

Fax Transmission

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Attached please see three pages of response that Mr Li Ka-shing made to the recent groundless allegations.

Please contact us if you have any inquiries.

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Mr Li Ka-shing would like to respond to recent misleading viewpoints criticizing our Group of withdrawing from China, which generated immense interest and discussion in the media and on the internet.

Mr Li is grateful to a lot of his friends from China, Hong Kong and all over the world who have repeatedly expressed to him their trust, support and concern. Mr Li understands that "Broader Freedom of expression gives voice to everyone - regrettably even for false accusations". The following summarises our response to the many questions as requested by the media.

1. Why have you not responded earlier amidst the barrage of criticisms?

We want to avoid this wave of misinformation thwarting President Xi Jinping's message on deepening of economic reforms during his state visit to USA. President Xi has on many occasions stressed that China will stay committed to the path of reforms and opening up; we are vigilant not to let these unfounded allegations escalate to cause investors' concerns and militate against President Xi's positive message to the business community and investors at large. Mr Li believes that the Chinese government is dedicated to deepening of economic reforms and openness. The dated viewpoints and negative language used in the article are not representative of the progressive economic policies of the Chinese government.

This is our first response to the brouhaha, other articles circulating on the web are not responses from us.

2. How can you deny withdrawing when you are selling mainland property developments?

For over ten years, over 70% of the companies listing in Hong Kong (including Mainland State Owned Enterprises) have chosen to register using BVI vehicles. The reason for companies to choose this method is for greater flexibility. The reorganisation of our Group using Cayman Islands companies does not change the fact that the Group is still registered and listed in Hong Kong. Mr Li, through the reorganisation process has not reduced his holdings nor reaped any proceeds, therefore there is no truth in the "withdrawal" accusations.

Furthermore, proceeds from normal business activities are returned to the Company's shareholders. The Company, as always, will continue to look for investment opportunities around the world including Mainland China. Over the past two years, the Group has been more prudent towards property investments as certain property markets in the Mainland have

supply and demand imbalances. To date, the Group property projects are about 20 million square meters gross floor area.

90% of the land acquisitions of our Group in Mainland China are through auctions and 90% of the properties developed (with the exception of hotel projects) are sold. Only a very small portion is kept for rental revenues. The Group has never hoarded empty lots, we are always eagerly awaiting to take possession of the land we auctioned for development. Reducing property investments does not imply we are not investing in the Mainland.

Our Group has over 13,000 retail stores worldwide and over the past 24 months, the Group has grown its number of retail stores in the Mainland rapidly by 77% from 1300 to 2300 stores.

Chinese leaders have likened the deepening of economic reforms and innovations to the morphing nature of the bird cage and the cyclically regeneration or rebirth of the phoenix. Our Group has always been on the lookout globally for investment opportunities and support innovation, we will continue to invest in ports, infrastructure, retail, technology and financial opportunities.

One Belt, One Road (also known as the Belt and Road Initiative) development strategy as outlined by President Xi encourages companies to broaden investments outside China. Since 1980s, Hutchison has been proactive in seizing global investment opportunities in telecom, ports, natural resources, retail, water, grid, real estate, leasing and to date is operating in 52 countries.

3. Has Mr Li's relationship with the Central Government turned sour now that official Mainland media have repeatedly criticized him?

We are confident that the leadership in China is and will commit to improving governance and continue on a path of economic reform. Individual viewpoints expressed in the article are not in line with the reform sentiments.

4. What is Mr Li's response to criticism that he is "unpatriotic"?

Mr Li grew up amid the turmoil of war - the great tug of war with destiny and the taste of poverty are memories hard to forget. Now we are witnessing the phenomenal growth of China, He believes together we can build a wonderful world for everyone, for generations to live with dignity, freedom and happiness in our beautiful and beloved country.

These false accusations pained him, but he can always find solace in the words of great poets Su Shi and Bai JuYi, "Home is where the heart dwells and home is where one's heart can find peace."

"Changing Times, Unchanging Promise" was the guideline of the Li Ka Shing Foundation Mr Li founded in 1980. In 2006, he announced that he considers the Foundation to be his "third son", and pledged to donate one-third of his assets, or about US\$9 billion, to the Foundation. The Foundation is committed to cultivating a culture of giving, and has granted over HK\$17 billion, 87% of which benefits projects in the Greater China region. Whether in the past, present or future, Mr Li dedicates a vast amount of his personal time and effort to advancing initiatives that benefit China and her people.

Shantou University, one of the Foundation's keystone projects, is collaborating with Technion – Israel Institute of Technology, to instigate reforms in the mainland's tertiary education sector and to spearhead the country's innovation industries into the future.

Initiatives dedicated to advancing medical research and services for a healthier world also continue to be a primary focus of the Foundation. Major projects include "Heart of Gold" – National Hospice Service Program, Project New Life, to provide free cleft lip and palate operations for children from impoverished families, and Cheung Kong New Milestone Program, to support people with disabilities.