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**CHEUNG KONG PROPERTY HOLDINGS LIMITED**  
**長江實業地產有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1113)



**長江和記實業有限公司**  
**CK HUTCHISON HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1)

**CONNECTED TRANSACTION AND  
DISCLOSEABLE TRANSACTION**

**CONNECTED TRANSACTION**



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

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 1038)

**CONNECTED TRANSACTION**

**(A) JOINT ANNOUNCEMENT RELATING TO  
THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY**

**(B) PROPOSED CHANGE OF COMPANY NAME OF  
CHEUNG KONG PROPERTY HOLDINGS LIMITED**

**A. The sale and purchase of 25% interest in the Project Company**

The CKPH Board, the CKHH Board and the CKI Board jointly announce that on 14 July 2017, the Vendor (an indirect wholly-owned subsidiary of CKPH), the Purchaser (an indirect wholly-owned subsidiary of CKI) and CKI (as guarantor of the Purchaser) entered into the Sale and Purchase Agreement, pursuant to which, conditional upon the obtaining of the CKPH Shareholders' Approval, the Vendor has agreed to dispose of 25% equity interest in the Project Company to the Purchaser by (i) the sale and purchase of the Sale Shares; and (ii) the assignment of the Note. It is also a term in the Sale and Purchase Agreement that the Vendor, the Purchaser, CKPH, CKI and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the CKPH Group and the CKI Group therein upon Closing.

The implication of the Transaction on each of CKPH, CKI and CKHH under the Listing Rules are as follows:

**CKPH**

The Transaction will result in the assets of the Project Group not being consolidated in the accounts of CKPH. Accordingly, 100% of the Project Group's total assets, profits and revenue will be taken for the calculation of size tests as required under Rule 14.28 of the Listing Rules, irrespective of the size of the interest being disposed of.

As one or more of the applicable percentage ratios of CKPH under the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for CKPH and is subject to CKPH's compliance with the announcement and notification requirements but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust currently directly and/or indirectly hold an aggregate of approximately 31.47% of the issued share capital of CKPH and an aggregate of approximately 30.16% of the issued share capital of CKHH. CKHH has been deemed by the Stock Exchange to be a connected person of CKPH under the Listing Rules. As CKHH currently holds approximately 71.93% of the issued share capital of CKI, CKI may also be regarded as a connected person of CKPH by virtue of it being a subsidiary of CKHH. Therefore, the Transaction also constitutes a connected transaction for CKPH under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of CKPH under the Transaction exceed 5%, the Transaction is subject to CKPH's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **CKI**

Given that Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor (who is a director of CKI) and the Trust have been deemed as a group of connected persons by the Stock Exchange and they currently directly and/or indirectly hold an aggregate of approximately 31.47% of the issued share capital of CKPH, CKPH may be regarded as a connected person of CKI under the Listing Rules. Therefore, the Transaction constitutes a connected transaction for CKI under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of CKI under the Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Transaction is subject to CKI's compliance with the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **CKHH**

CKPH has been deemed by the Stock Exchange to be a connected person of CKHH under the Listing Rules. Accordingly, the entry into of the Transaction by CKI, which is a subsidiary of CKHH, with CKPH constitutes a connected transaction for CKHH under the Listing Rules.

As one or more of the applicable percentage ratios of CKHH under the Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Transaction is subject to CKHH's compliance with the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**As the Transaction is conditional upon the obtaining of the CKPH Shareholders' Approval, the Transaction may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of CKPH, CKI and CKHH.**

#### **B. Proposed change of company name of Cheung Kong Property Holdings Limited**

The CKPH Board further announces that with a view to aligning CKPH's name with the name of the other listed companies within the CK group and to better reflect CKPH's strategy to achieve long-term sustainable business growth and value creation for the CKPH Shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue, such as infrastructure investment, property investment, and aircraft leasing, it is proposed that the English name of CKPH be changed to "CK Asset Holdings Limited" from "Cheung Kong Property Holdings Limited", and the Chinese name of CKPH be changed to "長江實業集團有限公司" from "長江實業地產有限公司".

The Change of Company Name is conditional upon (i) the approval of the change of name by the CKPH Shareholders by way of a special resolution at the CKPH EGM; and (ii) the approval of the proposed new name by the Registrar of Companies in the Cayman Islands.

C. Circular to CKPH Shareholders

A circular containing, among other things, further details of the Transaction and the Change of Company Name is expected to be despatched to the CKPH Shareholders on or about 8 August 2017. The circular will be despatched more than 15 Business Days after the publication of this announcement as additional time is required to arrange the independent board committee meeting of CKPH, and prepare the IFA Letter and the letter from the independent board committee of CKPH.

A. **THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY**

1. **INTRODUCTION**

Reference is made to the announcement of CKPH dated 31 March 2017 in relation to the Acquisition. Completion of the Acquisition took place on 13 July 2017.

The CKPH Board, the CKHH Board and the CKI Board jointly announce that on 14 July 2017, the Vendor (an indirect wholly-owned subsidiary of CKPH), the Purchaser (an indirect wholly-owned subsidiary of CKI) and CKI (as guarantor of the Purchaser) entered into the Sale and Purchase Agreement, pursuant to which, conditional upon the obtaining of the CKPH Shareholders' Approval, the Vendor has agreed to dispose of 25% equity interest in the Project Company to the Purchaser by (i) the sale and purchase of the Sale Shares; and (ii) the assignment of the Note. It is also a term of the Sale and Purchase Agreement that the Vendor, the Purchaser, CKPH, CKI and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the CKPH Group and CKI Group therein upon Closing.

The principal terms of the Sale and Purchase Agreement and the Shareholders' Agreement are set out below.

2. **THE SALE AND PURCHASE AGREEMENT**

On 14 July 2017, the Vendor (an indirect wholly-owned subsidiary of CKPH), the Purchaser (an indirect wholly-owned subsidiary of CKI) and CKI (as guarantor of the Purchaser) entered into the Sale and Purchase Agreement for the Shares Transfer and the Note Assignment.

(a) **Asset being acquired**

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 25% of the equity interest in the Project Company by the sale and purchase of the Sale Shares and the assignment of the Note as and from the Closing Date.

**(b) Guarantee given by CKI**

CKI has agreed to unconditionally, absolutely, continuingly and irrevocably guarantee to the Vendor the timely payments of the price payable by the Purchaser to the Vendor for the Sale Shares and the Note Assignment, being an amount equal to the Consideration (the “Purchaser Liabilities”), on Closing, in the event the Purchaser has failed to pay the Purchaser Liabilities on the Closing Date.

**(c) Consideration**

The Consideration shall be approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million), which comprises the following:

- (i) an approximate amount of C\$285.97 million (equivalent to approximately HK\$1,754.43 million), being the consideration for the Shares Transfer; and
- (ii) an approximate amount of C\$428.95 million (equivalent to approximately HK\$2,631.61 million), being the principal amount of the Note

and any accrued and unpaid interest, net of any applicable taxes, on the Note as of the Closing Date.

The Consideration shall be paid by the Purchaser to the Vendor on the Closing Date in immediately available funds by wire transfer.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser, and was based on cost, being the amount which the Vendor has paid for the Sale Shares and the principal amount of the Note (the aggregate of which has been paid by the Vendor to the Project Company to satisfy 25% of the consideration and transaction costs for Acquisition and the working capital of the Project Group).

**(d) Closing**

Subject to the satisfaction of the condition as set out below, the Closing will take place on the day which is five (5) Business Days after fulfilment of the condition (or such other date as agreed by the Purchaser and the Vendor).

Upon Closing, the Vendor, the Purchaser, CKPH, CKI and the Project Company will enter into the Shareholders’ Agreement and the principal terms thereof are stated under the section headed “A.3. The Shareholders’ Agreement” in this announcement.

**(e) Condition**

The Closing is conditional upon the obtaining of the CKPH Shareholders’ Approval in respect of the sale of the Sale Shares and the Note Assignment and the transactions contemplated under the Sale and Purchase Agreement as required under the Listing Rules.

**3. THE SHAREHOLDERS’ AGREEMENT**

Upon Closing, CKPH, CKI, the Vendor, the Purchaser and the Project Company will enter into the Shareholders’ Agreement to govern the operation and management of the Project Group and the relationship between the CKPH Group and CKI Group therein.

(a) **Funding and Guarantees**

None of the members of the CKPH Group and CKI Group shall be obliged to (i) make, or procure any of their subsidiaries to make, any loans to the Project Company; (ii) subscribe, or procure any of their subsidiaries to subscribe, for any share capital or other securities of the Project Company; and (iii) give, or procure any of their subsidiaries to give, any guarantee, indemnity or other assurance in respect of the liabilities or obligations of the Project Group.

(b) **Board Composition**

Each of CKPH and CKI shall be entitled, but not obliged, to nominate for election one director of the Project Company in respect of each complete 25% of the Project Shares which it owns (either directly or indirectly through its subsidiaries). CKPH and CKI may also agree to appoint additional director on the board of the Project Company.

CKPH shall be entitled to nominate one of its nominated directors to be the chairman of the board of the Project Company.

(c) **Quorum of Board Meeting**

Subject to the applicable law and the articles of the Project Company, the quorum for the transaction of business at any board meeting of the Project Company shall be at least one director nominated by each of CKPH and CKI is present. If a quorum is not present or ceases to be present at a board meeting, the board meeting shall be adjourned. The quorum at the adjourned meeting shall be any 2 directors present.

(d) **Board Voting**

Save for the reserved matters for the board meeting of the Project Company as set out in the section headed “(f) Reserved Matters” below, a decision of the board of the Project Company shall be taken by a simple majority of the directors present and entitled to vote. The chairman of the board of the Project Company shall have a second or casting vote when there are equal votes for and against any resolution in meetings of the board.

(e) **Shareholders’ Meeting**

The quorum for any meeting of the shareholders of the Project Company shall be one person representing each of CKPH and CKI present in person. If a quorum is not present or ceases to be present at a shareholders’ meeting, the shareholders’ meeting shall be adjourned. The quorum at the adjourned meeting shall be any holder of the Project Shares controlling not less than 51% of the Project Shares present in person.

(f) **Reserved Matters**

**For shareholders’ meeting of the Project Company**

Each of CKPH and CKI shall exercise its rights and powers (whether held directly or indirectly through its subsidiaries) in respect of each member of the Project Group so as to procure that none of the member of the Project Group shall, subject to applicable law, transact any of the business set out below without the prior written approval of holders of the Project Shares controlling more than 85% of the votes able to be cast at a meeting of the shareholders of the Project Company called to consider the matter:

- (i) amend the articles, by-laws and other constitutional documents of the Project Company;
- (ii) the creation or issue of any Project Shares to any person other than a subsidiary of the Project Company or the grant of any option over any Project Shares, except to the extent necessary to avoid or cure an event of default under the terms of any banking facilities of the Project Group and in such case any Project Shares to be issued shall first to be offered to either CKPH and/or CKI on identical terms pro rata to their shareholding (either directly or indirectly through their respective subsidiaries) in the Project Company, with any Project Shares not taken up being offered round to accepting shareholders (or their subsidiaries) pro rata to their shareholding in the Project Company before being offered to persons other than CKPH and/or CKI;
- (iii) the capitalization, repayment or other form of distribution of any amount standing to the credit of any reserve or the redemption of any Project Shares or any other reorganization of its share capital;
- (iv) the making of any petition or passing of any resolution for winding-up or liquidation or the making of an application for an administration order;
- (v) for so long as CKI (either directly or indirectly through its subsidiaries) holds not less than 25% of the Project Shares in issue:
  - (a) approve annual business plan, annual budget or any amendments thereto from time to time;
  - (b) approve any financing arrangement or plan to change the gearing ratio of the Project Group, which could reasonably result in the lowering of the credit rating of the Project Group; or
  - (c) approve the appointment of chief executive officer and chief financial officer of the Project Group;
- (vi) amend the dividend and distribution policy such that it would result in the distribution of less than 50% of the free cash flows of the Project Group, or declare a dividend that distributes less than 50% of the free cash flow of the Project Company; or
- (vii) expand or change the nature of the business of the Project Group to any new business or, new jurisdiction in which the business is to be carried on by the Project Group but only if such business involves investment by the Project Group exceeding the value of 2% of the Equity Contribution.

**For board meeting of the Project Company**

Each of CKPH and CKI shall exercise its rights and powers in respect of each member of the Project Group (and procure that each of the directors which it nominates to the board of any member of the Project Group, shall exercise his rights and powers) so as to procure that none of the members of the Project Group shall, subject to applicable law, transact any of the business set out below unless with the approval of the board of the Project Company by affirmative votes of more than eighty-five (85%) of the votes of the directors of the Project Company at a meeting of the board of the directors of the Project Company:

- (i) any change to the dividend and distribution policy that would result in the distribution of less than 50% of the free cash flows of the Project Group;
- (ii) any purchase by the Project Company of its own shares;
- (iii) the acquisition of any assets or business which are not related to the operation of the business of the Project Group where the assets or business to be acquired have a value in excess of 2% of the Equity Contribution or the disposal of any assets or part of the business of the Project Group which is likely to prejudice the operation of the business;
- (iv) entering into any contract, whether for the provision of services or for the acquisition or disposal of any assets or otherwise, involving payments by or to any member of the Project Group or the assumption by any member of the Project Group of liabilities in excess of 2% of the Equity Contribution in aggregate;
- (v) any member of the Project Group borrowing money in excess of 2% of the Equity Contribution per annum in aggregate (acknowledging that any such borrowing may only be made to the extent permitted by banking covenants and required for the ordinary course of the business of the Project Group or as the case may be any of its subsidiaries);
- (vi) the creation of any material mortgage, charge, lien or encumbrance on any assets; or
- (vii) the settlement or compromise of any legal dispute or proceedings involving the payment or receipt of 2% of the Equity Contribution or more in aggregate in any one year.

**(g) Dealing with transfer of Project Shares**

Unless the consent of the other party (i.e. CKPH or CKI (as the case may be)) in writing is obtained, or the transfer is in accordance with the terms of the Shareholders' Agreement or the transfer is within the same group of companies of either CKPH or CKI, each of CKPH and CKI undertakes to the other that, during the continuance of the Shareholders' Agreement, it shall not and shall procure that each of its subsidiaries shall not:

- (i) mortgage, pledge or otherwise encumber its interest in the whole or any of the Project Shares;
- (ii) sell, transfer or otherwise dispose of all or any of its Project Shares or any interest therein or assign or otherwise purport to deal therewith or with any interest therein;
- (iii) enter into any agreement with respect to the voting rights attached to all or any of its Project Shares; or
- (iv) agree, whether conditionally or otherwise, to do any of the foregoing.

**(h) Pre-emption Rights**

Unless CKPH or CKI is transferring the Project Shares to any member of its respective groups or otherwise as permitted under the Shareholders' Agreement, either CKPH or CKI shall first offer such Project Shares to the other prior to its disposal.

**(i) Appointment of CKI as the Manager**

Upon Closing, CKI shall be appointed as the Manager of the Project Group and shall be responsible for overseeing the Project Group's business and financial performance. In the performance of its duties, the Manager shall draw on its experience of managing and operating infrastructure projects in Canada and other parts of the world to assist the board of the Project Company to perform its duties and, specifically, it shall (i) make recommendations for the appointment and/or dismissals of the chief executive officer and chief financial officer of any member of the Project Group and other members of the senior management and assessing management's performance; (ii) consider and provide advice to the Project Group's annual business plan, annual and monthly budget and other management and financial plans and/or reports prepared by management of the Project Group, and make such recommendations to the board of the Project Company for improvements or follow up; and (iii) provide such support services as may be requested by the board of the Project Group from time to time in connection with the management of the Project Group. For the avoidance of doubt, the board of the Project Company shall remain responsible for making all relevant decisions as it considers appropriate and shall not be obliged to follow the Manager's recommendations.

No remuneration will be payable to CKI for services provided by it in its capacity as the Manager of the Project Group in view of the opportunity for investment in the Project Group offered by the Vendor to the Purchaser.

The appointment of Manager shall be terminated on the earlier of (i) the date on which CKI (directly or indirectly through its subsidiaries) ceases to hold any Project Shares; or (ii) the date on which not less than six (6) months written notice to that effect is given by the Project Company following a decision of the board of the Project Company to terminate the Manager's appointment. Upon termination of the Manager's appointment pursuant to item (ii) aforesaid, subject to compliance with the relevant requirements under the Listing Rules by CKPH and/or CKI, CKPH shall grant to CKI a right whereby CKI may, within 30 days after the date of termination of its appointment, or such other period if granting of and/or the exercise of such right is/are subject to compliance with shareholders' approval requirement under the Listing Rules, serve a written notice on CKPH and require CKPH to purchase all (but not some) of Project Shares held by CKI or its subsidiaries at the fair market value per Project Share as agreed by CKI and CKPH or failing which, certified by an independent investment bank of international repute agreed between CKPH and CKI, such right shall lapse if CKI fails to serve notice within the prescribed period as mentioned above.

**4. INFORMATION OF THE PROJECT GROUP**

The Project Company is a holding company incorporated under the laws of the Province of British Columbia, Canada. As at the date of this announcement, the Project Company is indirectly wholly-owned by CKPH.



The Project Company holds the entire equity interest of the Operating Company, an indirect holding company of Reliance LP, which is principally engaged in the building equipment services sector providing water heaters, HVAC (heating, ventilation and air conditioning) equipment, comfort protection plans and other services to homeowners primarily in Ontario, Canada, under the consumer brand identity of “Reliance Home Comfort”. The Project Group also has operations in Manitoba, Saskatchewan and Alberta in Canada and Georgia in the United States. Other than the interest in the Operating Company, cash balance and the loans advanced by the Vendor to the Project Company, the Project Company does not hold any other assets or has any other liabilities.

As at 14 July 2017, the Project Group has an unaudited net asset value of approximately C\$1,144 million (equivalent to approximately HK\$7,018 million).

Certain financial information of the Operating Group for each of the two years ended 31 December 2016 are set out below:

	<b>For the year ended 31 December</b>	
	<b>2015 (audited)*</b>	<b>2016 (audited)</b>
	<i>(C\$ million)</i>	<i>(C\$ million)</i>
	<hr/>	<hr/>
Profit (loss) before taxation from continuing operations	(110.34) (equivalent to approximately (HK\$676.94 million))	69.93 (equivalent to approximately HK\$429.02 million)
Profit (loss) after taxation from continuing operations	(105.78) (equivalent to approximately (HK\$648.96 million))	52.87 (equivalent to approximately HK\$324.36 million)

*\* The 2015 financial information of the Operating Group was impacted by non-operating and non-recurring factors, such as interest expense for a shareholder loan, accounting mark-to-market non-cash impact of foreign exchange movements, and settlement costs for early repayment of certain debts.*

The aggregate amount which the Vendor has paid for the Sale Shares and the principal amount of the Note is approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million). As the Vendor will transfer the Sale Shares and assign the Note to the Purchaser based on cost, it is expected that no gain or loss will be recorded from the Shares Transfer and the Note Assignment by the CKPH Group. The CKPH Group intends to use the proceeds of the Shares Transfer and the Note Assignment for general working capital of the CKPH Group.

Following the Transaction, the Project Company will be accounted for as a joint venture by each of CKPH and CKI in its consolidated financial statements.

## **5. INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT**

### **CKPH**

The CKPH Group has diverse capabilities with business activities encompassing property development and investments, hotel and serviced suite operation, property and project management, aircraft leasing and infrastructure investments.

## **CKI**

The principal activities of the CKI Group are development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, the Netherlands, Portugal, Australia, New Zealand and Canada.

### **The Purchaser**

The Purchaser is an investment holding company, and is indirectly wholly-owned by CKI, and also a subsidiary of CKHH.

### **The Vendor**

The Vendor is an investment holding company, and is indirectly wholly-owned by CKPH.

## **6. REASONS FOR, AND BENEFITS OF, THE ENTERING INTO OF THE TRANSACTION**

### **CKPH**

As disclosed in the announcement of CKPH dated 31 March 2017, at the time of entering into the Acquisition Agreement, CKPH's intention was to on-sell up to 25% of the CKPH Group's stake in the Operating Company to CKI, subject to the obtaining of all necessary approvals. Upon Closing, CKI will become a shareholder holding 25% stake in the Project Company and be appointed as the Manager of the Project Group, whilst CKPH will continue to hold an indirect 75% stake in the Project Company. The Transaction is in accord with CKPH's strategy that, when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. While this business is in the field of household equipment services, there are certain infrastructure aspects to the business in which CKI has a track record of managing and operating, enhancing value in the long term and their marketability. CKPH can collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI, with its experience of owning and operating infrastructure business in Canada and in other parts of the world, a suitable joint venture partner. The Transaction would provide synergy effect to both CKPH and CKI and allow them to share their management and strategic expertise in the management and operation of the Project Group.

If the CKPH Shareholders' Approval in respect of the Transaction is not obtained and the Transaction does not proceed, the entire issued share capital of Project Company will remain indirectly owned by CKPH. In such case, CKPH may leverage on the expertise of the Operating Group's existing management and may consider to engage any joint ventures or associates of CKI or other professionals, as appropriate, to support the management of the Operating Group's business.

For the above reasons, the CKPH Directors (other than Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being independent non-executive directors of CKPH who are members of the independent board committee of CKPH established to make recommendations to the independent shareholders of CKPH on the Transaction, and whose views will be set out in the circular to be issued by CKPH to its shareholders, but including Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, the other independent non-executive directors of CKPH, each of whom is not appointed as a member of such independent board committee due to each also being an independent non-executive director of CKI) consider that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of CKPH and its shareholders as a whole. As each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has or may be regarded as having a material interest in the Transaction, each of them has voluntarily abstained from voting on the board resolutions of CKPH approving the Transaction.

## **CKI**

The Transaction is consistent with its strategies of investing in quality investment opportunities around the world and embracing new growth opportunities through diversification. Upon Closing, CKI will be appointed as the Manager for the management of the Project Group, which gives further opportunity to CKI for developing its market share in Canada and will further strengthen CKI's investment and management expertise and reputation in the country. In addition, CKI Board also considers that CKI would benefit from the synergy effect with CKPH from the co-operation through the Project Company.

The CKI Directors (including the independent non-executive directors of CKI) consider that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interest of CKI and its shareholders as a whole. None of the CKI Directors had any material interest in the connected transaction herein announced, and no CKI Director was required to abstain from voting on the board resolutions passed in connection with this announcement. Notwithstanding the foregoing, Mr. Li Tzar Kuoi, Victor, being an executive director of CKI, has voluntarily abstained from voting on the board resolutions of CKI approving the Transaction.

## **CKHH**

The CKHH Group is principally engaged in five core businesses: ports and related services, retail, infrastructure, energy, and telecommunications. The CKHH Directors (including the independent non-executive directors of CKHH), having regard to the views of the CKI Directors expressed above, endorse the reasons of CKI for entering into the Transaction and the benefits which are expected to accrue to CKHH and its subsidiaries (of which CKI forms part) as a result of the Transaction, and consider that the terms of the Transaction are normal commercial terms, fair and reasonable and in the interest of the CKHH Group and its shareholders as a whole. None of the CKHH Directors have any material interest in the connected transaction herein announced except by virtue of being a director and/or shareholder of CKHH (including its subsidiaries) and/or the other parties involved in the transaction, and no CKHH Directors were required to abstain from voting on the board resolutions of CKHH passed in connection with this announcement. Notwithstanding the foregoing, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, each being an executive director of CKHH, have voluntarily abstained from voting on the board resolutions of CKHH passed in connection with this announcement.

## **7. LISTING RULES IMPLICATIONS**

### **(a) For CKPH**

The Transaction will result in the assets of the Project Group not being consolidated in the accounts of CKPH. Accordingly, 100% of the Project Group's total assets, profits and revenue will be taken for the calculation of size tests as required under Rule 14.28 of the Listing Rules, irrespective of the size of the interest being disposed of.

As one or more of the applicable percentage ratios of CKPH under the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for CKPH and is subject to CKPH's compliance with the announcement and notification requirements but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust currently directly and/or indirectly hold an aggregate of approximately 31.47% of the issued share capital of CKPH and an aggregate of approximately 30.16% of the issued share capital of CKHH. CKHH has been deemed by the Stock Exchange to be a connected person of CKPH under the Listing Rules. As CKHH currently holds approximately 71.93% of the issued share capital of CKI, CKI may also be regarded as a connected person of CKPH by virtue of it being a subsidiary of CKHH. Therefore, the Transaction also constitutes a connected transaction for CKPH under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of CKPH under the Transaction exceed 5%, the Transaction is subject to CKPH's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**(b) For CKI**

Given Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor (who is a director of CKI) and the Trust have been deemed as a group of connected persons by the Stock Exchange and they currently directly and/or indirectly hold an aggregate of approximately 31.47% of the issued share capital of CKPH, CKPH may be regarded as a connected person of CKI under the Listing Rules. Therefore, the Transaction constitutes a connected transaction for CKI under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of CKI under the Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Transaction is subject to CKI's compliance with the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**(c) For CKHH**

CKPH has been deemed by the Stock Exchange to be a connected person of CKHH under the Listing Rules. Accordingly, the entry into of the Transaction by CKI, which is a subsidiary of CKHH, with CKPH constitutes a connected transaction for CKHH under the Listing Rules.

As one or more of the applicable percentage ratios of CKHH under the Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Transaction is subject to CKHH's compliance with the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**8. FURTHER INFORMATION**

It should be noted that as the Transaction is conditional upon the obtaining of the CKPH Shareholders' Approval, there is no assurance that the Transaction will or will not be completed. Further announcement(s) will be made by CKPH, CKI and/or CKHH in relation to the Transaction as and when appropriate.

**Shareholders and potential investors should exercise caution when dealing in the securities of CKPH, CKI and CKHH.**

## **B. PROPOSED CHANGE OF COMPANY NAME OF CHEUNG KONG PROPERTY HOLDINGS LIMITED**

### **1. INTRODUCTION**

The CKPH Board proposes to change the English name of CKPH to “CK Asset Holdings Limited” from “Cheung Kong Property Holdings Limited”, and the Chinese name of CKPH be changed to “長江實業集團有限公司” from “長江實業地產有限公司” (together, the “Change of Company Name”).

### **2. REASONS FOR THE CHANGE OF COMPANY NAME**

With a view to aligning CKPH’s name with the name of the other listed companies within the CK group and to better reflect CKPH’s strategy to achieve long-term sustainable business growth and value creation for the CKPH Shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue, such as infrastructure investment, property investment and aircraft leasing, the CKPH Board has proposed the Change of Company Name as it believes that the proposed new English name of CKPH, “CK Asset Holdings Limited”, will better reflect CKPH’s position and strategic direction. The CKPH Board considers that the Change of Company Name is in the interests of CKPH and the CKPH Shareholders as a whole.

### **3. CONDITIONS OF THE CHANGE OF COMPANY NAME**

The Change of Company Name will be conditional upon:

- (i) the passing of a special resolution by the CKPH Shareholders at the CKPH EGM to approve the Change of Company Name; and
- (ii) the approval of the proposed new name of CKPH by the Registrar of Companies in the Cayman Islands.

Upon satisfaction of the above conditions, the Change of Company Name will become effective on the date on which the Registrar of Companies in the Cayman Islands enters the new English name and the Chinese name in the register of companies in place of the existing name, as evidenced by a certificate of incorporation on change of name issued by the Registrar of Companies in the Cayman Islands. Upon the Change of Company Name becoming effective, CKPH will comply with the necessary filing procedures in Hong Kong.

### **4. EFFECT OF THE CHANGE OF COMPANY NAME**

The Change of Company Name will not affect any of the rights of the existing CKPH Shareholders. All share certificates of CKPH in issue bearing the existing name of CKPH will, after the Change of Company Name, continue to be evidence of title and valid for all purposes (including for the purposes of trading, settlement, registration and delivery). There will not be any arrangement for the exchange of the share certificates of CKPH under its existing name for new share certificates under the new name of CKPH. Share certificates issued by CKPH after the Change of Company Name has become effective will be in the new name of CKPH.

Save for the change of the stock short name which CKPH will announce in due course, the trading arrangements for the CKPH Shares on the Stock Exchange will not be affected.

## 5. FURTHER INFORMATION

Further announcements will be made by CKPH concerning the effective date of the Change of Company Name and the change of the stock short name upon the Change of Company Name becoming effective as and when appropriate.

### C. CIRCULAR TO CKPH SHAREHOLDERS

A circular containing, among other things, further details of the Transaction and the Change of Company Name, together with a notice of the CKPH EGM, is expected to be despatched to the CKPH Shareholders on or about 8 August 2017. The circular will be despatched more than 15 Business Days after the publication of this announcement as additional time is required to arrange the independent board committee meeting of CKPH, and to prepare the IFA Letter and the letter from the independent board committee of CKPH.

### D. DEFINITIONS

Unless the context otherwise requires, the following capitalised terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the entire issued and outstanding common shares in the capital of the Operating Company by the Project Company pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the sale and purchase agreement dated 31 March 2017 entered into between Canada Water Tanks Sarl (a limited liability company – société à responsabilité limitée – incorporated under the laws of Luxembourg), the Project Company and CKPH in relation to the Acquisition;
“Business Day(s)”	any day(s) other than (i) Saturday and Sunday; and (ii) any day on which banking institutions in the Province of British Columbia or Hong Kong are not open for business;
“C\$”	Canadian dollar, the lawful currency of Canada;
“CKHH”	CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1);
“CKHH Board”	the board of CKHH Directors;
“CKHH Director(s)”	the director(s) of CKHH;
“CKHH Group”	CKHH and its subsidiaries;
“CKI”	CK Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038);
“CKI Board”	the board of CKI Directors;
“CKI Director(s)”	the director(s) of CKI;

“CKI Group”	CKI and its subsidiaries;
“CKPH”	Cheung Kong Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113);
“CKPH Board”	the board of CKPH Directors;
“CKPH Director(s)”	the director(s) of CKPH;
“CKPH EGM”	the extraordinary general meeting of CKPH to be convened for the purposes of considering and, if thought fit, approving the Transaction and the Change of Company Name;
“CKPH Group”	CKPH and its subsidiaries;
“CKPH Shareholder(s)”	the holder(s) of CKPH Shares;
“CKPH Shareholders’ Approval”	the approval of the independent CKPH Shareholders (excluding any CKPH Shareholders having a material interest in the Transaction);
“CKPH Shares”	ordinary shares in the capital of CKPH with a nominal value of HK\$1.00 each;
“Closing”	the completion of the Shares Transfer and Note Assignment;
“Closing Date”	the date that is five (5) Business Days after fulfilment of the condition under the Sale and Purchase Agreement or such other date as agreed by the Purchaser and Vendor;
“Consideration”	aggregate consideration for the Shares Transfer and the Note Assignment under the Sale and Purchase Agreement;
“Equity Contribution”	means C\$2,821.60 million;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“IFA Letter”	a letter from the independent financial adviser of CKPH, containing its advice and recommendation to the independent board committee of CKPH and the independent CKPH Shareholders in respect of the Transaction;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Manager”	the manager of the Project Group who is responsible for overseeing the Project Group’s business and financial performance;

“Note”	a promissory note issued by the Project Company to the Vendor in respect of the advances made by the Vendor in the principal amount of C\$428.95 million, representing 25% of the aggregate principal amount of all loans advanced to the Project Company as of the date of the Sale and Purchase Agreement. The interest rate of the Note is 7.5% per annum;
“Note Assignment”	the assignment of the Note from the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement;
“Operating Company”	3216444 Nova Scotia Company, a company formed under the laws of the Province of Nova Scotia, Canada;
“Operating Group”	Operating Company and its subsidiaries;
“Project Company”	CKP (Canada) Holdings Limited, a company incorporated under the laws of British Columbia and an indirect wholly-owned subsidiary of CKPH;
“Project Group”	the Project Company and its subsidiaries, including the Operating Group;
“Project Share(s)”	common share(s) of the total issued share capital of the Project Company;
“Purchaser”	Roaring Victory Limited, a company incorporated under the laws of British Virgin Islands and an indirect wholly-owned subsidiary of CKI;
“Reliance LP”	Reliance LP, a limited partnership formed under the laws of the Province of Ontario, Canada;
“Sale and Purchase Agreement”	the share purchase, assignment and assumption agreement dated 14 July 2017 entered into between the Vendor, the Purchaser and CKI in relation to the Shares Transfer and the Note Assignment;
“Sale Shares”	2,500 Project Shares, representing 25% of the entire issued shares of the Project Company;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among CKPH, CKI, the Vendor, the Purchaser and the Project Company in relation to the operation and management of the Project Group and the relationship between the CKPH Group and CKI Group therein upon Closing;
“Shares Transfer”	the sale and purchase of the Sale Shares between the Vendor and the Purchaser pursuant to the Sale and Purchase Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Sale and Purchase Agreement;



“Trust”	comprises four discretionary trusts and two unit trusts. The settlor of the discretionary trusts comprised in the Trust is Mr. Li Ka-shing and the discretionary beneficiaries of such discretionary trusts include, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard; and
“Vendor”	Rich Heights Limited, a company incorporated under the laws of British Virgin Islands and an indirect wholly-owned subsidiary of CKPH.

*In this announcement, C\$ has been converted to HK\$ at the rate of C\$1 = HK\$6.135, save as otherwise stated. Such conversion is for illustration purpose only. No representation is made that the C\$ amounts have been or could have been or could be converted into HK\$, or vice versa, at such rate or at any other rates on any relevant dates.*

By order of the CKPH Board  
**CHEUNG KONG PROPERTY  
HOLDINGS LIMITED**  
**Eirene Yeung**  
*Company Secretary*

By order of the CKHH Board  
**CK HUTCHISON  
HOLDINGS LIMITED**  
**Edith Shih**  
*Executive Director and Company Secretary*

By order of the CKI Board  
**CK INFRASTRUCTURE HOLDINGS LIMITED**  
**Eirene Yeung**  
*Company Secretary*

Hong Kong, 14 July 2017

*As at the date of this announcement, the CKPH Directors are Mr. LI Ka-shing (Chairman), Mr. LI Tzar Kuoi, Victor (Managing Director and Deputy Chairman), Mr. KAM Hing Lam (Deputy Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Managing Director), Mr. CHUNG Sun Keung, Davy, Mr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. YEH Yuan Chang, Anthony, Mr. Colin Stevens RUSSEL and Mr. Donald Jeffrey ROBERTS as Independent Non-executive Directors.*

*As at the date of this announcement, the CKHH Directors are: Mr LI Ka-shing (Chairman), Mr LI Tzar Kuoi, Victor (Group Co-Managing Director and Deputy Chairman), Mr FOK Kin Ning, Canning (Group Co-Managing Director), Mr Frank John SIXT (Group Finance Director and Deputy Managing Director), Mr IP Tak Chuen, Edmond (Deputy Managing Director), Mr KAM Hing Lam (Deputy Managing Director), Mr LAI Kai Ming, Dominic (Deputy Managing Director) and Ms Edith SHIH as Executive Directors; Mr CHOW Kun Chee, Roland, Mrs CHOW WOO Mo Fong, Susan, Mr LEE Yeh Kwong, Charles, Mr LEUNG Siu Hon and Mr George Colin MAGNUS as Non-executive Directors; and Mr KWOK Tun-li, Stanley, Mr CHENG Hoi Chuen, Vincent, The Hon Sir Michael David KADOORIE, Ms LEE Wai Mun, Rose, Mr William Elkin MOCATTA (Alternate to The Hon Sir Michael David KADOORIE), Mr William SHURNIAK, Mr WONG Chung Hin and Dr WONG Yick-ming, Rosanna as Independent Non-executive Directors.*

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