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## **Cheung Kong Infrastructure Holdings Limited** **長江基建集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1038)**

### **CONTINUING CONNECTED TRANSACTION**

The Board wishes to announce that on 29th August, 2014, the Company has entered into two Tenancy Agreements to renew the Previous Tenancy Agreements with Turbo Top for the lease of the Premises.

Turbo Top is a connected person of the Company within the meaning of the Listing Rules by virtue of its being a wholly-owned subsidiary of HWL, which in turn is a substantial shareholder of the Company holding approximately 78.15% of the issued share capital of the Company. Accordingly, the entering into of the Tenancy Agreements constitutes continuing connected transactions for the Company under the Listing Rules. As one or more of the applicable percentage ratios represented by the Annual Caps (as set out herein) is/are more than 0.1% but less than 5%, the transaction is only subject to the reporting, announcement and annual review requirements under Listing Rules 14A.35, 14A.49, and 14A.55 to 14A.59 and is exempt from the independent shareholders' approval requirements under the Listing Rules.

#### **Background**

Reference is made to the announcement of the Company dated 31st August, 2011 in respect of the 2011 Tenancy Agreement which had constituted a continuing connected transaction for the Company under the Listing Rules. The Previous Tenancy Agreements shall expire on 31st August, 2014. In view of the expiration of the Previous Tenancy Agreements, the Company has entered into the Tenancy Agreements to renew the Previous Tenancy Agreements with Turbo Top for the lease of the Premises.

#### **Tenancy Agreements and the Annual Caps**

The Tenancy Agreements were entered into by the Company as tenant and Turbo Top as landlord on 29th August, 2014 to renew the Previous Tenancy Agreements for the lease of the Premises, being Office Unit 1202 on 12th Floor and Office Unit 1903 on 19th Floor of Cheung Kong Center, 2 Queen's Road Central, Hong Kong with a total lettable floor area of approximately 13,390 square feet. The term for each of the Tenancy Agreements is for a period of three years commencing from 1st September, 2014 to 31st August, 2017 (both days inclusive).

The aggregate rent and service charges payable under the Tenancy Agreements are subject to the Annual Caps of HK\$5 million for the period from 1st September, 2014 to 31st December, 2014, HK\$20 million for the year ending 31st December, 2015, HK\$20 million for the year ending 31st December, 2016, and HK\$14 million for the period from 1st January, 2017 to 31st August, 2017. The Annual Caps were calculated with reference to a total monthly rent of HK\$1,439,425.00 (exclusive of Government rates and other charges, with a rent free period of one month from 1st September, 2014 to 30th September, 2014) and total monthly service charges of HK\$141,934.00 (subject to adjustments by Turbo Top). Pursuant to the Tenancy Agreements, both the rent and service charges are required to be paid monthly in advance by the Company to Turbo Top.

### **Reasons for the transaction**

The Company has been leasing the Premises from Turbo Top as the principal business office of the Group in Hong Kong and the relevant leases shall expire on 31st August, 2014. The Company considers it beneficial to renew the Previous Tenancy Agreements for the lease of the Premises as the principal business office of the Group in Hong Kong in view of the prime location of the Premises and its Grade-A building services, and the saving of relocation costs.

The terms of the Tenancy Agreements are negotiated on an arm's length basis between Turbo Top and the Company with reference to the fair market rent of the Premises based on the valuation report issued by an independent property valuer. The Directors, including the Independent Non-executive Directors, consider that the Tenancy Agreements are entered into in the ordinary and usual course of business of the Company, the Tenancy Agreements are on normal commercial terms, and that the terms of the Tenancy Agreements and the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **Connected transaction**

Turbo Top is a connected person of the Company within the meaning of the Listing Rules by virtue of its being a wholly-owned subsidiary of HWL, which in turn is a substantial shareholder holding approximately 78.15% of the issued share capital of the Company. Accordingly, the entering into of the Tenancy Agreements constitutes continuing connected transactions for the Company under the Listing Rules. As one or more of the applicable percentage ratios represented by the Annual Caps is/are more than 0.1% but less than 5%, the transaction is only subject to the reporting, announcement and annual review requirements under Listing Rules 14A.35, 14A.49, and 14A.55 to 14A.59 and is exempt from the independent shareholders' approval requirements under the Listing Rules.

As none of the Directors has any material interest in the Tenancy Agreements and the transactions contemplated thereunder, no Director was required to abstain from voting on the board resolutions passed to approve the entering into of the Tenancy Agreements.

### **General**

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

The HWL Group operates and invests in six core businesses: ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications.

## Definitions

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“2011 Tenancy Agreement”	the tenancy agreement dated 31st August, 2011 made between the Company and Turbo Top in respect of the lease of Office Unit 1202 on 12th Floor of Cheung Kong Center, 2 Queen’s Road Central, Hong Kong, which shall expire on 31st August, 2014
“Annual Caps”	the annual caps in respect of the Tenancy Agreements for the period from 1st September, 2014 to 31st August, 2017
“Board”	the board of Directors
“Company”	Cheung Kong 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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0013)
“HWL Group”	HWL and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Premises”	Office Unit 1202 on 12th Floor and Office Unit 1903 on 19th Floor of Cheung Kong Center, 2 Queen’s Road Central, Hong Kong with a total lettable floor area of approximately 13,390 square feet
“Previous Tenancy Agreements”	the 2011 Tenancy Agreement and another tenancy agreement dated 25th September, 2013 made between the Company and Turbo Top in respect of the lease of Office Unit 1903 on 19th Floor of Cheung Kong Center, 2 Queen’s Road Central, Hong Kong, with a lettable floor area of approximately 3,311 square feet and a term from 16th September, 2013 to 31st August, 2014, at a monthly rental of HK\$364,210.00 and service charges of HK\$32,447.80 per month (subject to adjustments)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreements”	the two tenancy agreements both dated 29th August, 2014 made between the Company and Turbo Top in respect of the lease of the Premises, particulars of which are set out in this announcement
“Turbo Top”	Turbo Top Limited, a wholly-owned subsidiary of HWL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED**  
**Eirene Yeung**  
*Company Secretary*

Hong Kong, 29th August, 2014

*As at the date of this announcement, the Executive Directors of the Company 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), Mrs. CHOW WOO Mo Fong, Susan (also Alternate Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT) 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), Mrs. LEE Pui Ling, Angelina, Mr. George Colin MAGNUS and Mr. TSO Kai Sum; and the Alternate Directors are Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene YEUNG (Alternate Director to Mr. KAM Hing Lam).*