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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)

PROPOSED ISSUE OF NEW SHARES TO THE ISSUER BY THE COMPANY IN CONNECTION WITH THE PROPOSED OFFERING BY THE ISSUER OF U.S. DOLLAR-DENOMINATED FIXED RATE GUARANTEED PERPETUAL CAPITAL SECURITIES

In connection with the proposed offering of the Securities to be issued by the Issuer as issuer and to be unconditionally and irrevocably guaranteed by the Company as guarantor on a subordinated basis (the “**Guarantee of the Securities**”), the Board wishes to announce the following:

(a) Share Subscription Agreement

The Company and the Issuer have entered into the Share Subscription Agreement under which the Issuer has agreed to subscribe as principal for, and the Company has agreed to issue 131,065,097 new Shares for a consideration of US\$1,200 million (equivalent to approximately HK\$9,323 million) at the subscription price of the U.S. dollar equivalent of approximately HK\$71.1302 per Share based on the Fixed Exchange Rate.

The Subscription Shares represent (i) approximately 5.20% of the existing issued share capital of the Company of 2,519,610,945 Shares as at the date of this announcement; and (ii) approximately 4.94% of the issued share capital of the Company of 2,650,676,042 Shares as at the date of this announcement as enlarged by the Subscription Shares. For so long as such Shares are held by the Issuer, they will be disregarded for the purposes of determining the number of Shares held by the public.

Application will be made by the Company to the Stock Exchange for listing of, and the permission to deal in, the Subscription Shares.

(b) Securities Subscription Agreement

The Company, the Issuer and the Joint Lead Managers have entered into the Securities Subscription Agreement under which the Issuer agreed to issue the Securities and each Joint Lead Manager has severally, and not jointly, agreed to subscribe and pay for, or to procure subscriptions and payment for, the Securities. The aggregate principal amount of the Securities to be issued is US\$1,200 million (equivalent to approximately HK\$9,323 million). Due to market demand, the deal size was upsized from up to US\$1.0 billion to US\$1.2 billion.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Securities by way of debt issues to professional investors only.

(c) Deed of Guarantee

The Company will enter into the Deed of Guarantee under which it will unconditionally and irrevocably guarantee on a subordinated basis the due and punctual payment of all sums payable by the Issuer in respect of the Securities (being the Guarantee of the Securities).

As one or more of the applicable size tests in respect of the Guarantee of the Securities is more than 5% but less than 25%, the Guarantee of the Securities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and disclosure requirements thereunder.

(d) Swap Agreement

The Company will enter into the Swap Agreement with the Issuer, which will be effective from the Issue Date of the Securities, under which the Company will pay to the Issuer amounts payable by the Issuer in respect of the Securities. The Subscription Shares will not be available for voting, for so only as they are held by the Issuer.

The Swap Agreement gives the Company certain rights with respect to the Subscription Shares, including: (i) the right to receive amounts in respect of dividends or distributions paid in respect of the Subscription Shares; (ii) the right to at any time direct the sale and/or transfer of any of the Subscription Shares on such terms as the Company may determine; and (iii) to instruct the Issuer to exercise any rights or options in respect of the Subscription Shares. Unless instructed by the Company, the Issuer will undertake in the Swap Agreement that it will not, and it will not permit any agent or custodian appointed by it to, exercise any rights or options, or deal with, transfer, lend or create any pledge or encumbrance over the Subscription Shares, all as further detailed below.

The net proceeds from the issue of the Securities, after deduction of underwriting commissions and expenses are estimated to be approximately US\$1,190 million (equivalent to approximately HK\$9,245 million). The entire amount of the gross proceeds will be used by the Issuer to acquire the Subscription Shares under the Share Subscription Agreement.

The gross proceeds from the Share Subscription are estimated to be US\$1,200 million (equivalent to approximately HK\$9,323 million). The net proceeds from the Share Subscription will be approximately US\$1,190 million (equivalent to approximately HK\$9,245 million). The net price to the Company for each Subscription Share is approximately US\$9.0795 or HK\$70.5374 (at the Fixed Exchange Rate).

Completion of the Share Subscription Agreement and the Securities Subscription Agreement is subject to the satisfaction and/or waiver of certain conditions precedent. In addition, each of the Share Subscription Agreement and the Securities Subscription Agreement may be terminated in certain circumstances.

As each of the Share Subscription Agreement and the Securities Subscription Agreement and the transactions contemplated thereby may or may not complete, the Shares may or may not be issued and/or the Securities may or may not be issued or listed, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE SHARE SUBSCRIPTION AGREEMENT

Date

22nd February, 2016

Parties Involved

The Company and the Issuer

Share Subscription

The Issuer has conditionally agreed to subscribe for 131,065,097 new Shares (the “**Subscription Shares**”).

Subscriber

To the best of the knowledge, information and belief of the Directors, as at the date of the Share Subscription Agreement, the Issuer and its beneficial owner (being a Special Trusts Alternative Regime Trust (the “**STAR Trust**”) established in the Cayman Islands) are independent of and not connected with the Company and its associates and connected persons. Immediately after the completion of the Share Subscription, the Issuer will not become a substantial shareholder of the Company under the Listing Rules.

Share Subscription Price

The Share Subscription Price of the U.S. dollar equivalent of approximately HK\$71.1302 per Share, based on the Fixed Exchange Rate, represents:

- (i) a discount of approximately 7.14% to the closing price of HK\$76.60 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 6.36% to the average closing price per Share of approximately HK\$75.96 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement; and
- (iii) a discount of approximately 5.50% to the average closing price per Share of approximately HK\$75.27 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of this announcement.

The Share Subscription Price was determined with reference to the average closing price of HK\$75.27 per Share as quoted on the Stock Exchange on the last ten consecutive trading days.

The net price to the Company for each Subscription Share is approximately US\$9.0795 or HK\$70.5374 (at the Fixed Exchange Rate).

Subscription Shares

The Subscription Shares represent (i) approximately 5.20% of the existing issued share capital of the Company of 2,519,610,945 Shares as at the date of this announcement; and (ii) approximately 4.94% of the issued share capital of the Company of 2,650,676,042 Shares as at the date of this announcement as enlarged by the Subscription Shares. For so long as such Shares are held by the Issuer, they will be disregarded for the purposes of determining the number of Shares held by the public.

The Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM which authorised the Directors to allot and issue a maximum of 503,922,189 Shares. As such, the issue of the Subscription Shares will not be subject to Shareholder’s approval. As at the date of this announcement, no Shares have been issued under the General Mandate and the total number of new Shares that can be allotted and issued under the General Mandate is therefore 503,922,189 Shares.

Rights and Ranking

The Subscription Shares will be issued free from all liens, charges, security interests, encumbrances and adverse claims, and when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions of the Share Subscription

The Share Subscription is conditional upon:

- (i) the granting of the listing of, and the permission to deal in, the Subscription Shares by the Listing Committee of Stock Exchange (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Shares); and
- (ii) the issue and payment of the Securities, the Securities Subscription Agreement becoming unconditional and the execution and delivery of the Swap Agreement.

If the conditions are not fulfilled within six business days (being any day (excluding a Saturday) on which banks are generally open for business in Hong Kong and Cayman Islands) after the date of signing of the Share Subscription Agreement (or such later date as may be agreed between the Company and the Issuer), the Share Subscription Agreement shall terminate.

Completion of Subscription

The completion of the Share Subscription shall take place on the Hong Kong Business Day after the date upon which the last of the conditions set out above has been satisfied or such other time or date as the Company and the Issuer may agree in writing. The Share Subscription is expected to be completed on the Closing Date.

Application for Listing of Subscription Shares

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

THE SECURITIES SUBSCRIPTION AGREEMENT

Date

22nd February, 2016

Parties Involved

The Company, the Issuer and the Joint Lead Managers

Securities Subscription

Subject to the fulfillment of the conditions set out below in the section headed “Conditions Precedent of the Securities Subscription”, pursuant to the Securities Subscription Agreement, the Issuer has agreed to issue US\$1,200 million (equivalent to approximately HK\$9,323 million) in principal amount of Securities and each Joint Lead Manager has severally, and not jointly, agreed to subscribe and pay for, or to procure subscriptions and payment for, the Securities on the Issue Date at 100% of the principal amount of the Securities. Due to market demand, the deal size was upsized from up to US\$1.0 billion to US\$1.2 billion.

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Conditions Precedent of the Securities Subscription

The Securities Subscription Agreement and the respective rights and obligations of the parties are conditional upon, among other things:

- (a) at the Issue Date, the Issuer’s (i) representations and warranties in the Securities Subscription Agreement being true and correct at, and as if made on, the Issue Date and the Issuer having performed all of its obligations hereunder to be performed on or before the Issue Date and (ii) there having been delivered to the Joint Lead Managers certificates signed by a duly authorised officer of the Issuer, dated the Issue Date, to the effect set out in sub-paragraph (i) and confirming that, since the date of the Securities Subscription Agreement, there has been no change (nor any development or event involving a prospective change) which is materially adverse to the financial condition, results of operations, or business of the Issuer;
- (b) at the Issue Date, the Company’s (i) representations and warranties in the Securities Subscription Agreement being true and correct at, and as if made on, the Issue Date and the Company having performed all of its obligations hereunder to be performed on or before the Issue Date and (ii) there having been delivered to the Joint Lead Managers certificates signed by duly authorised officers of the Company, dated the Issue Date, to the effect set out in sub-paragraph (i) and confirming that, since the date of the Securities Subscription Agreement, there has been no change (nor any development or event involving a prospective change) which is materially adverse to the financial condition, results of operations, or business of the Company;
- (c) an application for listing of the Securities shall have been made to the Stock Exchange on or prior to the Issue Date;
- (d) the execution and delivery by all parties thereto of the Transaction Documents on or prior to the Issue Date; and
- (e) a letter or rating of Standard & Poor’s to the effect that on the Issue Date the Securities are rated “BBB”.

The Joint Lead Managers may in their discretion waive satisfaction of any of the above conditions or of any part of them.

Termination of the Securities Subscription Agreement

The Joint Lead Managers may, following consultation with the Company if reasonably practicable in the circumstances, by notice to the Issuer and the Company terminate the Securities Subscription Agreement at any time before the time on the Issue Date when payment would otherwise be due under the Securities Subscription Agreement to the Issuer in respect of the Securities if, in the opinion of the Joint Lead Managers, there shall have been an unforeseeable change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Securities or dealings in the Securities in the secondary market.

PRINCIPAL TERMS OF THE SECURITIES

The Securities are to be issued by the Issuer. The following is extracted from the Summary of the Offering contained in the Offering Circular for the information of Shareholders.

(a) Distribution

“**Distribution**” is payable semi-annually in arrear based on a fixed rate, which is 5.875% per annum.

The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Holders not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date if, during the three months ending on the day before that scheduled Distribution Payment Date no dividend, distribution or other payment has been paid or declared by the Company on or in respect of its Junior Securities or its Parity Securities (except (i) in relation to the Parity Securities of the Company, on a *pro-rata* basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants).

Any Distribution that is deferred will constitute an “**Arrears of Distribution**” and will bear interest at the Distribution Rate as if it constituted the principal of the Securities.

If any payment of Distribution is deferred, the Issuer and the Company will not (i) declare or pay any dividend, distributions or make any other payment on any of its Junior Securities or (except on a *pro-rata* basis) its Parity Securities, **provided that** such restriction shall not apply to payments declared, paid or made in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or (ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities, **provided that** such restriction shall not apply to an exchange of any Parity Securities in whole for Junior Securities or a repurchase or other acquisition of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants, unless and until the Company has satisfied in full all amounts equal to outstanding Arrears of Distribution.

Arrears of Distribution (a) may be satisfied by the Issuer (in whole or in part) at any time by giving notice of such election to Holders and the Fiscal Agent not more than 20 nor less than 10 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 on the payment dates specified in such notice) and (b) must be satisfied by the Issuer (in whole but not in part) on the earlier of (1) the date of redemption of the Securities in accordance with the redemption provisions in the terms and conditions of the Securities; (2) the next Distribution Payment Date on the occurrence of a breach of the restrictions in the case of deferral provision in the terms and conditions of the Securities and (3) the date such amount becomes due under the non-payment provision in the terms and conditions of the Securities.

(b) Redemption of the Securities

The Securities have no maturity. The Issuer may at its option redeem the Securities in whole, but not in part, on the Distribution Payment Date falling in March 2021 or on any Distribution Payment Date thereafter (each, a “**Call Settlement Date**”) on the Issuer’s giving not less than 30 nor more than 60 days’ notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date) at their principal amount plus Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount).

The Securities may be redeemed 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), the Registrar and the Fiscal Agent at their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), after the occurrence of a Tax Event, an Accounting Event, or (in this case, immediately before giving such notice) a Ratings Event.

(c) Status and Subordination of the Securities

The Securities constitute direct, unsecured and subordinated obligations of the Issuer which rank *pari passu* without any preference among themselves and with any Parity Securities of the Issuer.

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

THE DEED OF GUARANTEE

Date

The Issue Date

Parties Involved

The Company, the accountholders in the relevant clearing system with entitlements to Securities and the Holders.

Principal terms of the Deed of Guarantee

(a) Guarantee

The Company will, in the Deed of Guarantee, unconditionally and irrevocably guarantee on a subordinated basis the due and punctual payment of all sums payable by the Issuer in respect of the Securities.

To the best of the knowledge, information and belief of the Directors, as at the date of this announcement, the Issuer and its beneficial owner are independent of the Company and its associates and connected persons.

(b) Status and Subordination of the Guarantee of the Securities

The Guarantee of the Securities constitutes a direct, unsecured and subordinated obligation of the Company which ranks *pari passu* with any Parity Securities of the Company.

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

SWAP AGREEMENT

Date

On or about the Issue Date

Parties Involved

The Company and the Issuer

Principal terms of the Swap Agreement

The Issuer will enter into the Swap Agreement with the Company (in its capacity as swap counterparty) that is effective from the Issue Date in order to fund its payment obligations under the Securities.

The Company will enter into the Swap Agreement in order to be able to direct the Issuer to sell any of the Subscription Shares and receive the sale proceeds, as well as other amounts from time to time paid or distributed in respect of them, as further detailed below or to otherwise transfer any of the Subscription Shares in accordance with the Company's instructions.

The Subscription Shares will not be available for voting, for so long as they are held by the Issuer.

Under the terms of the Swap Agreement:

- (a) the Company will pay the Issuer such amounts that are due in order to discharge its payment obligations under the terms and conditions of the Securities provided that where such payment obligation (including the deferral of any payment obligation) arises as a consequence of an option or discretionary determination of the Issuer, the Company has first directed the Issuer to exercise such option or discretion and the Issuer has done so in accordance with the terms and conditions of the Securities;
- (b) the Company may at any time direct the Issuer to procure the sale by an intermediary broker or agent chosen by the Company of some or all of the Subscription Shares on the Stock Exchange and otherwise on such terms and at such times as it may instruct and to pay the related net sale proceeds to the Company, such terms including any minimum price or minimum number of Subscription Shares to be sold. The terms of any such instruction will also allow the Company (i) to determine any provisions that should apply if the conditions of sale can't reasonably be satisfied; and (ii) a right of approval of the final terms of the any sale prior to its execution;
- (c) the Company may at any time direct the Issuer to transfer some or all of the Subscription Shares on such terms and at such times and following such process and other requirements as it may instruct;
- (d) the Issuer will pay (or, where not received in cash, sell such assets as are received in order to enable it to pay) the Company, any amounts received in respect of dividends or distributions in respect of the Subscription Shares;
- (e) the Issuer undertakes that, unless instructed by the Company, it will not, nor shall it permit any agent or custodian appointed by it to, exercise any rights in respect of the Subscription Shares from time to time, including any rights arising from a rights issue in respect of the Subscription Shares (and, where a rights issue occurs in respect of the Subscription Shares, the Company may direct the Issuer how to exercise such rights and receive any resultant amounts from the Issuer so doing);

- (f) the Issuer undertakes that, unless instructed by the Company, it will not and shall not permit any agent or custodian appointed by it to, deal with, transfer or lend the Subscription Shares to any third party, transfer or hold the Subscription Shares or any part thereof via the Central Clearing and Settlement System (CCASS) or otherwise create any pledge or encumbrance over them (or any part of them); and
- (g) the Issuer undertakes that it will keep the physical share certificate in a safe or vault.

Where certain adjustment events occur in respect of the Subscription Shares, such as a bonus issue, subdivision, consolidation or reclassification, a general offer or a corporate reorganization event and such events result in the receipt by the Issuer of additional securities or assets in respect of the Subscription Shares, such additional securities or assets shall be deemed to be Subscription Shares for the purposes of the Swap Agreement and subject to the rights and restrictions summarised above.

The Company's obligations under the Swap Agreement are on a subordinated basis on equivalent terms to the status of its obligations as guarantor under the Securities.

Application for Listing of Securities

Application has been made by the Issuer for the listing of, and permission to deal in, the Securities by way of debt issues to professional investors only.

REASONS FOR THE SECURITIES SUBSCRIPTION, THE SHARE SUBSCRIPTION AND USE OF PROCEEDS

The net proceeds from the issue of the Securities, after deduction of underwriting commissions and expenses are estimated to be approximately US\$1,190 million (equivalent to approximately HK\$9,245 million). The entire amount of the gross proceeds will be used by the Issuer to acquire the Subscription Shares under the Share Subscription Agreement.

The gross proceeds from the Share Subscription are estimated to be US\$1,200 million (equivalent to approximately HK\$9,323 million). The Company intends to use the gross proceeds from the Share Subscription for the Company's general corporate purposes including the funding (in whole or in part) of the redemption of the US\$1,000,000,000 6.625% guaranteed perpetual capital securities issued by PHBS Limited. PHBS Limited is an indirect wholly owned subsidiary of the Company.

The Directors believe that the terms of the Share Subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole.

REASONS FOR AND BENEFITS OF THE GUARANTEE OF THE SECURITIES

With the Guarantee of the Securities, the Issuer will be able to issue the Securities at a lower distribution rate, and in return the Company's payment obligations under the Swap Agreement as well as the Deed of Guarantee will be lower. As such, the provision of the Guarantee of the Securities by the Company will reduce the aggregate amount of payment obligations of the Company.

The Directors believe that the terms of the Guarantee of the Securities are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable size tests in respect of the Guarantee of the Securities is more than 5% but less than 25%, the Guarantee of the Securities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and disclosure requirements thereunder.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not raised any funds on issue of equity securities in the 12 months immediately preceding this announcement.

EFFECT OF THE SHARE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

Assuming all the Subscription Shares are subscribed under the Share Subscription Agreement, the shareholding structure of the Company before and after the Share Subscription will be as follows:

Shareholders of the Company	As at 22nd February, 2016		Immediately after the Share Subscription	
	Shares	%	Shares	%
HIHL	1,906,681,945	75.674	1,906,681,945	71.932
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	5,428,000	0.215	5,428,000	0.205
Mr. Kam Hing Lam	100,000	0.004	100,000	0.004
The Issuer ⁽¹⁾	—	—	131,065,097	4.944
Other public Shareholders	607,401,000	24.107	607,401,000	22.915
Total	<u>2,519,610,945</u>	<u>100.000</u>	<u>2,650,676,042</u>	<u>100.000</u>

Note:

(1) For so long as the Subscription Shares are held by the Issuer, they will be disregarded for the purposes of determining the number of Shares held by the public.

INFORMATION RELATING TO THE GROUP

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

INFORMATION RELATING TO THE ISSUER

The Issuer is an independent issuing entity established under Cayman Islands law, where its beneficial owner is a STAR Trust established in the Cayman Islands. The sole shareholder of the Issuer will be Codan Trust Company (Cayman) Limited, a trust corporation with its registered office in the Cayman Islands (as trustee for the STAR Trust). The STAR Trust is a purpose trust, whereby the trustees (the original trustee will be Codan Trust Company (Cayman) Limited) will hold the trust fund for the furtherance of certain purposes (such as the implementation of the business plan (which comprises of the subscription of the Subscription Shares, the maintenance of the Issuer in existence and in good standing, the issuance of the Securities and the application of the proceeds towards the acquisition of the Subscription Shares and the entry into the Swap Agreement), and subject to that, charitable purposes) on such terms as the trustees think fit. The Company will be the first enforcer (the “**Enforcer**”) of the STAR Trust (i.e. the only person with standing to enforce the STAR Trust) and may appoint a new Enforcer. The Company will also be entitled to appoint and remove the trustee of the STAR Trust from time to time. Under the STAR Trust, the Enforcer is under no duty to enquire into or interfere with the management or conduct of the trust, unless it has actual knowledge or circumstances which call for enquiry. The administration and operations of the Issuer is governed by its articles of association. The Company has no shareholding in, and has no right to appoint directors of, the Issuer. The current sole director of the Issuer is Codan Services (Cayman) Limited, which is expected to remain as the sole director of the Issuer throughout the life of the Securities.

DEFINITIONS

The following defined terms are used in the announcement:

“Accounting Event”	the event where as a result of any changes or amendments to the Relevant Accounting Standard, the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as “equity” of the Company pursuant to the Relevant Accounting Standard;
“Additional Distribution Amount”	the amount of interest accrued on the Arrears of Distribution at the Distribution Rate;
“AGM”	the annual general meeting of the Company held on 14th May, 2015;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;

“Business Day”	any day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and New York;
“Closing Date”	1st March, 2016 or such other date as the Company and the Issuer may agree in writing;
“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 persons”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Deed of Guarantee”	the deed of guarantee made by the Company to be dated the Issue Date, in respect of the Guarantee of the Securities;
“Director(s)”	the director(s) of the Company;
“Distribution Payment Date”	1st March and 1st September of each year, with the first Distribution Payment Date falling in September 2016;
“Distribution Rate”	5.875 per cent. per annum;
“Fiscal Agent”	Deutsche Bank AG, Hong Kong Branch;
“Fixed Exchange Rate”	US\$1.00: HK\$7.7689;
“General Mandate”	the general unconditional mandate granted to the Directors to issue Shares up to 20% of the issued share capital of the Company as at the date of the resolution approving the grant at the annual general meeting of the Company held on 14th May, 2015;
“Group”	the Company and its subsidiaries;
“HIHL”	Hutchison Infrastructure Holdings Limited, a subsidiary of CK Hutchison Holdings Limited and a controlling shareholder of the Company;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Holders”	holders of the Securities;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong;
“Issue Date”	1st March, 2016 or at such other date as the Issuer, the Company and the Joint Lead Managers may agree;
“Issuer”	OVPH Limited, a company incorporated in the Cayman Islands with limited liability;
“Joint Lead Managers”	Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities plc;
“Junior Securities”	in relation to the Issuer or the Company, as the case may be, any class of its share capital qualifying as equity under HKFRS (other than preference shares);
“Last Trading Date”	22nd February, 2016, being the last trading day for the Shares prior to the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Offering Circular”	the final offering circular dated 22nd February, 2016 prepared by the Company and the Issuer and distributed by the Joint Lead Managers to investors in connection with the offering of the Securities;
“Parity Securities”	in relation to the Issuer or the Company, as the case may be, any instrument or security (including preference shares) issued entered into or guaranteed by the Issuer, or the Company (i) which ranks or is expressed to rank, by its terms or by operation of law, <i>pari passu</i> with the Securities (in the case of the Issuer) or the obligations of the Company under the Guarantee of the Securities (in the case of the Company) and, (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Company;
the “PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;

“Ratings Event”	the event where an amendment, clarification or change has occurred in the equity credit methodology of Standard & Poor’s or any other rating agency of equivalent international standing requested from time to time by the Company to grant an equity classification to the Securities and/or the Guarantee of the Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Securities and/or the Guarantee of the Securities (for the Issuer or the Company) than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time;
“Registrar”	Deutsche Bank Luxembourg S.A.;
“Relevant Accounting Standard”	HKFRS or any other accounting standards that may replace HKFRS for the purposes of the consolidated financial statements of the Company;
“Securities”	the U.S. Dollar-Denominated Fixed Rate Guaranteed Perpetual Capital Securities in the aggregate principal amount of US\$1,200 million to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company on a subordinated basis (being the Guarantee of the Securities);
“Securities Subscription”	the subscription of the Securities by the Joint Lead Managers, or by subscribers procured by the Joint Lead Managers, pursuant to the terms of the Securities Subscription Agreement;
“Securities Subscription Agreement”	the Securities Subscription Agreement between the Company, the Issuer and the Joint Lead Managers dated 22nd February, 2016 in relation to the Securities Subscription;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Subscription”	the subscription of the Subscription Shares by the Issuer pursuant to the terms of the Share Subscription Agreement;

“Share Subscription Agreement”	the Share Subscription Agreement between the Company and the Issuer dated 22nd February, 2016 in relation to the Share Subscription;
“Share Subscription Price”	the U.S. dollar equivalent of HK\$71.1302 per Subscription Share, based on the Fixed Exchange Rate;
“STAR Trust”	the beneficial owner of the issuer, being a Special Trusts Alternative Regime Trust established in the Cayman Islands;
“Subscription Shares”	an aggregate of 131,065,097 new Shares to be subscribed by the Issuer pursuant to the Share Subscription Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Swap Agreement”	the Swap Agreement to be dated on or about the Issue Date between the Issuer and the Company detailing, <i>inter alia</i> , certain payment obligations of the Company in its capacity as swap counterparty with respect to funding the payments of Distributions on the Securities and, in certain circumstances, the redemption of the Securities and certain rights of the Company, and restrictions on the Issuer, with respect to the Subscription Shares;
“Tax Event”	the event where (a) the Issuer or the Company would be required to pay additional amounts in respect of the Securities or the Guarantee of the Securities as a result of a change in, or amendment to, the laws or regulations of the Cayman Islands, Bermuda or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 22nd February, 2016 and (b) such obligation cannot be avoided by the Issuer or the Company, as the case may be, taking reasonable measures available to it;
“trading day(s)”	has the meaning ascribed thereto under the Listing Rules;
“Transaction Documents”	the Securities Subscription Agreement, an agency agreement, a deed of covenant and the Deed of Guarantee;
“US\$”	United States dollars, the lawful currency of the United States of America;

“Winding-Up”

with respect to the Issuer or the Company, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or the Company, as the case may be; and

“%”

per cent.

The translation of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.7689 and is provided for information purposes only.

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

Hong Kong, 23rd February, 2016

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 and Mr. George Colin MAGNUS; 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).