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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)

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION



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

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



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

**FORMATION OF A JOINT VENTURE IN CONNECTION WITH THE PROPOSED
ACQUISITION OF ALL OF THE SHARES AND PREFERRED EQUITY
CERTIFICATES IN ISSUE OF THE TARGET
AND THE PROPOSED ACQUISITION**

The CKPH Board, the CKHH Board and the CKI Board jointly announce that on 27 July 2017, CKPH, CKI and Midco 5 entered into the Joint Venture Formation Agreement, pursuant to which, subject to the obtaining of the necessary Independent Shareholders' Approvals, the Consortium Members will, among other things, indirectly own the shares in JV Co and partly fund the Acquisition according to the Respective Proportions and enter into the Shareholders' Agreement.

In addition, in connection with the Acquisition, the Seller and the Purchaser have entered into the Sale and Purchase Agreement on 27 July 2017. The Sale and Purchase Agreement is not conditional on completion of the Joint Venture Transaction but is conditional upon the fulfilment of certain conditions as set out in the section headed "3. Sale and Purchase Agreement" below.

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

- (a) As one or more of the applicable percentage ratios of CKPH based on the Maximum Financial Commitment of the CKPH Group under the Joint Venture Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Joint Venture 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 Joint Venture 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 based on the Maximum Financial Commitment of the CKPH Group under the Joint Venture Transaction exceeds 5%, the Joint Venture Transaction is subject to CKPH's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (b) As one or more of the applicable percentage ratios of CKI based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Joint Venture Transaction constitutes a discloseable transaction for CKI and is subject to CKI's compliance with the announcement and notification requirements, but is not subject to the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

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 Joint Venture Transaction also constitutes a connected transaction for CKI under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of CKI based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceeds 5%, the Joint Venture Transaction is subject to CKI's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (c) For CKHH, CKPH has been deemed by the Stock Exchange to be its connected person under the Listing Rules. Accordingly, the entry into of the Joint Venture Formation Agreement 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 based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Joint Venture Transaction is subject to CKHH's compliance with the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

If either or both of the necessary Independent Shareholders' Approvals are not obtained, the Joint Venture Transaction will not proceed and the Purchaser will, as an indirect wholly-owned subsidiary of CKPH, proceed with the Acquisition. In such case, the Acquisition will constitute a discloseable transaction for CKPH as one or more of the applicable percentage ratios of CKPH in relation to the Acquisition will exceed 5% but all of the applicable percentage ratios will be less than 25%, and the Acquisition would be subject to CKPH's compliance with the announcement and notification requirements, but would not be subject to the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

As completion of the Joint Venture Transaction is conditional on the obtaining of the relevant Independent Shareholders' Approvals, and the Acquisition depends on the fulfilment of certain conditions under the Sale and Purchase Agreement, there remains the possibility that the Joint Venture Transaction and/or the Acquisition may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

1. INTRODUCTION

The CKPH Board, the CKHH Board and the CKI Board jointly announce that on 27 July 2017, CKPH, CKI and Midco 5 entered into the Joint Venture Formation Agreement, pursuant to which, subject to the obtaining of the necessary Independent Shareholders' Approvals, the Consortium Members will, among other things, indirectly own the shares in JV Co and partly fund the Acquisition according to the Respective Proportions and enter into the Shareholders' Agreement.

In addition, in connection with the Acquisition, the Seller and the Purchaser have entered into the Sale and Purchase Agreement on 27 July 2017.

The major terms of the Joint Venture Transaction and the Sale and Purchase Agreement relating thereto are set out below.

2. JOINT VENTURE TRANSACTION

A. The Joint Venture Formation Agreement

On 27 July 2017, CKPH, CKI and Midco 5 entered into the Joint Venture Formation Agreement in relation to the participation of the Consortium Members in JV Co and governing the funding and operation of JV Co and the Purchaser, subject to the obtaining of the necessary Independent Shareholders' Approvals. As of the date of this announcement, each Consortium Member is wholly-owned by CKPH and each of JV Co and the Purchaser is indirectly wholly-owned by CKPH.

The principal terms of the Joint Venture Formation Agreement and the arrangements relating to the transactions under it are as follows:

(a) Closing conditions

Closing of the Joint Venture Transaction is subject to the following conditions being satisfied or waived:

- (i) all closing conditions under the Sale and Purchase Agreement (as described in paragraph (e) under the section headed "*3. Sale and Purchase Agreement*" below) being satisfied or waived in accordance with the terms of that agreement; and
- (ii) obtaining of necessary Independent Shareholders' Approvals at the respective shareholders' meetings of CKPH and CKI.

(b) Participation of the Consortium Members

Between the date of the Joint Venture Formation Agreement and the closing of the Joint Venture Transaction, Midco 2 will hold 65% equity interest and Midco 3 will hold 35% equity interest in JV Co.

- (i) ***If Independent Shareholders' Approvals are sought on or prior to the Scheduled Closing Date***

It is currently expected that the respective meetings of the shareholders of each of CKPH and CKI for obtaining the necessary Independent Shareholders' Approvals will be held in advance of the Scheduled Closing Date.

If, on or prior to the Scheduled Closing Date, the necessary Independent Shareholders' Approvals of both CKPH and CKI are obtained, Midco 4 (which will be indirectly wholly-owned by CKI) will purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested in 35% of JV Co. After the completion of such purchase, in preparation for completion of the Acquisition, each of Midco 2 and Midco 3 (which will be indirectly wholly-owned by CKPH and CKI, respectively) will contribute its Respective Proportion of funding to JV Co, by subscribing for additional shares in, and/or providing shareholder loans to, JV Co and/or the Purchaser.

(ii) *If Independent Shareholders' Approvals are sought after the Scheduled Closing Date*

If the shareholders' meeting of either of CKPH or CKI for considering the Joint Venture Transaction is not held on or prior to the Scheduled Closing Date, the Acquisition will proceed with the CKPH Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

If the necessary Independent Shareholders' Approvals of both CKPH and CKI are not obtained in time and closing of the Joint Venture Transaction has not taken place on or prior to the Scheduled Closing Date, Midco 4 will, after both such approvals have been obtained and the first business day after the completion of the Acquisition (whichever is later), purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested as to 35% in JV Co (and, through JV Co, the Purchaser).

Upon obtaining the necessary Independent Shareholders' Approvals and the purchase of the entire issued share capital of Midco 3 by Midco 4 in accordance with the above:

- (i) JV Co will be indirectly held by the Consortium Members through Midco 2 and Midco 3 in the Respective Proportions; and
- (ii) the Consortium Members, Midco 2, Midco 3 and JV Co will enter into the Shareholders' Agreement, the principal terms of which are summarised under the section headed "2. Joint Venture Transaction – B. The Shareholders' Agreement" below.

(c) *Maximum Financial Commitment*

If all of the necessary Independent Shareholders' Approvals are obtained, the Target will be indirectly held by CKPH and CKI as to 65% and 35%, respectively, and the Maximum Financial Commitment of CKPH and CKI will be EUR2,925 million (equivalent to approximately HK\$26,910 million) for CKPH and EUR1,575 million (equivalent to approximately HK\$14,490 million) for CKI, respectively. The aggregate Maximum Financial Commitment of CKPH and CKI in the sum of EUR4,500 million (equivalent to approximately HK\$41,400 million) (the "**Total JV Commitment**") is determined with reference to the funding required for the Acquisition.

Each of CKPH and CKI intends to finance its relevant portion of the Maximum Financial Commitment from its internal resources and/or external borrowings.

If either or both of the necessary Independent Shareholders' Approvals are not obtained, the Joint Venture Transaction will not proceed. However, the obligations of the Purchaser under the Sale and Purchase Agreement will remain unaffected and the Acquisition will proceed if the conditions precedent for the Acquisition have been fulfilled, with the CKPH Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

If all the conditions for the Joint Venture Transaction (as set out in paragraph 2.A(a) above) are satisfied or waived (as the case may be), CKI shall indemnify and hold harmless CKPH for any obligations and liabilities under the Equity Commitment Letter pro rata to its Respective Proportion, provided that CKI's aggregate liability shall in no event exceed the Maximum Financial Commitment of CKI. If any of the conditions for the Joint Venture Transaction is not satisfied or waived (as the case may be), CKI's indemnity to CKPH for any obligations and liabilities under the Equity Commitment Letter shall be limited to EUR105 million (equivalent to approximately HK\$966 million).

Further, any costs reasonably incurred by the CKPH Group or the CKI Group in connection with the Acquisition are to be borne by JV Co. However, (i) to the extent any such costs are borne by the parties (or any of their subsidiaries other than JV Co or the Purchaser) and it is not feasible to charge such costs to JV Co or the Purchaser or (ii) if the Acquisition is not completed, any such costs shall be shared by CKPH and CKI in their Respective Proportions.

(d) Termination

The Joint Venture Formation Agreement can be terminated by each of CKPH and CKI if, among other things:

- (i) the conditions for the Joint Venture Transaction (as set out in paragraph 2.A(a)) are not satisfied on or before the Longstop Date; or
- (ii) the Sale and Purchase Agreement is terminated in accordance with its terms.

If all Independent Shareholders' Approvals are obtained and the conditions for the Joint Venture Transaction are satisfied, completion of the Joint Venture Transaction will take place and JV Co will be accounted for as a joint venture in the respective consolidated financial statements of CKPH and CKI.

B. The Shareholders' Agreement

Pursuant to the Joint Venture Formation Agreement and upon completion of the Joint Venture Transaction, the Consortium Members, JV Co, Midco 2 and Midco 3 will enter into the Shareholders' Agreement, under which the parties will agree on rights and obligations in respect of their ongoing investment in the Target Group through JV Co.

The principal terms of the Shareholders' Agreement are as follows:

(a) Board role and composition

The business of JV Co shall be managed by the JV Co Board, who may exercise all the powers of JV Co subject to the terms and provisions of the Shareholders' Agreement, the articles of association or applicable laws.

Each Consortium Member shall have the right to nominate one JV Co Director for appointment on the JV Co Board in respect of each complete ten per cent (10%) of the shares in JV Co it owns (either directly or through its subsidiaries). CKPH shall be entitled to nominate one of its nominated JV Co Directors to be the chairman of the JV Co Board.

(b) *Quorum*

The quorum for the transaction of business at any meeting of the JV Co Board shall be at least one JV Co Director appointed by each Consortium Member (unless a Consortium Member waives the quorum requirement to the extent that it relates to its appointed JV Co Director(s)), provided that if a quorum is not present (or ceases to be present) at a JV Co Board meeting, the meeting shall be adjourned. The quorum at the adjourned meeting shall be any two JV Co Directors present.

(c) *Board voting*

Except for reserved matters, all resolutions of the JV Co Board are made by simple majority of the JV Co Directors present and entitled to vote on the resolution.

A small number of matters of the JV Co Board require a special majority, being a resolution which is approved by the JV Co Board by affirmative votes of more than 85% of the votes of the JV Co Directors at a meeting of the JV Co Board, including:

- (i) any change to the dividend and distribution policy of JV Co that would result in the distribution of less than 50% of the free cash flows of JV Co and its subsidiaries;
- (ii) any purchase by JV Co of its own shares;
- (iii) the acquisition of any assets or business which are not related to the operation of the business of JV Co and its subsidiaries where the assets or business to be acquired have a value in excess of 2% of the Total JV Commitment or the disposal of any assets or part of the business of JV Co and its subsidiaries which is likely to prejudice the operation of such 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 JV Co or any its subsidiaries or the assumption by JV Co or any its subsidiaries of liabilities in excess of 2% of the Total JV Commitment in aggregate;
- (v) JV Co or any its subsidiaries borrowing money in excess of 2% of the Total JV Commitment 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 JV Co and any of its subsidiaries);
- (vi) the creation of any material mortgage, charge, lien or encumbrance on any assets; and

- (vii) the settlement or compromise of any legal dispute or proceedings involving the payment or receipt of 2% of the Total JV Commitment or more in aggregate in any one year.

(d) *Shareholder Reserved Matters*

Each of the Consortium Members shall exercise its rights and powers (whether held directly or indirectly through its subsidiaries) in respect of JV Co, the Purchaser and each member of the Target Group (and procure that each of the JV Co Directors which it nominates to the JV Co Board and to the boards of the Purchaser and each member of the Target Group, shall exercise his rights and powers) so as to procure that neither JV Co, the Purchaser, nor any member of the Target Group shall, subject to the applicable laws, transact any of the business set out below without the prior written approval of the Consortium Members controlling (directly or indirectly through its subsidiaries) more than 85% of the votes able to be cast at a meeting of the shareholders of JV Co called to consider the matter, namely:

- (i) the amendment of the articles and other constitutional documents of JV Co;
- (ii) the creation or issue of any shares to any person (other than a subsidiary of JV Co) or the grant of any option over any shares, unless otherwise permitted by the Shareholders' Agreement;
- (iii) the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve or the redemption of any shares of JV Co or any other reorganisation 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) the approval of the annual business plan and/or annual budget of JV Co and of its subsidiaries or any amendments thereto from time to time;
- (vi) the approval of any financing arrangement or plan to change the gearing ratio of JV Co and its subsidiaries, which could reasonably result in the lowering of their credit rating;
- (vii) the approval of the appointment of the chief executive officer and the chief financial officer of JV Co and its subsidiaries;
- (viii) the amendment of the dividend and distribution policy that would result in the distribution of less than 50% of the free cash flows of JV Co and its subsidiaries, or the declaration of a dividend that distributes less than 50% of the free cash flows of JV Co and its subsidiaries; and
- (ix) the expansion of or change in the nature of the business of JV Co and its subsidiaries to any new business or new jurisdiction in which the business is to be carried on by JV Co and its subsidiaries (but only if such business involves investment by JV Co and its subsidiaries exceeding the value of 2% of the Total JV Commitment).

(e) Pre-emption rights

Unless a Consortium Member is transferring some or all of its equity interest in JV Co held by it or its direct or indirect subsidiaries to a member of its group as permitted under the Shareholders' Agreement (the "**Sale Shares**"), a Consortium Member must first offer these Sale Shares to the other shareholder of JV Co on a pro rata basis. If the Sale Shares are not fully taken up by the aforesaid shareholder of JV Co, the selling Consortium Member will be entitled to sell all of (and not some of) the unsold Sale Shares within three months of completion of the pre-emption process.

(f) Dealings with and transfer of shares of JV Co

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 (whether directly or indirectly):

- (i) mortgage, pledge or otherwise encumber its interest in the whole or any of its equity interest or shares in JV Co;
- (ii) sell, transfer or otherwise dispose of all or any of its shares of JV Co 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 shares in JV Co; or
- (iv) agree, whether conditionally or otherwise, to do any of the foregoing.

3. SALE AND PURCHASE AGREEMENT

On 27 July 2017, the Seller and the Purchaser entered into the Sale and Purchase Agreement in connection with the Acquisition. The Acquisition is not conditional on the completion of the Joint Venture Transaction but is conditional upon the fulfilment of certain conditions as set out in paragraph 3(e) below.

The principal terms of the Sale and Purchase Agreement are as follows:

(a) Date

27 July 2017

(b) Parties

- (i) the Seller; and
- (ii) the Purchaser.

(c) *Assets to be acquired*

Pursuant to the Sale and Purchase Agreement, the Seller has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Target Shares, and (ii) the Target PECs.

(d) *Payment by the Purchaser*

On the Scheduled Closing Date, the Purchaser shall pay:

- (i) to the Seller the Total Purchase Price for the sale and purchase of the Target Shares and the Target PECs of (aa) a base purchase price of approximately EUR3,709 million (equivalent to approximately HK\$34,122.8 million) and (bb) certain adjustment sums reflecting aggregate amount of daily cash amounts and deductions of the upstream loans drawn by the Seller (including accrued and capitalized interest thereon) and the leakage amounts notified by the Seller to the Purchaser in writing no later than five business days prior to the Scheduled Closing Date; and
- (ii) to the relevant members of the Target Group the Facilities Repayment Amount.

The Total Purchase Price was determined based on arm's length negotiations between the Seller and the Purchaser after taking into account the valuation of the Target.

(e) *Conditions Precedent*

Closing of the Acquisition is conditional upon satisfaction of the following conditions:

- (i) the merger control approvals or clearances required under the European (and/or in case of a full or partial referral, German) and Russian merger control laws having been obtained or are deemed, by applicable laws, having been obtained (the "**Antitrust Clearance**"); and
- (ii) the German Federal Ministry of Economics and Energy (aa) having issued a clearance certificate pursuant to Section 58(1) Sentence 1 of Foreign Trade Regulation (AWV) in relation to the acquisition of the Target Shares pursuant to the Sale and Purchase Agreement (the "**Clearance Certificate**"); or (bb) within two months after receipt of a due application for the Clearance Certificate, not having issued the Clearance Certificate nor initiated a formal investigation pursuant to Section 55(1) of Foreign Trade Regulation (AWV) in relation to the acquisition of the Target Shares pursuant to the Sale and Purchase Agreement; or (cc) in the event of the aforesaid formal investigation, having failed to prohibit the acquisition of the Target Shares by the Purchaser pursuant to the Sale and Purchase Agreement within the four months' period specified in Section 59(1) of Foreign Trade Regulation (AWV) (the "**AWV Clearance**", together with Antitrust Clearance, the "**Clearances**").

The above conditions precedent (except the Antitrust Clearance condition in relation to Russia) can only be waived jointly by the Seller and the Purchaser, and the Antitrust Clearance condition in relation to Russia can be waived by either party after satisfaction of all other conditions precedent to the Sale and Purchase Agreement. In the event of such waiver of the Antitrust Clearance condition in relation to Russia, the Russian business of the Target Group will be carved out and held separately from the Target Group until such clearance has been obtained.

In the event that the conditions precedent to the Sale and Purchase Agreement are not satisfied by the Drop Dead Date, the Seller or the Purchaser (if the Seller does not terminate the Sale and Purchase Agreement within 20 business days after receipt of a written termination request from the Purchaser) shall be entitled to terminate the Sale and Purchase Agreement and the parties shall cease to have any obligations thereunder.

(f) Equity commitment letter and impact of the Independent Shareholders' Approvals

On the same date on which the Sale and Purchase Agreement is executed, CKPH provided an equity commitment in respect of the Purchaser under the Sale and Purchase Agreement (including the payment of the Total Purchase Price).

The Purchaser also intends to make use of external banking facilities made available to the Purchaser to refinance all or part of the Existing Financing Arrangements.

Pursuant to the Equity Commitment Letter, CKPH irrevocably commits to the Seller that the equity commitment in the amount of up to EUR4,430 million (equivalent to approximately HK\$40,756 million) shall be provided to the Purchaser in cash in immediately available funds no later than on the Scheduled Closing Date.

In addition, pursuant to the Equity Commitment Letter, if (i) the conditions precedent to the Sale and Purchase Agreement are not fulfilled on or prior to the Drop Dead Date or (ii) the Purchaser has failed to perform the Closing events as set out in the Sale and Purchase Agreement (including, without limitation, payment of the Total Purchase Price) on the Scheduled Closing Date (the “**SPA Breaches**”), CKPH commits:

- (i) to provide to the Purchaser or otherwise cause the Purchaser to receive within five business days upon written request of the Seller in cash in immediately available funds an amount equal to the damages that are, in respect of any SPA Breaches by the Purchaser, (aa) judicially determined by the relevant court or arbitral tribunal in favor of the Seller or (bb) agreed upon between the Purchaser and the Seller in writing;
- (ii) to provide to the Purchaser or otherwise cause the Purchaser to receive within five business days upon written request of the Seller in immediately available funds an amount equal to the Break Fee (as defined below), provided that the Seller has terminated the Sale and Purchase Agreement and the Purchaser is obliged to pay the Break Fee pursuant to the Sale and Purchase Agreement; and

- (iii) to procure that any funds provided under sub-paragraphs (i) and/or (ii) above are not directly or indirectly extracted, withdrawn from, redeemed or repaid by, or on behalf of, the Purchaser before any portion thereof is utilised to fulfil the Purchaser's obligation to pay such damages or the Break Fee (as the case may be) to the Seller in accordance with the Sale and Purchase Agreement.

For the avoidance of doubt, the equity commitment obligation of CKPH under the Equity Commitment Letter is not subject to the obtaining of CKPH's Independent Shareholders' Approval.

(g) Break fees

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to pay to the Seller a break fee of EUR200 million (equivalent to approximately HK\$1,840 million) (the "**Break Fee**") if either the Seller or the Purchaser has withdrawn from the Sale and Purchase Agreement because:

- (i) any of the Clearances has not been obtained prior to or on the Drop Dead Date;
or
- (ii) the Purchaser has not fulfilled any of the Closing events as specified in the Sale and Purchase Agreement, provided that the Seller is at the same time not in breach of fulfilling its obligations under the Sale and Purchase Agreement and the Purchaser's breach has not been remedied by the Purchaser within three business days.

Such Break Fee shall not prejudice the Seller from claiming the Purchaser any further damages of any kind incurred as a result of the Purchaser's breach of the terms and conditions of the Sale and Purchase Agreement.

4. INFORMATION ABOUT THE TARGET GROUP

The Target is one of the world's leading fully integrated energy management services providers with strong market positions in Europe (including Germany, Denmark, the Netherlands, France, Italy and Spain). The Target Group generates value across all stages of the sub-metering value chain from hardware development, manufacturing, installation and maintenance to meter reading, data collection and processing, billing, energy data management and customer and after-sales services. The Target Group has made substantial investment in creating its sub-metering platform, enabling its further efficiency gains through standardisation, digitalisation, automation and centralisation and expansion into accelerating growth countries and new higher value-added services in a cost-efficient manner.

According to the audited consolidated financial statements of the Target Group for the financial years ended 31 December 2015 and 2016 prepared in accordance with the International Financial Reporting Standards (IFRS), the audited consolidated profit/loss before and after taxation of the Target Group for the financial years ended 31 December 2015 and 2016 are set out below:

	Year ended 31 December	
	2015	2016
Profit before taxation	EUR4.94 million (equivalent to approximately HK\$45.45 million)	EUR20.33 million (equivalent to approximately HK\$187.04 million)
Loss after taxation	EUR18.98 million (equivalent to approximately HK\$174.62 million)	EUR4.24 million (equivalent to approximately HK\$39.01 million)

Note: The losses after taxation of the Target Group for the financial years ended 31 December 2015 and 2016 were impacted by the high interest expenses of EUR163.02 million (equivalent to approximately HK\$1,499.78 million) in 2015 and EUR165.60 million (equivalent to approximately HK\$1,523.52 million) in 2016, respectively arising from external debts and shareholders' loans. A restructuring of the capital structure of the Target Group is expected to take place upon Closing.

According to the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2016 prepared in accordance with the International Financial Reporting Standards (IFRS), the audited consolidated net asset value of the Target Group as at 31 December 2016 was approximately EUR251.49 million (equivalent to approximately HK\$2,313.71 million).

To the best knowledge, information and belief of the CKPH Directors, having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of the CKPH Group and its connected persons.

5. INFORMATION ON THE CKPH GROUP

The CKPH Group has diverse capabilities with principal activities encompassing property development and investment, hotel and serviced suite operation, property and project management, infrastructure investments and aircraft leasing. Its strategy is to achieve long-term sustainable business growth and value creation for shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue to enhance its revenue streams and strengthen its fundamentals.

6. INFORMATION ON THE CKI GROUP

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.

7. INFORMATION ON THE CKHH GROUP

The CKHH Group is principally engaged in five core businesses: ports and related services, retail, infrastructure, energy, and telecommunications.

8. REASONS FOR, AND BENEFITS OF, THE ACQUISITION AND THE JOINT VENTURE TRANSACTION

The Consortium Members believe that the Target's well established businesses in Europe represent an attractive opportunity for investors with stable cashflows and growth prospects. Among the Consortium Members, CKPH is the only bidding party with the size and immediate resources to make an offer to acquire the Target Shares and the Target PECs pursuant to the Sale and Purchase Agreement.

For CKPH, the Joint Venture Transaction and the Acquisition are in accordance 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. 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 Europe and in other parts of the world, a suitable joint venture partner. The Joint Venture Transaction will 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 Target Group.

If either or both of the necessary Independent Shareholders' Approvals cannot be obtained and the Joint Venture Transaction does not proceed, CKPH will, through the Purchaser which will remain as an indirect wholly-owned subsidiary of CKPH, proceed with the Acquisition to acquire 100% of the Target. In such case, the Target still represents a quality investment for the CKPH Group for the following reasons:

- (a) the Target Group is a well established and sizeable business with over 60 years of business operation in Europe, and will provide CKPH with the valuable opportunity to invest in the European sub-metering market, which is consistent with CKPH's global diversification strategy;
- (b) the Target Group has shown a stable and consistent growth track record. The Target Group's stable financial performance and growth prospects will help to mitigate the cyclical nature of cash flows associated with property development;
- (c) CKPH's investment in the Target meets the investment criteria set out in its annual report; and
- (d) CKPH can potentially leverage on the expertise of the existing management team of the Target Group through service agreements with the joint ventures and associates of CKI and/or other professionals to support the management of the Target's business.

For CKI, the Joint Venture Transaction is consistent with its strategies of investing in infrastructure and infrastructure like opportunities around the world and embracing new growth opportunities through diversification.

The CKPH Board and the CKI Board therefore consider that, subject to completion of the Acquisition, the respective companies would benefit from the co-operation through the Joint Venture Transaction.

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 Joint Venture 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 Joint Venture Transaction are on normal commercial terms and the terms of the Joint Venture Transaction are fair and reasonable and in the interest of CKPH and its shareholders as a whole. The CKPH Directors (including the independent non-executive directors) are of the opinion that, whether or not the Joint Venture Transaction proceeds, the Acquisition is 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 Joint Venture Transaction, each of them has voluntarily abstained from voting on the board resolutions of CKPH for approving the Joint Venture Transaction.

The CKI Directors (other than Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei, Mr. Lan Hong Tsung, David, Mr. Barrie Cook and Mr. Paul Joseph Tighe, being independent non-executive directors of CKI who are the members of the independent board committee of CKI established to make recommendations to the independent shareholders of CKI on the Joint Venture Transaction, and whose views will be set out in the circular to be issued by CKI to its shareholders, but including Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, the other independent non-executive directors of CKI, 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 CKPH) consider that the terms of the Joint Venture 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 have any material interest in the connected transaction herein announced except by virtue of being a director and/or shareholder of CKI (including its subsidiaries) and/or the other parties involved in the transactions, and no CKI Director was required to abstain from voting on the board resolutions of CKI 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 for approving the Joint Venture Transaction.

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 Joint Venture Transaction and the benefits which are expected to accrue to CKHH and its subsidiaries (of which CKI forms part) as a result of the Joint Venture Transaction, and consider that the terms of the Joint Venture Transaction are on 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 transactions, 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.

9. IMPLICATIONS UNDER THE LISTING RULES

(a) For CKPH

As one or more of the applicable percentage ratios of CKPH based on the Maximum Financial Commitment of the CKPH Group under the Joint Venture Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Joint Venture 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 Joint Venture 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 based on the Maximum Financial Commitment of the CKPH Group under the Joint Venture Transaction exceeds 5%, the Joint Venture Transaction is subject to CKPH's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A CKPH circular containing, among other things, information on the Joint Venture Transaction is expected to be despatched to the shareholders of CKPH by the end of August 2017. The circular is expected to 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 letter from independent financial adviser of CKPH and the letter from the independent board committee of CKPH.

If the necessary Independent Shareholders' Approvals in respect of CKI's participation in the Joint Venture Transaction are not obtained, the Joint Venture Transaction will not proceed and the Purchaser will, as an indirect wholly-owned subsidiary of CKPH, proceed with the Acquisition. In such case, the Acquisition will constitute a discloseable transaction for CKPH as one or more of the applicable percentage ratios of CKPH in relation to the Acquisition will exceed 5% but all of the applicable percentage ratios will be less than 25%, and the Acquisition would be subject to CKPH's compliance with the announcement and notification requirements, but would not be subject to the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

(b) For CKI

As one or more of the applicable percentage ratios of CKI based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Joint Venture Transaction constitutes a discloseable transaction for CKI and is subject to CKI's compliance with the announcement and notification requirements, but is not subject to the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

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 Joint Venture Transaction also constitutes a connected transaction for CKI under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of CKI based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceeds 5%, the Joint Venture Transaction is subject to CKI's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A CKI circular containing, among other things, information on the Joint Venture Transaction is expected to be despatched to the shareholders of CKI by the end of August 2017. The circular is expected to 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 CKI, and prepare letter from independent financial adviser of CKI and the letter from the independent board committee of CKI.

(c) For CKHH

For CKHH, CKPH has been deemed by the Stock Exchange to be its connected person under the Listing Rules. Accordingly, the entry into of the Joint Venture Formation Agreement 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 based on the Maximum Financial Commitment of the CKI Group under the Joint Venture Transaction exceed 0.1% but all of the applicable percentage ratios are less than 5%, the Joint Venture Transaction is subject to CKHH's compliance with the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

10. FURTHER INFORMATION

It should be noted that as the Joint Venture Transaction remains subject to the necessary Independent Shareholders' Approvals, there can be no certainty that the Joint Venture Transaction will or will not be completed.

Further announcement(s) will be made by CKPH, CKHH and/or CKI on the developments of the Acquisition and the Joint Venture Transaction and the transactions to be entered into by them in relation thereto as and when appropriate.

As completion of the Joint Venture Transaction is conditional on the obtaining of the relevant Independent Shareholders' Approvals, and the Acquisition depends on the fulfilment of certain conditions under the Sale and Purchase Agreement, there remains the possibility that the Joint Venture Transaction and/or the Acquisition may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

11. DEFINITIONS

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

“Acquisition”	the proposed acquisition of all of the Target Shares and the Target PECs in issue from the Seller pursuant to the Sale and Purchase Agreement
“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 Group”	CKPH and its subsidiaries
“Closing”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement

“connected person”	has the meaning ascribed to such term in the Listing Rules
“Consortium Members”	CKPH and CKI, and “Consortium Member” shall be construed accordingly
“Consortium Midcos”	Midco 1, Midco 2, Midco 3 and Midco 5, and “Consortium Midco” shall be construed accordingly
“Drop Dead Date”	the date falling seven months after the date of the Sale and Purchase Agreement
“Equity Commitment Letter”	the equity commitment letter dated 27 July 2017 which was entered into among CKPH, the Seller and the Purchaser with respect to the commitments to be provided by CKPH
“EUR”	Euro, the lawful currency of the European Union
“Existing Financing Arrangements”	certain outstanding financing arrangements in relation the Target Group to which the Target and/or a member of the Target Group is a party, including the facilities under the Senior Facilities Agreements and the Notes, as defined under the Sale and Purchase Agreement
“Facilities Repayment Amount”	the sum of (a) all amounts outstanding under the Existing Financing Arrangements; and (b) any amounts of cash cover required to be provided for any guarantees or letters of credit issued under the Existing Financing Arrangements upon a prepayment resulting from the transactions contemplated under the Sale and Purchase Agreement (including any interests, commitment fees, break or make whole costs or fees, and other fees and costs accruing thereon) as at the Scheduled Closing Date. For the avoidance of doubt, such Facilities Repayment Amount excludes the principal amount and any interests, commitment fees, break or make whole costs or fees, and other fees and costs accruing under the Notes
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders’ Approvals”	the approval of the shareholders (excluding any shareholders with a material interest in the Joint Venture Transaction) of each of CKPH and CKI as required under the Listing Rules for authorising the Joint Venture Transaction, and each an “Independent Shareholders’ Approval”

“Joint Venture Formation Agreement”	the joint venture formation agreement dated 27 July 2017 which was entered into among CKPH, CKI and Midco 5 with respect to the direct or indirect participation of the Consortium Members in JV Co and governing the funding and operation of JV Co and the Purchaser
“Joint Venture Transaction”	the transactions contemplated under the Joint Venture Formation Agreement and the Shareholders’ Agreement
“JV Co”	Sarvana S.à r.l., a direct holding company of the Purchaser and a company incorporated under the laws of Luxembourg with limited liability
“JV Co Board”	the board of managers of JV Co
“JV Co Director(s)”	manager(s) of JV Co
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	the date falling eight months from the date of the Joint Venture Formation Agreement or such later date as the parties may agree pursuant to the Joint Venture Formation Agreement
“Maximum Financial Commitment”	in relation to a Consortium Member and its subsidiaries, the maximum financial commitment of such Consortium Member and its subsidiaries under the Joint Venture Transaction
“Midco 1”	Splendour Success Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of CKPH and will indirectly hold 65% of the equity interest in JV Co before the closing of the Joint Venture Transaction
“Midco 2”	Admiral King Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of CKPH and will directly hold 65% of the equity interest in JV Co before the closing of the Joint Venture Transaction

“Midco 3”	Swift Returns Global Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of CKPH and will directly hold 35% of the equity interest in JV Co before the closing of the Joint Venture Transaction
“Midco 4”	a wholly-owned subsidiary of CKI which will be incorporated under the laws of the British Virgin Islands with limited liability
“Midco 5”	Sky Master Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of CKPH and will indirectly hold 35% of the equity interest in JV Co before the closing of the Joint Venture Transaction
“Notes”	collectively, the 5% senior secured notes due 2020 in an aggregate principal amount of EUR350 million (equivalent to HK\$3,220 million) issued by Trionista HoldCo, and the 6.875% senior subordinated notes due 2021 in an aggregate principal amount of EUR525 million (equivalent to HK\$4,830 million) issued by Trionista TopCo
“percentage ratios”	shall have the meaning ascribed to such term in Chapter 14 of the Listing Rules
“Purchaser”	Lamarillo S.à r.l., a direct wholly-owned subsidiary of JV Co and a company incorporated under the laws of Luxembourg with limited liability
“Respective Proportion(s)”	means: <ul style="list-style-type: none"> (a) in relation to CKPH, 65%; and (b) in relation to CKI, 35%
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 July 2017 which was entered into between the Seller and the Purchaser with respect to the Acquisition
“Scheduled Closing Date”	the later of (i) the first business day after the lapse of a period of 30 calendar days after the issuance of redemption notice by the issuers of both series of the Notes in accordance with the Sale and Purchase Agreement, and (ii) the tenth business day after the day on which the last of the conditions precedent to the Sale and Purchase Agreement have been satisfied or waived (or such other date as agreed in writing by the Seller and the Purchaser)

“Senior Facilities Agreements”	certain existing commercial banking facilities agreements entered into by the Target and certain members of the Target Group as borrowers and/or guarantors
“Seller”	Trius Holdings S.C.A., a <i>société en commandite par actions</i> organized under the laws of Luxembourg
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Consortium Members, JV Co, Midco 2 and Midco 3 to govern the parties’ ongoing investment in the Target Group through JV Co
“Shares”	ordinary shares in the capital of: <ul style="list-style-type: none"> (a) CKPH with a nominal value of HK\$1.00 each; (b) CKHH with a nominal value of HK\$1.00 each; or (c) CKI with a nominal value of HK\$1.00 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to such term in the Listing Rules
“Target”	ista Luxemburg GmbH, a <i>société à responsabilité limitée</i> organized under the laws of Luxembourg
“Target Group”	the Target and its subsidiaries
“Target PECs”	means 55,000,000,000 preferred equity certificates with a par value of EUR0.01 each in an aggregated principal amount of EUR550,000,000 issued by the Target
“Target Shares”	means the 100,000,000 shares with a nominal value of EUR 0.01 each of the share capital in the aggregate amount of EUR1,000,000 of the Target
“Total Purchase Price”	means the total purchase price payable to the Seller in accordance with the terms and conditions of the Sale and Purchase Agreement
“Trionista HoldCo”	Trionista HoldCo GmbH, a wholly-owned subsidiary of the Target Group and an issuer of one series of the Notes
“Trionista TopCo”	Trionista TopCo GmbH, a wholly-owned subsidiary of the Target Group and an issuer of one series of the Notes

“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
“%”	per cent

Note: The figures in “EUR” are converted into HK\$ at the rate of EUR1.00 : HK\$9.20 throughout this announcement for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

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

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

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

Hong Kong, 27 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 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).

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.