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(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 0001)

## **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement dated 3 June 2015 issued jointly by the Company, CK Property, Hutchison and the Hutchison Proposal Offeror, in which, among others, it was announced that on 3 June 2015, the Merger Proposal, the Property Businesses Combination and the Spin-off Proposal had been completed and accordingly that the Combined Property Businesses are held by the CK Property Group.

### **THE CONTROLLING SHAREHOLDERS OF THE COMPANY**

Immediately following completion of the Husky Share Exchange and the Hutchison Proposal, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly hold approximately 30.15% of the issued share capital of the Company. Notwithstanding that none of them individually holds 30% or more of the issued share capital of the Company, they have been deemed by the Stock Exchange to be a group of controlling shareholders of the Company for the purpose of the Listing Rules.

### **CONNECTED PERSONS OF THE COMPANY**

Immediately following completion of the Spin-off Proposal, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly hold approximately 30.15% of the issued share capital of CK Property.

Whilst CK Property does not fall within the scope of connected persons of the Company under the relevant provisions of the Listing Rules, CK Property has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules after completion of the Spin-off Proposal. Accordingly, transactions entered into between members of the Group and members of the CK Property Group will constitute connected transactions of the Company under the Listing Rules.

## **NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS OF THE COMPANY**

On 5 May 2015, the Company entered into the Master Leasing Agreement with CK Property in relation to the Leasing Transactions, which constitute continuing connected transactions of the Company under the Listing Rules following completion of the Spin-off Proposal.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the maximum aggregate annual amount payable by the Group for the Leasing Transactions is/are more than 0.1% but all of them are less than 5%, such continuing connected transactions of the Company are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to (i) the circular issued by CK Hutchison Holdings Limited (the "**Company**") on 31 March 2015 (the "**Circular**"); and (ii) the announcement dated 3 June 2015 issued jointly by the Company, Cheung Kong Property Holdings Limited ("**CK Property**"), Hutchison Whampoa Limited ("**Hutchison**") and CK Global Investments Limited (the "**Hutchison Proposal Offeror**") (the "**Completion Announcement**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same respective meanings as defined in the Circular.

It was announced in the Completion Announcement that, among others, on 3 June 2015, the Merger Proposal, the Property Businesses Combination and the Spin-off Proposal had been completed and accordingly that the Combined Property Businesses are held by the CK Property Group.

## **THE CONTROLLING SHAREHOLDERS OF THE COMPANY**

Immediately following completion of the Husky Share Exchange and the Hutchison Proposal, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly hold approximately 30.15% of the issued share capital of the Company. Notwithstanding that none of them individually holds 30% or more of the issued share capital of the Company, they have been deemed by the Stock Exchange to be a group of controlling shareholders of the Company for the purpose of the Listing Rules.

## **CONNECTED PERSONS OF THE COMPANY**

Immediately following completion of the Spin-off Proposal, the Trust, together with Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, directly and/or indirectly hold approximately 30.15% of the issued share capital of CK Property. Whilst CK Property does not fall within the scope of connected persons of the Company under the relevant provisions of the Listing Rules, CK Property has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules after completion of the Spin-off Proposal. The Company has sought a review of the

deeming decision but the Stock Exchange has maintained its position. Accordingly, transactions entered into between members of the Group and members of the CK Property Group will constitute connected transactions of the Company under the Listing Rules.

The Stock Exchange has exercised its power under Rule 14A.19 of the Listing Rules to deem Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust as a group of connected persons, and to deem the Trust as an associate of Mr. Li Tzar Kuoi, Victor. The Stock Exchange considers that, and as conceded by the Group, Mr. Li Tzar Kuoi, Victor and the Trust are closely associated. The Trust and Mr. Li Tzar Kuoi, Victor together hold only approximately 26.7% of the issued share capital of CK Property immediately following completion of the Spin-off Proposal. Further, the Stock Exchange considers that Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are closely associated given their blood relationship and their history of operating Cheung Kong and Hutchison together. In addition, the Stock Exchange considers that the Company and CK Property may have different groups of minority shareholders and on a future date the percentage shareholding of each of the Company and CK Property held by Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust may be different, and therefore may result in a transfer of benefits from one company to another.

## **NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS OF THE COMPANY**

On 5 May 2015, the Company and CK Property entered into the Master Leasing Agreement (as defined below) in respect of the leasing and licensing of premises by members of the CK Property Group to members of the Group, which constitute continuing connected transactions of the Company under the Listing Rules following completion of the Spin-off Proposal.

### **(I) Leasing and licensing of premises by the CK Property Group to the Group**

In the ordinary course of business of the Group, certain members of the Group are party to, or may from time to time enter into, leases, tenancies or licences in respect of premises owned by the CK Property Group (including office space, car parks and building areas but excluding hotel premises) with members of the CK Property Group (the “**Leasing Transactions**”).

On 5 May 2015, the Company entered into an agreement with CK Property to set out the framework terms governing the Leasing Transactions (the “**Master Leasing Agreement**”), the principal terms of which are set out below:

#### ***(1) Subject Matter***

CK Property agrees to lease or license or to procure its subsidiaries to lease or license various premises (including office space, car parks and building areas but excluding hotel premises) owned by the CK Property Group to members of the Group as and when reasonably requested by members of the Group from time to time during the term of the Master Leasing Agreement.

**(2) Duration**

The term of the Master Leasing Agreement is from 3 June 2015 up to 31 December 2017, unless terminated by the Company or CK Property by not less than one month's written notice or otherwise in accordance with the other terms of the Master Leasing Agreement.

**(3) Consideration and other terms**

The relevant member of the Group and the relevant member of the CK Property Group will enter into a separate lease, tenancy or licence agreement with respect to each of the Leasing Transactions entered into between them. The terms of, and the consideration payable under, such agreements will be negotiated on a case-by-case and an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are no less favourable than those which the relevant members of the Group could obtain from independent landlords, lessors or licensors of comparable premises. In particular, the rental or licence fee payable shall be at market rates, and the Group shall seek competitive quotes (including conducting a comparison of prices of a sufficient number of independent landlords, lessors or licensors of comparable premises in the market) for management review with a view to ensuring that the rental or licence fees payable by the Group to the relevant members of the CK Property Group in connection with the Leasing Transactions are reasonable, having regard to the size, location, facilities and conditions of the premises required. The management/service fees chargeable by the CK Property Group to the relevant member of the Group will be the same as those chargeable by the CK Property Group to other tenants or licensees of the same building or property.

**(4) Historical transaction amounts**

The aggregate annual rental and licence fees paid by the Group to the CK Property Group in connection with the Leasing Transactions for the three financial years ended 31 December 2014 were as follows:

	<b>Financial year ended 31 December</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Amounts (rounded to the nearest million)	HK\$475 million	HK\$515 million	HK\$563 million

## **(II) Annual cap amounts and basis for determining the annual cap amounts**

It is expected that the maximum aggregate annual amount payable by the Group in respect of the Leasing Transactions for each of the three financial years ending 31 December 2017 will not exceed the amounts set out below (the “**Annual Cap Amounts**”):

<b>Financial year ending 31 December</b>		
<b>2015</b>	<b>2016</b>	<b>2017</b>
HK\$683 million	HK\$763 million	HK\$856 million

The Annual Cap Amounts were arrived at by reference to (i) the historical transaction amounts for the same type of transactions, (ii) the amount payable by the Group in respect of the Leasing Transactions currently in existence, (iii) the expected renewals of existing leases, tenancies and licences, (iv) the expected new Leasing Transactions that the Group may enter into with the CK Property Group, and (v) the estimated adjustment in rental and service/management fees.

## **(III) Views of the Directors**

Having regard to the pricing policies and internal controls of the Company in respect of the Leasing Transactions, including the seeking of the competitive quotes (such as conducting a comparison of prices of a sufficient number of independent landlords, lessors or licensors of comparable premises in the market), the Directors (including the independent non-executive Directors) are of the view that the Leasing Transactions have been and will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms, or better, that are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Directors (including the independent non-executive Directors) are also of the view that the Annual Cap Amounts for the Leasing Transactions are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

The Master Leasing Agreement and the Leasing Transactions contemplated thereunder were approved on 4 May 2015 by a committee of the Board which was formed pursuant to a Board resolution of the Company on which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor (who were regarded as having a material interest in the Merger Proposal) and Mr. Kam Hing Lam Mr. Leung Siu Hon, Mr. Fok Kin Ning, Canning, Mr. Frank John Sixt, Mr. Chow Kun Chee, Roland, Mr. George Colin Magnus, Mr. Yeh Yuan Chang, Anthony, Mr. Chow Nin Mow, Albert and Ms. Hung Siu-lin, Katherine (who held or were interested in certain Hutchison Scheme Shares) abstained from voting.

#### **(IV) Listing Rules Implications on the Company**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the maximum aggregate annual amount payable by the Group for the Leasing Transactions is/are more than 0.1% but all of them are less than 5%, such continuing connected transactions of the Company are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **ARRANGEMENT IN CONNECTION WITH THE REORGANISATION OF THE COMBINED PROPERTY BUSINESSES UNDER THE SPIN-OFF PROPOSAL**

In preparation for the listing of CK Property on the Main Board, and before the commencement of dealings in CK Property Shares on the Main Board on 3 June 2015, a number of pre-completion and reorganisation steps had been taken, pursuant to which interests in the Combined Property Businesses that had been under the Group and/or the Hutchison Group were reorganised under the CK Property Group immediately before the Distribution In Specie. Further details of such reorganisation are set out in "*Letter from the Board – Spin-off Proposal in relation to the Combined Property Businesses – III. The Property Businesses Combination*" of the Circular and in "*History and Reorganisation – The Reorganisation – Property Businesses Combination*" of the listing document issued by CK Property on 8 May 2015 (the "**Listing Document**"). The reorganisation steps involved, among other things, transactions pursuant to the Specified Loans Purchase Agreement and the Reorganisation Agreement, which were entered into among the relevant parties on 5 May 2015.

For the avoidance of doubt, the Specified Loans Promissory Note and the other arrangements under the Specified Loans Purchase Agreement and the Reorganisation Agreement (including (i) the assignment to the CK Property Group of loans owing by certain CPB Companies in respect of projects subject to the Contractual Arrangement (as defined below); and (ii) the Contractual Arrangement itself, as well as the related arrangements for the provision of future financing to those projects via financing from the CK Property Group to those CPB Companies in which the Group will continue to hold shares pending the obtaining of the Third Party Consents) are regarded as one-off transactions agreed upon prior to completion of the Spin-off Proposal when CK Property was a wholly-owned subsidiary of the Company. They are not regarded as constituting connected transactions of the Company under Chapter 14A of the Listing Rules, and no reporting, announcement, annual review, circular or independent shareholders' approval requirements under Chapter 14A of the Listing Rules will need to be complied with by the Company in relation to those transactions before, on or after completion of the Spin-off Proposal.

For the above purpose, "**Contractual Arrangement**" means the passing on by the relevant members of the Group and the Hutchison Group to the CK Property Group of the economic interests in and other rights and obligations in respect of certain CPB Companies the reorganisation of which to form part of the CK Property Group requires Third Party Consents which had not been obtained to the satisfaction of CK Property on or before 10 business days prior to the Completion Date.

## INFORMATION ON THE GROUP AND THE CK PROPERTY GROUP

The Group operates and invests in five core businesses: ports and related services, retail, infrastructure, energy, and telecommunications.

The CK Property Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence through its operations in Singapore and the United Kingdom. The CK Property Group has diverse capabilities with principal activities encompassing property development and investment, hotel and serviced suite operation and property and project management.

By Order of the Board

### **Edith Shih**

*Company Secretary*

Hong Kong, 4 June 2015

As at the date of this announcement, the Directors are:

#### **Executive Directors:**

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*)  
Mrs CHOW WOO Mo Fong, Susan (*Group Deputy 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*)

#### **Non-executive Directors:**

Mr CHOW Kun Chee, Roland  
Mr LEE Yeh Kwong, Charles  
Mr LEUNG Siu Hon  
Mr George Colin MAGNUS

#### **Independent Non-executive Directors:**

Mr CHENG Hoi Chuen, Vincent  
The Hon Sir Michael David KADOORIE  
Mr KWOK Tun-li, Stanley  
Ms LEE Wai Mun, Rose  
Mr William Elkin MOCATTA  
(*Alternate to The Hon Sir Michael David Kadoorie*)  
Mr William SHURNIAK  
Mr WONG Chung Hin  
Dr WONG Yick-ming, Rosanna