesses in publishing and advertising, TOM Group also has a technology platform with operations in e-commerce, social network, mobile internet; and investments in fintech and advanced data analytics sectors. Based on the closing price of its shares on SEHK on 30 June 2018, TOM Group had a market capitalisation of approximately HK\$8,176 million (approximately US\$1,048 million).

Marionnaud Group

CKHH has a 100% interest in the Marionnaud Group, a luxury perfumery and cosmetic retail chain in Europe. As of 30 June 2018, Marionnaud operates approximately 965 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, manufacturing, commercialisation, marketing and sale of, and investment in nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products. It has business interests in three key divisions: agriculture, nutraceutical and pharmaceutical research and development. Based on the closing price of its shares on SEHK on 30 June 2018, CKLS had a market capitalisation of approximately HK\$5,190 million (approximately US\$665 million).

AlipayHK

CKHH has a 50% interest in AlipayHK, a consumer oriented digital app, which integrates online and offline payments for consumers in Hong Kong. As of 30 June 2018, AlipayHK has over 20,000 retail partnerships and 1.5 million users in Hong Kong.

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 Tzar Kuoi, Victor	54	Chairman, Group Co-Managing Director and Executive Director
FOK Kin Ning, Canning	67	Group Co-Managing Director and Executive Director
Frank John SIXT	66	Group Finance Director, Deputy Managing Director and Executive Director
IP Tak Chuen, Edmond	66	Deputy Managing Director and Executive Director
KAM Hing Lam	71	Deputy Managing Director and Executive Director
LAI Kai Ming, Dominic	65	Deputy Managing Director and Executive Director
Edith SHIH	66	Executive Director and Company Secretary
CHOW Kun Chee, Roland	81	Non-executive Director
CHOW WOO Mo Fong, Susan	64	Non-executive Director
LEE Yeh Kwong, Charles	82	Non-executive Director
LEUNG Siu Hon	86	Non-executive Director
George Colin MAGNUS	82	Non-executive Director
KWOK Tun-li, Stanley	91	Independent Non-executive Director
CHENG Hoi Chuen, Vincent	70	Independent Non-executive Director
The Hon Sir Michael David KADOORIE	77	Independent Non-executive Director
LEE Wai Mun, Rose	65	Independent Non-executive Director
William Elkin MOCATTA	65	Alternate Director to The Hon Sir Michael David Kadoorie
William SHURNIAK	87	Independent Non-executive Director
WONG Chung Hin	85	Independent Non-executive Director
WONG Yick-ming, Rosanna	66	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 twenty members (including Alternate Director) of which 8 are Independent Non-executive Directors (including Alternate Director) and 5 are Non-executive Directors. Set forth below is selected biographical information for each of the Directors:

LI Tzar Kuoi, Victor, aged 54, has been a Director of CKHH since December 2014. He was designated as Executive Director, Managing Director and Deputy Chairman of CKHH in January 2015, re-designated as Executive Director, Group Co-Managing Director and Deputy Chairman of CKHH in June 2015 and has been appointed Chairman and member of the Remuneration Committee of CKHH since 10 May 2018. He joined Cheung Kong (Holdings) Limited ("Cheung Kong (Holdings)") in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman of Cheung Kong (Holdings) since 1994, Managing Director since 1999 and Chairman of the Executive Committee since 2013. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015 and he was re-designated as Director of Cheung Kong (Holdings) and ceased to act as Chairman of the Executive Committee of Cheung Kong (Holdings) in June 2015. He is Chairman, Managing Director and Executive Director of CK Asset Holdings Limited ("CKA", formerly known as Cheung Kong Property Holdings Limited) as well as Chairman of its Executive Committee and member of its Remuneration Committee. He has been an Executive Director of Hutchison Whampoa Limited ("HWL") since 1995 and Deputy Chairman since 1999 and was re-designated as Director in June 2015 upon the privatization of HWL by way of a scheme of arrangement. Mr Li is the Chairman of CKI and CKLS, a Non-executive Director of Power Assets and HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HKEI, a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited ("HKEIL") and Co-Chairman of Husky Energy. Save and except CKA, the aforementioned

companies are either subsidiaries or associated companies of the Group in which Mr Li acts as Chairman, Co-Chairman, Deputy Chairman or Director for the purpose of overseeing the management of such businesses. Mr Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. He serves as a member of the Standing Committee of the 13th 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 Chief Executive's Council of Advisers on Innovation and Strategic Development of the Hong Kong Special Administrative Region ("HKSAR") and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr Li is the Honorary Consul of Barbados in Hong Kong. He was previously a member of the Commission on Strategic Development of the HKSAR. 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 Senior Advisor of CKHH and a substantial shareholder of CKHH within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), and a nephew of Mr Kam Hing Lam, Deputy Managing Director of CKHH. He 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 67, has been a Non-executive Director of CKHH since January 2015 and was re-designated as an Executive Director and Group Co-Managing Director of CKHH in June 2015. Mr Fok has been a Director of Cheung Kong (Holdings) since 1985 and became a Non-executive Director in 1993. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015 and he was re-designated as Director of Cheung Kong (Holdings) in June 2015. Mr Fok has been an Executive Director of HWL since 1984, Group Managing Director since 1993 and was re-designated as Director in June 2015 upon the privatisation of HWL by way of a scheme of arrangement. He is also the Chairman of HTHKH, HTAL, Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of 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 is a director of certain companies controlled by a substantial shareholder of CKHH within the meaning of Part XV of the SFO. Mr Fok 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 66, has been a Non-executive Director of CKHH since January 2015 and was re-designated as an Executive Director, Group Finance Director and Deputy Managing Director of CKHH in June 2015. Mr Sixt has been an Executive Director of Cheung Kong (Holdings) since 1991 and became a Non-executive Director in 1998. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015 and he was re-designated as Director of Cheung Kong (Holdings) in June 2015. He has been an Executive Director of HWL since 1991, Group Finance Director since 1998 and was re-designated as Director in June 2015 upon the privatisation of HWL by way of a scheme of arrangement. He is also the Non-executive Chairman of TOM Group Limited ("TOM"), an Executive Director of CKI, 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 66, has been a Director of CKHH since December 2014 and was designated as an Executive Director and Deputy Managing Director of CKHH in January 2015. He is an Executive Director and a Deputy Managing Director of CKA and a member of its Executive Committee. He has been an Executive Director of Cheung Kong (Holdings) since 1993 and Deputy Managing Director since 2005. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015 and he was re-designated as Director of Cheung Kong (Holdings) in 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 and Hui Xian Asset Management Limited as the manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT"). Save and except CKA and its associated companies, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Ip acts as Director or 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 71, has been an Executive Director and Deputy Managing Director of CKHH since January 2015. He is also an Executive Director and a Deputy Managing Director of CKA and a member of its Executive Committee. Mr Kam has been Deputy Managing Director of Cheung Kong (Holdings) since 1993. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015 and he was re-designated as Director of Cheung Kong (Holdings) in 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 HWL since 1993 and was re-designated as Director in June 2015 upon the privatization of HWL by way of a scheme of arrangement. He is also Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT. Save and except CKA and its associated companies, the aforementioned companies are either subsidiaries or associated companies of the Group in which Mr Kam acts as Director or 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, the Senior Advisor 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 Chairman and Group Co-Managing Director of CKHH.

LAI Kai Ming, Dominic, aged 65, has been an Executive Director and Deputy Managing Director of CKHH since June 2015. Mr Lai has been an Executive Director of HWL since 2000 and was re-designated as Director in June 2015 upon the privatization of HWL by way of a scheme of arrangement. 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, and a member of the Board of Commissioners of PT Duta Intidaya Tbk ("PTDI"). The aforementioned companies are either subsidiaries or associated companies 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.

Edith SHIH, aged 66, has been an Executive Director of CKHH since January 2017. She is also the Company Secretary of CKHH and was the Head Group General Counsel of CKHH from June 2015 to March 2017. She was previously the Head Group General Counsel of HWL from 1993 to June 2015 and has been the Company Secretary of HWL since 1997. HWL was privatized by way of a scheme of arrangement in June 2015 and is currently a wholly owned subsidiary of CKHH. She is a Non-executive Director of HTHKH, Hutchison China MediTech Limited and HPHM as the trustee-manager of HPH Trust. She is also a member of the Board of Commissioners of PTDI. The aforementioned companies are either subsidiaries or associated companies of the Group in which Ms Shih acts as Director for the purpose of

overseeing the management of such businesses. She has over 35 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is at present the International President and Executive Committee member of the Institute of Chartered Secretaries and Administrators in the United Kingdom (“ICSA”) as well as a past President, past council member and current chairperson of various committees and panels of The Hong Kong Institute of Chartered Secretaries (“HKICS”). She is also the Chairman of the Governance Committee and the Remuneration Committee of the Hong Kong Institute of Certified Public Accountants. Ms Shih is a panel member of the Securities and Futures Appeals Tribunal and a member of the Process Review Panel for the Financial Reporting Council. She was a member of the Listing Committee and Corporate Governance Sub-Committee of the SEHK, the Standing Committee on Companies Law Reform as well as the Hong Kong Institute of Certified Public Accountants Council. Ms Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both the ICSA and HKICS. She holds a Bachelor of Science degree in Education and a Master of Arts degree from the University of the Philippines and a Master of Arts degree and a Master of Education degree from Columbia University, New York.

CHOW Kun Chee, Roland, aged 81, has been a Non-executive Director of CKHH since January 2015. He has been a Director of Cheung Kong (Holdings) since 1993 until his resignation in June 2015. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015. He was an Independent Non-executive Director of Cheung Kong (Holdings) prior to his re-designation as a Non-executive Director of Cheung Kong (Holdings) 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.

CHOW WOO Mo Fong, Susan, aged 64, has been a Non-executive Director of CKHH since January 2017. She was an Executive Director and Group Deputy Managing Director of CKHH from June 2015 to July 2016, Senior Advisor of CKHH from August 2016 to December 2016, Executive Director of HWL from October 1993 to June 2015, Deputy Group Managing Director of HWL from January 1998 to June 2015 and Director of HWL from June 2015 to July 2016. Prior to joining HWL, Mrs Chow was a partner of Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. Mrs Chow is an Alternate Director to Directors of CKI, HKEIML as the trustee-manager of HKEI, and HKEIL. She previously served as a member of the Listing Committee of the SEHK, the Joint Liaison Committee on Taxation of the Law Society of Hong Kong, the Committee on Real Estate Investment Trusts of the Securities and Futures Commission, the Trade and Industry Advisory Board, the Court of the Hong Kong University of Science and Technology and the Appeal Boards Panel (Education). Mrs Chow is a qualified solicitor and holds a Bachelor’s degree in Business Administration.

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP, aged 82, has been a Non-executive Director of CKHH since January 2015. Mr Charles Lee has been a Non-executive Director of Cheung Kong (Holdings) since 2013 until his resignation in June 2015. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015. He was a Director of Cheung Kong (Holdings) during the period from August 1972 to March 1997. Mr Charles Lee has also been a Non-executive Director of HWL since 2013 until his resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. He is the President, Chairman of the Board and a Vice Patron of The Community Chest of Hong Kong as well as a member 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 86, has been a Non-executive Director of CKHH since January 2015. He has been a Director of Cheung Kong (Holdings) since 1984 until his resignation in June 2015. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015. He was an Independent Non-executive Director of Cheung Kong (Holdings) prior to his re-designation as a Non-executive Director of Cheung Kong (Holdings) 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 82, has been a Non-executive Director of CKHH since January 2015. He acted as an Executive Director of Cheung Kong (Holdings) since 1980 and Deputy Chairman since 1985 until he retired from these offices in October 2005. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015. He has been a Non-executive Director of Cheung Kong (Holdings) since November 2005 until his resignation in June 2015. Mr Magnus has been an Executive Director of HWL since 1980 and was re-designated as a Non-executive Director since November 2005 until his resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. He served as Deputy Chairman of HWL 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 91, has been an Independent Non-executive Director of CKHH since January 2015 and a member of the Audit Committee of CKHH since March 2015. He was a member of the Remuneration Committee of CKHH from March 2015 to June 2015. He has been a Director of Cheung Kong (Holdings) since 1989 until his resignation in June 2015. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in 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. and Element Lifestyle Retirement Inc..

CHENG Hoi Chuen, Vincent, GBS, OBE, JP, aged 70, has been an Independent Non-executive Director and a member of both the Audit Committee and the Remuneration Committee of CKHH since June 2015. He has been an Independent Non-executive Director of HWL since 2014 until his resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. He is an Independent Non-executive Director of MTR Corporation Limited, Great Eagle Holdings Limited, CLP Holdings Limited, Hui Xian Asset Management Limited as manager of Hui Xian REIT, Shanghai Industrial Holdings Limited and Wing Tai Properties Limited. He was previously an Independent Non-executive Director of China Minsheng Banking Corp., Ltd.. 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 77, has been an Independent Non-executive Director of CKHH since June 2015. He has been a Director of HWL since 1995 until his resignation in July 2015 upon the privatization of HWL by way of a scheme of arrangement. He is the Chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, as well as Heliservices (Hong Kong) Limited.

LEE Wai Mun, Rose, JP, aged 65, has been an Independent Non-executive Director of CKHH since June 2015. She has been an Independent Non-executive Director of HWL since 2012 until her resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. She is also an Independent Non-executive Director and a member of the Remuneration Committee of Swire Pacific Limited, an Independent Non-executive Director and a member of each of the Audit Committee and the Risk Committee of MTR Corporation Limited, Chairman of Nomination Committee for appointment of Council Members as well as Chairman of the Nomination Committee for appointment of Governors and Board Committee Chairmen/Members 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 and a member of the Advisory Committee of the New College of Jockey Club Student Village III of the University of Hong Kong. Ms Lee was previously an Executive Director, Vice-chairman and Chief Executive of Hang Seng Bank Limited and Group General Manager of HSBC Holdings plc. Ms Lee is a Fellow of The Hong Kong Institute of Bankers. She holds a Bachelor's degree in Business Administration.

William Elkin MOCATTA, aged 65, has been an Alternate Director to The Hon Sir Michael David Kadoorie, an Independent Non-executive Director of CKHH, since June 2015. He has been an Alternate Director to The Hon Sir Michael David Kadoorie, former Independent Non-executive Director of HWL, since 1997 until he ceased to be an Alternate Director in July 2015 upon the privatization of HWL by way of a scheme of arrangement. 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, S.O.M., M.S.M., LLD (Hon), aged 87, has been an Independent Non-executive Director and a member of the Audit Committee of CKHH since June 2015. He has been a Director of HWL since 1984 until his resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. 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, the Queen Elizabeth II Diamond Jubilee Medal by the Lieutenant Governor of Saskatchewan in 2012 and the Meritorious Service Medal by Governor General of Canada in 2016.

WONG Chung Hin, CBE, JP, aged 85, has been an Independent Non-executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee of CKHH since June 2015. He has been a Director of HWL since 1984 until his resignation in June 2015 upon the privatization of HWL by way of a scheme of arrangement. Mr Wong is an Independent Non-executive Director of Power Assets. He is a solicitor.

WONG Yick-ming, Rosanna, DBE, JP, aged 66, has been an Independent Non-executive Director of CKHH since January 2015 and the Chairman of the Remuneration Committee of CKHH since March 2015. She has been an Independent Non-executive Director of Cheung Kong (Holdings) since 2001 until

her resignation in June 2015. The listing status of Cheung Kong (Holdings) on the SEHK was replaced by CKHH in March 2015. She was previously an Alternate Director of CKHH and Cheung Kong (Holdings). She is currently a member of the 13th 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 Independent Non-executive Director of HTHKH and The Hongkong and Shanghai Hotels, Limited, the Senior Advisor of The Hong Kong Federation of Youth Groups ("HKFYG") and a Director of RJJ Ideas Limited. She was previously the Executive Director of HKFYG, Non-executive Chairman of the Advisory Committee of The Hongkong Bank Foundation and the Independent Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited. 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.

TAXATION

The following is a general description of certain tax considerations relating to the Securities 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 Securities. Prospective holders of the Securities 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 Securities. Accordingly, payment of principal of (including any premium) and Distribution on, and any transfer of, the Securities 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 Security and gains derived from the sale of the Securities will not be subject to Cayman Islands capital gains tax. The Cayman Islands is 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 Financial Secretary of the Cayman Islands that, in accordance with Section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, for a period of 20 years from 20 September 2018, 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 (2018 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 Securities unless they are executed in or brought into the Cayman Islands.

Where any Global Certificate evidencing the Securities contains a promise to pay, it will be stampable if it is executed in or brought into the Cayman Islands.

United States Taxation

The Securities 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

Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited and Merrill Lynch (Asia Pacific) Limited (the "Lead Managers") have, pursuant to a Subscription Agreement (the "Subscription Agreement") dated 10 December 2018 jointly and severally agreed to subscribe or procure subscribers for the Securities at the issue price of 100 per cent. of the principal amount of the Securities, less a commission 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 Securities. 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 Securities 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 Securities, and agreed that it will offer, sell or deliver the Securities (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 Securities, 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 Securities, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities 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, Securities 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 Securities 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 Securities are aware that such Securities 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 Securities for purposes of resale in connection with their original issue and if it retains the Securities 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) or any successor provision in substantially the same form for purposes of Section 4701 of the U.S. Internal Revenue Code; and
- (d) with respect to each affiliate that acquires from it Securities in bearer form for the purpose of offering or selling such Securities 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 Securities 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 Securities 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 Securities.

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 Securities, 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 Securities, 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 Securities 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

This Offering Circular has been prepared on the basis that any offer of Securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Securities. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Member State concerned.

Each Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Securities under, the offers to the public contemplated in this Offering Circular, or to whom the Securities are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Lead Manager and the Issuer that it and any person on whose behalf it acquires Securities is not a “retail investor” (as defined above).

The Netherlands

Each Lead Manager has represented and agreed that unless the relevant terms of the Securities 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 Securities 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 Securities shall require the Issuer or any underwriter 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

The Securities 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.

Each Lead Manager has represented and agreed that it has not and will not (a) publicly offer, sell or advertise the Securities directly or indirectly in, into or from Switzerland or (b) publicly distribute or otherwise make publicly available in Switzerland this Offering Circular nor any other offering or marketing material relating to the Securities or the offering thereof.

Neither this Offering Circular nor any other offering or marketing material relating to the offering of the Securities, the Issuer, the Guarantor or the Securities 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 Securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of the Securities 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 Securities.

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 Securities in the Republic of Italy and that no Securities may be offered, sold, delivered or distributed nor any copy of this Offering Circular or any other document relating to the Securities 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 Securities nor any copy of this Offering Circular or any other documents relating to the Securities 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 Securities or distribution of any copy of this Offering Circular or any other documents relating to the Securities 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 Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”). Accordingly, each Lead Manager has represented and agreed that it will not offer or sell any Securities, 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 MAS. Accordingly, each Lead Manager has represented and warranted, and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase, nor will it offer or sell the Securities or cause the Securities 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 Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in

Section 4A of the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA and (with effect from 8 January 2019) as modified by the Securities and Futures (Classes of Investors) Regulations 2018) 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 Securities may not be circulated or distributed, nor may the Securities 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 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.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA and (with effect from 8 January 2019) as modified by the Securities and Futures (Classes of Investors) Regulations 2018)) 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 the SFA) or securities-based derivatives contracts (as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

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 Securities 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 Securities or distribute or publish any offering circular, memorandum, 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 Securities by it will be made on the same terms.

GENERAL INFORMATION

1. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Securities is XS1892340826 and the Common Code for the Securities is 189234082.
2. Application will be made to the SGX-ST for the listing and quotation of the Securities 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 Securities. However no assurance is made that the application to the SGX-ST or such other stock exchange will be approved. The settlement of the Securities 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 Securities 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 Securities 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 Securities will be traded in a minimum board lot size of €200,000 so long as any of the Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any of the Securities 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 Securities may be presented or surrendered for payment or redemption, in the event that any of the Global Certificates is exchanged for definitive Securities. In addition, in the event that any of the Global Certificates is exchanged for definitive Securities, 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 Securities, 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 Securities, except as disclosed in this Offering Circular. The issue of the Securities was approved by resolutions of the Issuer passed on 8 October 2018, and the giving of the Guarantee of the Securities by the Guarantor was authorised by resolutions of the Guarantor passed on 8 October 2018.
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 2018 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 audited non-consolidated financial statements.
8. The Securities 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 Securities:
 - (a) the Subscription Agreement dated 10 December 2018 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 Certificate and the Permanent Global Certificate.
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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