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**CHEUNG KONG (HOLDINGS) LIMITED**

**長江實業(集團)有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 0001)

**REORGANISATION PROPOSAL –  
CHANGE OF THE HOLDING COMPANY OF THE GROUP  
FROM CHEUNG KONG (HOLDINGS) LIMITED TO**

**CK HUTCHISON HOLDINGS LIMITED**

**長江和記實業有限公司**

*(a company incorporated in the Cayman Islands with limited liability,  
the shares of which are proposed to be listed on  
the Main Board of the Stock Exchange by way of introduction)*

**BY WAY OF A SCHEME OF ARRANGEMENT**

*(under the Companies Ordinance)*

**Financial adviser to Cheung Kong (Holdings) Limited and CK Hutchison Holdings Limited**

**HSBC**

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A letter from the Board is set out on pages 6 to 12 of this document. An Explanatory Statement is set out on pages 13 to 32 of this document. The actions to be taken by the Shareholders are set out on pages 29 to 31 of this document. Notices convening the Court Meeting and the General Meeting to be held on Wednesday, 25 February 2015 at 9:00 a.m. and 9:30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong are set out on pages NCM-1 to NGM-3 of this document.

Subject to the granting of listing of, and permission to deal in, the shares of CK Hutchison Holdings Limited on the Main Board and compliance with the stock admission requirements of HKSCC, those shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in such shares or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Whether or not you are able to attend the Court Meeting and the General Meeting or any of them, you are strongly urged to complete and sign the enclosed forms of proxy in accordance with the respective instructions printed on them, and to lodge them at the Company's registered office at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as possible, but in any event not later than the times and dates specified in them respectively. The form of proxy in respect of the Court Meeting may also be handed to the Chairman of the Court Meeting at the Court Meeting if it is not so lodged.

Completion and return of the forms of proxy will not preclude you from attending and voting in person at the Court Meeting or the General Meeting, or any respective adjournment of it, should you so wish.

The shares of CK Hutchison Holdings Limited to be issued in connection with the Scheme will not be, and are not required to be, registered with the SEC under the Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the shares of CK Hutchison Holdings Limited or passed an opinion on the adequacy of this document. Any representation to the contrary is a criminal offense in the United States.** Persons who are affiliates (within the meaning of the Securities Act) of Cheung Kong (Holdings) Limited or CK Hutchison Holdings Limited prior to, or of CK Hutchison Holdings Limited after, the Effective Date will be subject to certain US transfer restrictions relating to the shares of CK Hutchison Holdings Limited received pursuant to the Scheme. Overseas Shareholders, including but not limited to US Shareholders, are advised to read the important notices in paragraph 15 of the Explanatory Statement.

6 February 2015

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## CONTENTS

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	<i>Page</i>
<b>Expected Timetable</b> .....	ii
<b>Summary</b> .....	1
<b>Letter from the Board</b> .....	6
<b>Explanatory Statement</b> .....	13
<b>Risk Factors</b> .....	33
<b>Directors of the Company and CKH Holdings</b> .....	43
<b>Corporate Information of the Company and CKH Holdings</b> .....	45
<b>Parties Involved in the Reorganisation Proposal</b> .....	48
<b>Responsibility Statement</b> .....	49
<b>Appendix I – Information on the Group</b> .....	I-1
<b>Appendix II – Information on CKH Holdings</b> .....	II-1
<b>Appendix III – Financial Information of the Group</b> .....	III-1
<b>Appendix IV – Summary of the Constitution of CKH Holdings, Comparison of such Constitution with that of the Company, and Summary of the Cayman Companies Law and Cayman Islands Taxation</b> .....	IV-1
<b>Appendix V – Summary of the Differences between Certain Provisions of the Companies Ordinance and the Cayman Companies Law</b> .....	V-1
<b>Appendix VI – Explanatory Statement on Repurchase Mandate</b> .....	VI-1
<b>Appendix VII – Additional Information</b> .....	VII-1
<b>Appendix VIII – Waivers from Compliance with the Listing Rules and the Takeovers Code</b> .....	VIII-1
<b>Appendix IX – Definitions</b> .....	IX-1
<b>Scheme of Arrangement</b> .....	S-1
<b>Notice of the Court Meeting</b> .....	NCM-1
<b>Notice of General Meeting</b> .....	NGM-1

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## EXPECTED TIMETABLE

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*The expected timetable for the Reorganisation Proposal is set out below:*

2015

Latest time for lodging forms of proxy in respect of <i>(Note 1)</i> :	
Court Meeting	9:00 a.m. on Monday, 23 February
General Meeting	9:30 a.m. on Monday, 23 February
Latest time for lodging forms of transfer of Shares to qualify for entitlement to vote at the Court Meeting and the General Meeting	4:30 p.m. on Monday, 23 February
Closure of register of members of the Company for determining entitlement to attend and vote at the Court Meeting and the General Meeting <i>(Note 2)</i>	from Tuesday, 24 February to Wednesday, 25 February (both days inclusive)
Record date for determining entitlement to attend and vote at the Court Meeting and the General Meeting	Wednesday, 25 February
Suspension of dealings in the Shares <i>(Note 3)</i>	9:00 a.m. on Wednesday, 25 February
Court Meeting <i>(Note 4)</i>	9:00 a.m. on Wednesday, 25 February
General Meeting <i>(Note 4)</i>	9:30 a.m. on Wednesday, 25 February (or as soon thereafter as the Court Meeting shall have been concluded or adjourned)
Announcement of the results of the Court Meeting and the General Meeting posted on the website of the Stock Exchange <i>(Note 3)</i>	after 4:30 p.m. on Wednesday, 25 February
Resumption of dealings in the Shares <i>(Note 3)</i>	9:00 a.m. on Thursday, 26 February
Court hearing of the summons for directions in respect of the Scheme	Thursday, 5 March
Dealings in the Shares on the Stock Exchange cease	4:00 p.m. on Tuesday, 10 March
Latest time for lodging transfers of Shares in order to be entitled to CKH Holdings Shares	4:30 p.m. on Thursday, 12 March
Closure of register of members of the Company for determining entitlement to CKH Holdings Shares <i>(Note 5)</i>	from Friday, 13 March onwards

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## EXPECTED TIMETABLE

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2015

Court hearing of the petition to sanction the Scheme ( <i>Note 6</i> ) .....	Tuesday, 17 March
Record Time .....	4:00 p.m. on Tuesday, 17 March
Announcement of the result of hearing of petition to sanction the Scheme, the expected Effective Date, the expected date of withdrawal of listing of the Shares, and the expected date of commencement of dealings in CKH Holdings Shares posted on the website of the Stock Exchange .....	Tuesday, 17 March
Despatch of the new certificates for CKH Holdings Shares ( <i>Note 7</i> ) .....	Tuesday, 17 March
Effective Date ( <i>Note 6</i> ) .....	Wednesday, 18 March
Withdrawal of the listing of the Shares on the Main Board .....	9:00 a.m. on Wednesday, 18 March
Dealings in CKH Holdings Shares on the Stock Exchange commence .....	9:00 a.m. on Wednesday, 18 March
Announcement of, among other things, the Effective Date and the withdrawal of the listing of the Shares posted on the website of the Stock Exchange .....	Wednesday, 18 March

**Shareholders should note that the dates or deadlines specified in the above timetable are subject to change. Further announcement(s) regarding the Reorganisation Proposal will be made in the event that there is any change to the above timetable.**

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## EXPECTED TIMETABLE

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*Notes:*

1. The pink form of proxy in respect of the Court Meeting and the blue form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed on them and should be lodged at the Company's registered office at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, as soon as possible and in any event not later than the relevant times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting if it is not so lodged. Completion and return of a form of proxy for the Court Meeting or the General Meeting will not preclude a Scheme Shareholder or a Shareholder from attending and voting in person at the relevant meeting if he or she so wishes. In such event, the returned form of proxy will be deemed to have been revoked.
2. The register of members of the Company will be closed during such period for the purpose of determining entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlement of Scheme Shareholders under the Scheme.
3. Dealings in the Shares will be suspended from 9:00 a.m. on Wednesday, 25 February 2015 pending publication of an announcement of the results of the Court Meeting and the General Meeting. The expected timing of the announcement of the results of the Court Meeting and the General Meeting and the resumption of dealings in the Shares are indicated in the table above but if the results are published between noon and 12:30 p.m. on Wednesday, 25 February 2015, dealings in the Shares will resume at 1:00 p.m. on the same day instead of at 9:00 a.m. on Thursday, 26 February 2015.
4. If tropical cyclone warning signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 6:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. Shareholders are requested to visit the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for details of alternative meeting arrangements.

The Court Meeting and the General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders who have any queries concerning the alternative meeting arrangements, please call the Company at (852) 2128 8888 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding public holidays.

Shareholders should make their own decision as to whether to attend the Court Meeting and the General Meeting under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.

5. The register of members of the Company will be closed during such period for the purpose of determining the identities of the Scheme Shareholders who are qualified for entitlement to the CKH Holdings Shares under the Scheme.
6. The Scheme will become effective when it is sanctioned (with or without modification(s)) by the Court and an office copy of the order of the Court sanctioning the Scheme, together with the minute and return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance, respectively, are registered by the Companies Registrar. If the Scheme shall not have become effective by Tuesday, 30 June 2015 or such later date as the Court may direct, the Scheme will lapse. The Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective.
7. Share certificates for the CKH Holdings Shares will only become valid when the Scheme becomes effective.

All times and dates in this document refer to Hong Kong times and dates.

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## SUMMARY

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### INTRODUCTION

The Board proposes to reorganise the structure of the Group by way of the Scheme such that:

- (a) CKH Holdings, an exempted company incorporated in the Cayman Islands with limited liability, will become the new holding company of the Group. Accordingly, the Company and its existing subsidiaries will become subsidiaries of CKH Holdings; and
- (b) the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will receive one CKH Holdings Share for every one Scheme Share held at the Record Time and will become CKH Holdings Shareholders thereafter and all the Scheme Shares (being all the Shares in issue at the Record Time) will be cancelled and extinguished. Accordingly, the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will hold the same proportionate interests in CKH Holdings as they hold in the Company at the Record Time.

It is further proposed that, after completion of the Reorganisation Proposal, the following transactions will be implemented subject to the fulfilment (or where, relevant waiver) of their respective conditions precedent:

**(a) The Merger Proposal**

*(i) The Husky Share Exchange*

The Husky Sale Shares Purchaser will acquire from the Husky Sale Shares Vendor approximately 6.24% of the Husky Shares in issue. The consideration for the acquisition will be satisfied by the issue of 84,427,246 new CKH Holdings Shares by CKH Holdings, credited as fully paid (representing a share exchange ratio of 1.376 new CKH Holdings Shares for every one Husky Share to be acquired).

On completion of the Husky Share Exchange, assuming that there are no other changes in the shareholding of Husky, the Hutchison Group will own an aggregate of approximately 40.2% of the Husky Shares in issue. The Husky Share Exchange will be completed immediately prior to completion of the Hutchison Proposal (as described below).

*(ii) The Hutchison Proposal*

The CKH Holdings Group will make a conditional share exchange offer to the Hutchison Scheme Shareholders for the cancellation of all the Hutchison Scheme Shares by way of the Hutchison Scheme. The Hutchison Proposal will be completed immediately after completion of the Husky Share Exchange. Pursuant to the Hutchison Scheme, all the Hutchison Scheme Shares (which will be all the Hutchison Shares in issue other than those held by the Group) will be cancelled and extinguished and the Hutchison Scheme Shareholders (other than the

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## SUMMARY

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Non-Qualifying Hutchison Overseas Shareholders, if any) will receive new CKH Holdings Shares at the share exchange ratio of 0.684 of a new CKH Holdings Share for every one Hutchison Scheme Share held at the Hutchison Scheme Record Time. On completion of the Hutchison Proposal, Hutchison will become a wholly-owned subsidiary of CKH Holdings.

### **(b) The Spin-off Proposal**

Immediately following completion of the Hutchison Proposal, the Group Property Businesses will be transferred to the CK Property Group, which will at that time be wholly owned by CKH Holdings. Immediately after the Property Businesses Combination, the CKH Holdings Shareholders (other than the Non-Qualifying CKH Holdings Shareholders, if any) as at the relevant record date will receive CK Property Shares by way of the Distribution In Specie at the ratio of one CK Property Share for every one CKH Holdings Share then held. An application will be made by CK Property to the Stock Exchange for the listing of the CK Property Shares on the Main Board by way of introduction.

For further information about the Husky Share Exchange, the Hutchison Proposal and the Spin-off Proposal, please refer to the Announcement.

### **REASON FOR THE REORGANISATION PROPOSAL**

The Reorganisation Proposal will provide greater flexibility for making distributions to CKH Holdings Shareholders.

Without first completing the Reorganisation Proposal, the Spin-off Proposal, if it were made by the Company, would utilise a significant portion of the Company's distributable reserves since, under the Companies Ordinance, a Hong Kong company may only make distributions to shareholders out of its profits available for distribution. By contrast, the Cayman Companies Law permits a Cayman Islands company to make distributions out of profits and, subject to a solvency test and any provisions of the company's memorandum and articles of association, out of the share premium account. The Reorganisation Proposal will create a substantial share premium in CKH Holdings, which will facilitate the Spin-off Proposal, the payment of dividends in the ordinary course or special dividends when appropriate and also any future corporate exercise involving significant share issues to CKH Holdings Shareholders or a significant distribution to CKH Holdings Shareholders, without limiting CKH Holdings' ability to pay ordinary or special dividends in the future. This will be the case regardless of whether such exercise comprises the Merger Proposal and the Spin-off Proposal, or any other exercise if the Merger Proposal and Spin-off Proposal do not proceed. Accordingly, the Reorganisation Proposal will provide CKH Holdings with significant financial flexibility to make distributions to shareholders and continue to create shareholder value.

In addition, the Cayman Islands is one of the Stock Exchange's accepted jurisdictions for issuers seeking a listing on the Main Board.

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## SUMMARY

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### **EFFECTS OF THE REORGANISATION PROPOSAL**

As a result of the Scheme, the Company and all existing subsidiaries of the Company will become direct and indirect subsidiaries of CKH Holdings respectively and CKH Holdings will become the ultimate holding company of the Group. Upon completion of the Reorganisation Proposal, CKH Holdings will control and operate the same assets and businesses as the Company, and the listing status of the Company on the Stock Exchange will be withdrawn, while CKH Holdings will become listed on the Main Board.

Implementation of the Scheme will not, save for changing the place of incorporation of the holding company of the Group from Hong Kong to the Cayman Islands, affect the (i) financial position (i.e. the underlying assets and liabilities of the Group, save that professional costs and expenses in relation to the establishment of CKH Holdings and the implementation of the Reorganisation Proposal will be incurred, which are estimated to be approximately HK\$100 million and will be payable by CKH Holdings); (ii) business; (iii) ownership, voting control and management; (iv) directors and employees; and (v) payment of dividends of the Group. The amount of professional costs and expenses mentioned above is an estimate as at the Latest Practicable Date and is provided for reference only, and the actual amount may differ from this estimate.

### **CONDITIONS OF THE REORGANISATION PROPOSAL**

Completion of the Reorganisation Proposal is subject to the fulfilment (or where relevant, waiver) of the following conditions precedent:

- (a) the Scheme being approved by Shareholders representing at least 75% of the voting rights of the Shareholders present and voting, in person or by proxy, at the Court Meeting, with the votes cast against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all disinterested shares (as defined in Division 2 of Part 13 of the Companies Ordinance) of the Company;
- (b) the passing of special resolution(s) by the Shareholders at the General Meeting to approve (i) the Scheme and (ii) the implementation of the Scheme, including, in particular, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue of the new Shares to CKH Holdings;
- (c) the Scheme, with or without modification, being sanctioned (and the proposed reduction of capital provided for in the Scheme being confirmed) by the Court, and an office copy of the Court order together with the minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance, respectively being registered by the Companies Registrar;
- (d) the Listing Committee granting approval for the listing by way of introduction of, and permission to deal in, the CKH Holdings Shares in issue and to be issued pursuant to the Scheme on the Main Board and such approval not having been revoked prior to the Scheme becoming effective; and



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## SUMMARY

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- (e) all Authorisations which may be required in connection with the Reorganisation Proposal under any existing contractual arrangements, including loan and other finance documentation, or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

CKH Holdings reserves the right to waive condition precedent (e) above, in whole or in part, and either generally or in respect of any particular matter. Conditions precedent (a) to (d) above cannot be waived in any event.

**The Reorganisation Proposal is separate from and is not conditional upon any part of the Merger Proposal or the Spin-off Proposal being made or becoming unconditional or effective.**

It is currently expected that, if the required approvals from the Shareholders are obtained at the Court Meeting and General Meeting, the Scheme will become effective on Wednesday, 18 March 2015. If the Scheme has not become effective by Tuesday, 30 June 2015, or such later date as the Court may allow, the Scheme will lapse and the Merger Proposal and Spin-off Proposal will not proceed. The Shareholders will be advised by a press announcement whether the Scheme has become effective, and of the Effective Date.

### REGISTRATION PROCEDURES

Subject to the provisions of the Cayman Companies Law, the register of members of CKH Holdings will be maintained in the Cayman Islands by Maples Fund Services (Cayman) Limited and a branch register of members of CKH Holdings will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited, being CKH Holdings' branch share registrar and transfer office in Hong Kong.

**Shareholders are recommended to consult their professional advisers if they are in any doubt as to the above procedures.**

### RECOMMENDATIONS

Having taken into account (i) the background to the Reorganisation Proposal; and (ii) the detailed reasons for the implementation and the effects of the Reorganisation Proposal as set out in the Explanatory Statement, the Directors consider that the Reorganisation Proposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Court Meeting and at the General Meeting, respectively to approve the Scheme and its implementation.

**Subject to the Scheme becoming effective, new certificates for CKH Holdings Shares will be issued to the Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) who are registered in the register of members of the Company at the Record Time.**

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## SUMMARY

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### THE GROUP AND CKH HOLDINGS

Immediately following completion of the Reorganisation Proposal, CKH Holdings will become the holding company of the Group, which will continue to carry on the present business activities of the Group. The Group is one of the largest property developers in Hong Kong of residential, commercial and industrial properties. The Group's present principal business activities comprise (i) property development and investment, hotels and serviced suites operation, property and project management; and (ii) investment in infrastructure businesses and securities, and the ownership and leasing of movable assets. The Group also has a 49.97% shareholding interest in Hutchison.

As at the Latest Practicable Date, the issued Shares were held as to approximately 40.43% by the Controlling Shareholder, approximately 3.03% by certain Directors (including Shares in which they were taken to be interested under the SFO but excluding the Shares held by the Controlling Shareholder) and the remaining approximately 56.54% by public Shareholders.

Please refer to Appendices I to III to this document for selected financial information on the Group and CKH Holdings.

### RISK FACTORS

The Group's businesses, financial condition, results of operations or growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. Details of these risks and uncertainties are set out in the section headed "Risk Factors" in this document.

### RECENT DEVELOPMENTS

On 9 January 2015, the Company announced the Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal.

As far as the Directors are aware, there have been no material changes in the general economic and market conditions, or legal and regulatory regimes, in the jurisdictions or the industries in which the Group operates that have materially and adversely affected the Group's business, operations or financial position since 30 June 2014 and up to the Latest Practicable Date.

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

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## LETTER FROM THE BOARD

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# CHEUNG KONG (HOLDINGS) LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 0001)

### Board of Directors:

#### *Executive Directors*

LI Ka-shing *Chairman*  
LI Tzar Kuoi, Victor *Managing Director and Deputy Chairman*  
KAM Hing Lam *Deputy Managing Director*  
IP Tak Chuen, Edmond *Deputy Managing Director*  
CHUNG Sun Keung, Davy  
PAU Yee Wan, Ezra  
WOO Chia Ching, Grace  
CHIU Kwok Hung, Justin

#### *Company Secretary*

Eirene YEUNG

#### *Non-executive Directors*

LEUNG Siu Hon  
FOK Kin Ning, Canning  
Frank John SIXT  
CHOW Kun Chee, Roland  
George Colin MAGNUS  
LEE Yeh Kwong, Charles

#### *Independent Non-executive Directors*

KWOK Tun-li, Stanley  
YEH Yuan Chang, Anthony  
Simon MURRAY  
CHOW Nin Mow, Albert  
HUNG Siu-lin, Katherine  
WONG Yick-ming, Rosanna\*  
CHEONG Ying Chew, Henry

\* Also alternate director to Simon MURRAY

6 February 2015

*To the Shareholders*

Dear Sir or Madam,

**REORGANISATION PROPOSAL –  
CHANGE OF THE HOLDING COMPANY OF THE GROUP  
FROM CHEUNG KONG (HOLDINGS) LIMITED TO  
CK HUTCHISON HOLDINGS LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT**

### 1. INTRODUCTION

On 9 January 2015, the respective boards of directors of the Company and Hutchison jointly announced the following proposals:

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## LETTER FROM THE BOARD

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### **(a) The Reorganisation Proposal**

It is proposed that the Reorganisation Proposal will be implemented whereby the holding company of the Group will be changed from the Company to CKH Holdings by way of the Scheme. Upon the Scheme becoming effective, (i) all the Scheme Shares (being all the Shares in issue at the Record Time) will be cancelled and extinguished and the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will receive one CKH Holdings Share for every one Scheme Share held at the Record Time and (ii) the Company and its subsidiaries will become subsidiaries of CKH Holdings. Accordingly, the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will hold the same proportionate interests in CKH Holdings as they hold in the Company at the Record Time. CKH Holdings has made an application to the Stock Exchange for the listing of the CKH Holdings Shares on the Main Board by way of introduction. Upon completion of the Reorganisation Proposal, CKH Holdings will control and operate the same assets and businesses as the Company.

### **(b) The Merger Proposal**

It is proposed that, after completion of the Reorganisation Proposal, the following transactions will be implemented subject to the fulfilment (or, where relevant, the waiver) of their respective conditions precedent as detailed in the Announcement:

#### *(i) The Husky Share Exchange*

Pursuant to the Husky Share Exchange Agreement, the Husky Sale Shares Purchaser will acquire from the Husky Sale Shares Vendor 61,357,010 Husky Shares, representing approximately 6.24% of the Husky Shares in issue as at the Latest Practicable Date. The consideration for the acquisition will be satisfied by the issue of 84,427,246 new CKH Holdings Shares by CKH Holdings to the Husky Sale Shares Vendor (or as it may direct), credited as fully paid (representing a share exchange ratio of 1.376 new CKH Holdings Shares for every one Husky Share to be acquired). CKH Holdings has undertaken to the Husky Sale Shares Purchaser that, subject to the fulfilment (or, where relevant, waiver) of the conditions precedent set out in the Husky Share Exchange Agreement, it will, on completion of the Husky Share Exchange, allot and issue such new CKH Holdings Shares to the Husky Sale Shares Vendor (or as it may direct) at an issue price of HK\$129.06 per CKH Holdings Share.

The share exchange ratio under the Husky Share Exchange Agreement was determined based on the average closing price of the Shares on the Stock Exchange for the five trading days up to (and including) 7 January 2015 and the average closing price of the Husky Shares on the Toronto Stock Exchange for the five trading days up to (and including) 6 January 2015, without any premium or discount, and using an exchange rate of HK\$6.5782 for CAD1. On completion of the Husky Share Exchange, assuming that there are no other changes in the shareholding of Husky, the Hutchison Group will own an aggregate of approximately 40.2% of the Husky Shares in issue. Subject to the fulfilment (or

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## LETTER FROM THE BOARD

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where relevant, waiver) of the conditions precedent to the Husky Share Exchange, the Husky Share Exchange will be completed immediately prior to completion of the Hutchison Proposal (as described below).

*(ii) The Hutchison Proposal*

The CKH Holdings Group will make a conditional share exchange offer to the Hutchison Scheme Shareholders for the cancellation of all the Hutchison Scheme Shares by way of the Hutchison Scheme. Subject to the fulfilment (or, where relevant, waiver) of the conditions precedent to the Hutchison Proposal, the Hutchison Proposal will be completed immediately after the completion of the Husky Share Exchange. Pursuant to the Hutchison Scheme, all the Hutchison Scheme Shares (which will be all the Hutchison Shares in issue other than those held by the Group) will be cancelled and extinguished and the Hutchison Scheme Shareholders (other than the Non-Qualifying Hutchison Overseas Shareholders, if any) will receive new CKH Holdings Shares at the share exchange ratio of 0.684 of a new CKH Holdings Share for every one Hutchison Scheme Share held at the Hutchison Scheme Record Time. Such share exchange ratio was determined based on the average closing prices of the Shares and the Hutchison Shares on the Stock Exchange for the five trading days up to (and including) 7 January 2015, without any premium or discount. On completion of the Hutchison Proposal, Hutchison will become a wholly-owned subsidiary of CKH Holdings.

**(c) The Spin-off Proposal**

It is proposed that, immediately following completion of the Hutchison Proposal, the Group Property Businesses will be transferred to the CK Property Group, which will at that time be wholly owned by CKH Holdings. Immediately after the Property Businesses Combination, the CKH Holdings Shareholders (other than the Non-Qualifying CKH Holdings Shareholders, if any) as at the relevant record date will receive CK Property Shares by way of the Distribution In Specie in the ratio of one CK Property Share for every one CKH Holdings Share then held. These CKH Holdings Shareholders will include, among others, holders of the CKH Holdings Shares to be issued to (i) the Husky Sale Shares Vendor (or as it may direct) pursuant to the Husky Share Exchange and (ii) the Hutchison Scheme Shareholders (other than the Non-Qualifying Hutchison Overseas Shareholders, if any) pursuant to the Hutchison Scheme. The Spin-off Proposal will be subject to the fulfilment (or, where relevant, waiver) of a number of conditions precedent as detailed in the Announcement.

This document is not an offer of CK Property Shares in the United States or in any other jurisdiction. The CK Property Shares, if any, to be distributed in connection with the Spin-Off Proposal have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. CKH Holdings does not propose to distribute CK Property Shares to its shareholders in the US in connection with the Spin-Off Proposal unless it determines that it can do so in transactions that are exempt from or do not require registration under the Securities Act.

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## LETTER FROM THE BOARD

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Completion of the Reorganisation Proposal is a condition precedent to completion of the Husky Share Exchange and a pre-condition to the making of the Hutchison Proposal; and completion of the Hutchison Proposal will be a condition precedent to completion of the Spin-off Proposal. If the Reorganisation Proposal is not completed, the Husky Share Exchange, the Hutchison Proposal and the Spin-off Proposal will not proceed.

**The Merger Proposal and the Spin-off Proposal will also be subject to a number of other conditions precedent, including, but not limited to, compliance with applicable legal and regulatory requirements. Accordingly, even if the Reorganisation Proposal is completed, there is no certainty as to whether, and if so when, the Merger Proposal and the Spin-off Proposal will proceed and/or will become effective.**

**The Reorganisation Proposal, however, is separate from and is not conditional upon any part of the Merger Proposal or the Spin-off Proposal being made or becoming unconditional or effective.**

For further information about the Husky Share Exchange, the Hutchison Proposal and the Spin-off Proposal, please refer to the Announcement.

The purpose of this document is to provide the Shareholders with details of the Reorganisation Proposal and to seek the Shareholders' approval of it. If the Scheme does not become effective on or before Tuesday, 30 June 2015 or such later date as the Court may direct, the Scheme will lapse.

## **2. OVERVIEW OF THE REORGANISATION PROPOSAL**

The Board proposes to reorganise the Group by way of the Scheme, such that:

- (a) CKH Holdings, an exempted company newly incorporated in the Cayman Islands with limited liability, will become the new holding company of the Group. Accordingly, the Company and its existing subsidiaries will become subsidiaries of CKH Holdings; and
- (b) the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will receive one CKH Holdings Share for every Scheme Share held at the Record Time and become CKH Holdings Shareholders thereafter and all the Scheme Shares (being all the Shares in issue at the Record Time) will be cancelled and extinguished. Accordingly, the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will hold the same proportionate interests in CKH Holdings as they hold in the Company at the Record Time.

Further details and effects of the Reorganisation Proposal, which comprises the Scheme, are set out in the Explanatory Statement.

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## LETTER FROM THE BOARD

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### 3. REASON FOR THE REORGANISATION PROPOSAL

The Reorganisation Proposal will provide greater flexibility for making distributions to CKH Holdings Shareholders.

Without first completing the Reorganisation Proposal, the Spin-off Proposal, if it were made by the Company, would utilise a significant portion of the Company's distributable reserves since under the Companies Ordinance, a Hong Kong company may only make distributions to shareholders out of its profits available for distribution. By contrast, the Cayman Companies Law permits a Cayman Islands company to make distributions out of profits and, subject to a solvency test and any provisions of the company's memorandum and articles of association, out of the share premium account. The Reorganisation Proposal will create a substantial share premium in CKH Holdings, which will facilitate the Spin-off Proposal, the payment of dividends in the ordinary course or special dividends when appropriate and also any future corporate exercise involving significant share issues to CKH Holdings Shareholders or a significant distribution to CKH Holdings Shareholders, without limiting CKH Holdings' ability to pay ordinary or special dividends in the future. This will be the case, regardless of whether such exercise comprises the Merger Proposal and the Spin-off Proposal, or any other exercise if the Merger Proposal and Spin-off do not proceed. Accordingly, the Reorganisation Proposal will provide CKH Holdings with significant financial flexibility to make distributions to shareholders and continue to create shareholder value.

For illustrative purposes only and based solely on the assumptions stated in the footnotes below, the amount that will be created and credited to the share premium account of CKH Holdings upon completion of the Reorganisation Proposal is approximately HK\$331.7 billion <sup>(Note 1)</sup>, which is calculated as follows:

$$\begin{array}{rccclcl} \text{Amount of share} & & 2,316,164,338 & \times & \text{HK\$144.20} & - & \text{HK\$2,316,164,338} \\ \text{premium created} & = & \text{(Note 2)} & & \text{(Note 3)} & & \text{(Note 4)} \end{array}$$

Notes:

- (1) The amount of share premium created of HK\$331.7 billion is calculated on the basis and assumptions set out in the following footnotes and is for illustrative purposes only. No representation is made that such amount or similar amount of share premium could be or would be created upon completion of the Reorganisation Proposal.
- (2) The amount of share premium created upon completion of the Reorganisation Proposal will depend on (among other things) the number of CKH Holdings Shares in issue upon completion of the Reorganisation Proposal. Assuming that no Shares are issued or bought back by the Company after the Latest Practicable Date, the total number of CKH Holdings Shares in issue on the Effective Date will be 2,316,164,338.
- (3) The amount of share premium created upon completion of the Reorganisation Proposal will depend on (among other things) the price per CKH Holdings Share on the date of issue of the new CKH Holdings Shares (i.e. the Effective Date). For illustrative purposes only, the closing price of the Shares on the Latest Practicable Date of HK\$144.20 is used in the above calculation.
- (4) In calculating the amount of share premium created upon completion of the Reorganisation Proposal, it is necessary to deduct the aggregate par value of the CKH Holdings Shares in issue upon completion of the Reorganisation Proposal. On the assumption set out in note 2 above, this will be HK\$2,316,164,338 (being the par value of HK\$1.00 per CKH Holdings Share multiplied by 2,316,164,338 CKH Holdings Shares).

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## LETTER FROM THE BOARD

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While the actual amount that will be created and credited to the share premium account of CKH Holdings upon completion of the Reorganisation Proposal will depend on the price per CKH Holdings Share on the date of issue of the new CKH Holdings Shares (i.e. the Effective Date), such amount of share premium is expected to be substantial. As illustrated and based solely on the assumptions stated in the footnotes above, the amount of the share premium created will be approximately HK\$331.7 billion. As such, CKH Holdings is expected to have a substantial amount of share premium following completion of the Reorganisation Proposal, which will be available for distribution, subject to a solvency test and any provisions of the Memorandum and Articles, and which will be in addition to CKH Holdings' profits (if any) from time to time which are available for distribution.

In comparison, as disclosed in the Company's annual report for the year ended 31 December 2013, the Company's retained profit available for distribution to the Shareholders, including the final dividend then proposed, as at 31 December 2013 amounted to approximately HK\$21 billion. Further, as disclosed in the Company's interim report for the period ended 30 June 2014, the unaudited consolidated retained earnings of the Company as at 30 June 2014 were approximately HK\$341 billion which included certain amounts that are not distributable, including among other things:

- (a) share of profits less dividends received of the Company's listed associates (namely Hutchison and CK Life Sciences Int'l., (Holdings) Inc.) of approximately HK\$185 billion; and
- (b) accumulated revaluation gain of investment properties held by the Company's subsidiaries in Hong Kong of approximately HK\$9 billion.

In addition, the Cayman Islands is one of the Stock Exchange's accepted jurisdictions for issuers seeking a listing on the Main Board.

#### **4. RECOMMENDATIONS**

Having taken into account (i) the background to the Reorganisation Proposal; and (ii) the detailed reasons for the implementation and the effects of the Reorganisation Proposal as set out above and in the Explanatory Statement, the Directors consider that the Reorganisation Proposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting, respectively, to approve the Scheme and its implementation.

#### **5. INDICATION AS TO VOTING**

The relevant entities under the Trust which hold Shares, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have indicated to the Company that the Shares held by them or held through their controlled companies will be voted in favour of the resolutions to be proposed at the Court Meeting and the General Meeting to approve the Scheme and its implementation.



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## LETTER FROM THE BOARD

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### 6. ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be taken” in the Explanatory Statement for the recommended actions to be taken by you as Shareholders.

### 7. ADDITIONAL INFORMATION

Your attention is also drawn to the further details of the Reorganisation Proposal provided in the Explanatory Statement and other information set out in the appendices to this document.

Yours faithfully,  
**CHEUNG KONG (HOLDINGS) LIMITED**

**LI Ka-shing**  
*Chairman*

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## **EXPLANATORY STATEMENT**

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*This Explanatory Statement constitutes the statement required under section 671 of the Companies Ordinance.*

### **1. INTRODUCTION**

On 9 January 2015, the Board announced that the Company intends to put forward to the Shareholders the Reorganisation Proposal whereby the holding company of the Group will be changed from the Company to CKH Holdings, an exempted company incorporated in the Cayman Islands with limited liability, by way of the Scheme.

The purpose of this Explanatory Statement is to explain to the Shareholders, among other things, the reasons for and the effect of the Reorganisation Proposal and the steps required to implement it. The particular attention of Shareholders is drawn to the “Letter from the Board” in this document and paragraph 17 in this Explanatory Statement in which the Board recommends that you, as a Shareholder, vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting, respectively, to approve the Scheme and its implementation.

### **2. REASON FOR THE REORGANISATION PROPOSAL**

Please refer to the reason set out in the “Letter from the Board – Reason for the Reorganisation Proposal” in this document.

### **3. SUMMARY OF THE REORGANISATION PROPOSAL**

The Reorganisation Proposal will be implemented by way of the Scheme, pursuant to which the structure of the Group will be reorganised such that CKH Holdings, an exempted company newly incorporated in the Cayman Islands with limited liability, will become the new holding company of the Group and the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will receive one CKH Holdings Share for every Scheme Share held at the Record Time and become CKH Holdings Shareholders thereafter and all the Scheme Shares (being all the Shares in issue at the Record Time) will be cancelled and extinguished.

As a result of the Scheme, the Company and all existing subsidiaries of the Company will become direct and indirect subsidiaries of CKH Holdings and CKH Holdings will become the holding company of the Group. Upon completion of the Reorganisation Proposal, CKH Holdings will control and operate the same assets and businesses as the Company, and the listing status of the Company on the Stock Exchange will be withdrawn, while CKH Holdings will become listed on the Main Board.

Under the Reorganisation Proposal, it is proposed that on the Effective Date:

- (a) the share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares (being all the Shares in issue at the Record Time);

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## EXPLANATORY STATEMENT

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- (b) subject to and immediately upon such reduction of capital taking effect, the share capital of the Company will be increased to its former amount by the creation of such number of new Shares as is equal to the number of Scheme Shares cancelled;
- (c) the Company will apply all credit arising in its books of account as a result of the capital reduction in paying up the newly created Shares, which will be allotted and issued, credited as fully paid, to CKH Holdings; and
- (d) in consideration for the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any, who will receive cash instead as further described in the section headed “Non-Qualifying Overseas Shareholders” of this Explanatory Statement) will receive CKH Holdings Shares (ranking *pari passu* with each other), credited as fully paid, on the basis of one CKH Holdings Share for every one Scheme Share held at the Record Time.

#### 4. CONDITIONS OF THE REORGANISATION PROPOSAL

Completion of the Reorganisation Proposal is subject to the fulfilment (or, where relevant, waiver) of the following conditions precedent:

- (a) the Scheme being approved by Shareholders representing at least 75% of the voting rights of the Shareholders present and voting, in person or by proxy, at the Court Meeting, with the votes cast against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all disinterested shares (as defined in Division 2 of Part 13 of the Companies Ordinance) of the Company;
- (b) the passing of special resolution(s) by the Shareholders at the General Meeting to approve (i) the Scheme and (ii) the implementation of the Scheme, including, in particular, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue of the new Shares to CKH Holdings;
- (c) the Scheme, with or without modification, being sanctioned (and the proposed reduction of capital provided for in the Scheme being confirmed) by the Court, and an office copy of the Court order together with the minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance, respectively, being registered by the Companies Registrar;
- (d) the Listing Committee granting approval for the listing by way of introduction of, and permission to deal in, the CKH Holdings Shares in issue and to be issued pursuant to the Scheme on the Main Board and such approval not having been revoked prior to the Scheme becoming effective; and

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## EXPLANATORY STATEMENT

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- (e) all Authorisations which may be required in connection with the Reorganisation Proposal under any existing contractual arrangements, including loan and other finance documentation, or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

CKH Holdings reserves the right to waive condition precedent (e) above, in whole or in part, and either generally or in respect of any particular matter. Conditions precedent (a) to (d) above cannot be waived in any event.

Under the repealed section 166 of the previous Companies Ordinance (Chapter 32 of the Laws of Hong Kong), a scheme of arrangement was required to be approved by a majority in number of the shareholders present and voting in person or by proxy at the court meeting (the so-called “headcount test”). Under the Companies Ordinance which came into effect on 3 March 2014, the headcount test does not apply to a scheme of arrangement that involves a takeover offer. Pursuant to section 674(2) of the Companies Ordinance, for a scheme of arrangement that involves a takeover offer to be approved, the votes cast against the scheme must not exceed 10% of the voting rights attached to all disinterested shares. The Scheme is a takeover offer under section 674 of the Companies Ordinance. This requirement is in addition to the requirement that the scheme must be approved by shareholders representing at least 75% of the voting rights of the shareholders present and voting, in person or by proxy, at the court meeting.

The action necessary to make the Scheme effective will not be taken unless the Directors are satisfied that the Scheme has been duly approved and the Reorganisation Proposal will become unconditional subject only to compliance with the relevant registration requirements and the Listing Committee granting approval for the listing of, and permission to deal in, the CKH Holdings Shares in issue and to be issued pursuant to the Scheme and such approval not having been revoked prior to the Scheme becoming effective.

It is currently expected that, if the required approvals from the Shareholders are obtained at the Court Meeting and General Meeting, the Scheme will become effective on Wednesday, 18 March 2015. If the Scheme has not become effective by Tuesday, 30 June 2015, or such later date as the Court may allow, the Scheme will lapse and the Merger Proposal and Spin-off Proposal will not proceed. The Shareholders will be advised by a press announcement whether the Scheme has become effective, and of the Effective Date.

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## EXPLANATORY STATEMENT

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### 5. EFFECTS OF THE REORGANISATION PROPOSAL

#### 5.1 Financial position

The implementation of the Reorganisation Proposal will not affect the business, net assets/liabilities or financial position of the Group, save that professional costs and expenses relating to the establishment of CKH Holdings and the implementation of the Reorganisation Proposal will be incurred, which are estimated to be approximately HK\$100 million and will be payable by CKH Holdings. The amount of the professional costs and expenses mentioned above is an estimate as at the Latest Practicable Date and is provided for reference only, and the actual amount may differ from this estimate. Save for such costs and expenses, the consolidated assets and liabilities of the Group upon completion of the Reorganisation Proposal are expected to be the same as those of the Group immediately prior to completion of the Reorganisation Proposal.

#### 5.2 Business

The business and management of the Group will not be changed as a result of the implementation of the Reorganisation Proposal. Immediately following completion of the Reorganisation Proposal, CKH Holdings will become the holding company of the Group, which will continue to carry on the present business activities of the Group. The Group's present principal business activities comprise (i) property development and investment, hotels and serviced suites operation, property and project management; and (ii) investment in infrastructure businesses and securities, and the ownership and leasing of movable assets. The Group also has a 49.97% shareholding interest in Hutchison.

#### 5.3 Ownership, voting control and management

Upon completion of the Reorganisation Proposal:

- (i) the ownership, voting control and management of the Group will, through CKH Holdings, remain as present;
- (ii) the interests of the Company in its subsidiaries will remain unaffected;
- (iii) all Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will receive CKH Holdings Shares on the basis of one CKH Holdings Share for every one Share held at the Record Time, and all CKH Holdings Shares will be credited as fully paid and will rank pari passu with each other; and
- (iv) the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders, if any) will hold the same proportionate interests in CKH Holdings as they hold in the Company at the Record Time.

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## EXPLANATORY STATEMENT

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### 5.4 Directors and employees

The existing Directors are also the CKH Holdings Directors. There are no agreements or arrangements under which the emoluments or terms of service of any CKH Holdings Director who is a Director will be changed as a result of the implementation of the Reorganisation Proposal nor will the terms of service of any employee of the Group be varied as a result of implementation of the Reorganisation Proposal. However, after completion of the Reorganisation Proposal and in preparation for the Spin-off Proposal, changes are expected to be made to the CKH Holdings Board. It is proposed that, following completion of the Spin-off Proposal, the CKH Holdings Board will include the following executive directors:

Mr. Li Ka-shing (*chairman*)

Mr. Li Tzar Kuoi, Victor (*deputy chairman and co-managing director*)

Mr. Fok Kin Ning, Canning (*co-managing director*)

Mrs. Chow Woo Mo Fong, Susan

Mr. Ip Tak Chuen, Edmond

Mr. Kam Hing Lam

Mr. Lai Kai Ming, Dominic

Mr. Frank John Sixt

### 5.5 Convertibles and share option scheme

The Company and CKH Holdings do not have any share option schemes and there are no outstanding options or convertible securities issued by the Company or CKH Holdings as at the date of this document. CKH Holdings does not currently propose to adopt any share option scheme.

### 5.6 Dividends

It is intended that dividends on CKH Holdings Shares will, as for the Shares, be paid in Hong Kong dollars. Similar to the case at present in relation to the Shares, payments of dividends on CKH Holdings Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of dividends to CKH Holdings Shareholders under Cayman Islands law. Shareholders and other investors should, however, obtain their own professional advice in relation to their tax position in their particular circumstances.

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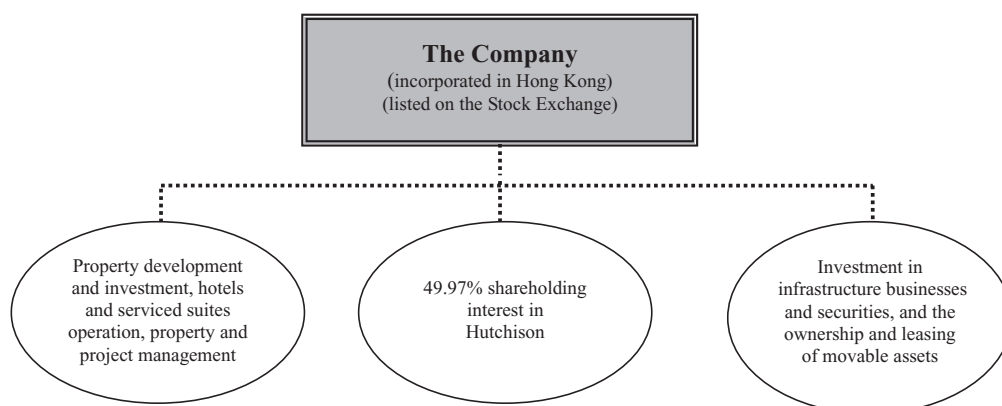
## EXPLANATORY STATEMENT

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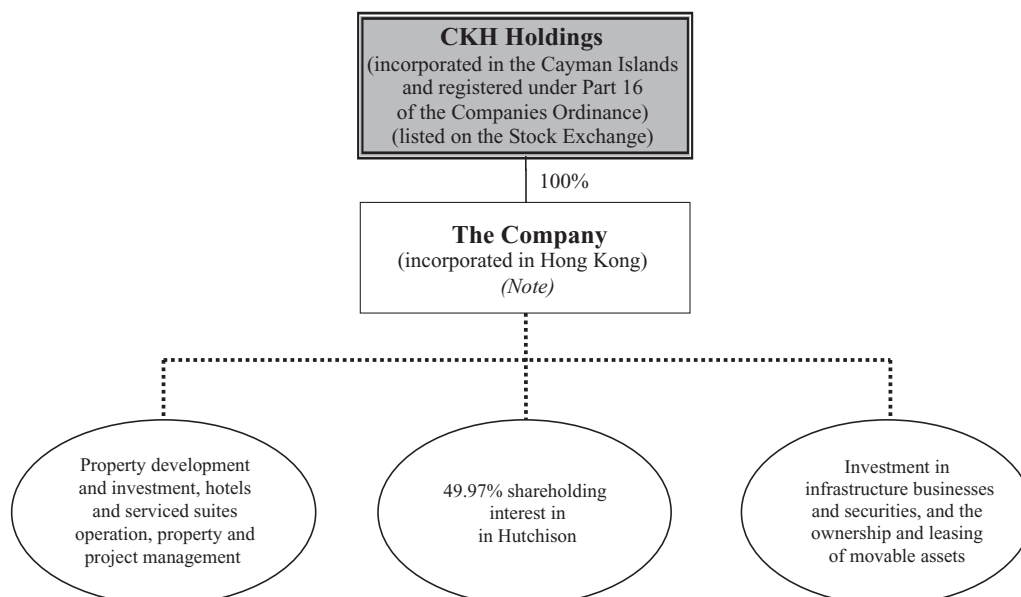
### 6. SIMPLIFIED STRUCTURE OF THE GROUP BEFORE AND IMMEDIATELY FOLLOWING COMPLETION OF THE REORGANISATION PROPOSAL

Set out below are the simplified structures of the Group (a) as at the date of this document, and as it is expected to be immediately before completion of the Reorganisation Proposal, and (b) as anticipated immediately following completion of the Reorganisation Proposal, respectively. For details of how the Reorganisation Proposal will be carried out, please refer to the section headed “Scheme of Arrangement”.

#### As at the date of this document, and as it is expected to be immediately before completion of the Reorganisation Proposal



#### Immediately following completion of the Reorganisation Proposal



*Note:* The listing status of the Company on the Main Board will be withdrawn upon the Scheme becoming effective.

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## EXPLANATORY STATEMENT

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### 7. WAIVERS FROM THE SFC AND THE STOCK EXCHANGE

The Company has applied to the SFC and the Stock Exchange for, and the SFC and the Stock Exchange have respectively granted, waivers from compliance with all provisions of the Takeovers Code and certain provisions of the Listing Rules applicable to the Reorganisation Proposal and/or this document, as detailed in Appendix VIII to this document.

### 8. GENERAL MANDATES

The Company, in its capacity as the sole shareholder of CKH Holdings, has granted to the CKH Holdings Directors the following general and unconditional mandates, subject to and conditional upon the Scheme becoming effective:

- (a) to issue and dispose of additional CKH Holdings Shares not exceeding 20% of the issued share capital of CKH Holdings immediately following completion of the allotment and issue to the Scheme Shareholders of CKH Holdings Shares as contemplated by and pursuant to the Scheme;
- (b) to repurchase CKH Holdings Shares not exceeding 10% of the aggregate nominal amount of CKH Holdings Shares in issue immediately following completion of the allotment and issue to the Scheme Shareholders of CKH Holdings Shares as contemplated by and pursuant to the Scheme (i.e. the Repurchase Mandate); and
- (c) to extend the limit of the share issue mandate referred to in (a) above by adding to it the CKH Holdings Shares repurchased pursuant to the repurchase mandate referred to in (b) above,

until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of CKH Holdings (which is expected to be held between April and June 2015 if the Scheme becomes effective according to the current expected timetable);
- (ii) the expiration of the period within which the next annual general meeting of CKH Holdings is required by law to be held; and
- (iii) the date on which the authority set out in the relevant shareholder's resolutions granting the above general mandates is revoked or varied by an ordinary resolution of the CKH Holdings Shareholders in general meeting.

An explanatory statement about the Repurchase Mandate, as required by the relevant provisions of the Listing Rules to regulate the buy-back by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, is set out in Appendix VI to this document.



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## EXPLANATORY STATEMENT

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### 9. MEMORANDUM AND ARTICLES OF CKH HOLDINGS

A summary of certain parts of the Memorandum and Articles conditionally adopted by CKH Holdings, which will take effect from the Effective Date, as well as a comparison of the constitution of CKH Holdings with that of the Company and a summary of certain aspects of the Cayman Companies Law and Cayman Islands taxation, is set out in Appendix IV to this document. A copy of the Memorandum and Articles is available for inspection as mentioned in the section headed “Documents available for inspection” in Appendix VII to this document.

### 10. LEGAL CONSIDERATIONS

The Company was incorporated in Hong Kong, whereas CKH Holdings was incorporated in the Cayman Islands. The laws of the Cayman Islands, including the Cayman Companies Law, will therefore apply to CKH Holdings. As long as CKH Holdings carries on business in Hong Kong or CKH Holdings Shares are listed on the Main Board, certain laws of Hong Kong, particularly those governing “non-Hong Kong companies” in Part 16 of the Companies Ordinance, the Listing Rules and the Takeovers Code will also be applicable to CKH Holdings.

A summary of the differences between certain provisions of the Companies Ordinance and the Cayman Companies Law is set out in Appendix V.

**Shareholders are advised to consult their own legal advisers if they are in any doubt as to the effect of Cayman Islands corporate law on their rights in light of circumstances peculiar to them.**

### 11. STOCK EXCHANGE LISTING AND DEALINGS

An application has been made by CKH Holdings to the Listing Committee for approval for the listing by way of introduction of, and permission to deal in, CKH Holdings Shares in issue and to be issued pursuant to the Scheme. An application will also be made by the Company to the Stock Exchange for the simultaneous withdrawal of the listing of the Shares subject to completion of the Reorganisation Proposal.

Subject to such applications being approved, upon completion of the Reorganisation Proposal, the listing of the Shares on the Main Board will be withdrawn in accordance with Rule 6.15(2) of the Listing Rules, and the CKH Holdings Shares in issue and to be issued pursuant to the Scheme will be listed on the Main Board and will be traded on the Main Board under the Company’s existing stock code (being stock code 0001). The stock short name of CKH Holdings will be announced in due course.

The board lot size for trading in CKH Holdings Shares on the Stock Exchange will be 500 CKH Holdings Shares (which is different from the current board lot size for trading in Shares on the Stock Exchange of 1,000 Shares). The CKH Holdings Board is of the view that the smaller board lot size will result in the board lot value of the CKH Holdings Shares being smaller than the board lot value of the Shares and could therefore improve the

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## EXPLANATORY STATEMENT

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liquidity of the CKH Holdings Shares. The adoption of such different board lot size will not result in any change in the relative rights of the CKH Holdings Shareholders. No new odd lots of the CKH Holdings Shares will result solely from the difference in board lot size.

The Directors currently expect that dealings in the Shares on the Main Board will cease at 4:00 p.m. on Tuesday, 10 March 2015 and the listing of the Shares on the Main Board will be withdrawn at 9:00 a.m. on Wednesday, 18 March 2015. Dealings in CKH Holdings Shares on the Main Board are expected to commence from 9:00 a.m. on Wednesday, 18 March 2015.

Subject to the Stock Exchange granting the approval for the listing of, and permission to deal in, the CKH Holdings Shares on the Main Board, as well as compliance with the stock admission requirements of HKSCC, CKH Holdings Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in CKH Holdings Shares on the Main Board or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the CKH Holdings Shares to be admitted into CCASS.

### **12. SHARE CERTIFICATES**

Under the Scheme, each share certificate for the Scheme Shares subsisting as at the Record Time will, subject to CKH Holdings having despatched the certificates for CKH Holdings Shares to be allotted and issued under the Scheme to the persons entitled to them and subject to the Scheme becoming effective in accordance with its terms, cease to be valid for all purposes as a share certificate for the Scheme Shares.

Share certificates representing the appropriate number of CKH Holdings Shares will be issued at the expense of CKH Holdings to the holders of the Scheme Shares whose names appear on the register of members of the Company at the Record Time as are entitled to them. One share certificate for CKH Holdings Shares will be issued to each such holder for their entitlement to CKH Holdings Shares, save for share certificates to be issued to HKSCC Nominees Limited which may be in such denominations as requested by it.

Share certificates for CKH Holdings Shares will be posted to the persons entitled to them at their respective registered addresses (or in the case of joint holders, at the address of that joint holder whose name stands first in the register of members of the Company in respect of that joint holding) by ordinary post at their own risk. Share certificates for CKH Holdings Shares will only become valid if the Scheme becomes effective.

The existing share certificates for the Shares are light blue in colour. In order to distinguish between the existing and new share certificates, share certificates for CKH Holdings Shares will be a darker blue in colour.

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## EXPLANATORY STATEMENT

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Shareholders should note that the last day of dealings in the Shares is expected to be on Tuesday, 10 March 2015 and the latest time for lodging forms of transfer of Shares in order to be entitled to CKH Holdings Shares is expected to be at 4:30 p.m. on Thursday, 12 March 2015.

If the Scheme does not become effective, dealings in the CKH Holdings Shares on the Stock Exchange will not commence, and the listing of the Shares on the Stock Exchange will not be withdrawn, on Wednesday, 18 March 2015. In such event, an announcement will be made by the Company.

Shareholders are recommended to consult their professional advisers if they are in any doubt as to the above procedures.

### 13. REGISTRATION PROCEDURES AND INSTRUCTIONS TO THE COMPANY

Subject to the provisions of the Cayman Companies Law, the principal register of members of CKH Holdings will be maintained in the Cayman Islands by Maples Fund Services (Cayman) Limited and a branch register of members of CKH Holdings will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The CKH Holdings Share in issue as at the date of this document will be transferred from the principal register of members in the Cayman Islands to the branch register of members in Hong Kong and, unless the CKH Holdings Directors otherwise agree, all transfers of, and other documents of title to, CKH Holdings Shares must be lodged for registration with, and registered by, the branch share registrar and the transfer office of CKH Holdings in Hong Kong and may not be lodged in the Cayman Islands.

A valid instrument of transfer relating to a transfer of Shares executed before the Effective Date but not registered in the register of members of the Company before that date shall, on or after the listing of CKH Holdings Shares on the Main Board, be deemed by the CKH Holdings Directors to be a valid instrument of transfer in respect of the same number of CKH Holdings Shares.

**Shareholders are recommended to consult their professional advisers if they are in any doubt as to the above procedures.**

### 14. TAXATION, STAMP DUTY AND EXCHANGE CONTROL

#### 14.1 Taxation

Implementation of the Reorganisation Proposal is not expected to result in any change to the tax position of the Group.

The Cayman Islands currently does not levy any taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to CKH Holdings levied by the government of the Cayman Islands save for certain stamp duties

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## **EXPLANATORY STATEMENT**

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which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not a party to any double tax treaties that are applicable to any payments made by or to CKH Holdings.

Under current legislation, implementation of the Reorganisation Proposal is not expected, of itself, to have any adverse Hong Kong tax consequences, except that those persons who are classified for tax purposes as dealers in securities may be subject to profits tax in respect of any deemed profits which may arise from the substitution of CKH Holdings Shares for the Shares pursuant to or in connection with the Reorganisation Proposal, based on the difference between the market value of the CKH Holdings Shares on the Effective Date and the market value of the Scheme Shares at the Record Time.

Please also refer to the section headed “Certain Material US Federal Income Tax Consequences” in Appendix VII to this document for information relevant to US Holders (as defined therein).

### **14.2 Stamp Duty**

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

Dealings in CKH Holdings Shares registered on CKH Holdings’ Hong Kong branch register of members will be subject to Hong Kong stamp duty.

### **14.3 Exchange Control**

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

### **14.4 General**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation or other implications of the Reorganisation Proposal. It is emphasised that none of the Company, CKH Holdings, HSBC, any of their respective directors or officers, employees, agents, affiliates or advisers or any other persons involved in the Reorganisation Proposal accepts responsibility for any tax or other effects on, or liabilities of, any person or persons in connection with the Reorganisation Proposal in Hong Kong or any other jurisdictions.

## **15. NON-QUALIFYING OVERSEAS SHAREHOLDERS**

The making of the Reorganisation Proposal to certain Shareholders may be subject to the laws of jurisdictions other than Hong Kong. Overseas Shareholders and Beneficial Owners residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of the Shareholders and the Beneficial Owners to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Scheme,

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## EXPLANATORY STATEMENT

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including obtaining any governmental, exchange control or other consents which may be required, and compliance with other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdictions.

The Scheme provides that if the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares, or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or which CKH Holdings regards as unduly onerous, no CKH Holdings Shares will be issued or transferred to the relevant Non-Qualifying Overseas Shareholders.

In such case, the CKH Holdings Shares which would otherwise have been allotted or transferred to the relevant Non-Qualifying Overseas Shareholders under the Scheme will be allotted or transferred to a person selected by the CKH Holdings Board, who will sell such CKH Holdings Shares on the market as soon as reasonably practicable after dealings in the CKH Holdings Shares commence on the Stock Exchange, and CKH Holdings will cause the aggregate proceeds of such sale (net of expenses and taxes) to be paid to the relevant Non-Qualifying Overseas Shareholders (*pro rata* to their shareholdings in the Company as at the Record Time) in Hong Kong dollars in full satisfaction of their rights to the relevant CKH Holdings Shares, provided that if the amount that a Non-Qualifying Overseas Shareholder would be entitled to receive is less than HK\$50, such sum will be retained for the benefit of CKH Holdings.

As at the Latest Practicable Date, there were 129 Shareholders whose addresses as registered in the register of members of the Company were outside Hong Kong, namely, in Australia, Canada, the Cayman Islands, France, Guyana, Liechtenstein, Macau, Malaysia, New Zealand, the Philippines, the PRC, Singapore, Switzerland, Taiwan, the United Kingdom and the US. Of these 129 Shareholders, (a) eight Shareholders, holding 32,316 Shares in aggregate as at the Latest Practicable Date, had registered addresses in California, the United States and (b) one Shareholder, holding 913,378,704 Shares as at the Latest Practicable Date, had a registered address in the Cayman Islands and is an exempted company.

The Company and CKH Holdings have made enquiries with legal advisers in these jurisdictions regarding the legal restrictions under the applicable laws of each of these jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges regarding the issue or transfer of the CKH Holdings Shares to these Overseas Shareholders as a result of the implementation of the Scheme. Based on the advice received and, where relevant, taking into account the number of Overseas Shareholders in the relevant jurisdictions as at the Latest Practicable Date and/or the number of Shares they then held and assuming that the relevant legal requirements remain unchanged, save in relation to California, the United States and the Cayman Islands as referred to below, none of these jurisdictions are Excluded Jurisdictions and therefore none of the Overseas Shareholders in these jurisdictions are Non-Qualifying Overseas Shareholders.

The Company has been advised that, in connection with the Scheme, CKH Holdings is required to obtain a “Qualification of the Offer and Sale of Securities” in California, the United States pursuant to the Corporate Securities Law of 1968 of California and that, if that application is not approved, the laws of California preclude an offer of the CKH

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## EXPLANATORY STATEMENT

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Holdings Shares to the Shareholders in California. CKH Holdings has submitted to the California Department of Business Oversight an application for Qualification of the Offer and Sale of Securities in California. **If CKH Holdings has not received the approval of that application by 4:30 p.m. on Thursday, 5 March 2015, Shareholders with registered addresses in California will be Non-Qualifying Overseas Shareholders and no CKH Holdings Shares will be issued or transferred to such Shareholders. In such case, Shareholders in California will instead receive cash as described above. The Company will make an announcement on or before Monday, 9 March 2015 to inform Shareholders and investors as to whether or not approval of such application has been obtained.**

The Company and CKH Holdings have been advised that the laws of the Cayman Islands prohibit invitation by the Company and/or CKH Holdings to any Overseas Shareholders in the Cayman Islands who are individuals resident in the Cayman Islands, companies or partnerships engaged in local business in the Cayman Islands or trustees of trusts established primarily for the benefit of individuals resident in the Cayman Islands to subscribe for the CKH Holdings Shares. The Company and CKH Holdings have further been advised not to offer or issue CKH Holdings Shares to any Overseas Shareholders whose registered addresses are in the Cayman Islands other than to Cayman Islands exempted companies and Cayman Islands exempted limited partnerships. **Accordingly, any Overseas Shareholders whose registered addresses are in the Cayman Islands and not being Cayman Islands exempted companies or Cayman Islands exempted limited partnerships will be regarded as Non-Qualifying Overseas Shareholders and no CKH Holdings Shares will be offered and issued to such Non-Qualifying Overseas Shareholders and they will instead receive cash as described above.**

**Shareholders and Beneficial Owners are recommended to consult their own professional advisers if they are in any doubt as to their respective positions.**

### **Notice to Shareholders Residing or Located in Australia**

The Company and CKH Holdings are not licensed in Australia to provide financial advice in respect of the CKH Holdings Shares. The Company and CKH Holdings also advise that no cooling off period applies in respect of the CKH Holdings Shares.

### **Notice to Shareholders Residing or Located in the Cayman Islands**

This document is sent to you as a registered Shareholder. It is not for distribution to the public in the Cayman Islands who cannot be invited to subscribe for the CKH Holdings Shares.

### **Notice to Shareholders Residing or Located in France**

This document does not constitute an offer of securities and has not been approved by the French market security regulator (the *Autorités des marchés financiers*). Any offer of securities to the public must be made in accordance with the relevant regulations which may impose the publication of a prospectus approved by the *Autorités des marchés financiers*.

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## **EXPLANATORY STATEMENT**

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### **Notice to Shareholders Residing or Located in Singapore**

The CKH Holdings Shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except under or pursuant to a prospectus registration exemption under Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) (other than section 280 of the SFA).

### **Notice to Shareholders Residing or Located in Taiwan**

The issue and transfer of CKH Holdings Shares as described in this document have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and the CKH Holdings Shares may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer or sell the CKH Holdings Shares in Taiwan, the Republic of China.

### **Notice to Shareholders Residing or Located in the United Kingdom**

This document does not constitute an offer of securities to the public within the meaning of section 85(1) of the Financial Services and Markets Act 2000 (the “FSMA”) or a financial promotion to which section 21(1) of the FSMA applies. This document has not been approved by the Financial Conduct Authority (the “FCA”). Any offer of securities to the public in the United Kingdom must be made in accordance with the FSMA and other relevant regulations which may require the publication of a prospectus approved by the FCA.

### **Notice to US Investors**

This document is not an offer of securities for sale in the United States. The CKH Holdings Shares to be issued in connection with the Scheme will not be, and are not required to be, registered under the Securities Act or the securities laws of any state of the United States other than California and will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act and available exemptions from such state law registration requirements.

In connection with the Scheme, CKH Holdings has submitted to the California Department of Business Oversight an application for Qualification of the Offer and Sale of Securities in California, United States. If CKH Holdings has not received the approval of that application by 4:30 p.m. on Thursday, 5 March 2015, Shareholders with registered addresses in California will not receive CKH Holdings Shares but will instead receive cash, and such Shareholders will be treated as Non-Qualifying Overseas Shareholders for the purposes of the Scheme.

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## EXPLANATORY STATEMENT

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The Reorganisation Proposal relates to the securities of CKH Holdings, which is incorporated in the Cayman Islands, and the Company, which is incorporated in Hong Kong. The Reorganisation Proposal will be effected under a scheme of arrangement under Hong Kong law. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable to Hong Kong schemes of arrangement, and the information disclosed in this document may not be the same as that which would have been disclosed if this document had been prepared for the purpose of complying with the requirements of US federal securities laws or in accordance with the laws and regulations of any other jurisdiction. The financial information included in this document has not been, and will not be, prepared in accordance with US GAAP and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differ in certain significant respects from Hong Kong Financial Reporting Standards (HKFRS). None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

It may be difficult for US holders of Shares to enforce their rights and any claim arising out of US securities laws, since CKH Holdings and the Company are incorporated outside of the United States, some or all of their respective officers and directors are resident outside of the United States and a substantial portion of their respective assets are located outside of the United States. US holders of Shares may not be able to sue a foreign company or its officers or directors in a foreign court for violations of US securities laws, or enforce against them a judgement rendered by a US court. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's jurisdiction.

CKH Holdings Shares issued to a Shareholder that is neither an "affiliate" (within the meaning of the Securities Act), for the purposes of the Securities Act, of the Company or CKH Holdings prior to the Effective Date, nor an affiliate of CKH Holdings after the Effective Date, should not be "restricted securities" under the Securities Act, and such CKH Holdings Shares may be sold by such person in ordinary secondary market transactions without restriction under the Securities Act. Other than as stated above with respect to California, CKH Holdings Shares issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

Persons who are affiliates of the Company or CKH Holdings prior to the Effective Date, or an affiliate of CKH Holdings after the Effective Date, may not resell CKH Holdings Shares received pursuant to the Scheme in the United States without registration under the Securities Act, except pursuant to an applicable exemption from the registration requirements of the Securities Act or in a transaction not subject to such requirements. Persons who may be deemed to be affiliates of the Company or CKH Holdings, as the case may be, include individuals who, or entities that, control, directly or indirectly, or are controlled by or are under common control with, the Company or CKH Holdings, as the case may be, and may include certain officers and directors of such company and such company's principal shareholders (such as a holder of more than 10% of the outstanding



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## EXPLANATORY STATEMENT

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capital stock). Persons who believe they may be affiliates for the purposes of the Securities Act should consult their own legal advisers prior to any sale of CKH Holdings Shares received pursuant to the Scheme.

The CKH Holdings Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. CKH Holdings does not intend to facilitate a market in CKH Holdings shares in the United States. Consequently, CKH Holdings believes that it is unlikely that an active trading market in the United States will develop for the CKH Holdings Shares.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the CKH Holdings Shares or passed an opinion on the adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

For the purposes of qualifying for the exemption from the registration requirements of the Securities Act afforded by section 3(a)(10) thereof, the Company will advise the Court following the Court Meeting that its sanctioning of the Scheme will be relied upon by the Company and CKH Holdings for such purpose as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Shareholders, at which hearing all such holders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

**Shareholders and Beneficial Owners should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares or the CKH Holdings Shares, as the case may be. It is emphasised that none of the Company, CKH Holdings, any of their respective directors or officers, employees, agents, affiliates or advisers and any other person involved in the Scheme accept any responsibility in relation to the above.**

### 16. MEETINGS

In accordance with the direction of the Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

The General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to approve the implementation of the Scheme, including, among other things, the reduction of share capital of the Company.

The notice of the Court Meeting is set out on pages NCM-1 to NCM-2 of this document. The Court Meeting will be held on Wednesday, 25 February 2015 at the time and place specified in the notice.

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## **EXPLANATORY STATEMENT**

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The notice of the General Meeting is set out on pages NGM-1 to NGM-3 of this document. The General Meeting will be held at the same place and on the same date as the Court Meeting and at 9:30 a.m. or as soon thereafter as the Court Meeting shall have been cancelled or adjourned.

As far as the Company is aware, having made all reasonable enquires, no Shareholders are materially interested in the transactions contemplated under the Scheme and therefore, no Shareholders are required to abstain from voting at the Court Meeting or at the General Meeting under the relevant laws, rules and regulations.

If tropical cyclone warning signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 6:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. Shareholders are requested to visit the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for details of alternative meeting arrangements. The Court Meeting and the General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders who have any queries concerning the alternative meeting arrangements, please call the Company at (852) 2128 8888 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding public holidays. Shareholders should make their own decision as to whether to attend the Court Meeting and the General Meeting under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.

### **17. RECOMMENDATIONS**

Having taken into account (i) the background to the Reorganisation Proposal; and (ii) the detailed reasons for the implementation and the effects of the Reorganisation Proposal as set out in the Explanatory Statement, the Directors consider that the Reorganisation Proposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting respectively, to approve the Scheme and its implementation.

### **18. INDICATION AS TO VOTING**

The relevant entities under the Trust which hold Shares, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have indicated to the Company that the Shares held by them or held through their controlled companies will be voted in favour of the resolutions to be proposed at the Court Meeting and the General Meeting to approve the Scheme and its implementation.

### **19. ACTIONS TO BE TAKEN**

A pink form of proxy for use at the Court Meeting and a blue form of proxy for use at the General Meeting are enclosed with this document.

**Whether or not you are able to attend the Court Meeting and/or the General Meeting, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and also the enclosed blue form of proxy in respect of**

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## EXPLANATORY STATEMENT

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**the General Meeting, in accordance with the respective instructions printed on them, and to lodge them at the Company's registered office at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.** In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged not later than 9:00 a.m. on Monday, 23 February 2015. If the form of proxy is not so lodged, it may be handed to the Chairman of the Court Meeting at the Court Meeting. The blue form of proxy for use at the General Meeting should be lodged not later than 9:30 a.m. on Monday, 23 February 2015. The completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the relevant meeting should you so wish. In such event, the returned form of proxy for that meeting will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and/or the General Meeting. You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll.

If any Shareholder in Hong Kong has questions concerning administrative matters, such as dates, documentation and procedures relating to the Reorganisation Proposal, please call the Registrar, Computershare Hong Kong Investor Services Limited, at (852) 2862 8555 between 9:00 a.m. and 5:00 p.m. Monday to Friday, excluding public holidays. This helpline cannot and will not provide advice on the merits of the Reorganisation Proposal or the Scheme or give financial or legal advice.

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Tuesday, 24 February 2015 to Wednesday, 25 February 2015 (both days inclusive) and, during such period, no transfer of Shares will be effected.

In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 23 February 2015.

An announcement will be made by the Company in relation to, among other things, the results of the Court Meeting and the General Meeting, and if all the resolutions are passed at those meetings, further announcement(s) will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date, the date of withdrawal of the listing of the Shares from the Stock Exchange and the date of listing of, and commencement of dealings, in the CKH Holdings Shares.

### **Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner or deposited in CCASS**

No person shall be recognised by the Company as holding any Shares on trust.

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## EXPLANATORY STATEMENT

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If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you should contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and for such purpose the Registered Owner may appoint you as its proxy.

Alternatively, if you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you may arrange for some or all of your Shares to be transferred into your own name.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the Articles.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as described in this document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the Court Meeting or the General Meeting. In such event, the returned form of proxy will be deemed to have been revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the General Meeting in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the General Meeting, then any such Beneficial Owner should comply with the requirements of such Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are a person admitted to participate in CCASS as an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS participant regarding voting instructions to be given to such persons, or alternatively arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name, if you wish to vote in respect of the Scheme. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with “An Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

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## EXPLANATORY STATEMENT

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### 20. ADDITIONAL INFORMATION

Further information is set out in the appendices to, and elsewhere in, this document, all of which forms part of this Explanatory Statement.

Shareholders should rely only on the information mentioned in this document. None of the Company, CKH Holdings, HSBC or any of their respective directors, officers or affiliates has authorised anyone to provide you with information that is different from what is mentioned in this document.

This document will be despatched to the Shareholders at no cost to them. In addition, Shareholders may obtain free copies of this document at the website maintained by the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

### 21. LANGUAGE

In case of any inconsistency, the English language text of this document and the accompanying forms of proxy shall prevail over the Chinese language text.

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## RISK FACTORS

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This document does not constitute a recommendation or advice to invest in the Shares or the CKH Holdings Shares and investors are advised to make their own judgment or consult their own investment advisers before making any investment in the Shares or the CKH Holdings Shares.

### **RISKS RELATING TO THE REORGANISATION**

#### **There are Differences between the Laws of the Cayman Islands and those of Hong Kong and Shareholders may have Different Rights and may Face Difficulties in Protecting their Interests under the Laws of the Cayman Islands**

CKH Holdings is an exempted company incorporated in the Cayman Islands with limited liability, and the law of the Cayman Islands differs in some respects from that of Hong Kong.

Upon the Scheme becoming effective, the Group's corporate affairs will be governed by, among other things, the Memorandum and the Articles, the Cayman Companies Law and the common law of the Cayman Islands. The rights of the CKH Holdings Shareholders to take action against the CKH Holdings Directors, actions by and the protection of the interests of minority CKH Holdings Shareholders and the fiduciary responsibilities of the CKH Holdings Directors to CKH Holdings under Cayman Islands law will to a large extent be governed by the common law of the Cayman Islands and the Articles. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. Furthermore, the relevant laws of the Cayman Islands may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong and may differ in some respects from them.

Differences between the laws of the Cayman Islands and Hong Kong mean that the remedies available to the minority CKH Holdings Shareholders may be different from those they would have under the laws of Hong Kong and CKH Holdings Shareholders may have more difficulty in protecting their interests in the face of actions taken by CKH Holdings' management, CKH Holdings Directors or major CKH Holdings Shareholders than they would as shareholders of a Hong Kong company. For example, the Cayman Islands do not have a statutory equivalent of sections 723 to 726 of the Companies Ordinance, which provide a remedy for shareholders who have been unfairly prejudiced by the conduct of the company's affairs.

Differences between the laws of the Cayman Islands and Hong Kong also mean that certain rights available to the Shareholders under the laws of Hong Kong may not be available to them as CKH Shareholders under the laws of the Cayman Islands. For example, under the Cayman Companies Law, names and addresses of the members of an exempted company are not a matter of public record and are not available for public inspection; and members of an exempted company incorporated in the Cayman Islands have no general right to inspect or obtain copies of the register of members or records of the company. However, the Articles contain provisions allowing the inspection of the branch register of members of CKH Holdings kept in Hong Kong by members of CKH Holdings and other persons.

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## **RISK FACTORS**

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For further information, please refer to Appendix IV and Appendix V to this document.

### **RISKS RELATING TO THE GROUP'S BUSINESSES, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND GROWTH PROSPECTS**

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial condition, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

#### **Economic Environment and Conditions**

The global economy remains uncertain since the global financial crisis in 2008. The European sovereign debt crisis that followed, the slowdown of the PRC economy and the timing of US monetary normalisation continue to pose risks to the global recovery. The slowdown in world economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence and increased market volatility. The Cheung Kong Group has diversified operations spanning over 50 countries around the world. Any adverse economic conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial condition, results of operations or growth prospects.

#### **Property Developments**

There exist general risks inherent in property development and in the ownership of properties, including, among other things, rising construction costs, risks that financing for developments may not be available on favourable terms, that construction may not be completed on schedule or within budget especially due to issues such as aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices, that long-term financing may not be available on completion of construction, that developed properties may not be sold or leased on profitable terms, that there will be intense competition from other developers or property owners which may lead to vacant properties or an inability to sell or rent properties on favourable terms, that purchasers or tenants may default, that properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis, that it may not be possible to renew leases or re-let spaces when existing leases expire, and that the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies. Property values and rental values are also affected by factors such as political developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices. Taxes, levies, stamp duties and similar taxes or charges payable for the sale or transfer of residential properties may be imposed by the relevant authorities from time to time.

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## RISK FACTORS

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Investment in property is generally illiquid, which may limit the ability of the Group in timely realising property assets into cash.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the PRC and other overseas markets may be subject to various regulatory requirements or restrictions. Future growth prospects of the property development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the PRC and other overseas markets.

Properties could suffer physical damage by fire or other causes and the Group may be exposed to any potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn affect the Group's financial condition or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Industry Trends and Interest Rates**

The trends in the industries in which the Group operates, including the property market sentiment and conditions, property values in Hong Kong, the commercial airline industry market conditions, the mark to market value of investment securities, the currency environment and interest rates cycles, may pose significant risks to the Group's businesses, financial condition, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

In particular, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's businesses, financial condition, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

### **Highly Competitive Markets**

The Group's principal business operations face significant competition across the markets in which they operate. New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial condition, results of operations or growth prospects. Competition risks faced by the Group include (a)



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## RISK FACTORS

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an increasing number of developers undertaking property investment and development in Hong Kong, the PRC and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other developers which may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Infrastructure Market**

Some of the investments owned by the Group (for example, water and gas) are subject to regulatory pricing and strict adherence must be made with the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or, in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Infrastructure projects are capital intensive, only a few major players emerged in the market and there is no assurance of any ready buyer on disposal.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack or other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perception and may also lead to claims and litigation. Moreover, some losses from events such as terrorist attacks may not be recoverable. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks, which could have a material adverse effect on the Group's businesses, financial condition, results of operations or growth prospects.

### **The Aviation Industry**

#### ***Deterioration in the Financial Condition of the Commercial Airline Industry***

The financial condition of the commercial airline industry is of particular importance to the return prospect of the Group's investment in this sector because customers of the Group's aircraft investment are all commercial airline operators. The risk factors that affect the financial condition of the commercial airline industry generally may have an impact on the Group's businesses, financial condition, results of operations or growth prospects. The Group may experience (a) downward pressure on demand for the aircraft in the Group's fleet and reduced market lease rates and effective lease margins, as well as reduced aircraft values; (b) a higher incidence of lessee defaults, lease restructurings, repossessions and airline bankruptcies and restructurings, resulting in lower lease rates and effective margins and/or increased costs due to maintenance, insurance, storage and legal costs associated with the repossession, as well as lost revenue for the time the aircraft are off lease, increased aircraft transition costs to new lessees (including refurbishment and modification of aircraft to fit the specifications of new lessees) and possibly lower lease rates from the new lessees; and (c) an inability to lease aircraft on commercially acceptable terms, resulting in lower lease margins due to aircraft not earning revenue and resulting in storage, insurance and maintenance costs. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

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## RISK FACTORS

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### *Cyclical Supply and Demand for Aircraft*

The commercial jet aircraft leasing and sales industry has periodically experienced cycles of aircraft oversupply and undersupply. The oversupply of a specific type of aircraft in the market is likely to depress aircraft lease rates and values of that type of aircraft.

The supply and demand of aircraft is affected by various cyclical factors that are not under the Group's control, including (a) passenger air travel demand; (b) fuel costs and general economic condition; (c) geopolitical events; (d) outbreaks of communicable, pandemic diseases and natural disasters; (e) governmental regulation, including new Airworthiness Directives and environmental and safety regulations; (f) interest rates; (g) airline restructurings and bankruptcies; (h) cancellation or deferral of orders for aircraft; (i) delays in delivery by manufacturers; (j) the cost and availability of credit; (k) manufacturer production levels and technological innovation, including introduction of new generation aircraft; (l) aircraft types; (m) retirement and obsolescence of aircraft models; (n) manufacturers merging or exiting the industry or ceasing to produce aircraft or engine types; (o) accuracy of estimates relating to future supply and demand made by manufacturers and airlines; (p) re-introduction into service of aircraft previously in storage; and (q) airport and air traffic control infrastructure constraints.

These factors may produce sharp decreases or increases in aircraft values and lease rates, and may result in lease defaults and may prevent the aircraft from being re-leased or, where applicable, sold on satisfactory terms. This would have an adverse effect on the Group's aircraft leasing's operations and cash flow and could adversely affect its businesses, financial condition, results of operations or growth prospects.

### *Airline Reorganisations or Liquidations*

Any bankruptcies, liquidations, consolidations or reorganisations of airlines may result in large numbers of aircraft becoming available for lease or purchase at reduced lease values or acquisition prices and reduce the number of potential lessees and operators of particular models of aircraft, any of which could result in inflated supply levels and consequently decreased aircraft values for such models and lease rates in general. Bankruptcies and reorganisations may lead to the grounding of significant numbers of aircraft, rejection or other termination of leases and negotiated reductions in aircraft lease rentals, with the effect of depressing aircraft market values. In addition, requests for labor concessions may result in significant labor disputes which could lead to strikes, slowdowns or may otherwise adversely affect labor relations, thereby worsening the financial condition of the airline industry and further reducing aircraft values and lease rates.

Additionally reorganisations or liquidations by airlines under applicable bankruptcy or reorganisation laws or further rejection or abandonment of aircraft and aircraft leases by airlines in bankruptcy proceedings may depress aircraft values and aircraft lease rates. A significant number of grounded aircraft and lower market values would adversely affect the Group's ability to re-lease the aircraft at favourable rates or sell the aircraft at favorable prices. Further, if a significant number of the Group's leases are rejected by an airline

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## RISK FACTORS

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customer in a reorganisation, the Group may be unable to re-lease such aircraft in a timely manner on commercially reasonable terms. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### *Effects of Fuel Costs*

Fuel costs represent a major expense to companies operating within the airline industry. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental events, natural disasters, regulatory changes and currency exchange rates. The current low oil prices may or may not continue and, should oil prices increase, fuel costs will increase. As a result, fuel prices are not within the control of the lessees and significant changes in fuel prices could materially and adversely affect their operating results. For instance, the ongoing unrest in North Africa and the Middle East has generated uncertainty regarding the predictability of the world's future oil supply, which initially led to significant increases in fuel costs. If this unrest continues, fuel costs may rise significantly. Other events can also significantly affect fuel availability and prices, including natural disasters, decisions by the Organisation of the Petroleum Exporting Countries regarding its members' oil output, and the increase in global demand for fuel from countries such as the PRC.

Higher fuel costs may have a material adverse impact on airline profitability (including the profitability of the initial lessees). Due to the competitive nature of the airline industry, airlines may not be able to pass on increases in fuel prices to their customers by increasing fares or may not be able to manage this risk by appropriately hedging their exposure to fuel price fluctuations. If fuel prices increase due to adverse supply and demand conditions, future terrorist attacks, acts of war, armed hostilities or natural disasters or for any other reason, the initial lessees may incur higher costs and generate lower net revenues, which would adversely impact their financial positions. Consequently, these conditions may (a) affect the initial lessees' ability to make rental and other lease payments, (b) result in lease restructurings and aircraft repossessions, (c) increase the Group's costs of servicing and marketing the aircraft, (d) impair the Group's ability to re-lease the aircraft or re-lease or otherwise dispose of the aircraft on a timely basis and/or at favorable rates and (e) reduce the value receivable for the aircraft upon any disposition. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### *Dependence on Aircraft and Engine Manufacturers*

The supply of large passenger jet aircraft is dominated by a small number of airframe manufacturers, and a limited number of engine manufacturers. The Group therefore depends on these manufacturers' success in remaining financially stable, producing aircraft and related components that meet technical and regulatory requirements and airlines' demands and providing ongoing and reliable customer support. Disruptions in the capital markets may impair the ability of manufacturers to finance their operations or increase the costs of such financing, which could adversely affect their ability to meet airlines' demands or provide customer support. Further, competition between the manufacturers for market share is escalating and may result in deep discounting for certain aircraft types, which may have a negative impact on the Group's ability to compete effectively. Should the manufacturers fail to respond appropriately to market changes, or to fulfill their contractual obligations or to

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## RISK FACTORS

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produce aircraft or components that meet technical or regulatory requirements, the Group may experience (a) an inability to acquire aircraft components on terms that will allow the Group to properly maintain and lease aircraft to customers at its anticipated profit levels, resulting in lower growth rates or a contraction of the Group's fleet; (b) poor customer support from the manufacturers of aircraft and components resulting in reduced demand for a particular manufacturer's product, creating downward pressure on demand for those aircraft and components of those types in the Group's fleet and reduced market lease rates for aircraft of those types; (c) a reduction in the Group's competitiveness due to deep discounting by the manufacturers, which may lead to reduced market lease rates and may adversely affect the value of the Group's portfolio and the Group's ability to remarket or sell some of the aircraft; and (d) poor customer support from the manufacturers of associated components resulting in disruption to the lessees' operations and consequent loss of revenue for the lessees. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### *Effects of Environmental Regulation*

Many aspects of commercial airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Regulatory actions that may be taken in the future by the United States government, other foreign governments or the International Civil Aviation Organisation to address concerns about climate change, noise and emissions from the aviation sector are unknown at this time. Such factors may have a materially adverse impact on the airline industry, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading, substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### *Effects of Terrorist Attacks, War or Armed Hostilities and Other Geopolitical Conditions*

As a result of the 11 September 2001 terrorist attacks in the United States and subsequent terrorist attacks elsewhere, airlines have increased security restrictions and increased airline costs for aircraft insurance and enhanced security measures. In addition, airlines continue to face increased difficulties in acquiring war risk and other insurance at reasonable costs.

Terrorist attacks and geopolitical conditions have negatively affected the airline industry and concerns about geopolitical conditions, war or armed hostilities and further terrorist attacks could continue to negatively affect airlines (including the initial lessees) for the foreseeable future depending upon various factors including (a) higher costs to airlines due to the increased security measures; (b) losses in passenger revenue due to a decrease in travel; (c) the price and availability of jet fuel and the ability to obtain fuel hedges under current market conditions; (d) higher financing costs and difficulty in raising financing; (e) significantly higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such

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## **RISK FACTORS**

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insurance will continue to be available or may exclude events such as radioactive dirty bombs, bio-hazardous materials and electromagnetic pulsing, which may damage or destroy aircraft; (f) the ability of airlines to reduce their operating costs and conserve financial resources; and (g) special charges recognised by some airlines, such as those related to the impairment of aircraft and other long lived assets stemming from the grounding of aircraft as a result of terrorist attacks. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Currency Fluctuations**

The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group's businesses, financial condition, results of operations or growth prospects. Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollar could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Strategic Partners**

Some of the businesses of the Group are conducted through non wholly-owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances have been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non wholly-owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Impact of Local, National and International Regulations**

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial condition, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in government subsidies, pose a risk to the overall investment return of

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## RISK FACTORS

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the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit, which may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Impact of New Accounting Standards**

The Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) has from time to time issued new and revised Hong Kong Financial Reporting Standards (“**HKFRS**”). As accounting standards continue to develop, the HKICPA may in the future issue more new and revised HKFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's businesses, financial condition, results of operations or growth prospects.

### **Outbreak of Highly Contagious Disease**

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome (“**SARS**”) in Hong Kong, the PRC and other places. The SARS outbreak had a significant adverse impact on the economies of the affected areas. The spread of Influenza and other communicable diseases from time to time have also affected many areas of the world. The latest outbreak of the Ebola virus disease also poses a significant threat to global industries, particularly the aviation industry as it may lead to a possible sharp reduction in passenger bookings, cancellation of flights and employee layoffs under critical circumstances, which may in turn adversely affect the financial performance of the Group's aircraft investment. Additional outbreaks of other epidemic diseases could negatively affect passenger demand for air travel, the aviation industry and ultimately the operations, results of operation and financial performance of the Group. Any such factors may adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Connected Transactions**

Hutchison is also listed on the Stock Exchange. Although the Group believes that its relationship with Hutchison provides it with significant business advantages, the relationship results in various connected transactions under the Listing Rules and accordingly any transactions entered into between the Group and Hutchison, its subsidiaries or associates are connected transactions, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the Listing Rules, including the issuance of announcements, the obtaining of independent shareholders' approval at general meetings and disclosure in annual reports and accounts. Independent shareholders' approval requirements may also lead to unpredictable outcomes causing disruptions to as well as increase the risks of the Group's business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

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## RISK FACTORS

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### **The Group's Financial Condition or Results of Operations are Affected by Those of the Hutchison Group**

The Group owns approximately 49.97% of the Hutchison Group which operates in over 50 countries around the world and hence its financial condition and results of operations may be affected by the local market conditions and the economies of the places where business operations are located as well as any litigation against them. The Group's financial condition and results of operations are materially affected by the financial condition and results of operations of the Hutchison Group. In addition, the core businesses of the Hutchison Group are different from those of the Group, and as a result, the Group is indirectly exposed to the risks the Hutchison Group is facing.

### **Natural Disasters**

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods and similar events and the occurrence of any of these events could disrupt the Group's business and materially and adversely affect the Group's businesses, financial condition, results of operations or growth prospects. For example, in recent years, a number of countries including the PRC, New Zealand and Japan experienced severe earthquakes that caused significant property damage and loss of life. Parts of Australia have also experienced drought conditions.

Although the Group has not experienced any major structural damage to its property development projects or assets or facilities from earthquakes to date, there can be no assurance that future earthquakes or other natural disasters will not occur and result in major damage to the Group's property development projects or assets or facilities or on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's businesses, financial condition, results of operations or growth prospects.

### **Past Performance and Forward-Looking Statements**

The performance and the results of operations of the Group during the past years as contained in this document are historical in nature and past performance can be no guarantee of future results of the Group. This document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, the CKH Holdings Directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this document; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

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## DIRECTORS OF THE COMPANY AND CKH HOLDINGS

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Set out below are the directors of both the Company and CKH Holdings:

Name	Address	Nationality
<i>Executive Directors</i>		
<i>Chairman</i>		
LI Ka-shing	79 Deep Water Bay Road, Hong Kong	Chinese
<i>Managing Director and Deputy Chairman</i>		
LI Tzar Kuoi, Victor	79 Deep Water Bay Road, Hong Kong	Chinese
<i>Deputy Managing Directors</i>		
KAM Hing Lam	Flat C, 38/F, Block 2, Estoril Court, 55 Garden Road, Hong Kong	Chinese
IP Tak Chuen, Edmond	Flat B2, 10/F, Park Place, No. 7 Tai Tam Reservoir Road, Hong Kong	Chinese
CHUNG Sun Keung, Davy	16 Cape Drive, Chung Hom Kok, Hong Kong	Chinese
PAU Yee Wan, Ezra	16D Butler Towers, No.1-5 Boyce Road, Hong Kong	Chinese
WOO Chia Ching, Grace	9C Olympian Mansion, 9 Conduit Road, Hong Kong	Chinese
CHIU Kwok Hung, Justin	29B, Tower III, Garden Terrace, 8A Old Peak Road, Hong Kong	Canadian
<i>Non-executive Directors</i>		
LEUNG Siu Hon	13 Ching Sau Lane, Chung Hom Kok, Hong Kong	British
FOK Kin Ning, Canning	10th Floor, 1 King Tak Street, Kowloon, Hong Kong	British
Frank John SIXT	House C, Peak Villas, 86-88 Peak Road, Hong Kong	Canadian
CHOW Kun Chee, Roland	Flat 5A, Dragon View, No. 39 MacDonnell Road, Hong Kong	British
George Colin MAGNUS	Flat A, 9/F, Block 4, Pacific View, 38 Tai Tam Road, Hong Kong	British
LEE Yeh Kwong, Charles	56 Black's Link, Hong Kong	Chinese



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## DIRECTORS OF THE COMPANY AND CKH HOLDINGS

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Name	Address	Nationality
<i>Independent Non-executive Directors</i>		
KWOK Tun-li, Stanley	Suite 503 – 151 Athletes Way, Vancouver, B.C., V5Y 0E5, Canada	Canadian
YEH Yuan Chang, Anthony	22 Oxford Road, Kowloon Tong, Kowloon, Hong Kong	British
Simon MURRAY	Ground Floor, Block B, 39 Tung Tau Wan Road, Hong Kong	British
CHOW Nin Mow, Albert	66A Mount Davis Road, Hong Kong	British
HUNG Siu-lin, Katherine	Flat B, 2/F., No. 23 Braemar Hill Mansion, Braemar Hill Road, Hong Kong	Chinese
WONG Yick-ming, Rosanna*	7B Vienna Court, Realty Gardens, 41 Conduit Road, Hong Kong	Chinese
CHEONG Ying Chew, Henry	Flat C2, 5/F, Park Place, 7 Tai Tam Reservoir Road, Hong Kong	British

\* Also alternate director to Simon MURRAY

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## CORPORATE INFORMATION OF THE COMPANY AND CKH HOLDINGS

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<b>Company secretary</b>	Eirene YEUNG <i>LLB, FCS, FCIS</i> 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
<b>Authorised representatives</b>	IP Tak Chuen, Edmond 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong  Eirene YEUNG 7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
<b>Registered office of CKH Holdings</b>	Maples Corporate Services Limited PO Box 309, Uglan House Grand Cayman KY1-1104 Cayman Islands
<b>Registered office of the Company and head office and principal place of business of CKH Holdings in Hong Kong</b>	7th Floor Cheung Kong Center 2 Queen's Road Central Hong Kong
<b>Principal registrar and transfer agent of CKH Holdings in the Cayman Islands</b>	Maples Fund Services (Cayman) Limited PO Box 1093 Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
<b>Share registrar and transfer office of the Company and branch share registrar and transfer office of CKH Holdings in Hong Kong</b>	Computershare Hong Kong Investor Services Limited Room 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
<b>Auditors</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22/F, Prince's Building Central Hong Kong

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## CORPORATE INFORMATION OF THE COMPANY AND CKH HOLDINGS

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### Principal bankers

Mizuho Corporate Bank, Ltd.  
17/F, Two Pacific Place  
88 Queensway  
Hong Kong

The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
8/F, AIA Central  
1 Connaught Road Central  
Hong Kong

Bank of China (Hong Kong) Limited  
Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

The Hongkong and Shanghai Banking Corporation  
Limited  
1 Queen's Road Central  
Hong Kong

Sumitomo Mitsui Banking Corporation  
7-8/F  
One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

Citibank, N.A.  
39/F-40/F, 43/F-50/F  
Citibank Tower  
Citibank Plaza  
3 Garden Road  
Hong Kong

Overseas-Chinese Banking Corporation Limited  
9/F Nine Queen's Road Central  
Hong Kong

Bank of America, N.A.  
52/F Cheung Kong Center  
2 Queen's Road Central  
Central  
Hong Kong

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## CORPORATE INFORMATION OF THE COMPANY AND CKH HOLDINGS

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China Construction Bank (Asia) Corporation Limited  
28/F, CCB Tower  
3 Connaught Road Central  
Central  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
4-4A Des Voeux Road  
Central  
Hong Kong

**Website**

[www.ckh.com.hk](http://www.ckh.com.hk)

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## PARTIES INVOLVED IN THE REORGANISATION PROPOSAL

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<b>Financial adviser to the Company and CKH Holdings</b>	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
<b>Legal advisers to the Company and CKH Holdings as to Hong Kong law</b>	Woo Kwan Lee & Lo 26th Floor Jardine House 1 Connaught Place Central Hong Kong
<b>Legal advisers to the Company and CKH Holdings as to Cayman Islands law</b>	Maples and Calder 53rd Floor, The Center 99 Queen's Road Central Hong Kong
<b>Legal advisers to the financial adviser to the Company and CKH Holdings as to Hong Kong and United States law</b>	Linklaters 10th Floor, Alexandra House 18 Chater Road Hong Kong

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## **RESPONSIBILITY STATEMENT**

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The information in this document relating to the Group has been provided by the Directors and the CKH Holdings Directors.

This document, for which the Directors and the CKH Holdings Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors and the CKH Holdings Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, opinions expressed in this document have been arrived at after due and careful consideration, and there are no other matters the omission of which would make any statement herein or this document misleading.

## 1. PRINCIPAL ACTIVITIES

The Group's present principal business activities comprise (i) property development and investment, hotel and serviced suite operation, property and project management; and (ii) investment in infrastructure businesses and securities, and the ownership and leasing of movable assets. The Group also has a 49.97% shareholding interest in Hutchison.

## 2. SHARE CAPITAL

### 2.1 Issued Share Capital

As at the close of business on the Latest Practicable Date, the share capital of the Company was as follows:

Number of Shares in issue:	2,316,164,338
Amount of issued and paid up capital:	HK\$10,488,733,666.03

All the Shares presently in issue are fully paid or credited as fully paid and rank pari passu in all respects with each other, including as to dividends, voting rights and return of capital or other distributions that may be declared, paid or made.

### 2.2 Changes in share capital of the Company

No changes in the share capital of the Company took place within the two years preceding the date of this document.

### 2.3 Listing

All of the existing Shares in issue are listed on the Main Board. No other part of the securities of the Company is listed on or dealt in, nor is any listing of, or permission to deal in, the securities of the Company being or proposed to be sought on, any other recognised stock exchange.

## 3. MANAGEMENT DISCUSSION AND ANALYSIS

### 3.1 Business Review

#### *Major Business Activities*

#### *1. Developments Completed during 2014*

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Hemera	Site E of The Remaining Portion of Tseung Kwan O Town Lot No. 70	128,544	Joint Venture

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Kennedy Park at Central	Section A, The Remaining Portion of Section B, Subsection 1 of Section N and Subsection 1 of Section O of Inland Lot No. 1381	8,106	100%
The Rise	The Remaining Portion of Kwai Chung Town Lot No. 157	23,225	100%
Mont Vert Phase I	The Remaining Portion of Tai Po Town Lot No. 183	70,459	100%
City Point	The Remaining Portion of Tsuen Wan Town Lot No. 403	113,064	Joint Venture
Trinity Towers	The Remaining Portion of New Kowloon Inland Lot No. 6494	29,649	Joint Venture
The Vision	West Coast Crescent, Singapore	33,600	50%
Upper West Shanghai Phase 1A	Putuo District, Shanghai	13,581	29.4%
Oriental Financial Center	Lujiazui, Shanghai	80,000	50%
Regency Residence Phase 1	Nanguan District, Changchun	3,000	50%
Le Parc Phase 5A	Chengdu High-Tech Zone, Chengdu	154,486	50%
Regency Oasis Phase 1B	Wenjiang District, Chengdu	15,343	50%
Noble Hills Phase 2C	Douxi, Chongqing	36,419	50%
Regency Park Phase 3B	Tianning District, Changzhou	170,787	50%
Laguna Verona Phases E1 and E2	Hwang Gang Lake, Dongguan	64,398	49.91%
Noble Hills Phase 1B	Zengcheng, Guangzhou	21,293	50%
The Harbourfront Land No. 3, 4 and 8	Shibei District, Qingdao	141,045	45%



Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Regency Garden Phases 2B and 4	Pudong New District, Shanghai	100,494	42.5%
Millennium Waterfront Phase 1A	Jiangnan District, Wuhan	23,453	50%
Regency Cove Phase 1	Caidian District, Wuhan	89,357	50%

2. *Developments Scheduled for Completion in 2015*

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Heung Yip Road Project	Aberdeen Inland Lot No. 354	30,099	100%
Hung Hom Bay Project	Kowloon Inland Lot No. 11120	33,979	100%
Mont Vert Phase II	The Remaining Portion of Tai Po Town Lot No. 183	16,892	100%
DIVA	The Remaining Portion of Inland Lot No. 3319	6,606	100%
La Lumière	Hung Hom Inland Lot No. 556	9,740	100%
Argyle Street Project	Kowloon Inland Lot No. 11125	36,630	80%
Ping Kwai Road Project	Lot No. 2129 in D.D. 121 Yuen Long	6,076	100%
Thomson Grand	Upper Thomson Road Singapore	43,781	100%
La Grande Ville Phase 3	Shun Yi District, Beijing	65,183	100%
Guangzhou Guoji Wanjucheng Phases 2B and 2C1	Huangpu District, Guangzhou	99,462	30%
Yuhu Mingdi Phases 2(1) and 3	Luogang District, Guangzhou	132,263	40%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Upper West Shanghai Phase 1B	Putuo District, Shanghai	103,310	29.4%
Lake Como Land No. 911 North	Jiading District, Shanghai	138,904	50%
Kerry Everbright City Phase III	Zhabei District, Shanghai	104,253	24.75%
Regency Cove Phases 1A and 1B	Changchun National Hi-Tech Industrial Development Zone, Changchun	235,456	50%
Regency Park Phases 4A and 4B	Jingyue Economic Development Zone, Changchun	72,414	50%
Le Parc Phase 5B	Chengdu High-Tech Zone, Chengdu	148,015	50%
Regency Hills Lands No. 1 and 8A	Yangjiashan, Chongqing	198,383	47.5%
Zhaomushan Land No. G19	Liangjiang New Area, Chongqing	73,175	50%
Laguna Verona Phase D2b	Hwang Gang Lake, Dongguan	73,869	49.91%
Nanzhuang Town Phases 1A and 2A	Chancheng District, Foshan	45,846	50%
Cape Coral Phase 4A	Panyu District, Guangzhou	76,963	50%
Noble Hills Phase 1A	Zengcheng, Guangzhou	1,500	50%
Emerald City Phases 1 and 2	Jianye District, Nanjing	359,198	50%
The Harbourfront Land No. 6	Shibei District, Qingdao	225,797	45%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Zhao Xiang Town Land No. 17 Phases 1 and 2	Qing Pu District, Shanghai	80,230	50%
Zhao Xiang Town Land No. 16 Phases 1 and 2A	Qing Pu District, Shanghai	151,126	50%
Century Link	Pudong New District, Shanghai	218,457	25%
Regency Garden Phase 5A	Pudong New District, Shanghai	35,980	42.5%
Land Lots G/M and H Project	Futian District, Shenzhen	45,000	25%
Laopupian Project Phase 1	Jiangnan District, Wuhan	198,291	50%
Millennium Waterfront Phases 1B and 2A	Jiangnan District, Wuhan	476,248	50%

### 3. Recent Acquisitions, Joint Developments and Other Major Events

#### Hong Kong

- (1) December 2014: A wholly-owned subsidiary of the Group successfully bid for the contract for the joint development of the site located at Hai Tan Street/Kweilin Street/Pei Ho Street, Sham Shui Po, New Kowloon Inland Lot No. 6506 in a public tender exercise. With an area of approximately 7,507 sq.m., the site is planned for a commercial, residential, and government, institution or community development estimated to have a developable gross floor area of approximately 57,400 sq.m.
- (2) During the year ended 31 December 2014, the Group continued to pursue opportunities for the acquisition of properties and agricultural land with potential for development. Some of the properties and agricultural land are under varying stages of design and planning applications.

#### The PRC and Overseas

- (3) May 2014: An indirect joint venture company, held as to one-third by each of the Company, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited, was formed for funding the conditional cash

takeover bid to acquire Envestra Limited (the “**Takeover Bid**”), a distributor of natural gas in Australia, the shares of which were listed on the Australian Securities Exchange then. The conditional cash offer under the Takeover Bid was completed on 4 September 2014.

- (4) May 2014: A 50/50 joint venture company was formed by the Company and Cheung Kong Infrastructure Holdings Limited for the acquisition of Park’N Fly, an off-airport car park provider in Canada. The enterprise value of the transaction was approximately CAD381 million (approximately HK\$2.72 billion). The acquisition was completed in late July 2014.
- (5) August and November 2014: Wholly-owned subsidiaries of the Company entered into sale and purchase agreements with, among others, (a) GE Capital Aviation Services Limited to purchase a total of 21 aircraft for a total consideration of approximately US\$816,000,000, (b) BOC Aviation Pte. Ltd. to purchase up to 10 aircraft for a total base purchase price of US\$492,000,000, and (c) Jackson Square Aviation, LLC to purchase up to 14 aircraft for a consideration of US\$584,200,000. Further, a wholly-owned subsidiary of the Company entered into a subscription agreement (“**Subscription Agreement**”), pursuant to which such wholly-owned subsidiary and MC Aviation Partners Inc. (“**MCAP**”) agreed, on a 60:40 basis, to subscribe for the equity interest in JV Aviation (HK) Limited (the “**JV Company**”, now known as Vermillion Aviation Holdings Limited) which will indirectly hold a portfolio of up to 15 aircraft at a consideration payable by the Group of up to US\$132,000,000. The aggregate base purchase price of the 15 aircraft is expected to be approximately US\$733,500,000. In January 2015, the Company, such wholly-owned subsidiary, MCAP, the JV Company, Li Ka Shing (Overseas) Foundation (“**LKSOF**”) and Vermilion Global Limited (“**VGL**”, a wholly-owned subsidiary of LKSOF) entered into a deed of amendment to amend the Subscription Agreement by the adoption of an amended subscription agreement. Under the amended subscription agreement, (i) the parties agreed to vary the shareholding structure of the JV Company, by including VGL as a shareholder, and (ii) such wholly-owned subsidiary of the Company, MCAP and VGL agreed to subscribe for 50%, 40% and 10% of the equity interest of the JV Company, respectively, for an aggregate maximum consideration of approximately US\$110 million, US\$88 million and US\$22 million, respectively.
- (6) November 2014: A wholly-owned subsidiary of the Group successfully bid for Land Parcel 894 at Upper Serangoon Road in Singapore with a site area of approximately 10,097.2 sq.m. and a gross floor area of approximately 30,292 sq.m. for development into residential and commercial properties. In December 2014, the Hutchison Group subscribed for one share, representing 50% of the enlarged share capital, in the holding company of such wholly-owned subsidiary. Subsequent to the completion of the subscription, the Group and the Hutchison Group jointly and equally owned the development of the Land Parcel.

- (7) During the year ended 31 December 2014, the Group continued to focus on project development and the marketing of properties in the PRC and overseas in a timely manner.

### *Property Sales*

Turnover of property sales including share of property sales of joint ventures for the year ended 31 December 2013 was HK\$27,589 million (2012 – HK\$26,521 million), an increase of HK\$1,068 million when compared with the year ended 31 December 2012, and comprised mainly the sale of residential units of La Splendeur completed in Hong Kong in 2012, and the sale of residential units of property projects completed in 2013 including The Beaumont and One West Kowloon in Hong Kong, Marina Bay Suites in Singapore, La Grande Ville Phase 2 (Zones C, H and I) in Beijing, Le Parc Phases 4A, 4B and 6B in Chengdu, Laguna Verona Phases D1b2, D1c and G1a in Dongguan, The Harbourfront Land No. 2 in Qingdao, Noble Hills and Le Sommet Phases 4B and 4C in Shenzhen, Regency Garden Phases 2A and 3 in Shanghai and a few others in the PRC.

Contribution from property sales including share of results of joint ventures for the year ended 31 December 2013 was HK\$10,184 million (2012 – HK\$10,004 million), an increase of HK\$180 million when compared with the year ended 31 December 2012. During the year ended 31 December 2013, property construction costs continued to escalate and profit contribution from property sales going forward will be adversely affected.

The development of Kennedy Park at Central, originally scheduled for completion in Hong Kong in the second half of 2013, was delayed to the first half of 2014 and made a contribution to Group's profit upon its completion during the first half of 2014.

During the year ended 31 December 2013, sales of residential properties in Hong Kong slowed down due to new government regulations and measures. Although the residential units of Kennedy Park at Central and The Rise have been presold, sales of all other property projects scheduled for completion in Hong Kong in 2014, save for Hemera, have been launched. Nevertheless, the residential units of The Vision in Singapore have been sold out and the sales/presales of residential units of various property projects in the PRC were satisfactory.

Turnover of property sales including share of property sales of joint ventures for the six months ended 30 June 2014 was HK\$12,520 million (six months ended 30 June 2013 – HK\$12,325 million), an increase of HK\$195 million when compared with the six months ended 30 June 2013, and comprised mainly the sale of residential units of property projects in Hong Kong - The Beaumont and One West Kowloon completed in 2013 and Kennedy Park at Central and The Rise completed during the six months ended 30 June 2014, and the sale of residential units of various property projects in the PRC including Regency Garden Phase 2B in Shanghai, Le Parc Phase 5A in Chengdu and The Harbourfront Land No. 3 in Qingdao which were completed during the six months ended 30 June 2014.

Contribution from property sales including share of results of joint ventures for the six months ended 30 June 2014 was HK\$4,673 million (six months ended 30 June 2013 – HK\$3,831 million), an increase of HK\$842 million when compared with the six months ended 30 June 2013. During the six months ended 30 June 2014, price discounts and incentives were offered by property developers in Hong Kong and the PRC in order to promote sales/presales of residential properties, thus adversely affecting profit margin of property sales.

Property sales contribution for the second half of 2014 was mainly derived from the sale of residential units of property projects including Trinity Towers, City Point and Mont Vert Phase I in Hong Kong, The Vision in Singapore, Regency Garden Phase 4 in Shanghai, The Harbourfront Land No. 4 in Qingdao and Regency Park Phase 3B in Changzhou which were completed. The sale of Oriental Financial Center, a commercial property in Shanghai, was also recognised upon its completion in the second half of 2014.

During the six months ended 30 June 2014, the sales/presales of residential units of various property projects in the PRC progressed slowly with results in some of the cities below expectations, whereas the presales of residential units of Trinity Towers and City Point were launched successfully in Hong Kong with almost all of the units already presold.

#### ***Property Rental***

Turnover of the Group's property rental for the year ended 31 December 2013 was HK\$1,960 million (2012 – HK\$1,867 million), an increase of HK\$93 million when compared with the year ended 31 December 2012, mainly due to increased rental for retail properties in Hong Kong which have benefited from the growing number of tourists from the PRC. The increase in turnover was moderated in the second half of 2013 due to the Group's disposal of Kingswood Ginza, a retail shopping mall in Hong Kong, to Fortune Real Estate Investment Trust and a profit of HK\$2,760 million was recognised from the disposal.

Contribution from the Group's property rental for the year ended 31 December 2013 was HK\$1,790 million (2012 – HK\$1,703 million), an increase of HK\$87 million when compared with the year ended 31 December 2012, mainly attributable to a net increase in rental contribution from the Group's retail shopping malls notwithstanding the disposal of Kingswood Ginza and hence, a reduction in rental contribution in the second half of 2013.

The Group's share of rental contribution from joint ventures for the year ended 31 December 2013 was HK\$322 million (2012 – HK\$275 million), an increase of HK\$47 million when compared with the year ended 31 December 2012, and included mainly rental income derived from commercial properties in the PRC. In November 2013, the Group's interest in a joint venture which held The Metropolitan Plaza in Guangzhou in the PRC for rental was disposed of at a profit of HK\$798 million.

As at 31 December 2013, the Group's investment properties comprised mainly retail shopping malls and commercial office properties in Hong Kong and recorded an increase in fair value of HK\$1,782 million (2012 – HK\$4,470 million) based on a professional valuation, and the Group shared an increase in fair value of investment properties of HK\$24 million (2012 – HK\$531 million) of joint ventures.

Turnover of the Group's property rental for the six months ended 30 June 2014 was HK\$943 million (six months ended 30 June 2013 – HK\$1,002 million), a decrease of HK\$59 million when compared with the six months ended 30 June 2013, mainly due to the disposal of Kingswood Ginza, a retail shopping mall in Hong Kong, to Fortune Real Estate Investment Trust in the second half of 2013.

Contribution from the Group's property rental for the six months ended 30 June 2014 was HK\$861 million (six months ended 30 June 2013 – HK\$906 million), a decrease of HK\$45 million when compared with the six months ended 30 June 2013 in the absence of rental contribution from Kingswood Ginza during the period.

The Group's share of rental contribution from joint ventures for the six months ended 30 June 2014 was HK\$154 million (six months ended 30 June 2013 – HK\$157 million), a decrease of HK\$3 million when compared with the six months ended 30 June 2013, and included mainly rental income derived from commercial properties in the PRC.

As at 30 June 2014, the Group's investment properties comprised mainly retail shopping malls and commercial office properties in Hong Kong and recorded an increase in fair value of HK\$560 million (30 June 2013 – HK\$1,773 million) based on a professional valuation, and the Group shared a decrease in fair value of investment properties of HK\$41 million (30 June 2013 – an increase of HK\$43 million) of joint ventures.

#### ***Hotels and Serviced Suites***

Turnover of the Group's hotels and serviced suites for the year ended 31 December 2013 was HK\$2,368 million (2012 – HK\$2,350 million), a slight increase of HK\$18 million when compared with the year ended 31 December 2012 as demand for hotels and serviced suites in Hong Kong were maintained and inbound tourism and business travel remained active during the year.

Contribution from the Group's hotels and serviced suites for the year ended 31 December 2013 was HK\$989 million (2012 – HK\$930 million) and contribution including share of results of joint ventures for the year ended 31 December 2013 was HK\$1,273 million (2012 – HK\$1,235 million), an increase of HK\$38 million when compared with the year ended 31 December 2012 despite the loss of contribution from Metropark Lido Hotel, Beijing which was disposed of at a profit in the second half of 2012.

In February 2013, The Apex Horizon owned by Pearl Wisdom Limited (“PWL”), a wholly-owned subsidiary of the Company, was disposed of to investors in the public. Subsequently, PWL was notified by the SFC that the arrangements relating to the sale and purchase of hotel room units in The Apex Horizon appeared to constitute a Collective Investment Scheme. Although this was not agreed with by PWL, arrangements for cancellation of the transactions were made.

Turnover of the Group’s hotels and serviced suites for the six months ended 30 June 2014 was HK\$1,073 million (six months ended 30 June 2013 – HK\$1,146 million), a slight decrease of HK\$73 million when compared with the six months ended 30 June 2013 as demand for hotels and serviced suites remained steady with the continual flow of inbound travelers from the PRC and good economic fundamentals in Hong Kong.

Contribution from the Group’s hotels and serviced suites for the six months ended 30 June 2014 was HK\$464 million (six months ended 30 June 2013 – HK\$487 million), a decrease of HK\$23 million in line with the decrease in turnover, and contribution including share of results of joint ventures for the six months ended 30 June 2014 was HK\$598 million (six months ended 30 June 2013 – HK\$619 million), a decrease of HK\$21 million when compared with the six months ended 30 June 2013.

During the six months ended 30 June 2014, the operating conditions for hotels and serviced suites in Hong Kong and the PRC became more challenging. Nevertheless, the Group sought to achieve satisfactory results for its hotel and serviced suite operation in the second half of 2014.

#### ***Property and Project Management***

Turnover of the Group’s property and project management for the year ended 31 December 2013 was HK\$397 million (2012 – HK\$368 million), of which income from property management was HK\$180 million (2012 – HK\$171 million), an increase of HK\$9 million when compared with the year ended 31 December 2012, and income from project management related services was HK\$217 million (2012 – HK\$197 million), an increase of HK\$20 million when compared with the year ended 31 December 2012.

Contribution from the Group’s property management for the year ended 31 December 2013 was HK\$114 million (2012 – HK\$109 million), an increase of HK\$5 million when compared with the year ended 31 December 2012, and the Group’s project management related services made a contribution of HK\$22 million (2012 – HK\$20 million) to group profit. The Group’s share of contribution of joint ventures which were engaged in the management of various major property developments, including Beijing Oriental Plaza in the PRC and Marina Bay Financial Centre in Singapore, was HK\$46 million (2012 – HK\$45 million), an increase of HK\$1 million when compared with the year ended 31 December 2012.



As at 31 December 2013, the total floor area under the Group's property management was approximately 89 million square feet and this is expected to grow steadily following the gradual completion of the Group's property development projects in the years ahead. The Group is committed to providing high quality services to properties under our management.

Turnover of the Group's property and project management for the six months ended 30 June 2014 was HK\$211 million (six months ended 30 June 2013 – HK\$179 million), of which income from property management was HK\$86 million (six months ended 30 June 2013 – HK\$83 million), an increase of HK\$3 million when compared with the six months ended 30 June 2013, and income from project management related services was HK\$125 million (six months ended 30 June 2013 – HK\$96 million), an increase of HK\$29 million when compared with the six months ended 30 June 2013.

Contribution from the Group's property management for the six months ended 30 June 2014 was HK\$55 million (six months ended 30 June 2013 – HK\$54 million), an increase of HK\$1 million when compared with the six months ended 30 June 2013, and the Group's project management related services made a contribution of HK\$12 million (six months ended 30 June 2013 – HK\$9 million) to group profit. The Group's share of contribution of joint ventures which were engaged in the management of various major property developments, including Beijing Oriental Plaza in the PRC and Marina Bay Financial Centre in Singapore, for the six months ended 30 June 2014 was HK\$32 million (six months ended 30 June 2013 – HK\$24 million), an increase of HK\$8 million when compared with the six months ended 30 June 2013.

As at 30 June 2014, the total floor area under the Group's property management was approximately 91 million square feet and this is expected to grow steadily following the gradual completion of the Group's property development projects in the years ahead. The Group is committed to providing high quality services to properties under our management.

### ***Infrastructure Business***

The Group invests in infrastructure businesses through various joint ventures with parties including Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited and Li Ka Shing Foundation Limited.

The Group's share of contribution from infrastructure businesses joint ventures for the year ended 31 December 2013 was HK\$1,602 million (2012 – HK\$839 million), an increase of HK\$763 million when compared with the year ended 31 December 2012, mainly attributable to a full year profit contribution from Wales & West Utilities Limited, of which the Group took a 30% interest in the second half of 2012.

During the year ended 31 December 2013, the Group completed the acquisition of a 35% interest in AVR-Afvalverwerking B.V., the largest energy-from-waste player in the Netherlands, while the Group's 40% interest in Northumbrian Water Group Limited continued to provide steady contribution to group profit.

The Group's share of contribution from infrastructure business joint ventures for the six months ended 30 June 2014 was HK\$908 million (six months ended 30 June 2013 – HK\$730 million), an increase of HK\$178 million when compared with the six months ended 30 June 2013, mainly attributable to the contribution from AVR-Afvalverwerking B.V., an energy-from-waste business acquired in the Netherlands in the second half of 2013, while contribution from the Group's investments in other infrastructure business continued to grow steadily.

In May 2014, the Group formed a joint venture with Cheung Kong Infrastructure Holdings Limited and took part in the acquisition of the "Park'N Fly" off-airport parking business in Canada which was completed in late July.

### *Major Associates*

Hutchison, a listed associate of the Company, and its subsidiaries reported profit attributable to the Hutchison Shareholders for the year ended 31 December 2013 of HK\$31,112 million (for the year ended 31 December 2012 (restated) – HK\$25,897 million) and for the six months ended 30 June 2014 of HK\$28,443 million (for the six months ended 30 June 2013 – HK\$12,398 million).

CK Life Sciences Int'l., (Holdings) Inc., another listed associate of the Company, and its subsidiaries reported profit attributable to the shareholders of CK Life Sciences Int'l., (Holdings) Inc. for the year ended 31 December 2013 of HK\$229 million (for the year ended 31 December 2012 – HK\$176.3 million) and for the six months ended 30 June 2014 of HK\$146.6 million (for the six months ended 30 June 2013 – HK\$139.9 million).

## **3.2 Financial Review**

### *Liquidity and Financing*

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings as appropriate.

The Group's borrowings consist of bank loans, issued notes and other loans. The facilities relating to the Group's borrowings contain customary events of default and covenants. In addition, the Group's bank loans contain the following financial covenants:

- the aggregate market value of the Group's tangible assets must exceed the Group's secured consolidated liabilities by specified levels; and
- the adjusted consolidated liabilities must not exceed a specified multiple of the Group's adjusted consolidated tangible net worth.

During the year ended 31 December 2013, notes issued by the Group in the total amount of HK\$1.3 billion were redeemed upon maturity.

As at 31 December 2013, the Group's borrowings of bank loans, issued notes and other loans were HK\$29.1 billion, HK\$12.2 billion and HK\$0.6 billion respectively, and the total borrowings amounted to HK\$41.9 billion, a decrease of HK\$6.2 billion from 31 December 2012. As at 31 December 2013, the maturity profile was spread over a period of eight years, with HK\$2.4 billion repayable within one year, HK\$37.5 billion within two to five years and HK\$2 billion beyond five years.

During the year ended 31 December 2013, the Group issued perpetual securities in the amount of US\$500 million with an annual distribution rate of 5.375% and US\$74.7 million of these perpetual securities were subsequently purchased back and cancelled. With no fixed maturity, the remaining perpetual securities issued in the amount of US\$425.3 million are redeemable at the Group's option on or after 24 January 2018 and are accounted for as equity in the financial statements.

The Group's net debt to net total capital ratio as at 31 December 2013 was approximately 2.3% (2012 – 7.3%). Net debt was arrived at by deducting bank balances and deposits of HK\$33.2 billion from the total borrowings and net total capital was the aggregate of total equity and net debt.

As at 30 June 2014, the Group's borrowings of bank loans, issued notes and other loans were HK\$26.8 billion, HK\$12.2 billion and HK\$0.6 billion respectively, and the total borrowings amounted to HK\$39.6 billion, a decrease of HK\$2.3 billion from 31 December 2013. As at 30 June 2014, the maturity profile was spread over a period of eight years, with HK\$9 billion repayable within one year, HK\$28.6 billion within two to five years and HK\$2 billion beyond five years.

The Group's net debt to net total capital ratio at 30 June 2014 was approximately 1.6%. Net debt was arrived at by deducting bank balances and deposits of HK\$33.1 billion from the total borrowings and net total capital was the aggregate of total equity and net debt.

As at 31 December 2014, the Group's borrowings of bank loans, issued notes and other loans were HK\$25.3 billion, HK\$12 billion and HK\$0.6 billion respectively. As at 31 December 2014, the maturity profile was spread over a period of seven years with HK\$18.4 billion repayable within one year, HK\$17.5 billion within two to five years and HK\$2 billion beyond five years.

As at 31 December 2013, 30 June 2014 and 31 December 2014, the Group's net debt position has not been material to the Group's operations and liquidity position. As at 31 December 2013 and 30 June 2014, the Group had a net current assets position of HK\$101.7 billion and HK\$94.3 billion, respectively. The Group had no commitments for capital or other major expenditures as at 31 December 2014 that were material to the Group. The Group has no current intentions to raise any material external financing. Details of the financing arrangements relating to the Spin-off Proposal are set out in the Announcement.

The Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal, collectively, will result in certain financial creditors being entitled to require the repayment or mandatory pre-payment of certain indebtedness of the Group and the Hutchison Group. In the Announcement, each of the Company and Hutchison stated that it has available sufficient resources to effect any such repayment or pre-payment and therefore the Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal, collectively, are not expected to have any adverse effect on the Group, the Hutchison Group or any of their respective creditors.

With cash and marketable securities in hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments, and working capital requirements, for the period ending 12 months from the date of this document.

### *Treasury Policies*

The Group maintains a conservative approach to foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised. At times of interest rate or exchange rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used in the management of exposure to interest rate and foreign exchange rate fluctuations.

The capital structure of the Group consists of debts, which include borrowings of bank loans, issued notes and other loans, and equity, comprising share capital, reserves, perpetual securities and non-controlling interests.

The Group's borrowings are principally on a floating rate basis and where appropriate, swaps are arranged to convert the rates and related terms of fixed rate notes issued to a floating rate basis.

As at 31 December 2013, approximately 74.7% of the Group's borrowings were in HK\$ and US\$, with the balance in EUR, GBP and SGD mainly for the purpose of financing investments and property projects in Europe, the United Kingdom and Singapore.

As at 30 June 2014, approximately 72.8% of the Group's borrowings were in HK\$ and US\$, with the balance in EUR, GBP and SGD mainly for the purpose of financing investments and joint venture projects in Europe, the United Kingdom and Singapore.

As at 31 December 2014, approximately 76.1% of the Group's borrowings were in HK\$ and US\$, with the balance in EUR, GBP and SGD mainly for the purpose of financing investments and joint venture projects in Europe, the United Kingdom and Singapore.

The Group principally derives its revenue from property development mainly in HK\$ and RMB and maintains cash balances substantially in HK\$ and RMB. Income in foreign currencies, including EUR, GBP and SGD, is also generated from the Group's investments and joint venture projects outside Hong Kong and cash in these foreign currencies is maintained for business requirements.

#### *Charges on Assets*

As at 31 December 2013, there was no charge on assets of the Group (2012 – Nil).

As at 30 June 2014, there was no charge on assets of the Group (31 December 2013 – Nil).

#### *Contingent Liabilities*

As at 31 December 2013, the Group's contingent liabilities were as follows:

- (1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK\$600 million (2012 – HK\$612 million); and
- (2) guarantees provided for bank loans utilised by joint ventures and investee company amounted to HK\$875 million (2012 – HK\$1,281 million) and HK\$390 million (2012 – HK\$359 million) respectively.

As at 30 June 2014, the Group's contingent liabilities were as follows:

- (1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK\$600 million (31 December 2013 – HK\$600 million); and
- (2) guarantees provided for bank loans utilised by joint ventures and investee company amounted to HK\$981 million (31 December 2013 – HK\$875 million) and HK\$424 million (31 December 2013 – HK\$390 million) respectively.

#### **4. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The global economic recovery remained slow and uneven in 2014 as the growth in the United States gradually strengthened while the economic performances in Europe and Japan were below projections. The global marketplace continued to face various uncertainties although no significant impact was felt following the conclusion of the US asset purchase program in October 2014.

Looking forward to 2015, the continuing deepened reforms in the PRC bode well for a more positive outlook for its future development. The economy in the United States is on track for positive growth, while the pace of recovery is likely to be relatively slow in Europe.

The principal activities of the Group encompass property development and investment, hotel and serviced suite operation, property and project management, and investment in infrastructure businesses and securities, and the newly invested business of the ownership and leasing of movable assets. These core businesses have been the key drivers in providing steady streams of revenue to the Group. The Hutchison Group, the Company's major listed affiliate, has been a major contributor to the Group's results. With diversified operations spanning over 50 countries around the globe, the Hutchison Group has six core businesses – ports and related services; property and hotels; retail; infrastructure; energy; and telecommunications.

In Hong Kong, the market response to the launches of the Group's property projects has been generally in line with expectations. It is expected that buyer sentiment and trading activity will likely remain steady, but increases in construction costs are set to continue, and policy measures will remain a major factor in determining the direction of the local property market. The Group is confident in its growth prospects in the PRC over the longer term despite the current modest slowdown in property business activities. Meanwhile, the Group's presence in other property markets outside Hong Kong continues to strengthen solidly.

The Group's operational and investment decisions in the various regions or countries in which it operates are based on the long-term best interests of the Shareholders. The Group also employs prudent discipline to maintain its financial strength. The Group continues to increase its interests in the infrastructure and aircraft leasing sectors and is focused on exploring new investment opportunities to generate additional stable revenue streams to drive forward its growth momentum. All of the Group's growth strategies are devised to create shareholder value in a long-term and sustainable manner. The Group is cautiously optimistic about the growth prospects for all of its businesses.

It is expected that completion of the Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal will (i) create shareholders' value through the elimination of the holding company discount of the Company's stake in Hutchison; (ii) provide greater transparency and business coherence; (iii) remove the layered holding structure between the Company and Hutchison, allowing shareholders to directly invest in two separate listed vehicles alongside the Trust; (iv) enable all shareholders to hold shares in CKH Holdings and CK Property directly, enhancing investment flexibility and efficiencies; and (v) enhance size and scale.

The Cheung Kong Group will continue to adhere to its core strategic objective to maximise shareholder value by driving long-term sustainable growth of its businesses. Based on the Cheung Kong Group's strategic positioning as a multinational conglomerate, the listed companies under the Cheung Kong Group are committed to nurturing new growth through diversification and globalisation while continuing to be registered and listed in Hong

Kong. The Cheung Kong Group is focused on the pursuit of attractive investment opportunities around the world to extend its business scope and geographic coverage beyond Hong Kong, and to create steady returns and further value for the Shareholders.

Achieving an optimal balance between progress and stability has always been one of the Cheung Kong Group's defining operating philosophies. The Cheung Kong Group is steadfast in maintaining financial prudence in its pursuit of global acquisitions and investments. Through adhering to its fundamental financial policy of maintaining a healthy debt ratio, the Cheung Kong Group will maintain strong liquidity and sufficient financial resources to position it to be able to capitalise on acquisition and investment opportunities as they arise, and to create shareholder value on a sustainable basis.

## **5. STATEMENT OF INDEBTEDNESS**

As at 31 December 2014, being the latest practicable date prior to the printing of this document for ascertaining information for inclusion in this indebtedness statement, the Group had outstanding borrowings of approximately HK\$37,874 million which comprised unsecured bank loans and other borrowings.

As at 31 December 2014, the Group had contingent liabilities of approximately HK\$3,602 million. The contingent liabilities comprised guarantees provided for the minimum share of revenue to be received by the partner of a joint development project of approximately HK\$588 million, and guarantees provided for bank loans utilised by joint ventures and investee companies of approximately HK\$3,014 million (an increase of HK\$1,609 million as compared to 30 June 2014 mainly due to an increase in guarantees provided for bank loans utilised by a 50/50 joint venture company newly formed by the Company and Cheung Kong Infrastructure Holdings Limited for the acquisition of Park'N Fly, an off-airport car park provider in Canada, which was completed in late July 2014).

Save as set out above and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures or other loan capital or bank overdrafts, loans, debt securities or other similar indebtedness or acceptance credits or hire purchase commitments or any guarantees or other material contingent liabilities as at 31 December 2014.

The Directors have confirmed that there had been no material changes in the indebtedness and contingent liabilities of the Group since 31 December 2014 and up to the Latest Practicable Date.

## **6. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

**7. RULES 13.13 TO 13.22 OF THE LISTING RULES**

The Directors have confirmed that they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.22 (inclusive) of the Listing Rules as at the Latest Practicable Date.

**8. MAJOR CUSTOMERS AND SUPPLIERS**

The percentage of the Group's purchases for the three years ended 31 December 2013 attributable to its major suppliers were as follows:

	<b>Year ended 31 December</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>
The largest supplier	83%	52%	16%
Five largest suppliers	89%	83%	50%

As at 31 December 2012, Ms. PAU Yee Wan, Ezra, an executive Director, and JPMorgan Chase & Co., a Shareholder, respectively held 3,908 shares and 60,804,978 shares of MTR Corporation Limited, being one of the five largest suppliers of the Group during the year ended 31 December 2012.

Save as mentioned above, none of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers referred to above.

During each of the three years ended 31 December 2013, the Group's turnover attributable to the Group's five largest customers was less than 30%.

**9. EMPLOYEES**

As at the Latest Practicable Date, the Group employed approximately 7,787 employees for its principal businesses and the breakdown by function was as follows:

<b>Employees by function</b>	<b>Number of Employees</b>
Chairman and Executive Director Offices	37
Property Investment and Development	537
Sales, Leasing, Building Management and Hotel Operation	6,466
Business Development and Investment	44
Professional Support	703
	<hr/>
<b>Total</b>	<b><u><u>7,787</u></u></b>




The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

The Group strives to develop employees by providing them with opportunities to advance their career. Employees of the Group are encouraged to take part in internal and external training courses. The Group's policy is to support employees who attend job related training courses or professional seminars through sponsoring and/or granting them special full paid leave. Vocational training for skills enhancement, such as job-related seminars and workshops are organised for colleagues at all levels from time to time. Training programmes are also arranged with the Independent Commission Against Corruption of Hong Kong for employees. Corporate orientation programmes are held for new staff to assist them in acclimatising to the corporate culture. Other tailor-made training programmes are organised for employees in specific work units, providing them with practical learning opportunities relevant to their jobs or functions, examples of which include safety demonstrations on correct posture in lifting heavy objects, personal protection equipment training for staff from the security unit, advising them on the necessity and importance in using personal protection equipment in appropriate circumstances.

The principal employee pension schemes operated by the Group, including the occupational retirement schemes and the mandatory provident fund schemes, are defined contribution schemes. For occupational retirement schemes, contributions are made by either the employer only or both the employer and the employees at rates ranging from approximately 5% to 10% of the employees' salary. For mandatory provident fund schemes, contributions are made by both the employer and the employees at 5% each of the employees' relevant monthly income which is capped at HK\$30,000.

## **10. INTELLECTUAL PROPERTY**

The Group has registered a variety of Cheung Kong-related trademarks and designs, including, among other things, “” in Hong Kong and the PRC under various classes. The Group has also registered a number of domain names. Please see the section headed “Additional Information – 3. Major Intellectual Property Rights” in Appendix VII to this document for further details on the major intellectual rights of the Group.

As at the Latest Practicable Date, the Board was not aware of any material infringement of the Group's intellectual property rights or any pending or threatened claims against the Group in relation to the infringement of any intellectual property rights of third parties.

## **11. RESTRICTIONS ON PROFITS REMITTANCE AND CAPITAL REPATRIATION**

The Group has business operations and investments in the PRC which are conducted or held through foreign-owned domestic enterprises in the PRC (“**FIEs**”).

Under existing PRC laws, FIEs may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, FIEs are required to set aside a portion of their after-tax profit each year, if any, to fund certain reserve funds which are not distributable as cash dividends. In the case of a wholly foreign owned enterprise (“WFOE”), the amount to be set aside is at least 10% of its after-tax profit each year until such time as the accumulated reserve funds reach, and thereafter as may be required for them to be maintained at, above 50% of the WFOE’s registered capital amount. In the case of an FIE which is in the form of an equity joint venture or a contractual joint venture, the portion of its after-tax profit each year to be set aside is to be determined by its board of directors or, where applicable, in accordance with its constitutional documents (including but not limited to its articles of association and (if any) joint venture contract).

If (i) the ultimate controlling shareholder of the foreign shareholder of such FIE is not a PRC national or corporation registered in the PRC; and (ii) there is no prohibition or restriction under the FIE’s constitutional documents (including but not limited to its articles of association and (where applicable) joint venture contract), the remittance of an FIE’s profits which is available for distribution to its foreign shareholder is not restricted under the laws of the PRC and no governmental or regulatory approval will be required. However, applicable foreign exchange requirements under the laws of the PRC, which are procedural in nature, will have to be complied with in respect of such remittance.

With regard to the repatriation of an FIE’s capital back to its foreign shareholder effected through a capital reduction and/or the liquidation of the FIE, prior approval from the local commercial authority in the PRC is required.

As at the Latest Practicable Date, save as mentioned above, there was no legal restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside of Hong Kong.

## 1. INTRODUCTION

CKH Holdings was incorporated in the Cayman Islands on 11 December 2014 as an exempted company with limited liability under the Cayman Companies Law. As at the Latest Practicable Date, CKH Holdings was a wholly-owned subsidiary of the Company. CKH Holdings has established a place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong and has been registered in Hong Kong as a non-Hong Kong company under section 776 of Part 16 of the Companies Ordinance. In compliance with the requirements of the Companies Ordinance, Mr. IP Tak Chuen, Edmond and Ms. Eirene YEUNG have been appointed as the authorised representatives of CKH Holdings for the acceptance of service of process and any notice required to be served on CKH Holdings in Hong Kong.

As CKH Holdings is incorporated in the Cayman Islands, it operates subject to the laws of the Cayman Islands and to its constitution, which comprises the Memorandum and Articles. It has not carried on any business since the date of its incorporation. Upon the Scheme becoming effective, CKH Holdings will become the holding company of the Group, which will continue to carry on the Group's present business activities, and the principal activity of CKH Holdings will be investment holding.

## 2. DIRECTORS

The CKH Holdings Board is the primary decision making body of CKH Holdings and consists of 21 CKH Holdings Directors, among whom eight are executive directors, six are non-executive directors and seven are independent non-executive directors. The senior management of CKH Holdings comprises only its executive directors.

The table below shows certain information in respect of the members of the CKH Holdings Board, who are identical to the members of the Board:

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
LI Ka-shing	86	Chairman and Executive Director	3 December 1971	3 December 1971	Responsible for (i) the leadership and effective running of the Board; (ii) determining the broad strategic direction of the Group in consultation with the Board; and (iii) the high-level oversight of management of the Group. Also serves as a member of the remuneration committee of the Company.	Father of Mr. LI Tzar Kuoi, Victor and brother-in-law of Mr. KAM Hing Lam

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
LI Tzar Kuoi, Victor	50	Managing Director, Deputy Chairman and Executive Director	16 March 1989 as Executive Director 1994 as Deputy Chairman 1999 as Managing Director	1985	With the support of the executive directors, is responsible for the strategic planning of different business functions and day-to-day management and operation of the Group. Also serves as the chairman of the executive committee of the Company.	Son of Mr. LI Ka-shing and nephew of Mr. KAM Hing Lam
KAM Hing Lam	68	Deputy Managing Director and Executive Director	15 February 1993	15 February 1993	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	Brother-in-law of Mr. LI Ka-shing and uncle of Mr. LI Tzar Kuoi, Victor
IP Tak Chuen, Edmond	62	Deputy Managing Director and Executive Director	18 September 1993 as Executive Director 1 November 2005 as Deputy Managing Director	18 September 1993	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	N/A
CHUNG Sun Keung, Davy	63	Executive Director	15 February 1993	15 February 1993	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	N/A
PAU Yee Wan, Ezra	59	Executive Director	18 September 1993	1982	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	N/A

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
WOO Chia Ching, Grace	58	Executive Director	28 March 1996	1987	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	N/A
CHIU Kwok Hung, Justin	64	Executive Director	1 July 2000	1997	Serves as a member of the executive committee of the Company. Also responsible for the day-to-day management and operation of the Group.	N/A
LEUNG Siu Hon	83	Non-executive Director	23 September 2004	8 February 1984	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	Cousin of Mr. CHOW Kun Chee, Roland
FOK Kin Ning, Canning	63	Non-executive Director	31 December 1985	31 December 1985	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
Frank John SIXT	63	Non-executive Director	31 May 1991	31 May 1991	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
CHOW Kun Chee, Roland	77	Non-executive Director	23 September 2004	24 August 1993	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	Cousin of Mr. LEUNG Siu Hon
George Colin MAGNUS	79	Non-executive Director	1 November 2005	22 February 1980	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
LEE Yeh Kwong, Charles	78	Non-executive Director	18 January 2013	From August 1972 to March 1997 as Director 18 January 2013 as Non-executive Director	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
KWOK Tun-li, Stanley	88	Independent Non-executive Director	1 December 1989	1 December 1989	Serves as a member of both the audit committee and the remuneration committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
YEH Yuan Chang, Anthony	91	Independent Non-executive Director	24 August 1993	24 August 1993	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
Simon MURRAY	74	Independent Non-executive Director	31 August 1993	31 August 1993	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
CHOW Nin Mow, Albert	65	Independent Non-executive Director	29 October 2004	12 September 1983	Exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
HUNG Siu-lin, Katherine	67	Independent Non-executive Director	29 October 2004	March 1972	Serves as a member of the audit committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A

Name	Age	Present Position(s)/ Title(s)	Date of Appointment as a Director	Date of Joining the Group	Principal Roles and Responsibilities ( <i>Note 1</i> )	Relationship with the Other Directors
WONG Yick-ming, Rosanna ( <i>Note 2</i> )	62	Independent Non-executive Director	24 January 2001	24 January 2001	Serves as the chairman of the remuneration committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A
CHEONG Ying Chew, Henry	67	Independent Non-executive Director	23 September 2004	23 September 2004	Serves as the chairman of the audit committee of the Company. Also exercises independent judgement and advises on the future business directions and strategic plans of the Group and reviews the financial information and operational performance of the Group on a regular basis.	N/A

*Notes:*

1. The descriptions of the principal roles and responsibilities in the table above are the relevant Directors' current roles and responsibilities in the Group. They will all have the same roles and responsibilities upon completion of the Reorganisation Proposal.
2. Dr. WONG Yick-ming, Rosanna is also alternate director to Mr. Simon MURRAY.

### Executive CKH Holdings Directors

**LI Ka-shing** (李嘉誠), GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 86, is the founder of the Group. He has been the chairman of the Company since 1971 and acted as the managing director of the Company from 1971 to 1998. He has been a member of the remuneration committee of the Company since March 2005. He has been the chairman of CKH Holdings since 9 January 2015. Mr. Li has also been the chairman of Hutchison since 1981, and is the chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr. Li served as a member of the Hong Kong Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for Hong Kong. He is also an Honorary Citizen of a number of



cities in the PRC and overseas. Mr. Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr. Li has received Honorary Doctorates from Peking University in 1992, The University of Hong Kong in 1986, The Hong Kong University of Science and Technology in 1995, The Chinese University of Hong Kong in 1997, City University of Hong Kong in 1998, The Open University of Hong Kong in 1999, University of Calgary in Canada in 1989 and Cambridge University in the United Kingdom in 1999. Mr. Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions in the PRC and abroad. Mr. Li is the father of Mr. Li Tzar Kuoi, Victor, the managing director and deputy chairman of the Company and CKH Holdings and the chairman of the executive committee of the Company, and the brother-in-law of Mr. Kam Hing Lam, deputy managing director of the Company and CKH Holdings and a member of the executive committee of the Company. Mr. Li is the settlor of each of DT1 of which TDT1 is the trustee and DT2 of which TDT2 is the trustee. Each of TDT1 and TDT2 holds units in UT1 of which TUT1 is the trustee. All of TUT1, TDT1 and TDT2 are substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO. Mr. Li also holds directorships in certain companies controlled by certain substantial shareholders of the Company and CKH Holdings.

**LI Tzar Kuoi, Victor** (李澤鉅), aged 50, joined the Group in 1985 and acted as deputy managing director of the Company from 1993 to 1998. He has been deputy chairman of the Company since 1994, managing director of the Company since 1999, the chairman of the executive committee of the Company since March 2013, and managing director and deputy chairman of CKH Holdings since 9 January 2015. He is also the deputy chairman of Hutchison, the chairman of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., a non-executive director and the deputy chairman of HK Electric Investments Limited, a non-executive director of Power Assets Holdings Limited and HK Electric Investments Manager Limited (“HKEIM”), which is the trustee-manager of HK Electric Investments, and co-chairman of Husky, all being listed companies / investment trust (except HKEIM). Mr. Victor Li is also the deputy chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a director of HSBC. Mr. Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People’s Political Consultative Conference of the PRC. He is also a member of the Council for Sustainable Development of Hong Kong, a member of the Commission on Strategic Development and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Victor Li is the Honorary Consul of Barbados in Hong Kong. He received a Bachelor of Science degree in Civil Engineering from Stanford University in January 1987, a Master of Science degree in Structural Engineering from Stanford University in January 1987 and an honorary degree, Doctor of Laws, honoris causa (LL.D.) from The University of Western Ontario in May 2009.

Mr. Victor Li is a son of Mr. Li Ka-shing, the chairman of the Company and CKH Holdings and a substantial shareholder of the Company and CKH Holdings within the meaning of Part XV of the SFO, and a nephew of Mr. Kam Hing Lam, deputy managing director of the Company and CKH Holdings and a member of the executive committee of the Company. Mr. Victor Li is also a director of certain substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO, and a director of

certain companies controlled by certain substantial shareholders of the Company and CKH Holdings. TDT1 as trustee of DT1, TDT2 as trustee of DT2, and TUT1 as trustee of UT1 in which each of TDT1 and TDT2 holds units, are substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO. The discretionary beneficiaries of each of DT1 and DT2 include Mr. Victor Li, his wife and children.

**KAM Hing Lam** (甘慶林), aged 68, has been deputy managing director of the Company since 1993, a member of the executive committee of the Company since March 2013 and the deputy managing director of CKH Holdings since 9 January 2015. He is also the group managing director of Cheung Kong Infrastructure Holdings Limited, the president and chief executive officer of CK Life Sciences Int'l., (Holdings) Inc. and an executive director of Hutchison, all being listed companies. He is also the chairman of Hui Xian Asset Management Limited, which is the manager of Hui Xian REIT (listed in Hong Kong). Mr. Kam is an advisor of the 12th Beijing Municipal Committee of the Chinese People's Political Consultative Conference of the PRC. He obtained a Bachelor of Science degree in Engineering from The University of Hong Kong in November 1969 and a Master's degree in Business Administration from The Chinese University of Hong Kong in December 1980.

Mr. Kam is the brother-in-law of Mr. Li Ka-shing, chairman of the Company and CKH Holdings and a substantial shareholder of the Company and CKH Holdings within the meaning of Part XV of the SFO, and an uncle of Mr. Li Tzar Kuoi, Victor, managing director and deputy chairman of the Company and CKH Holdings and the chairman of the executive committee of the Company.

**IP Tak Chuen, Edmond** (葉德銓), aged 62, has been an executive director of the Company since 1993, deputy managing director of the Company since 2005, a member of the executive committee of the Company since March 2013 and an executive director and the deputy managing director of CKH Holdings since 11 December 2014 and 9 January 2015, respectively. He is also an executive director and the deputy chairman of Cheung Kong Infrastructure Holdings Limited, the senior vice president and chief investment officer of CK Life Sciences Int'l., (Holdings) Inc., a non-executive director of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), TOM Group Limited, AVIC International Holding (HK) Limited, Real Nutraceutical Group Limited, Shougang Concord International Enterprises Company Limited (all being listed companies), ARA Asset Management (Fortune) Limited, which is the manager of Fortune REIT (listed in Hong Kong and Singapore), and Hui Xian Asset Management Limited, which is the manager of Hui Xian REIT (listed in Hong Kong). Mr. Ip was previously a non-executive director of Hong Kong Jewellery Holding Limited (*resigned on 3 July 2012*), being a listed company and a director of ARA Trust Management (Suntec) Limited, which is the manager of Suntec REIT (listed in Singapore), prior to his resignation from such position in April 2014. He obtained a Bachelor of Arts degree in Economics from Ripon College, US in 1975 and a Master of Science degree in Business Administration from University of British Columbia, Canada in 1977.

Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO.

**CHUNG Sun Keung, Davy (鍾慎強)**, aged 63, has been an executive director of the Company since 1993, a member of the executive committee of the Company since March 2013 and an executive director of CKH Holdings since 9 January 2015. Mr. Chung is a Registered Architect and was admitted as a member of The Hong Kong Institute of Architects since November 1977. He obtained a Bachelor of Arts in Architectural Studies and a Bachelor of Architecture from The University of Hong Kong in 1973 and 1975, respectively. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the PRC.

**PAU Yee Wan, Ezra (鮑綺雲)**, aged 59, joined the Group in 1982, and has been an executive director of the Company since 1993, a member of the executive committee of the Company since March 2013 and an executive director of CKH Holdings since 9 January 2015. Ms. Pau obtained a Diploma in Management Studies from The Hong Kong Polytechnic University and The Hong Kong Management Association in 1990. Ms. Pau is a director of certain substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company and CKH Holdings.

**WOO Chia Ching, Grace (吳佳慶)**, aged 58, joined the Group in 1987, has been an executive director of the Company since 1996, a member of the executive committee of the Company since March 2013 and an executive director of CKH Holdings since 9 January 2015. She obtained a Bachelor of Arts degree from the University of Pennsylvania, US in 1978 and a Master's degree in City and Regional Planning from Harvard University, US in 1981.

Ms. Woo is a director of certain companies controlled by a substantial shareholder of the Company and CKH Holdings within the meaning of Part XV of the SFO.

**CHIU Kwok Hung, Justin (趙國雄)**, aged 64, joined the Group in 1997, has been an executive director of the Company since 2000, a member of the executive committee of the Company since March 2013 and an executive director of CKH Holdings since 9 January 2015. He is the chairman of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), ARA Asset Management (Fortune) Limited, which is the manager of Fortune REIT (listed in Hong Kong and Singapore), and ARA Asset Management (Prosperity) Limited, which is the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a director of ARA Fund Management (Asia Dragon) Limited, which is the manager of the ARA Asia Dragon Fund. Mr. Chiu was previously the chairman of ARA Trust Management (Suntec) Limited, which is the manager of Suntec REIT (listed in Singapore), until his resignation from such position in April 2014. Mr. Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries. He serves as a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the PRC. Mr. Chiu is a Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators and a member of the Board of Governors of Hong Kong Baptist University Foundation. He obtained Bachelor degrees in Sociology and Economics from Trent University in 1978, and was conferred with the degree of Doctor of Social Sciences, *honoris causa* by Hong Kong Baptist University in November 2012 and the degree of Doctor of Laws, *honoris causa* by Trent University, Canada in June 2013.

Mr. Chiu is a director of a company controlled by a substantial shareholder of the Company and CKH Holdings within the meaning of Part XV of the SFO.

#### **Non-executive CKH Holdings Directors**

**LEUNG Siu Hon** (梁肇漢), aged 83, is a non-executive director of the Company, has been a Director since 1984. He was an independent non-executive Director prior to his re-designation from such position in September 2004, and is a non-executive director of CKH Holdings since 9 January 2015. Mr. Leung obtained a B.A. Law (Honors) (Southampton) degree from University of Southampton, the UK in 1956, and was awarded the Honorary degree of Doctor of Laws by the University of Southampton, the UK in July 2001 and appointed by the Northwest University of Politics & Law, China to the post of Adjunct Professor in May 2014. Mr. Leung was admitted as a solicitor of the High Court of Hong Kong in 1960 and an attesting officer appointed by the PRC in 1991. He is presently a consultant of Messrs. S.H. Leung and Co., Solicitors.

Mr. Leung is a cousin of Mr. Chow Kun Chee, Roland, a non-executive director of the Company and CKH Holdings.

**FOK Kin Ning, Canning** (霍建寧), aged 63, is a non-executive director of the Company, has been a Director since December 1985 and is a non-executive director of CKH Holdings since 9 January 2015. Mr. Fok is currently the group managing director of Hutchison and the deputy chairman of Cheung Kong Infrastructure Holdings Limited. He is also the chairman of Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited, Hutchison Port Holdings Management Pte. Limited (“**HPHM**”), which is the trustee-manager of Hutchison Port Holdings Trust, Power Assets Holdings Limited, HKEIM, which is the trustee-manager of HK Electric Investments, and HK Electric Investments Limited, co-chairman of Husky and alternate director to Mrs. Chow Woo Mo Fong, Susan, a non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies/business trust/investment trust (except HPHM and HKEIM). He was previously the chairman of Hutchison Harbour Ring Limited (listed on the Main Board) prior to his resignation from such position on 19 December 2014. He obtained a Bachelor of Arts degree from Saint John’s University in Minnesota, US in December 1974 and a Diploma in Financial Management from the University of New England in Australia in April 1976, and is a member of The Institute of Chartered Accountants in Australia since July 1979.

Mr. Fok is a director of certain companies controlled by a substantial shareholder of the Company and CKH Holdings within the meaning of Part XV of the SFO.

**Frank John SIXT** (陸法蘭), aged 63, is a non-executive director of the Company, has been a Director since 1991 and is a non-executive director of CKH Holdings since 9 January 2015. He is the non-executive chairman of TOM Group Limited, the group finance director of Hutchison and an executive director of Cheung Kong Infrastructure Holdings Limited. He is also a non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited, HPHM, which is the trustee-manager of Hutchison Port Holdings Trust, and Power Assets Holdings Limited, a director of Hutchison Telecommunications (Australia) Limited and Husky, and an alternate director of Hutchison Telecommunications (Australia) Limited,

all being listed companies/business trust (except HPHM). He obtained a Master's degree in Arts from McGill University in 1978 and a Bachelor's degree in Civil Law from Université de Montréal in 1978, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

Mr. Sixt is a director of certain substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company and CKH Holdings.

**CHOW Kun Chee, Roland** (周近智), aged 77, is a non-executive director of the Company, has been a Director since 1993 and is a non-executive director of CKH Holdings since 9 January 2015. He was an independent non-executive Director prior to his re-designation as such in September 2004. Mr. Chow was admitted as a solicitor of the High Court of Hong Kong in September 1964 and is a consultant of Messrs. Herbert Tsoi and Partners, Solicitors. He obtained a Master of Laws degree from the University of London in 1962.

Mr. Chow is a cousin of Mr. Leung Siu Hon, a non-executive director of the Company and CKH Holdings. Mr. Chow is a director of certain substantial shareholders of the Company and CKH Holdings within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company and CKH Holdings.

**George Colin MAGNUS** (麥理思), OBE, aged 79, acted as an executive Director from 1980 and deputy chairman of the Company from 1985 until he retired from these offices in October 2005. He has been a non-executive director of the Company and CKH Holdings since November 2005 and 9 January 2015, respectively. He is also a non-executive director of Hutchison and Cheung Kong Infrastructure Holdings Limited, an independent non-executive director of HKEIM, which is the trustee-manager of HK Electric Investments, and HK Electric Investments Limited, and a director of Husky and was previously an independent non-executive director of Power Assets Holdings Limited (re-designated from a non-executive director to an independent non-executive director on 28 September 2012) (*resigned on 29 January 2014*), all being listed companies/investment trust (except HKEIM). He obtained a Master's degree in Economics from King's College of the University of Cambridge in the United Kingdom in 1963.

**LEE Yeh Kwong, Charles** (李業廣), GBM, GBS, OBE, JP, aged 78, has been a non-executive director of the Company since 2013 and a non-executive director of CKH Holdings since 9 January 2015. Mr. Lee was a Director during the period from August 1972 to March 1997. Mr. Lee is also a non-executive director of Hutchison since 2013. He is also the chairperson of Hong Kong – Taiwan Economic and Cultural Co-operation and Promotion Council, and a board member and Campaign Committee Co-Chairman of The Community Chest of Hong Kong. Mr. Lee is one of the founders of the solicitor's firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong since November 1973. He obtained a Master's degree in law from University of London in 1968 and has been a qualified solicitor in both Hong Kong and the United Kingdom since January 1969 and August 1968, respectively. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology in 2000, the degree of Doctor of Business Administration by The

Hong Kong Polytechnic University in 2001 and the degree of Doctor of Social Sciences, *honoris causa* by The University of Hong Kong and The Open University of Hong Kong in 2005 and in 2003, respectively. He has also been a qualified accountant and a chartered secretary since 1960 and 1962, respectively.

#### **Independent non-executive CKH Holdings Directors**

**KWOK Tun-li, Stanley** (郭敦禮), aged 88, is an independent non-executive director of the Company, and a member of the Audit Committee and the Remuneration Committee of the Company. He has been a Director since 1989 and an independent non-executive director of CKH Holdings since 9 January 2015. Mr. Kwok obtained a Bachelor's degree in Science (Architecture) from St. John's University, Shanghai, the PRC in January 1949, and an A.A. Diploma from the Architectural Association School of Architecture, London, England in April 1954. He is also presently a director of Amara Holdings Inc., CTC Bank of Canada, Husky, a listed company, and Stanley Kwok Consultants Inc.

**YEH Yuan Chang, Anthony** (葉元章), aged 91, is an independent non-executive director of the Company. He has been a Director since 1993 and an independent non-executive director of CKH Holdings since 9 January 2015. Mr. Yeh obtained a Master's degree in Science (Mechanical Engineering) from Syracuse University, US in 1949. He is the honorary life president of Tai Ping Carpets International Limited, a listed company.

**Simon MURRAY** (馬世民), CBE, aged 74, is an independent non-executive director of the Company. He has been a Director since 1993 and an independent non-executive director of CKH Holdings since 9 January 2015. Mr. Murray is currently the chairman of General Enterprise Management Services (International) Limited (GEMS Ltd.), a private equity fund management company. He is a non-executive director of Greenheart Group Limited and IRC Limited, and an independent non-executive director of Orient Overseas (International) Limited, Wing Tai Properties Limited, China LNG Group Limited (all being listed companies in Hong Kong) and Spring Asset Management Limited, which is the manager of Spring Real Estate Investment Trust (listed in Hong Kong). He is also a non-executive director of Compagnie Financière Richemont SA, and the independent non-executive director and chairman of Gulf Keystone Petroleum Ltd, all being listed companies. Mr. Murray obtained an Honorary Degree in Law from Bath University in 2005.

Mr. Murray was previously an independent director of Sino-Forest Corporation (*resigned on 30 January 2013 (Toronto time)*), the chairman of Glencore Xstrata plc (*resigned on 2 May 2013*), and the vice chairman and independent non-executive director of Essar Energy plc (*resigned in May 2014*), all being listed companies.

**CHOW Nin Mow, Albert** (周年茂), aged 65, has been a director of the Company since September 1983. Mr. Chow acted as a non-executive Director from April 1997 to October 2004 and has been an independent non-executive director of the Company and an independent non-executive director of CKH Holdings since October 2004 and 9 January 2015, respectively. Mr. Chow holds a Diploma in Management Studies from The Hong Kong Polytechnic University in 1981. He is the chairman and managing director of Wah Yip (Holdings) Limited.

**HUNG Siu-lin, Katherine** (洪小蓮), aged 67, joined the Group in March 1972, and acted as an executive director of the Company from 1985 to August 2000. She was a non-executive Director from September 2000 to October 2004, has been an independent non-executive director of the Company and CKH Holdings since October 2004 and 9 January 2015, respectively, and has been a member of the audit committee of the Company since 1 January 2007. Ms. Hung is a member of the Tianjin Committee of the 13th Chinese People's Political Consultative Conference of the PRC. She is also a director of Li Ka Shing Foundation Limited, a member of the Supervisory Board of Hong Kong Housing Society, a Court Member of The Hong Kong University of Science and Technology, a Honorary Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, an executive director of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association. She was a member of HKSAR Estate Agents Authority during the period November 2006 to November 2012, a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011, and an executive committee member of Hong Kong Housing Society from September 2008 to August 2014. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

**WONG Yick-ming, Rosanna** (王葛鳴), DBE, JP, aged 62, has been an independent non-executive director of the Company since 2001, a member of the remuneration committee of the Company since January 2005 and an independent non-executive director of CKH Holdings since 9 January 2015. She has been the chairman of the remuneration committee of the Company since 1 January 2012. She obtained a Doctor of Philosophy degree in Sociology from the University of California (Davis), US in 1997 and was awarded Honorary Doctorates by The Chinese University of Hong Kong in 1996, The Hong Kong Polytechnic University in 2002, The University of Hong Kong in 2003, The Hong Kong Institute of Education in 2004 and University of Toronto in Canada in 1999. She is currently a member of the 12th National Committee of the Chinese People's Political Consultative Conference of the PRC. She is a member of The Hong Kong University of Science and Technology Business School Advisory Council, an elected Member of the Council and an *ex-officio* member of the Court of The University of Hong Kong. She was a member of the Commission on Poverty of the Government of Hong Kong. She also serves as a Global Advisor to Mars, Incorporated. She is the executive director of The Hong Kong Federation of Youth Groups, the non-executive chairman of The Hongkong Bank Foundation's Advisory Committee, a non-executive director of HSBC and an independent non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited and The Hongkong and Shanghai Hotels, Limited, both being listed companies.

**CHEONG Ying Chew, Henry** (張英潮), aged 67, has been an independent non-executive director of the Company and a member of the audit committee of the Company since September 2004, and an independent non-executive director of CKH Holdings since 9 January 2015. He has been the chairman of the audit committee of the Company since 1 January 2007. He is also an independent non-executive director of Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Creative Energy Solutions Holdings Limited, Greenland Hong Kong Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, TOM Group Limited and Skyworth Digital Holdings Limited, an independent director of BTS Group Holdings Public Company Limited, and an alternate director to Dr.

Wong Yick-ming, Rosanna, an independent non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies. Mr. Cheong is an executive director and deputy chairman of Worldsec Limited, a listed company. Mr. Cheong is a member of the Securities and Futures Appeals Tribunal and a member of the Advisory Committee of the SFC. Mr. Cheong obtained a Bachelor of Science degree in Mathematics from University of London in 1971 and a Master of Science degree in Operational Research and Management from University of London in 1972.

Mr. Cheong was previously an independent non-executive director of Hong Kong Jewellery Holding Limited (*resigned on 3 July 2012*), being a listed company.

Save as disclosed in this document, none of the Directors has any relationship with any other directors, senior management or substantial or controlling shareholders of the Company or CKH Holdings.

Save as disclosed in this document, none of the CKH Holdings Directors has been a director of any other listed entities in the three years immediately preceding the date of this document.

Save as disclosed in this document, there are no other matters concerning the Directors that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

None of the CKH Holdings Directors has any existing or proposed service contract with CKH Holdings or any of its subsidiaries other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

## **DIRECTOR'S REMUNERATION**

### **Directors' Fees**

Save for Mr. LI Ka-shing, as the chairman and an executive director of CKH Holdings, whose director's fee is HK\$5,000 per annum under his appointment letter, the director's fee of each of (i) Mr. LI, Tzar Kuoi, Victor, as the managing director, the deputy chairman and an executive director of CKH Holdings; (ii) Mr. KAM Hing Lam and Mr. IP Tak Chuen, Edmond, as a deputy managing director and an executive director of CKH Holdings; (iii) Mr. CHUNG Sun Keung, Davy, Ms. PAU Yee Wan, Ezra, Ms. WOO Chia Ching, Grace and Mr. CHIU Kwok Hung, Justin, as an executive director of CKH Holdings; (iv) Mr. LEUNG Siu Hon, Mr. FOK Kin Ning, Canning, Mr. Frank John SIXT, Mr. CHOW Kun Chee, Roland, Mr. George Colin MAGNUS and Mr. LEE Yeh Kwong Charles, as a non-executive director of CKH Holdings; and (v) Mr. KWOK Tun-li, Stanley, Mr. YEH Yuan Chang, Anthony, Mr. Simon MURRAY, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Dr. WONG Yick-ming, Rosanna and Mr. CHEONG Ying Chew, Henry, as an independent non-executive director of CKH Holdings, is HK\$220,000 per annum under his/her appointment letter.



Save for Mr. LI Ka-shing, the non-executive directors and the independent non-executive directors of CKH Holdings, who will receive directors' fees (which are subject to review by the CKH Holdings Board from time to time), the emoluments of the other executive directors of CKH Holdings are determined by reference to the Group's performance and profitability, as well as the prevailing market conditions.

The aggregate amount of remuneration (comprising directors' fees, salaries, allowances, benefits in kind, pension scheme contributions, discretionary bonuses, inducements or compensation fees) of the Directors for the year ended 31 December 2013 was approximately HK\$230.69 million, details of which can be found in note 4(b) to financial statements contained in the Company's 2013 annual report referred to in Appendix III to this document.

The aggregate amount of remuneration of the Directors payable for the year ended 31 December 2014 is estimated to be approximately HK\$140.85 million, excluding discretionary bonuses which are payable at the Group's discretion.

Under the arrangements in force as at the Latest Practicable Date, the estimated aggregate amount of remuneration of the Directors payable for the year ending 31 December 2015 will be approximately HK\$147 million, excluding discretionary bonuses which are payable at the Group's discretion.

### **3. BOARD COMMITTEES**

#### **3.1 Audit Committee**

Upon completion of the Reorganisation Proposal, CKH Holdings will set up an audit committee comprising the same members and with the same terms of reference as the existing audit committee of the Company.

The Company has established an audit committee with terms of reference which follow closely the requirements of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The audit committee of the Company currently comprises three independent non-executive Directors, namely Mr. CHEONG Ying Chew, Henry, Mr. KWOK Tun-li, Stanley and Ms. HUNG Siu-lin, Katherine and Mr. CHEONG Ying Chew, Henry is the chairman. The principal duties of the audit committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

#### **3.2 Remuneration Committee**

Upon completion of the Reorganisation Proposal, CKH Holdings will set up a remuneration committee comprising the same members and with the same terms of reference as the existing remuneration committee of the Company.

The Company has established a remuneration committee with terms of reference which follow closely the requirements of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The remuneration committee of the Company currently comprises one executive Director and two independent non-executive Directors, namely Dr. WONG Yick-ming, Rosanna, Mr. KWOK Tun-li, Stanley and Mr. LI Ka-shing and Dr. WONG Yick-ming, Rosanna is the chairman. The principal responsibilities of the remuneration committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time.

### **3.3 Nomination Committee**

The Company does not have a nomination committee. The Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the chairman of the Board and the managing director of the Company.

For the same reasons as mentioned above, CKH Holdings does not propose to set up a nomination committee.

### **3.4 Executive Committee**

Upon completion of the Reorganisation Proposal, CKH Holdings will set up an executive committee comprising the same members and with the same terms of reference as the existing executive committee of the Company.

The Company has established an executive committee with written terms of reference which follow closely the requirements of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The principal responsibility of the executive committee of the Company is to discuss and make decisions on matters relating to the management and operations of the Company including but not limited to financial/treasury planning and to form strategy, to assess and make recommendations to the Board on acquisitions of or investments in business or projects, and to review and discuss any other matters, as may from time to time, be delegated by the Board. The executive committee of the Company currently comprises Mr. LI Tzar Kuoi, Victor, Mr. KAM Hing Lam, Mr. IP Tak Chuen, Edmond, Mr. CHUNG Sun Keung, Davy, Ms. PAU Yee Wan, Ezra, Ms. WOO Chia Ching, Grace and Mr. CHIU Kwok Hung, Justin, all being executive Directors and members of the senior management of the Company, and also Mr. YIP Kin Ming, Emmanuel, Mr. MAN Ka Keung, Simon, Ms. SHEN Wai Yee, Grace, Mr. KWAN Chi Kin, Anthony, Ms. EIRENE YEUNG and Mr. MA Lai Chee, Gerald. Mr. LI Tzar Kuoi, Victor, is the chairman of the executive committee of the Company.

#### 4. COMPANY SECRETARY

The company secretary of CKH Holdings is Ms. Eirene YEUNG (楊逸芝), who is also the company secretary of the Company. Ms. Yeung, aged 54, joined the Group in August 1994. She is also a member of the executive committee of the Company; the company secretary of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc.; and a non-executive director of ARA Asset Management (Fortune) Limited. She is also the alternate director to Mr. Kam Hing Lam, the Group Managing Director of Cheung Kong Infrastructure Holdings Limited. She is a member of the Financial Reporting Council, a member of the SFC (HKEC Listing) Committee of the SFC, a member of the Listing Committee of the Main Board and Growth Enterprise Market of the Stock Exchange, a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the Advisory Board of the MBA Programmes of The Chinese University of Hong Kong (“CUHK”) and a member of the Advisory Group on BBA-JD Programme of CUHK. Ms. Yeung is a solicitor of the High Court of Hong Kong and of the Senior Court of Judicature in England and Wales. She is also a fellow member of The Hong Kong Institute of Directors, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She obtained a Master of Science degree in Finance and a Master’s degree in Business Administration from CUHK in 2005 and 2001 respectively, and a Bachelor’s degree in Laws and a Postgraduate Certificate in Laws from The University of Hong Kong in 1983 and 1984, respectively.

#### 5. SHARE CAPITAL

As at the close of business on the Latest Practicable Date, the authorised share capital of CKH Holdings was HK\$380,000 divided into 380,000 CKH Holdings Shares of HK\$1.00 par value each and one CKH Holdings Share was in issue and was nil paid.

Upon the Scheme becoming effective, the share capital of CKH Holdings will be as follows:

*Authorised:*

<u>8,000,000,000</u>	CKH Holdings Shares	<u>HK\$8,000,000,000</u>
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*Issued, fully paid or credited as fully paid:*

<u>2,316,164,338</u>	CKH Holdings Shares	<u>HK\$2,316,164,338</u>
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All CKH Holdings Shares presently in issue and to be issued will be fully paid or credited as fully paid and rank pari passu in all respects with each other, including as to dividends, voting rights and return of capital or other distributions that may be declared, paid or made.

## 6. SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of CKH Holdings on the Effective Date, assuming that no new Shares are issued prior to the Record Time and there is no change in the shareholding of the Company after the Latest Practicable Date:

Shareholders	<i>Notes</i>	<b>Number of CKH Holdings Shares held on the Effective Date</b>	<i>%</i>
TUT1 as trustee of UT1	<i>(1)</i>	936,462,744	40.43
Mr. LI Ka-shing	<i>(2)</i>	67,189,000	2.90
Mr. LI Tzar Kuoi, Victor	<i>(3)</i>	1,949,000	0.08
Other Directors	<i>(4)</i>	1,088,600	0.05
<i>Public CKH Holdings</i>			
<i>Shareholders:</i>			
JPMorgan Chase & Co.	<i>(5)</i>	134,045,785	5.79
Public CKH Holdings Shareholders		1,175,429,209	50.75
		2,316,164,338	100.00

*Notes:*

- (1) These 936,462,744 CKH Holdings Shares will be held by TUT1 as trustee of UT1 and companies controlled by TUT1 as trustee of UT1. Mr. Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1, which is the trustee of DT1 and TDT2, which is the trustee of DT2, holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of TUT1, TDT1 and TDT2, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor will be taken to have a duty of disclosure in relation to these CKH Holdings Shares under the SFO. Please also refer to paragraph 1(b)(i) of Appendix VII to this document and note 1 to it and paragraph 1(a)(i) of Appendix VII to this document and note 2 to it.
- (2) In addition to these 67,189,000 CKH Holdings Shares, Mr. Li Ka-shing will also be taken to have a duty of disclosure in relation to the same block of 936,462,744 CKH Holdings Shares referred to in note 1 above under the SFO. Please refer to note 1 above and to paragraph 1(a)(i) of Appendix VII to this document and notes 1 and 2 to it for further details.
- (3) In addition to these 1,949,000 CKH Holdings Shares, Mr. Li Tzar Kuoi, Victor will also taken to have a duty of disclosure in relation to the same block of 936,462,744 CKH Holdings Shares referred to note 1 above. Please refer to note 1 above and to paragraph 1(a)(i) of Appendix VII to this document and notes 2 and 4 to it for further details.
- (4) Please refer to paragraph 1(a)(i) of Appendix VII to this document for further details and note 5 to that paragraph for further details.
- (5) Please refer to paragraph 1(b)(ii) of Appendix VII to this document and note 2 to that paragraph for further details.

TUT1 in its capacity as trustee of UT1 is regarded as the controlling shareholder of CKH Holdings for the purposes of the Listing Rules.

## 7. INDEPENDENCE FROM CONTROLLING SHAREHOLDER

The Directors are satisfied that the Group is capable of carrying on its businesses independently from the Controlling Shareholder taking into consideration of the factors mentioned below:

### (a) Financial independence

The Group is financially independent of the Controlling Shareholder. The Group is capable of obtaining financing from third parties, if necessary, without reliance on the Controlling Shareholder. In addition, the Group has its own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third-party financing.

### (b) Operational independence

The Group does not rely on the Controlling Shareholder for its business development, staffing or marketing and sales activities. The Group has independent access to its customers and sufficient operational capacity in terms of capital and employees to operate independently.

### (c) Management independence

Save for four CKH Holdings Directors who are also directors of the Controlling Shareholder, none of the other 17 CKH Holdings Directors holds any board or other executive position in, or is employed by, the Controlling Shareholder outside the Group. The Directors consider that there is a strong element on the CKH Holdings Board that can effectively exercise independent judgment in order to address any situations of conflict of interest and to protect the interests of the independent CKH Holdings Shareholders. Each of the CKH Holdings Directors is aware of his or her fiduciary duties as a CKH Holdings Director which require, among other things, that he or she acts for the benefit and in the best interest of CKH Holdings and does not allow any conflict between his or her duties as a CKH Holdings Director and his or her personal interests.

In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the CKH Holdings Directors or their respective close associates, the interested CKH Holdings Directors will be required to abstain from voting at the relevant board meetings of CKH Holdings in respect of such transactions and will not be counted in the quorum.

## 8. WORKING CAPITAL

Assuming the Scheme becomes effective, and after taking into account the banking facilities currently available to the Group and the internal resources of the Group, the Directors are of the view that the Group has sufficient working capital for its present requirements and for the period ending 12 months from the date of this document.

**9. RESULTS OF CKH HOLDINGS FROM 11 DECEMBER 2014 (DATE OF INCORPORATION) TO 31 DECEMBER 2014**

**Results of CKH Holdings**

During the period from 11 December 2014 (date of incorporation) to 31 December 2014, CKH Holdings was a wholly-owned subsidiary of the Company. As at the close of business on 31 December 2014, CKH Holdings did not have any subsidiaries.

The financial information of CKH Holdings for the period from 11 December 2014 (date of incorporation) to 31 December 2014 is as follows:

**Income Statement**

For the period from 11 December 2014 (date of incorporation) to 31 December 2014

	<b>HK\$ Million</b>
Results for the period	—

**Statement of Financial Position**

As at 31 December 2014

	<b>HK\$ Million</b>
Assets	—
Liabilities	—
Net assets	—
Share capital ( <i>Note</i> )	—

*Note:* As at 31 December 2014, one CKH Holdings Share of HK\$1.00 was issued and nil paid.

**1. SUMMARY OF FINANCIAL RESULTS FOR THE THREE YEARS ENDED 31 DECEMBER 2013 AND THE SIX MONTHS ENDED 30 JUNE 2014**

The following is a summary of the consolidated income statement and consolidated statement of financial position of the Group principally extracted from the Group's 2013 annual report and the Group's 2014 interim report:

**Consolidated Income Statement**

	Year ended 31 December			Six months ended
	2011	2012	2013	30 June
	HK\$ Million (Restated) (Note)	HK\$ Million (Restated) (Note)	HK\$ Million (Audited)	HK\$ Million (Unaudited)
Turnover	<u>42,359</u>	<u>31,106</u>	<u>32,314</u>	<u>14,747</u>
Profit attributable to Shareholders of the Company	45,957	32,036	35,260	21,345
Non-controlling interests and holders of perpetual securities	<u>204</u>	<u>372</u>	<u>712</u>	<u>246</u>
Profit for the year	<u>46,161</u>	<u>32,408</u>	<u>35,972</u>	<u>21,591</u>

**Consolidated Statement of Financial Position**

	As at 31 December			As at
	2011	2012	2013	30 June
	HK\$ Million (Restated) (Note)	HK\$ Million (Restated) (Note)	HK\$ Million (Audited)	HK\$ Million (Unaudited)
Fixed assets	11,233	10,145	9,977	9,954
Investment properties	25,180	29,656	28,777	29,295
Associates	178,606	187,348	196,812	213,586
Joint ventures	56,929	63,303	65,659	65,662
Other non-current assets	8,507	11,928	10,407	10,128
Net current assets	<u>56,975</u>	<u>84,156</u>	<u>101,739</u>	<u>94,272</u>
Total assets less current liabilities	337,430	386,536	413,371	422,897
Bank and other loans	23,020	43,001	39,452	30,646
Other non-current liabilities	<u>850</u>	<u>883</u>	<u>1,098</u>	<u>1,418</u>
Net assets	<u>313,560</u>	<u>342,652</u>	<u>372,821</u>	<u>390,833</u>

	As at 31 December			As at
	2011	2012	2013	30 June
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
	(Restated)	(Restated)	(Audited)	(Unaudited)
	(Note)	(Note)		
Representing:				
Share capital	1,158	1,158	1,158	10,489
Share premium	9,331	9,331	9,331	–
Reserves	295,211	323,354	350,192	368,086
Shareholders' funds	305,700	333,843	360,681	378,575
Perpetual securities	4,648	5,652	9,048	9,048
Non-controlling interests	3,212	3,157	3,092	3,210
Total equity	<u>313,560</u>	<u>342,652</u>	<u>372,821</u>	<u>390,833</u>

*Note:* The financial figures have been restated to conform with the presentation of the figures for the six months ended 30 June 2014.

## 2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2013

The audited consolidated financial statements of the Group for the year ended 31 December 2013 are disclosed in the annual report of the Company for the year ended 31 December 2013 (pages 110 to 156), which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.ckh.com.hk](http://www.ckh.com.hk)). Please refer to such annual report for the principal accounting policies and the key factors affecting the Group's results of operations for the year ended 31 December 2013.

## 3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2014

The unaudited financial statements of the Group for the six months ended 30 June 2014 are disclosed in the interim report of the Company for the six months ended 30 June 2014 (pages 37 to 50), which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.ckh.com.hk](http://www.ckh.com.hk)). Please refer to such interim report for the principal accounting policies and the key factors affecting the Group's results of operation for the six months ended 30 June 2014.



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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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CKH Holdings' constitutional documents consist of the Memorandum and Articles. Set out below are (i) a summary of certain provisions of the Memorandum and Articles, (ii) a comparison of the Memorandum and Articles of CKH Holdings with the articles of association of the Company (the "**Company Articles**") and (iii) a summary of certain aspects of the Cayman Companies Law and Cayman Islands taxation.

**1. MEMORANDUM**

The Memorandum was conditionally adopted on 3 February 2015 and will become effective on the Effective Date and states, among other things, that the liability of the members of CKH Holdings is limited, that the objects for which CKH Holdings is established are unrestricted and CKH Holdings has full power and authority to carry out any object not prohibited by the Cayman Companies Law or any other law of the Cayman Islands.

The Memorandum is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VII to this document.

**2. ARTICLES**

The Articles were conditionally adopted on 3 February 2015 and will become effective on the Effective Date, and include provisions to the following effect:

**2.1 Classes of CKH Holdings Shares**

The share capital of CKH Holdings consists of ordinary shares. The authorised share capital of CKH Holdings as at the date of the conditional adoption of the Articles was HK\$380,000 divided into 380,000 shares of HK\$1.00 par value each.

**2.2 CKH Holdings Directors**

*(a) Power to allot and issue CKH Holdings Shares*

**Summary**

Subject to the provisions of the Cayman Companies Law and the relevant authority given by CKH Holdings in general meeting, the CKH Holdings Directors may exercise any power of CKH Holdings to allot shares, grant options over or otherwise dispose of shares to such persons, or to grant rights to subscribe for or convert any security into shares of CKH Holdings, at such times, to such persons, for such consideration and generally on such terms as the CKH Holdings Board shall in its absolute discretion think fit.

Without prejudice to any special rights or restrictions for the time being attached to any existing shares, any share in one or more class may be allotted and issued upon such terms and conditions and with such preferred,

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
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deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as CKH Holdings may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the CKH Holdings Board may determine). Subject to the Cayman Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may be issued on terms that it is, or at the option of CKH Holdings or the holder thereof is, liable to be redeemed.

**Differences**

References to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law in the Articles. In addition, the Articles expressly prohibit the issue of shares to bearer. Save as mentioned above, the provisions relating to the power to allot and issue shares in the Articles and those in the Company Articles are substantially similar.

*(b) Power to dispose of the assets of CKH Holdings or any subsidiary*

**Summary**

The management of the business of CKH Holdings shall be vested in the CKH Holdings Directors who, in addition to the powers and authorities by the Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by CKH Holdings and are not by the Articles or the Cayman Companies Law expressly directed or required to be exercised or done by CKH Holdings in general meeting, but subject nevertheless to the provisions of the Cayman Companies Law and of the Articles and to any regulation from time to time made by CKH Holdings in general meeting not being inconsistent with such provisions or the Articles, provided that no regulation so made shall invalidate any prior act of the CKH Holdings Directors which would have been valid if such regulation had not been made.

**Differences**

References to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law in the Articles. Save as mentioned above, the provisions relating to the power to dispose of assets in the Articles and those in the Company Articles are substantially similar.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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*(c) Compensation or payment for loss of office*

**Summary**

Payment to any CKH Holdings Director or past CKH Holdings Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the CKH Holdings Director is contractually entitled) must first be approved by CKH Holdings in general meeting.

**Differences**

There is no such provision in the Company Articles.

*(d) Loans to CKH Holdings Directors*

**Summary**

There are provisions in the Articles prohibiting the making of loans to CKH Holdings Directors or their respective associates which are equivalent to the restrictions imposed by the Companies Ordinance.

**Differences**

There is no such provision in the Company Articles.

*(e) Financial assistance to purchase CKH Holdings Shares*

**Summary**

Subject to all applicable laws, CKH Holdings may give financial assistance to CKH Holdings Directors and employees of CKH Holdings, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in CKH Holdings.

**Differences**

References to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law in the Articles. Save as mentioned above, the provisions relating to financial assistance to purchase own shares in the Articles and those in the Company Articles are substantially similar.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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*(f) Disclosure of interest in contracts with CKH Holdings or any of its subsidiaries*

**Summary**

Subject to the Cayman Companies Law and the Articles, no CKH Holdings Director or proposed CKH Holdings Director shall be disqualified by his office from contracting with CKH Holdings, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any CKH Holdings Director is in any way interested be liable to be avoided, nor shall any CKH Holdings Director so contracting or being so interested be liable to account to CKH Holdings or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such CKH Holdings Director holding that office or of the fiduciary relationship thereby established, and such CKH Holdings Director shall, if he or any of his associates is/are in any way, whether directly or indirectly, materially interested in a transaction, contract or arrangement (or a proposed transaction, contract or arrangement) with CKH Holdings, shall declare the nature and extent of his interest (or his associate's interest, as the case may be) at the earliest meeting of the CKH Holdings Board at which it is practicable for them to do so either specifically, or by general notice.

Subject to the Listing Rules and save as otherwise provided by the Articles, a CKH Holdings Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the CKH Holdings Directors approving any transaction, contract or arrangement in which the CKH Holdings Director or any of his close associates (and, if required by the Listing Rules, his other associates) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such CKH Holdings Director or any of his close associate(s) (and, if required by the Listing Rules, his other associate(s)) of any security or indemnity in respect of money lent by him or any of them or obligations undertaken by him or any of them at the request of or for the benefit of CKH Holdings or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of CKH Holdings or any of its subsidiaries for which the CKH Holdings Director or any of his close associate(s) (and, if required by the Listing Rules, his other associate(s)) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

- (iii) any transaction, contract or arrangement concerning an offer of shares, debentures or other securities of or by CKH Holdings or any other company which CKH Holdings may promote or be interested in for subscription or purchase where the CKH Holdings Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of CKH Holdings or any of its subsidiaries including:
  - (1) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme of CKH Holdings or its subsidiaries under which the CKH Holdings Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) may benefit; or
  - (2) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to CKH Holdings Directors (or their close associate(s)) (and, if required by the Listing Rules, his other associate(s)) and employees of CKH Holdings or any of its subsidiaries and does not provide in respect of any CKH Holdings Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any transaction, contract or arrangement in which the CKH Holdings Director or his close associate(s) (and, if required by the Listing Rules, his other associate(s)) is/are interested in the same manner as other holders of shares or debentures or other securities of CKH Holdings by virtue of his/their interest in shares or debentures or other securities of CKH Holdings.

If any question shall arise at any meeting of the CKH Holdings Board as to the materiality of the interest of a CKH Holdings Director or his close associate(s) (and if required by the Listing Rules, his other associate(s)) (other than such chairman of the meeting) or as to the entitlement of any CKH Holdings Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other CKH Holdings Director shall be final and conclusive except in a case

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

where the nature or extent of the interest of the CKH Holdings Director concerned and of his close associate(s) (and other associate(s), as the case may be) as known to such CKH Holdings Director has not been fairly disclosed to the CKH Holdings Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the CKH Holdings Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and of his close associate(s) (and other associate(s), as the case may be) as known to such chairman has not been fairly disclosed to the CKH Holdings Board.

**Differences**

The provisions in the Articles summarised above and those in the Company Articles are substantially similar, save and except as follows:

- (i) the Company Articles provide that an interest that is significant in relation to the company's business shall be declared; whereas the Articles provide that interest that is material shall be declared;
- (ii) the Company Articles provide that the relevant director shall declare his interest at the board meeting at which the question of entering into the relevant transaction, contract or arrangement is first taken into consideration; whereas, in compliance with the requirements of Part B of Appendix 13 of the Listing Rules, the Articles provide that such declaration shall be made at the earliest board meeting at which it is practicable for him to do so;
- (iii) the Company Articles provide that a director is not restricted from voting on any resolution approving any transaction, contract or arrangement in which the director or any of his close associates is interested if it is a proposal concerning any other company in which the director or his close associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his close associate(s) (and other associate(s), as the case may be) is/are beneficially interested in shares of that company, provided that the director and any of his close associates (and other associates, as the case may be) are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his close associates (and other associates, as the case may be) is derived) or of the voting rights. The Articles do not contain such an exception to the voting restriction;

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

- (iv) the Company Articles provide that a director is not restricted from voting on any resolution approving any transaction, contract or arrangement by a director of the Company or his close associate(s) (and if required by the Listing Rules, his other associate(s)) to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof and does not provide in respect of any director of the Company or his associate(s) (and other associate(s), as the case may be) as such any privilege or advantage not accorded to any other members or debenture holders of the Company or any class thereof or to the public or any section thereof. The Articles do not contain such an exception to the voting restrictions;
  
- (v) references to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law; and
  
- (vi) all references in (and therefore all requirements under) the Company Articles, to the extent that they apply to a “connected entity”, which is a concept under the Companies Ordinance but not under the Cayman Companies Law, are removed and no longer contained in the Articles.

**(g) *Remuneration***

**Summary**

The CKH Holdings Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by CKH Holdings in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the CKH Holdings Directors in such proportions and in such manner as the CKH Holdings Directors may agree, or failing agreement, equally, except that in such event any CKH Holdings Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a CKH Holdings Director who holds any salaried employment or office in CKH Holdings except in the case of sums paid in respect of the CKH Holdings Directors’ fees.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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The CKH Holdings Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as CKH Holdings Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of CKH Holdings or in the discharge of their duties as CKH Holdings Directors.

The CKH Holdings Directors may grant special remuneration to any CKH Holdings Director who, being called upon, shall perform any special or extra services to or at the request of CKH Holdings. Such special remuneration may be made payable to such CKH Holdings Director in addition to or in substitution for his ordinary remuneration as a CKH Holdings Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.

The remuneration of a managing CKH Holdings Director, joint managing CKH Holdings Director, deputy managing CKH Holdings Director or other executive CKH Holdings Director or a CKH Holdings Director appointed to any other office in the management of CKH Holdings shall from time to time be fixed by the CKH Holdings Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the CKH Holdings Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a CKH Holdings Director.

**Differences**

The provisions relating to remuneration of directors in the Articles and those in the Company Articles are substantially similar.

***(h) Retirement, appointment and removal***

**Summary**

The CKH Holdings Directors shall have power at any time and from time to time to appoint any person to be a CKH Holdings Director, either to fill a casual vacancy or as an addition to the existing CKH Holdings Directors. Any CKH Holdings Director so appointed shall hold office only until the next following general meeting of CKH Holdings (in the case of filling a casual vacancy) or until the next following annual general meeting of CKH Holdings (in the case of an addition to the existing CKH Holdings Directors) and shall then be eligible for re-election at that meeting.



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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

CKH Holdings may by ordinary resolution remove any CKH Holdings Director (including a managing CKH Holdings Director or other executive CKH Holdings Director) before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between CKH Holdings and such CKH Holdings Director (but without prejudice to any claim which such CKH Holdings Director may have for damages for any breach of any contract of service between him and CKH Holdings). Any person so elected and appointed to fill the vacancy of a removed CKH Holdings Director shall hold office only until the next following annual general meeting of CKH Holdings and shall then be eligible for re-election. CKH Holdings may from time to time in general meeting also by ordinary resolution elect any person to be a CKH Holdings Director, either to fill a casual vacancy or as an addition to the existing CKH Holdings Directors. Any CKH Holdings Director so appointed shall hold office only until the next following annual general meeting of CKH Holdings and shall then be eligible for re-election but shall not be taken into account in determining the CKH Holdings Directors who are to retire by rotation at such meeting. No person shall, unless recommended by the CKH Holdings Directors, be eligible for election to the office of CKH Holdings Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of CKH Holdings notice in writing by a member of CKH Holdings (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for CKH Holdings Directors nor is there any specified age limit for CKH Holdings Directors.

The office of a CKH Holdings Director shall be vacated:

- (i) if he resigns his office by notice in writing to CKH Holdings at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the CKH Holdings Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the CKH Holdings Directors (unless an alternate CKH Holdings Director appointed by him attends) for 6 consecutive months, and the CKH Holdings Directors resolve that his office be vacated;

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a CKH Holdings Director by law or by virtue of any provision in the Articles;
- (vi) if he is removed from office by notice in writing served upon him signed by all other CKH Holdings Directors; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of CKH Holdings under the Articles.

At each annual general meeting of CKH Holdings one-third of the CKH Holdings Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) or such higher number of CKH Holdings Directors to be determined by the CKH Holdings Board, or a number determined by such other manner of rotation as may be required by the Listing Rules or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time, shall retire from office. The CKH Holdings Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became CKH Holdings Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

A retiring CKH Holdings Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. CKH Holdings at any annual general meeting at which any CKH Holdings Directors retire may fill the vacated office by electing a like number of persons to be CKH Holdings Directors.

**Differences**

The provisions in the Articles relating to the retirement, appointment and removal of directors and those in the Company Articles are substantially similar except as follows:

- (i) there is no requirement in the Company Articles that a shareholder's written notice of intention to propose a person for election as a director must be given by a shareholder who is entitled to attend and vote at the relevant meeting and that such shareholder must not be the person to be proposed for election, whereas both such requirements are contained in the Articles;

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

- (ii) the Company Articles provide that a director is required to vacate his office if such director has become a lunatic or of unsound mind; whereas the Articles provide that the office of a director shall be vacated if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the CKH Holdings Board resolves that his office be vacated;
- (iii) the requirement for a director to vacate his office if he is prohibited from being a director by an order made under the Companies Ordinance in the Company Articles is modified such that, under the Articles, a director who ceases to be or is prohibited from being a director by law or by virtue of any provisions of the Articles is required to vacate his office as a director; and
- (iv) the Company Articles provide that a special notice is required for a resolution to remove a director or to appoint a person in place of a director so removed at the general meeting at which he is removed. Since that is a requirement under the Companies Ordinance but not under the Cayman Companies Law, there is no such requirement under the Articles.

*(i) Borrowing powers*

**Summary**

The CKH Holdings Directors may from time to time at their discretion exercise all the powers of CKH Holdings to raise or borrow or to secure the payment of any sum or sums of money for the purposes of CKH Holdings and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

**Differences**

The provisions relating to borrowing powers in the Articles and those in the Companies Articles are substantially similar.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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*(j) Proceedings of the CKH Holdings Board*

**Summary**

The CKH Holdings Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

**Differences**

The provisions relating to the proceedings of the board of directors in the Articles and those in the Company Articles are substantially similar.

**2.3 Alteration to constitutional documents**

**Summary**

No alteration or amendment to the Memorandum or Articles may be made except by special resolution.

**Differences**

There is no equivalent provision in the Company Articles.

**2.4 Variation of rights of existing shares or classes of shares**

**Summary**

If at any time the share capital of CKH Holdings is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**Differences**

The provisions relating to variation of rights of existing shares or classes of shares in the Articles and those in the Company Articles are substantially similar save and except that the required approval majority and quorum are by reference to total voting rights of holders of the relevant class of shares under the Company Articles; whereas they are by reference to the nominal value of the issued shares of the relevant class under the Articles.

**2.5 Alteration of capital**

**Summary**

CKH Holdings may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

CKH Holdings may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the CKH Holdings Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the CKH Holdings Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to CKH Holdings for CKH Holdings' benefit;

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Cayman Companies Law; and
  
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Cayman Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as CKH Holdings has power to attach to unissued or new shares.

CKH Holdings may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Cayman Companies Law.

#### **Differences**

The provisions relating to alteration of capital in the Articles and those in the Company Articles are substantially similar, save and except that the Articles provide that CKH Holdings may by special resolution reduce any capital redemption reserve. There is no similar provision in the Company Articles as there is no concept of capital redemption reserve under the Companies Ordinance.

## **2.6 Special resolution – majority required**

### **Summary**

A “special resolution” is defined in the Articles to have the meaning ascribed thereto in the Cayman Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of CKH Holdings as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of CKH Holdings entitled to vote at a general meeting of CKH Holdings in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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In contrast, an “ordinary resolution” is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of CKH Holdings as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles and includes an ordinary resolution approved in writing by all the members of CKH Holdings aforesaid.

**Differences**

There is no similar provision under the Company Articles.

**2.7 Voting rights**

**Summary**

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of CKH Holdings.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of CKH Holdings in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles or as otherwise determined by the CKH Holdings Directors, no person other than a member of CKH Holdings duly registered and who shall have paid all sums for the time being due from him

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

payable to CKH Holdings in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of CKH Holdings), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (a) voting by poll is required by the Listing Rules or other applicable laws, rules and regulations or; (b) before or on the declaration of the result of the show of hands, a poll is demanded in accordance with the Articles.

If a recognised clearing house (or its nominee(s)) is a member of CKH Holdings it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of CKH Holdings or at any general meeting of any class of members of CKH Holdings provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of CKH Holdings holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

### **Differences**

The Articles expressly provide that where voting by poll is required by the Listing Rules or other applicable laws, rules and regulations, the relevant resolution shall be decided on poll vote; whereas the Company Articles do not have such a provision. Save as mentioned above, the provisions in relation to voting in the Articles and those in the Company Articles are substantially similar.

## **2.8 Annual general meetings**

### **Summary**

CKH Holdings shall in each year hold a general meeting as its annual general meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 months (or such longer period as the Stock Exchange may authorise) shall elapse between the date of one annual general meeting of CKH Holdings and that of the next.



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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**Differences**

The Company Articles specify that the Company shall hold annual general meetings within such period as required by the Companies Ordinance. There is no reference to the Companies Ordinance in the provision relating to annual general meetings under the Articles and the requirement relating to holding of annual general meetings in the Articles is summarised above.

**2.9 Accounts and audit**

**Summary**

The CKH Holdings Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of CKH Holdings' affairs and to show and explain its transactions and otherwise in accordance with the Cayman Companies Law.

The CKH Holdings Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of CKH Holdings, or any of them, shall be open to the inspection of members of CKH Holdings (other than officers of CKH Holdings) and no such member (not being a CKH Holdings Director) shall have any right of inspecting any accounts or books or documents of CKH Holdings except as conferred by the Cayman Companies Law or any other relevant law or regulation or as authorised by the CKH Holdings Directors or by CKH Holdings in general meeting.

The CKH Holdings Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of CKH Holdings at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of CKH Holdings and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a CKH Holdings Director's report with respect to the profit or loss of CKH Holdings for the period covered by the profit and loss account and the state of CKH Holdings' affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of CKH Holdings at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by CKH Holdings as provided in the Articles to every member of CKH Holdings and every holder of debentures of CKH Holdings provided that CKH Holdings shall not be required to send copies of those documents to any person of whose address CKH Holdings is not aware or to more than one of the joint holders of any shares or debentures.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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CKH Holdings shall at any annual general meeting appoint an auditor or auditors of CKH Holdings who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by CKH Holdings at the annual general meeting at which they are appointed provided that in respect of any particular year CKH Holdings in general meeting may delegate the fixing of such remuneration to the CKH Holdings Directors.

**Differences**

The provisions relating to accounts and audit in the Articles and those in the Company Articles are substantially similar, save and except as follows:

- (i) references to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law in the Articles; and
- (ii) the requirement in the Company Articles to cause the reporting documents (as defined under the Companies Ordinance) to be prepared and laid before the annual general meeting is replaced by the requirements in the Articles to have the accounts and reports mentioned in the third paragraph under the summary above.

**2.10 Notice of meetings and business to be conducted thereat**

**Summary**

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by not less than 21 days' notice in writing or such shorter period as permitted by the Listing Rules. Any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions to be considered at the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of CKH Holdings (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notice from CKH Holdings).

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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Notwithstanding that a meeting of CKH Holdings is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of CKH Holdings entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheets and the reports of the CKH Holdings Directors and the auditors and other documents required to be annexed to the balance sheet;
- (c) the election of CKH Holdings Directors in place of those retiring;
- (d) the appointment of auditors;
- (e) the fixing of, or the determining of the method of fixing of, the remuneration of the CKH Holdings Directors and of the auditors;
- (f) the granting of any mandate or authority to the CKH Holdings Directors to offer, allot, grant options over or otherwise dispose of the unissued shares of CKH Holdings representing not more than 20% (or such other percentage as may from time to time be specified in the Listing Rules) of the existing issued share capital and the number of any securities repurchased pursuant to sub-paragraph (g) below; and
- (g) the granting of any mandate or authority to the CKH Holdings Directors to repurchase securities of CKH Holdings.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**Differences**

The provision relating to notices of meetings and business to be transacted in the Articles and those in the Company Articles are substantially similar, save and except as follows:

- (i) the Articles provide that any extraordinary general meeting of CKH Holdings at which the passing of a special resolution is to be considered shall be called by not less than 21 days' notice in writing or such shorter period as permitted by the Listing Rules; whereas the Company Articles provide that all general meetings (except annual general meeting) of the Company shall be called by at least 14 days' notice;
- (ii) in respect of the notice of calling a general meeting, the Company Articles provide that the notice shall specify the place, the day and the hour of meeting; whereas the Articles specify that it shall specify the time, place and agenda of the meeting, particulars of the resolutions to be considered at the meeting, the general nature of the special business (as defined in the Articles), and the intention to propose the resolution as a special resolution (where applicable); and
- (iii) the Articles provide what businesses are deemed to be ordinary business of CKH Holdings, and what are deemed to be special business of CKH Holdings. There is no such provision in the Companies Articles.

**2.11 Transfer of shares**

**Summary**

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the CKH Holdings Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the CKH Holdings Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of CKH Holdings in respect thereof. All instruments of transfer shall be retained by CKH Holdings.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

The CKH Holdings Directors may refuse to register any transfer of any share which is not fully paid up or on which CKH Holdings has a lien. The CKH Holdings Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with CKH Holdings accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the CKH Holdings Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) shares concerned are free of any lien in favour of CKH Holdings; and
- (f) a fee of such amount of not more than the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the CKH Holdings Directors may from time to time require) is paid to CKH Holdings in respect thereof.

If the CKH Holdings Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with CKH Holdings, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on six business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by CKH Holdings by electronic means as provided in the Articles or by advertisement published in the newspapers, be suspended and the register of members of CKH Holdings closed at such times for such periods as the CKH Holdings Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of CKH Holdings may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**Differences**

The provisions relating to transfer of shares in the Articles and those in the Company Articles are substantially similar, save and except that provisions to the following effect are contained in the Articles but not in the Company Articles:

- (i) the CKH Holdings Board is permitted to dispense with the execution of the instrument of transfer by the transferee;
- (ii) any transfer of shares which are listed on the Stock Exchange can be effected by any method of transferring or dealing in securities permitted by the Listing Rules which has been approved by the CKH Holdings Board; and
- (iii) notice shall be published before any closure of register of the members as described in the summary above.

**2.12 Power of CKH Holdings to purchase its own shares**

**Summary**

CKH Holdings is empowered by the Cayman Companies Law and the Articles to purchase its own shares subject to certain restrictions and the CKH Holdings Directors may only exercise this power on behalf of CKH Holdings subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the SFC. Shares which have been repurchased will be treated as cancelled upon the repurchase.

**Differences**

The provisions relating to the purchase of its own shares in the Company Articles and those in the Company Articles are substantially similar, save and except that references to (and therefore the relevant requirements under) the Companies Ordinance in the Company Articles are replaced by references to (and therefore the relevant requirements under) the Cayman Companies Law in the Articles.

**2.13 Power of any subsidiary of CKH Holdings to own shares**

**Summary**

There are no provisions in the Articles relating to the ownership of shares by a subsidiary.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**Differences**

The Company Articles also do not contain any such provision.

**2.14 Dividends and other methods of distribution**

**Summary**

Subject to the Cayman Companies Law and Articles, CKH Holdings in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the CKH Holdings Directors. No dividend may be declared or paid other than out of profits and reserves of CKH Holdings lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The CKH Holdings Directors may from time to time pay to the members of CKH Holdings such interim dividends as appear to the CKH Holdings Directors to be justified by the profits of CKH Holdings. The CKH Holdings Directors may also pay half-yearly or at other intervals to be selected by them at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The CKH Holdings Directors may retain any dividends or other moneys payable on or in respect of a share upon which CKH Holdings has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The CKH Holdings Directors may also deduct from any dividend or other moneys payable to any member of CKH Holdings all sums of money (if any) presently payable by him to CKH Holdings on account of calls, instalments or otherwise.

No dividend shall carry interest against CKH Holdings.

Whenever the CKH Holdings Directors or CKH Holdings in general meeting have resolved that a dividend be paid or declared on the share capital of CKH Holdings, the CKH Holdings Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of CKH Holdings entitled thereto will be entitled to elect to receive such dividend (or part

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

thereof) in cash in lieu of such allotment; or (b) that the members of CKH Holdings entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the CKH Holdings Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. CKH Holdings may upon the recommendation of the CKH Holdings Directors by ordinary resolution resolve in respect of any one particular dividend of CKH Holdings that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of CKH Holdings to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of CKH Holdings entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of CKH Holdings in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of CKH Holdings in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to CKH Holdings in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. CKH Holdings may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, CKH Holdings may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the CKH Holdings Directors and shall revert to CKH Holdings.

Whenever the CKH Holdings Directors or CKH Holdings in general meeting have resolved that a dividend be paid or declared, the CKH Holdings Directors may further resolve that such dividend be satisfied wholly or in part by the distribution or issue of specific assets of any kind and in particular (but without limitation) of paid up shares, debentures or warrants to subscribe securities of or by CKH Holdings or any other company, or in any one or more of such ways, with or without offering any rights to the CKH Holdings Shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to such



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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

distribution the CKH Holdings Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of CKH Holdings, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of CKH Holdings upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the CKH Holdings Directors.

**Differences**

The provisions relating to dividends and other methods of distribution in the Articles and those in the Company Articles are substantially similar save and except that in addition to distributable profit, the Articles contemplate dividend paying out of reserves available for distribution, including share premium. The Company Articles do not contain provisions regarding distribution out of share premium as the concept of share premium no longer applies to a company incorporated under the Companies Ordinance.

**2.15 Proxies**

**Summary**

Any member of CKH Holdings entitled to attend and vote at a meeting of CKH Holdings shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of CKH Holdings.

Instruments of proxy shall be in common form or in such other form as the CKH Holdings Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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The instrument appointing a proxy and (if required by the CKH Holdings Directors) the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority, shall be deposited or received at the registered office of CKH Holdings or electronic address or at such other place as may be specified in the notice convening the meeting or in the instrument of proxy issued, sent out or made available by CKH Holdings not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken more than 48 hours after it was demanded, be received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll and in default the appointment of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of CKH Holdings from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

**Differences**

The Company Articles contain substantially similar provisions, save and except that the Articles specify that a proxy of any member of CKH Holdings must be an individual.

**2.16 Calls on shares and forfeiture of shares**

**Summary**

The CKH Holdings Directors may from time to time make calls upon the members of CKH Holdings in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of CKH Holdings shall (subject to CKH Holdings serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to CKH Holdings at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the CKH Holdings Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the CKH Holdings Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 20% per annum, as the CKH Holdings Directors may determine, but the CKH Holdings Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the CKH Holdings Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the CKH Holdings Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of CKH Holdings and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of CKH Holdings in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to CKH Holdings all moneys which at the date of forfeiture were payable by him to CKH Holdings in respect of the shares, together with (if the CKH Holdings Directors shall in their discretion so require) interest thereon at such rate not exceeding 20% per annum as the CKH Holdings Directors may prescribe from the date of forfeiture until payment, and the CKH Holdings Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

**Differences**

The provisions relating to calls on shares and forfeiture of shares in the Articles and those in the Company Articles are substantially similar, save and except that provisions to the following effect are contained in the Articles but not in the Company Articles:

- (i) the CKH Holdings Board is empowered to revoke or postpone a call; and
- (ii) a person upon whom a call is made remains liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

**2.17 Inspection of register of members**

**Summary**

The register of members of CKH Holdings shall be kept in such manner as to show at all times the members of CKH Holdings for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on six business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by CKH Holdings by electronic means as provided in the Articles or by advertisement published in the newspapers, be closed at such times and for such periods as the CKH Holdings Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of CKH Holdings may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the CKH Holdings Directors may impose) be open to inspection by any member of CKH Holdings without charge and by any other person on payment of a fee of such amount of not more than the maximum amount as may from time to time be permitted under the Listing Rules, as the CKH Holdings Directors may determine for each inspection.

**Differences**

The Company Articles contain no specific provision with regard to inspection of the register of members.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

---

**2.18 Quorum for meetings and separate class meetings**

**Summary**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of CKH Holdings present in person or by proxy shall be a quorum provided always that if CKH Holdings has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of CKH Holdings shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of CKH Holdings or at any relevant general meeting of any class of members of CKH Holdings.

The quorum for a separate general meeting of the holders of a separate class of shares of CKH Holdings is described in paragraph 2.4 above.

**Differences**

The provisions relating to quorum for meetings and separate class meeting and those in the Company Articles are substantially similar, save and except that provisions to the following effect are contained in the Articles but not in the Company Articles:

- (i) the appointment of a chairman can still be considered and decided upon at any general meeting in the absence of a quorum; and
- (ii) if CKH Holdings has only one member of record, the quorum shall be that one member present.

**2.19 Rights of minorities in relation to fraud or oppression**

**Summary**

There are no provisions in the Articles concerning the rights of minority shareholders in relation to fraud or oppression.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**Differences**

The Company Articles contain no provisions specifically dealing with such rights of minority shareholders.

**2.20 Procedure on liquidation**

**Summary**

If CKH Holdings shall be wound up, and the assets available for distribution amongst the members of CKH Holdings as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of CKH Holdings in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of CKH Holdings shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of CKH Holdings in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If CKH Holdings shall be wound up, the liquidator may with the sanction of a special resolution of CKH Holdings and any other sanction required by the Cayman Companies Law, divide amongst the members of CKH Holdings in specie or kind the whole or any part of the assets of CKH Holdings (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of CKH Holdings. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of CKH Holdings as the liquidator, with the like sanction and subject to the Cayman Companies Law, shall think fit, but so that no member of CKH Holdings shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

**Differences**

The provisions relating to procedure on liquidation in the Articles and those in the Company Articles are substantially similar.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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## **2.21 Untraceable members**

### **Summary**

CKH Holdings shall be entitled to sell any shares of a member of CKH Holdings or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) CKH Holdings has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, CKH Holdings has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by CKH Holdings by electronic means as provided in the Articles, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to CKH Holdings and upon receipt by CKH Holdings of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

### **Differences**

The provisions relating to untraceable members in the Articles and those in the Company Articles are substantially similar, save and except as follows:

- (i) the Company Articles do not contain the condition mentioned in (c) in the summary above;
- (ii) the Company Articles do not contemplate the publication of the notice of intention to sell other than in newspapers; and
- (iii) the provisions relating to untraceable members in the Articles also apply to shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation law.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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**3. SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

**3.1 Introduction**

The Cayman Companies Law is derived, to a large extent, from the older Companies Acts of England and Wales, although there are significant differences between the Cayman Companies Law and the current Companies Act of England and Wales. Set out below is a summary of certain provisions of the Cayman Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

**3.2 Incorporation**

CKH Holdings was incorporated in the Cayman Islands as an exempted company with limited liability on 11 December 2014 under the Cayman Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. CKH Holdings is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

**3.3 Share Capital**

The Cayman Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Cayman Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Law);



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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Cayman Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

### **3.4 Dividends and Distributions**

With the exception of section 34 of the Cayman Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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paid only out of profits. In addition, section 34 of the Cayman Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3.3 above for details).

### **3.5 Shareholders' Suits**

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

### **3.6 Protection of Minorities**

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

### **3.7 Disposal of Assets**

The Cayman Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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### **3.8 Accounting and Auditing Requirements**

The Cayman Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

### **3.9 Register of Members**

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

### **3.10 Inspection of Books and Records**

Members of a company will have no general right under the Cayman Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

### **3.11 Special Resolutions**

The Cayman Companies Law provides that a resolution is a special resolution when it has been passed by a majority of not less than two-thirds (or such greater number as may be specified in the articles of association of the company) of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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### **3.12 Subsidiary Owning Shares in Parent**

The Cayman Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

### **3.13 Mergers and Consolidations**

The Cayman Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

### **3.14 Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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### **3.15 Take-overs**

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

### **3.16 Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

### **3.17 Liquidation**

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

### **3.18 Stamp Duty on Transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

### **3.19 Taxation**

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, CKH Holdings obtained an undertaking from the Governor in Cabinet:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to CKH Holdings or its operations; and

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**APPENDIX IV SUMMARY OF THE CONSTITUTION OF CKH HOLDINGS, COMPARISON  
OF SUCH CONSTITUTION WITH THAT OF THE COMPANY, AND  
SUMMARY OF THE CAYMAN COMPANIES LAW AND CAYMAN ISLANDS TAXATION**

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- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by CKH Holdings:
  - (i) on or in respect of the shares, debentures or other obligations of CKH Holdings; or
  - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking is for a period of twenty years from 6 January 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to CKH Holdings levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to CKH Holdings.

### **3.20 Exchange Control**

There are no exchange control regulations or currency restrictions in the Cayman Islands.

### **3.21 General**

Maples and Calder, CKH Holdings' legal advisers on Cayman Islands law, has sent to CKH Holdings a letter of advice dated 6 February 2015 summarising certain aspects of the Cayman Companies Law and Cayman Islands taxation. The letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VII to this document. Any person wishing to have a detailed summary of the Cayman Companies Law and Cayman Islands taxation or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

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## APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW

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Set out below is a summary of the major differences of certain provisions under the Companies Ordinance and the Cayman Companies Law concerning a company listed on the Stock Exchange:

### HONG KONG

### CAYMAN ISLANDS

#### 1. Constitutional documents and their alteration

The requirement to have a memorandum of association as a constitutional document of a local company has been abolished. A company incorporated in Hong Kong under the Companies Ordinance is only required to have articles of association.

The memorandum of association and the articles of association form the constitution of a company.

An alteration in the articles of association to the maximum number of shares that the company may issue may be altered by ordinary resolution. Subject to that and other provisions of the Companies Ordinance, a company with a share capital may only alter its articles of association by special resolution but no alteration which is inconsistent with any rights attached to shares in a class of shares in the company can be made.

A company may by special resolution of the shareholders alter its memorandum of association with respect to any of the objects, powers or other matters specified therein. It may also by special resolution, but subject otherwise to the memorandum of association, alter or add to the articles of association.

A special resolution of the members (or of a class of members) of a company means a resolution that is passed (if on a poll taken at a general meeting) by a majority of at least 75% of the total voting rights of all shareholders who (being entitled so to do) vote in person or by proxy at a general meeting on the resolution.

A resolution is a special resolution when it has been passed by a majority of not less than two-thirds (or such greater number as may be specified in the articles of association of the company) of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**2. Issue of shares**

Unless the company gives approval in advance by resolution of the company, the directors of a company must not exercise any power to allot and issue shares in the company or grant rights to subscribe for, or to convert any security into, shares in the company, unless (i) such allotment of shares is under an offer made to the members of the company in proportion to their shareholdings; (ii) it is an allotment of shares, or a grant of rights, on a bonus issue of shares to the members of the company in proportion to their shareholdings; (iii) it is an allotment to a founder member of a company of shares that the member, by signing the company's articles of association, has agreed to take; or (iv) such allotment of shares is made in accordance with a grant of right to subscribe for, or to convert any security into, shares if the right was granted in accordance with an approval under the Companies Ordinance.

There is no requirement under the Cayman Companies Law for the directors of a company to obtain the approval of its shareholders for the issue of shares on a non-pro-rata basis. Such power to issue shares of a company, however, will be determined in accordance with the company's articles of association.



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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**3. Share premium**

There is no concept of share premium under the Companies Ordinance.

Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Companies Law provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in such manner as the company may from time to time determine including, but without limitation, (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Law; (d) writing-off the preliminary expenses of the company; (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**4. Financial assistance**

In general, a company and its subsidiaries cannot give financial assistance directly or indirectly for the purpose of an acquisition of shares in the company. A company, however, is not prohibited from giving financial assistance for the purpose of an acquisition of shares in its holding company if the holding company is incorporated outside Hong Kong. There are a few exceptions to the prohibition of providing financial assistance, which include, among other things: (i) the distribution of a company's assets, by way of dividend lawfully made; or in the course of winding up the company; (ii) the allotment of bonus shares; (iii) the reduction of a company's share capital in accordance with the Companies Ordinance; (iv) the redemption or buy-back of a company's own shares in accordance with the Companies Ordinance; (v) anything done in accordance with a court order under Division 2 of Part 13 (arrangements and compromises) of the Companies Ordinance; (vi) anything done under an arrangement made between a company and its creditors that is binding on the creditors because of section 254 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (arrangement, when binding on creditors); (vii) the company's principal purpose in giving the assistance is not to give it for the purpose of the acquisition of a share in the company or its holding company or for the purpose of reducing or discharging a liability incurred for such an acquisition, and the assistance is given in good faith in the interests of the company; or the giving of the assistance for the purpose of the acquisition of a share in the company or its holding company or for the purpose of

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

---

**HONG KONG**

**CAYMAN ISLANDS**

reducing or discharging a liability incurred for such an acquisition is only an incidental part of some larger purpose of the company, and the assistance is given in good faith in the interests of the company; (viii) where the ordinary business of the company is lending money; (ix) the assistance given by a company, in good faith in the interests of the company, of financial assistance for the purposes of an employee share scheme; and (x) the company makes a loan to its eligible employees for the purpose of enabling them to acquire fully paid shares in the company or its holding company to be held by them by way of beneficial ownership. In the case of a listed company giving financial assistance under (viii), (ix) or (x) above, it is necessary that the company has net assets that are not thereby reduced or, to the extent that those assets are reduced, the assistance is provided out of distributable profits.

A company is also allowed to provide financial assistance for the purchase of its own shares subject to the solvency test and satisfying one of the following: (i) financial assistance (including previous financial assistance provided under this procedure that has not been repaid) not exceeding 5% of the shareholders' fund as disclosed in the company's most recent audited financial statements; (ii) financial assistance approved by all shareholders via written resolutions; and (iii) financial assistance with the approval of shareholders by ordinary resolution.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**5. Subsidiary's membership of holding company**

A subsidiary is prohibited from holding the shares of its holding company, except in certain circumstances as set out in the Companies Ordinance.

The Cayman Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company if its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

**6. Share repurchase**

Except: (i) that a company's articles of association may prohibit or restrict the issue of redeemable shares; and/or (ii) when there are no issued shares in the company other than redeemable shares, a company may issue redeemable shares.

The directors of a company may determine the terms, conditions and manner of redemption of shares if they are authorised to do so by the company's articles of association or resolution of the company.

Subject to the detailed provisions of the Companies Ordinance, a listed company may buy back its own shares under a general offer, or on an approved stock exchange, that is authorised in advance by resolution of the company, or on a recognised stock market; or in such other manner if the contract for buy-back of the shares is authorised in advance by special resolution.

Subject to the detailed provisions of the Cayman Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. No redemption or purchase may take place unless the shares are fully paid, or if as a result of the redemption or purchase, there would no longer be any member of the company holding shares.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

Subject to the detailed provisions of the Companies Ordinance, in general, a redemption or buy back may only be funded out of the company's distributable profits or the proceeds of a fresh issue of shares made for the purpose of the redemption or buy-back, or out of capital in accordance with the Companies Ordinance but in the case of a listed company, it must not make a payment out of capital in respect of a buy-back of its own shares on the Stock Exchange.

**7. Reduction of share capital**

A company may, by special resolution (i) supported by a solvency statement; or (ii) confirmed by the Court, reduce its share capital in any way.

**8. Register of members**

A Hong Kong public company must in respect of every financial year deliver to the Companies Registrar for registration an annual return, which includes particulars of member(s), within 42 days after the company's return date.

**CAYMAN ISLANDS**

A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

There is no requirement under the Cayman Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**9. Inspection of books and records**

A company must keep its records of resolutions and meetings of members, etc. available for inspection at the company's registered office or a prescribed place. Similar requirements apply to other company records, for example, the company's register of members, the register of directors and the register of company secretaries which are required to be kept separately under the Companies Ordinance. Inspection of company records kept in electronic form to be inspected by electronic means if so requested by the person inspecting the records is allowed.

Members of a company will have no general right under the Cayman Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

**10. Dividends and distributions**

A company shall not make a distribution except out of profits available for the purpose. A listed company may only make a distribution (i) if the amount of its net assets is not less than the aggregate of its called up share capital and undistributable reserves; and (ii) if, and to the extent that, the distribution does not reduce the amount of those assets to an amount less than that aggregate.

With the exception of section 34 of the Cayman Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

---

**HONG KONG**

**CAYMAN ISLANDS**

**11. Protection of minority shareholders**

On a petition by a member of a company, the court may, if it considers that the company's affairs are being or have been conducted in a manner unfairly prejudicial to the interests of the members generally or one or more members; or an actual or proposed act or omission of the company is or would be so prejudicial, exercise the power to make any order that it thinks fit for giving relief in respect of the matter mentioned above, including, among other things, an order appointing a receiver or manager of the company's property and/or business, or any other order: (i) for regulating the conduct of the company's affairs in the future; (ii) for the purchase of the shares of any member of the company by another member of the company; (iii) for the purchase of the shares of any member of the company by the company and the reduction accordingly of the company's capital; or (iv) for any other purpose; and may order the company or any other person to pay any damages that the Court thinks fit to a member of the company whose interests have been unfairly prejudiced.

The court may also wind up a company if the court is of opinion that it is just and equitable that the company should be wound up.

**12. Directors**

A public company must have at least two directors. A body corporate must not be appointed a director of a public company.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up. In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

There is no requirement under the Cayman Companies Law in relation to the number of directors. Corporate directors are permitted.

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**APPENDIX V SUMMARY OF THE DIFFERENCES BETWEEN CERTAIN PROVISIONS  
OF THE COMPANIES ORDINANCE AND THE CAYMAN COMPANIES LAW**

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**HONG KONG**

**CAYMAN ISLANDS**

**13. Annual general meeting**

Except in certain circumstances as set out in the Companies Ordinance, a company (other than a private company which is not at any time during the financial year a subsidiary of a public company, or a company limited by guarantee) must, in respect of each financial year of the company, hold a general meeting as its annual general meeting within six months after the end of its accounting reference period.

There is no requirement under the Cayman Companies Law for an exempted company to hold an annual general meeting but the company may determine to do so pursuant to its articles of association.



*This section contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.*

## **1. ISSUED SHARES**

As at the Latest Practicable Date, there was one CKH Holdings Share in issue.

Assuming that no further Shares are issued or bought back by the Company after the Latest Practicable Date, the total number of CKH Holdings Shares in issue on the Effective Date will be 2,316,164,338, and CKH Holdings will be allowed under the Repurchase Mandate to repurchase a maximum of 231,616,433 CKH Holdings Shares, representing 10% of the total number of Shares of CKH Holdings in issue on the Effective Date.

## **2. REASONS FOR REPURCHASE**

The CKH Holdings Directors believe that it is in the best interests of CKH Holdings and CKH Holdings Shareholders to have a general authority from CKH Holdings Shareholders to enable the CKH Holdings Directors to repurchase CKH Holdings Shares in the market.

Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per CKH Holdings Share and will only be made when the CKH Holdings Directors believe that such repurchase will benefit CKH Holdings and the CKH Holdings Shareholders.

## **3. FUNDING OF REPURCHASE**

Repurchases of CKH Holdings Shares must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles and the laws of the Cayman Islands, being profits of CKH Holdings or out of the proceeds of a fresh issue of CKH Holdings Shares made for the purpose of the repurchase, or, if authorised by the Articles and subject to the Cayman Companies Law, out of capital of CKH Holdings, and, in the case of any premium payable on the repurchase, out of the profits of CKH Holdings or from sums standing to the credit of the share premium account of CKH Holdings before or at the time the CKH Holdings Shares are repurchased, or if authorised by the Articles and subject to the Cayman Companies Law, out of capital of CKH Holdings.

In the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of CKH Holdings as compared with the position of the Company as disclosed in the audited consolidated financial statements contained in the Company's annual report for the year ended 31 December 2013. However, the CKH Holdings Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of CKH Holdings or the gearing levels which in the opinion of the CKH Holdings Directors are from time to time appropriate for CKH Holdings.

**4. DISCLOSURE OF INTEREST**

None of the CKH Holdings Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, has a present intention to sell CKH Holdings Shares to CKH Holdings under the Repurchase Mandate.

No other core connected persons of the Company and/or CKH Holdings has notified the Company and/or CKH Holdings that it/he/she has a present intention to sell CKH Holdings Shares to CKH Holdings, or has undertaken not to do so, in the event that CKH Holdings is authorised to make purchases of CKH Holdings Shares.

**5. UNDERTAKING OF THE DIRECTORS**

The CKH Holdings Directors have undertaken to the Stock Exchange that they will exercise the power of CKH Holdings to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

**6. TAKEOVERS CODE**

If on exercise of the power to repurchase CKH Holdings Shares pursuant to the Repurchase Mandate, a CKH Holdings Shareholder's proportionate interest in the voting rights of CKH Holdings increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

As a result, a CKH Holdings Shareholder or group of CKH Holdings Shareholders acting in concert could obtain or consolidate control of CKH Holdings and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

On the basis of their interest in Shares as at the Latest Practicable Date and on the assumption mentioned in paragraph 1 above, each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, TUT1 (as trustee of UT1), TDT1 (as trustee of DT1) and TDT2 (as trustee of DT2) will, upon the listing of the CKH Holdings Shares, be taken to have an interest under the SFO in the same block of 936,462,744 CKH Holdings Shares, representing approximately 40.43% of the total number of CKH Holdings Shares in issue on the Effective Date. Apart from the foregoing, upon the listing of the CKH Holdings Shares, Mr. Li Ka-shing will hold 67,189,000 CKH Holdings Shares through certain companies in which he beneficially owns the entire issued share capital; and Mr. Li Tzar Kuoi, Victor will also, personally and through his wife and certain companies which are owned and controlled by him, hold a total of 1,949,000 CKH Holdings Shares. For the purpose of the Takeovers Code, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are parties presumed to be acting in concert with each other and, upon the listing of the CKH Holdings Shares, will be taken to have an interest in a total of 1,005,600,744 CKH Holdings Shares, representing approximately 43.42% of the total number of CKH Holdings Shares then in issue. If the attributable shareholding of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor in the Company remains unchanged until the Effective Date, in the event that the CKH Holdings Directors exercise in full the power to repurchase CKH Holdings Shares pursuant to the Repurchase Mandate following the listing of the CKH Holdings Shares, then (if their shareholdings in CKH Holdings otherwise remained the same as their shareholdings in the Company as at the

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**APPENDIX VI EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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Effective Date) the attributable shareholding in CKH Holdings of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor would be increased to approximately 48.24% of the total number of CKH Holdings Shares. In the opinion of the CKH Holdings Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The CKH Holdings Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in such a mandatory offer obligation arising.

**7. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 calendar months preceding the Latest Practicable Date and the period from 1 January 2015 to the Latest Practicable Date are as follows:

		<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
January	2014	123.00	113.60
February	2014	123.80	111.80
March	2014	129.90	118.60
April	2014	138.00	128.60
May	2014	140.00	123.20
June	2014	141.50	133.50
July	2014	152.00	137.30
August	2014	149.50	139.70
September	2014	142.90	125.00
October	2014	137.90	125.00
November	2014	145.00	133.60
December	2014	141.70	125.40
1 January – 27 January	2015	150.30	124.60

**8. SHARE BUY-BACKS MADE BY THE COMPANY**

The Company did not buy back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## 1. DISCLOSURE OF INTERESTS

## (a) Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

## (i) Long Positions in Shares

## (a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	67,189,000 (Note 1)	936,462,744 (Note 2)	1,003,651,744	43.33%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	200,000	1,529,000 (Note 4)	936,462,744 (Note 2)	938,411,744	40.51%
Kam Hing Lam	Beneficial owner	10,000	-	-	-	10,000	0.0004%
Leung Siu Hon	Beneficial owner & interest of child or spouse	645,500	64,500	-	-	710,000	0.03%
Chow Kun Chee, Roland	Beneficial owner	65,600	-	-	-	65,600	0.003%

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	56,000	10,000	–	184,000 (Note 5)	250,000	0.01%
Lee Yeh Kwong, Charles	Beneficial owner	30,000	–	–	–	30,000	0.001%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	3,000	–	–	3,000	0.0001%
Hung Siu-lin, Katherine	Beneficial owner	20,000	–	–	–	20,000	0.0009%

(b) *Associated Corporations***Hutchison**

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	94,534,000 (Note 1)	2,141,698,773 (Note 2)	2,236,232,773	52.45%
Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	–	300,000	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,143,085,543	50.26%
Kam Hing Lam	Beneficial owner & interest of child or spouse	60,000	40,000	–	–	100,000	0.002%
Leung Siu Hon	Beneficial owner & interest of child or spouse	27,000	28,600	–	–	55,600	0.0013%

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	6,010,875 (Note 7)	-	6,010,875	0.14%
Frank John Sixt	Beneficial owner	200,000	-	-	-	200,000	0.005%
Chow Kun Chee, Roland	Beneficial owner	49,931	-	-	-	49,931	0.001%
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	-	950,100 (Note 6)	1,000,000	0.02%
Lee Yeh Kwong, Charles	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,070,358	65,000	10,000 (Note 15)	-	1,145,358	0.03%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	130,000	-	-	130,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	-	-	-	97	≈0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	-	-	-	34,000	0.0008%

## Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	78.37%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	78.37%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%
Chow Kun Chee, Roland	Beneficial owner	10,000	-	-	-	10,000	0.0004%

## CK Life Sciences Int'l, (Holdings) Inc.

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	2,835,759,715 (Note 14)	4,355,634,570 (Note 10)	7,191,394,285	74.82%
Li Tzar Kuoi, Victor	Beneficial owner, interest of controlled corporations & beneficiary of trusts	2,250,000	-	2,835,759,715 (Note 14)	4,355,634,570 (Note 10)	7,193,644,285	74.84%
Kam Hing Lam	Interest of child or spouse	-	6,225,000	-	-	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	-	-	-	2,250,000	0.02%
Chung Sun Keung, Davy	Beneficial owner	375,000	-	-	-	375,000	0.004%
Pau Yee Wan, Ezra	Beneficial owner	900,000	-	-	-	900,000	0.009%

**APPENDIX VII**
**ADDITIONAL INFORMATION**

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Woo Chia Ching, Grace	Beneficial owner	1,125,000	-	-	-	1,125,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,688,130	2,000	2,970 (Note 8)	-	1,693,100	0.017%
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,500,000 (Note 7)	-	1,500,000	0.015%
Frank John Sixt	Beneficial owner	900,000	-	-	-	900,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	903,936	-	-	-	903,936	0.009%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	753,360	600	-	11,040 (Note 5)	765,000	0.008%
Kwok Tun-li, Stanley	Interest of child or spouse	-	200,000	-	-	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	-	-	-	9,000	≈0%

**Other Associated Corporations**

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	10,000 (Note 11)	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	10,000 (Note 11)	10,000	100%



**APPENDIX VII**
**ADDITIONAL INFORMATION**

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	4,900 <i>(Note 11)</i>	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	4,900 <i>(Note 11)</i>	4,900	100%
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 <i>(Note 7)</i>	-	5,100,000	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.007%
Hutchison Telecommunications Hong Kong Holdings Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	403,979,499 <i>(Note 1)</i>	3,185,136,120 <i>(Note 12)</i>	3,589,115,619	74.48%
	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	192,000	2,519,250 <i>(Note 4)</i>	3,185,136,120 <i>(Note 12)</i>	3,187,847,370	66.15%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,202,380 <i>(Note 7)</i>	-	1,202,380	0.025%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	-	-	13,333	0.0003%

*(ii) Long Positions in Underlying Shares*

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Telecommunications Hong Kong Holdings Limited	Frank John Sixt	Beneficial owner	255,000 (Note 13)	–	–	–	255,000

*(iii) Long Positions in Debentures*

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (09) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$45,792,000 7.625% Notes due 2019 (Note 4)	–	US\$45,792,000 7.625% Notes due 2019
Hutchison Whampoa International (09/19) Limited	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	US\$4,000,000 5.75% Notes due 2019 (Note 7)	–	US\$4,000,000 5.75% Notes due 2019
Hutchison Whampoa International (10) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$35,395,000 Subordinated Guaranteed Perpetual Capital Securities (Note 4)	–	US\$35,395,000 Subordinated Guaranteed Perpetual Capital Securities
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities (Note 7)	–	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities
	Frank John Sixt	Beneficial owner	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities	–	–	–	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (12) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$16,800,000 Subordinated Guaranteed Perpetual Capital Securities (Note 4)	US\$16,800,000 Subordinated Guaranteed Perpetual Capital Securities	
PHBS Limited	Li Ka-shing	Interest of controlled corporation	-	-	US\$9,100,000 Perpetual Capital Securities (Note 1)	US\$9,100,000 Perpetual Capital Securities	

## Notes:

- (1) Such interests are held by certain companies of which Mr. Li Ka-shing is interested in the entire issued share capital.
- (2) The two references to 936,462,744 Shares relate to the same block of Shares. Mr. Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1, which is the trustee of DT1 and TDT2, which is the trustee of DT2 holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. TUT1 as trustee of UT1 and companies controlled by TUT1 as trustee of UT1 (“**TUT1 related companies**”) hold a total of such 936,462,744 Shares.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited (“**Unity Holdco**”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the Shares by reason only of its obligation and power to hold interests in those Shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Shares independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as set out above.

As Mr. Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the Shares held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as Directors.

- (3) The two references to 2,141,698,773 Hutchison Shares relate to the same block of shares comprising:
- (a) 2,130,202,773 Hutchison Shares held by certain subsidiaries of the Company. By virtue of the interests in Shares in relation to which each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (2) above and as a Director, they are taken to have a duty of disclosure in relation to the said Hutchison Shares under the SFO; and
- (b) 11,496,000 Hutchison Shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing is the settlor of each of DT3 and DT4. Each of TDT3, which is the trustee of DT3 and TDT4, which is the trustee of DT4 holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited (“**Castle Holdco**”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is interested in the Hutchison Shares by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Hutchison Shares independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as set out above.

As Mr. Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said Hutchison Shares held by TUT3 as trustee of UT3 under the SFO as Directors.

- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (5) Such interests are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.
- (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
- (7) Such interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
- (8) Such interests are held by a company which is wholly owned by Mr. Leung Siu Hon and his wife.
- (9) The two references to 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited (“**CKI**”) relate to the same block of shares comprising:
  - (a) 1,906,681,945 shares in CKI held by a subsidiary of Hutchison. Certain subsidiaries of the Company hold more than one-third of the issued share capital of Hutchison. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of their deemed interests in the Shares as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares in CKI held by the subsidiary of Hutchison under the SFO; and
  - (b) 5,428,000 shares in CKI held by TUT1 as trustee of UT1. By virtue of the deemed interests in TUT1 as trustee of UT1 as described in Note (2) above, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares in CKI under the SFO.
- (10) The two references to 4,355,634,570 shares in CK Life Sciences Int’l., (Holdings) Inc. (“**CKLS**”) relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the Shares as described in Note (2) above under the SFO.
- (11) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of their deemed interests in the Shares and shares of TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (12) Such shares of Hutchison Telecommunications Hong Kong Holdings Limited (“**HTHKH**”) comprise:
  - (a) 3,184,982,840 ordinary shares in HTHKH of which 52,092,587 ordinary shares in HTHKH and 3,132,890,253 ordinary shares in HTHKH are held by certain wholly-owned subsidiaries of the Company and Hutchison respectively. By virtue of the interests in the Shares and Hutchison Shares in relation to which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have a duty of disclosure under the SFO in the issued share capital of each of the Company and

Hutchison as described in Notes (2) and (3) above and as Directors, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to such shares in HTHKH under the SFO; and

- (b) 153,280 ordinary shares in HTHKH held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of Mr. Li Ka-shing may being regarded as a founder and Mr. Li Tzar Kuoi, Victor as a discretionary beneficiary of each of DT3 and DT4 and their deemed interests in TUT3 as trustee of UT3 as described in Note (3)(b) above, are taken to have a duty of disclosure in relation to such shares in HTHKH under the SFO.
- (13) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTHKH beneficially owned by Mr. Frank John Sixt.
- (14) Such 2,835,759,715 shares in CKLS are held by two subsidiaries of Li Ka Shing Foundation Limited (“LKSF”). By virtue of the terms of the constituent documents of LKSF, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (15) Such interests are held by a company which is wholly owned by Mr. Lee Yeh Kwong, Charles.

As at the Latest Practicable Date, by virtue of their deemed interests in the share capital of the Company as described in Note (2) above and as Directors, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor were deemed to be interested in the securities of the subsidiaries and associated companies of the Company held through the Company under the provisions of the SFO, in addition to any separate interest held by them in the Company and its subsidiaries and associated companies.

CKH Holdings has applied for, and the Stock Exchange has granted, a waiver from compliance with the disclosure requirement under paragraph 45(1) of Part A of Appendix 1 to the Listing Rules in respect of the above-mentioned deemed interests of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor to be disclosed in this document, on the ground that compliance with such paragraph would result in particulars being given which are not material in the context of the Group and are of excessive length.

Certain Directors held qualifying shares in certain subsidiaries on trust for the Company and other subsidiaries.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Interests and Short Positions of Substantial Shareholders**

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of any such class of share capital were as follows:

**(i) Long Positions of Substantial Shareholders in Shares**

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
TUT1 as trustee of UT1	Trustee	936,462,744 (Note 1)	40.43%
TDT1 as trustee of DT1	Trustee and beneficiary of a trust	936,462,744 (Note 1)	40.43%
TDT2 as trustee of DT2	Trustee and beneficiary of a trust	936,462,744 (Note 1)	40.43%

**(ii) (a) Long Positions of Other Persons in the Shares and Underlying Shares of the Company**

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	(i) Beneficial owner	16,831,921		
	(ii) Investment manager	34,532,939		
	(iii) Trustee	17,597		
	(iv) Custodian corporation/ approved lending agent	82,663,328	134,045,785 (Note 2)	5.79%

*(b) Short Positions of Other Persons in the Shares and Underlying Shares of the Company*

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	14,607,021	14,607,021 (Note 3)	0.63%

*(c) Lending Pool of Other Persons in the Shares and Underlying Shares of the Company*

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	82,663,328	82,663,328	3.56%

*(iii) Substantial shareholders of other members of the Group*

Name of subsidiary of the Company	Name of shareholder	Number of shares held	Approximate % of shareholding
Beautiland Company Limited	Chesterfield Reality Limited	15,000,000	15%
Blissjoy International Limited	Best Shield Limited	2	20%
Granlai Company Limited	Hopewell Holdings Ltd	17	45.95%
iBusinessCorporation.com Holdings Limited	Giant Grace Resources Limited	2,669	26.69%
Industrial Development Holdings Limited	NA Assets Limited	30,000,000	30%
iMarkets (Holdings) Limited	Investec Bank Plc	34,999	33.74%
Jabrin Limited	Chesterfield Realty Limited	2,000	20%
Japura Pte Ltd	Kamenka Ltd	24	24%

Name of subsidiary of the Company	Name of shareholder	Number of shares held	Approximate % of shareholding
Marino Capital Holdings Limited	Marathon Joy Limited	3	15%
Mutual Luck Investment Limited	E-cash Ventures Limited	4,600	15.33%
	Stalybridge Investment Limited	10,000	33.33%
Randash Investment Limited	Beautifloral Limited	43	39.09%
Rivet Profits Limited	Neko International Limited	3	15%
Stocklink Limited	Nan Fung Development Limited	1	20%
Talent Sun Limited	Healthcliff Developments Limited	35	35%
Terrier International Limited	Perfect Tune Limited	49	49%
Trudeau Holdings Limited	Master Rank Investments Limited	1	10%
Wilks Estate Company Limited (In Members' Voluntary Winding Up)	Wheelock Properties Limited	25	25%
	Wheelock Marden & Co., Ltd	10	10%
Wideplex Limited	Super Peak Holdings Limited	2	40%
Wit Profits Limited	Nan Fung Development Limited	15	15%

*Notes:*

- (1) The three references to 936,462,744 Shares relate to the same block of Shares. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is taken to have a duty of disclosure in relation to the said Shares as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the SFO.



- (2) Such long position includes derivative interests in 4,964,297 underlying Shares of which 3,223,473 underlying Shares are derived from listed and physically settled derivatives, 181,000 underlying Shares are derived from listed and cash settled derivatives, 614,851 underlying Shares are derived from unlisted and physically settled derivatives and 944,973 underlying Shares are derived from unlisted and cash settled derivatives.
- (3) Such short position includes derivative interests in 14,517,021 underlying Shares of which 1,029,000 underlying Shares are derived from listed and physically settled derivatives, 1,500,794 underlying Shares are derived from listed and cash settled derivatives, 32,994 underlying Shares are derived from unlisted and physically settled derivatives and 11,954,233 underlying Shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of any such class of share capital.

## 2. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (“**Competing Businesses**”), as required to be disclosed pursuant to the Listing Rules, were as follows:

Name of Director	Name of Company	Nature of Interest	Competing Businesses (Note)
Li Ka-shing	Hutchison Whampoa Limited	Chairman	(1), (2), (3), (4), (5) & (7)
Li Tzar Kuoi, Victor	Hutchison Whampoa Limited	Deputy Chairman	(1), (2), (3), (4), (5) & (7)
	Cheung Kong Infrastructure Holdings Limited	Chairman	(4) & (5)
	Power Assets Holdings Limited	Non-executive Director	(4), (5) & (7)
	CK Life Sciences Int’l, (Holdings) Inc.	Chairman	(5) & (7)
	HK Electric Investments and HK Electric Investments Limited	Deputy Chairman and Non-executive Director	(4)

Name of Director	Name of Company	Nature of Interest	Competing Businesses (Note)
Kam Hing Lam	Hutchison Whampoa Limited	Executive Director	(1), (2), (3), (4), (5) & (7)
	Cheung Kong Infrastructure Holdings Limited	Group Managing Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	President and Chief Executive Officer	(5) & (7)
	Hui Xian Asset Management Limited	Chairman	(1), (2), (3)
Ip Tak Chuen, Edmond	Cheung Kong Infrastructure Holdings Limited	Executive Director and Deputy Chairman	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(5) & (7)
	TOM Group Limited	Non-executive Director	(5) & (7)
	ARA Asset Management Limited	Non-executive Director	(3) & (5)
	ARA Asset Management (Fortune) Limited	Non-executive Director	(3)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2) & (3)
	AVIC International Holding (HK) Limited	Non-executive Director	(1), (5) & (6)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(5)
Chiu Kwok Hung, Justin	ARA Asset Management Limited	Chairman	(3) & (5)
	ARA Asset Management (Fortune) Limited	Chairman	(3)
	ARA Asia Dragon Limited	Director	(1) & (3)
	ARA Asset Management (Prosperity) Limited	Chairman	(3)
Leung Siu Hon	Rich Surplus Limited	Director and Substantial Shareholder	(1) & (2)
	Rich More Enterprises Limited	Director and Substantial Shareholder	(1)

Name of Director	Name of Company	Nature of Interest	Competing Businesses (Note)
Fok Kin Ning, Canning	Hutchison Whampoa Limited	Group Managing Director	(1), (2), (3), (4), (5) & (7)
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	(4) & (5)
	Power Assets Holdings Limited	Chairman	(4), (5) & (7)
	Hutchison Telecommunications Hong Kong Holdings Limited	Chairman and Alternate Director	(7)
	HK Electric Investments and HK Electric Investments Limited	Chairman	(4)
Frank John Sixt	Hutchison Whampoa Limited	Group Finance Director	(1), (2), (3), (4), (5) & (7)
	Cheung Kong Infrastructure Holdings Limited	Executive Director	(4) & (5)
	Power Assets Holdings Limited	Non-executive Director	(4), (5) & (7)
	TOM Group Limited	Non-executive Chairman	(5) & (7)
	Hutchison Telecommunications Hong Kong Holdings Limited	Non-executive Director	(7)
George Colin Magnus	Hutchison Whampoa Limited	Non-executive Director	(1), (2), (3), (4), (5) & (7)
	Cheung Kong Infrastructure Holdings Limited	Non-executive Director	(4) & (5)
Lee Yeh Kwong, Charles	Hutchison Whampoa Limited	Non-executive Director	(1), (2), (3), (4), (5) & (7)

*Note:* Competing Businesses comprise, and are classified as, the following:

- (1) property development and investment;
- (2) hotels and serviced suites operation;
- (3) property and project management;
- (4) investment in infrastructure businesses;
- (5) investment in securities;
- (6) the ownership and leasing of movable assets; and
- (7) information technology, e-commerce and new technology,





and such businesses were conducted by the company as correspondingly named in the column headed "Name of Company" above, or through its subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

### 3. MAJOR INTELLECTUAL PROPERTY RIGHTS

#### (a) Trademarks and Design

As at the Latest Practicable Date, the Group had the following registered trademarks and designs which are material in relation to the Group's business:

Trademark/Design	Place of registration	Class	Registration no.	Registration period
	PRC	36	6535565	28/3/2010 – 27/3/2020
	PRC	36	775532	14/1/2015 – 13/1/2025
	Hong Kong	19, 35, 36, 37, 38, 39, 41, 42, 43	301130543	3/6/2008 – 2/6/2018
	Hong Kong	36	1994B05875	23/10/1992 – 23/10/2023

Trademark/Design	Place of registration	Class	Registration no.	Registration period
CHEUNG KONG (HOLDINGS) LIMITED	PRC	36	6535551	7/2/2013 – 6/2/2023
CHEUNG KONG (HOLDINGS) LIMITED	Hong Kong	35, 36, 37, 38, 42, 43	300855432	20/4/2007 – 19/4/2017
長江實業(集團)有限公司	PRC	36	6535570	28/9/2010 – 27/9/2020
长江实业(集团)有限公司	PRC	36	6557226	28/9/2010 – 27/9/2020
長江實業(集團)有限公司	PRC	36	3989199	28/2/2011 – 27/2/2021

**(b) Domain Name**

As at the Latest Practicable Date, the Group had registered the following domain names, which is material in relation to the Group's business:

Domain Name	Place of registration	Expiry date
ckh.com.hk ( <i>Note</i> )	Hong Kong	1/10/2018

*Note:* Information contained in the websites of the domain names does not form part of this document.

## 4. PRINCIPAL SUBSIDIARIES

The following list contains the particulars of the subsidiaries which principally affected the results or assets of the Group as at the Latest Practicable Date. All the companies listed below are incorporated in Hong Kong except otherwise stated.

Name	Issued Ordinary Share Capital Nominal Value	Date of Incorporation	Effective Percentage Held by the Company		Principal Activities
			Directly	Indirectly	
Accipiter Holdings Limited (Ireland)	US\$124,398,379	14/7/2014	100		Aircraft leasing
Alcon Investments Limited	HK\$1	21/3/2011	100		Property development
Bermington Investment Limited	HK\$2	22/11/2000	100		Hotels & serviced suites
Biro Investment Limited	HK\$10,000	3/5/1983	100		Property development
Bopson Limited (British Virgin Islands)	US\$2	11/2/2004	100		Finance
Bradford Investments Limited	HK\$1	4/7/2007	80		Property development
Bristow Investments Limited	HK\$1	17/11/2009	100		Property development
Carlford Investments Limited	HK\$1	23/12/2010	100		Property development
Cheer Good Limited	HK\$1	1/6/2009	100		Property development
Cheung Kong Bond Finance Limited (Cayman Islands)	US\$1	12/8/2002	100		Finance
Cheung Kong Bond Securities Limited (British Virgin Islands)	US\$1	4/8/2011	100		Finance
Cheung Kong Bond Securities (02) Limited (British Virgin Islands)	US\$1	30/9/2011	100		Finance
Cheung Kong Bond Securities (03) Limited (British Virgin Islands)	US\$1	13/12/2012	100		Finance
Cheung Kong Finance Company Limited	HK\$2,500,000	9/2/1973	100		Finance
Cheung Kong Finance (MTN) Limited (Cayman Islands)	US\$1,000	4/11/2009	100		Finance

Name	Issued Ordinary Share Capital Nominal Value	Date of Incorporation	Effective Percentage Held by the Company		Principal Activities
			Directly	Indirectly	
Cheung Kong Holdings (China) Limited	HK\$2	13/4/1993		100	Investment holding in the Mainland projects
Cheung Kong Investment Company Limited	HK\$20	3/1/1973	100		Investment holding
Cheung Kong Property Development Limited	HK\$2	11/11/1980	100		Project management
Citybase Property Management Limited	HK\$100,000	11/6/1985		100	Property management
Crown Treasure Investments Limited	HK\$1	29/2/2012		100	Property development
East City Investments Limited	HK\$1	5/1/2006		100	Property development
Fantastic State Limited	HK\$2	2/8/2000		100	Property development
Flying Snow Limited	HK\$2	29/11/2002		100	Property investment
Focus Eagle Investments Limited (British Virgin Islands)	US\$1	15/4/2003		100	Investment holding
Garbo Field Limited	HK\$2	12/7/1994		100	Property development
Glass Bead Limited (British Virgin Islands)	US\$1	26/11/1991		100	Property investment
Global Coin Limited	HK\$2	26/3/1997		100	Property investment
Goodwell Property Management Limited	HK\$100,000	9/6/1981		100	Property management
Grandwood Investments Limited	HK\$1	25/7/2008		100	Property development
Great Art Investment Limited	HK\$1	1/4/2011		100	Property development
Harbour Grand Hong Kong Limited	HK\$2	19/9/1996		100	Hotels & serviced suites
Harbour Plaza 8 Degrees Limited	HK\$2	19/12/2003		100	Hotels & serviced suites
Harbort Plaza Resort City Limited (British Virgin Islands)	US\$10,000	10/7/2013		98.47	Hotels & serviced suites

Name	Issued Ordinary Share Capital Nominal Value	Date of Incorporation	Effective Percentage Held by the Company		Principal Activities
			Directly	Indirectly	
iMarkets Limited	HK\$30,000,000	13/12/2000		54.83	Provider of electronic trading platform
Joynote Ltd (Singapore)	SGD2	14/5/2001		100	Finance
Jubilee Year Investments Limited	HK\$1	16/5/2012		100	Property development
King Century Investments Limited	HK\$1	3/6/2011		100	Property development
Kingsmark Investments Limited	HK\$1	23/10/2006		100	Property development & investment
Luxury Green Development Pte. Ltd (Singapore)	SGD1,000,000	4/12/2009		100	Property development
Megawin International Limited (British Virgin Islands)	US\$2	2/1/2003		100	Property development
Mutual Luck Investment Limited	HK\$30,000	29/7/1977		60	Property development
New Harbour Investments Limited	HK\$1	17/6/2008		100	Property development
Ocean Century Investments Limited	HK\$1	6/5/2011		100	Property development
Oxford Investments Limited	HK\$2	20/3/2002		100	Property development
Pako Wise Limited	HK\$2	16/10/1990	100		Property investment
Pearl Wisdom Limited	HK\$2	10/10/1996		100	Hotels & serviced suites
Pofield Investments Limited (British Virgin Islands)	US\$1	21/6/1993		100	Property investment
Queensway Investments Limited	HK\$1	17/6/2008		85	Property development
Rainbow Elite Investments Limited	HK\$1	22/2/2005		100	Property development
Randash Investment Limited	HK\$110	22/9/1992		60.9	Hotels & serviced suites
Regent Land Investments Limited	HK\$1	15/6/2009		100	Property development
Rich Asia Investments Limited	HK\$1,000,000	2/6/2005		85	Property development



Name	Issued Ordinary Share Capital Nominal Value	Date of Incorporation	Effective Percentage Held by the Company		Principal Activities
			Directly	Indirectly	
Romefield Limited (British Virgin Islands)	US\$1	7/7/1999		100	Investment holding
Ruby Star Enterprises Limited	HK\$1	19/12/2006		100	Property development
Sai Ling Realty Limited	HK\$10,000	16/3/1973	100		Property development
Sino China Enterprises Limited	HK\$2	4/4/2001		100	Hotels & serviced suites
Stanley Investments Limited	HK\$1	23/10/2006		100	Property development
Swiss Investments Limited	HK\$1	18/3/2013		100	Property development
The Center (Holdings) Limited (British Virgin Islands)	US\$1	8/8/1997		100	Property investment
Tony Investments Limited	HK\$1	15/4/2004		100	Property development
Total Win Group Limited (British Virgin Islands)	US\$1	8/9/2005		100	Investment holding
Towerich Limited	HK\$2	17/12/1997		51	Hotels & serviced suites
Volly Best Investment Limited	HK\$1	22/9/2004		90	Property development
Wealth Pine Investment Limited	HK\$1	21/9/2007		85	Property development
Wide Global Investment Limited	HK\$2	24/3/2003		100	Property development
Winchesto Finance Company Limited	HK\$15,000,000	4/5/1979	100		Finance
Yick Ho Limited	HK\$6,000,000	25/4/1969		100	Investment in hotel projects

The companies referred to above are all private companies and their principal area of operation is Hong Kong except the following:

Name	Area of Operation
Cheung Kong Bond Securities Limited	Singapore
Cheung Kong Holdings (China) Limited	The PRC
Joynote Ltd	Singapore
Luxury Green Development Pte. Ltd.	Singapore
Megawin International Limited	The PRC
Yick Ho Limited	The PRC

**5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

**6. MATERIAL CONTRACTS**

In the two years immediately preceding the date of this document, the following material contracts, being material contracts not entered into in the ordinary course of business, were entered into by the Company or its subsidiaries:

- (a) on 25 August 2014, Accipiter Holdings Limited (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiaries entered into a conditional sale and purchase agreement with GE Capital Aviation Services Limited and its subsidiaries/affiliates to acquire 18 commercial passenger aircraft, along with the leases in respect of the same, for consideration of US\$714,800,000;
- (b) on 25 August 2014, Accipiter Holdings Limited (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiaries entered into a beneficial interest sale and purchase agreement with NAS Holdings LLC and AFS Investments I, Inc. (each being an affiliate of GE Capital Aviation Services Limited) to acquire the title to and interest as beneficiary under trusts comprising the trust agreement and trust estate in relation to three commercial passenger aircraft, along with the leases in respect of the same, for consideration of US\$101,200,000;
- (c) on 4 November 2014, Accipiter Holdings No. 2 Limited (a wholly-owned subsidiary of the Company) entered into an aircraft sale and purchase agreement with BOC Aviation Pte. Ltd. and BOC Aviation (Ireland) Limited to acquire up to six commercial passenger aircraft, along with the leases and subleases in respect of the same, for a base purchase price of US\$213,300,000;
- (d) on 4 November 2014, Accipiter Holdings (Cayman) No. 2 Limited (a wholly-owned subsidiary of the Company) entered into an aircraft sale and purchase agreement with BOC Aviation Pte. Ltd. to acquire up to four commercial passenger aircraft, along with the leases and subleases in respect of the same, for a base purchase price of US\$278,700,000;

- (e) on 4 November 2014, Accipiter Holdings No. 3 Limited (a wholly-owned subsidiary of the Company) and its related buyer entities entered into an aircraft sale and purchase agreement with Jackson Square Aviation, LLC and its related seller entities to acquire (a) up to eight commercial passenger aircraft, along with the leases and subleases in respect of the same, and (b) right, title, interest, liabilities and obligations under the trust agreement including the trust estate in respect of up to six commercial passenger aircraft, along with the leases and subleases, in respect of the same, for total consideration of US\$584,200,000;
- (f) on 4 November 2014, the Company and Harrier Global Limited (a wholly-owned subsidiary of the Company) entered into a subscription agreement with MC Aviation Partners Inc. and JV Aviation (HK) Limited (currently known as Vermillion Aviation Holdings Limited) under which Harrier Global Limited and MC Aviation Partners Inc. agreed to subscribe for 60% and 40% of the equity interest of JV Aviation (HK) Limited, respectively, for consideration of not more than US\$132,000,000 and US\$88,000,000, respectively. JV Aviation (HK) Limited will indirectly hold a portfolio of up to 15 aircraft with an aggregate base purchase price of US\$733,500,000 (such subscription agreement was subsequently amended on 27 January 2015 by way of a deed of amendment, details of which are set out in paragraph (g) below); and
- (g) on 27 January 2015, the Company, Harrier Global Limited (a wholly-owned subsidiary of the Company), MC Aviation Partners Inc., Vermillion Aviation Holdings Limited (formerly known as JV Aviation (HK) Limited), Li Ka Shing (Overseas) Foundation and Vermilion Global Limited (a wholly-owned subsidiary of Li Ka Shing (Overseas) Foundation) entered into a deed of amendment to amend the subscription agreement referred to in paragraph (f) above by the adoption of an amended subscription agreement. Under such amended subscription agreement, (i) the parties agreed to vary the shareholding structure of Vermillion Aviation Holdings Limited, by including Vermilion Global Limited as a shareholder, and (ii) Harrier Global Limited, MC Aviation Partners Inc. and Vermilion Global Limited agreed to subscribe for 50%, 40% and 10% of the equity interest of Vermillion Aviation Holdings Limited, respectively, for an aggregate maximum consideration of approximately US\$110 million, US\$88 million and US\$22 million, respectively.

CKH Holdings was incorporated in the Cayman Islands on 11 December 2014. CKH Holdings has not carried on any business and, other than the letter of undertaking dated 9 January 2015 pursuant to which CKH Holdings has undertaken to the Husky Sale Shares Purchaser that, subject to the fulfilment (or, where relevant, waiver) of the conditions precedent set out in the Husky Share Exchange Agreement, it will, on completion of the Husky Share Exchange, allot and issue such new CKH Holdings Shares to the Husky Sale Shares Vendor (or as it may direct), it has not entered into any material contract since the date of its incorporation.

## 7. QUALIFICATION OF EXPERT

The following is the qualification of the expert which has given advice which is contained in this document:

Maples and Calder	Legal advisers to the Company and CKH Holdings as to Cayman Islands law
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## 8. CONSENT

Maples and Calder has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of its advice, and reference to its name, in the form and context in which it appears.

## 9. FURTHER INFORMATION ON CERTAIN DIRECTORS

Set out below is additional information on certain Directors relating to events around the times referred to below.

2013 – Mr. Simon Murray previously acted as an independent director of Sino-Forest Corporation (“**Sino-Forest**”) (*resigned on 30 January 2013 (Toronto time)*), incorporated in Canada and formerly listed on the Toronto Stock Exchange. According to information published by Sino-Forest, it is a commercial forest plantation operator in China. During 2011, Sino-Forest defaulted on certain of its obligations under its senior notes (the outstanding principal amount, based on public information, was approximately US\$1.8 billion). On 30 March 2012, Sino-Forest entered into a restructuring and a support agreement with certain noteholders. It initiated proceedings and obtained from the Ontario Superior Court of Justice (the “**Ontario Court**”) protection to rearrange its affairs under an Ontario Court-appointed monitor in implementing its restructuring plan. Sino-Forest subsequently filed a plan of compromise and reorganization by way of a debt-equity conversion which was approved by the creditors and the Ontario Court and subsequently implemented on 30 January 2013. A number of class actions have been brought against Sino-Forest and, among others, its directors at the relevant time (including Mr. Murray). The class actions include allegations of misstatements in offering circulars and announcements issued by Sino-Forest. In relation to such class actions, on 10 December 2012, the Ontario Court ruled that the plaintiffs, if they are successful in the actions, are only entitled to recover damages from applicable insurance coverage and, to the extent claims are not covered by insurance, such claims have been released. In May 2014, the Ontario action that was brought against Sino-Forest and its former directors was certified as a class action by the Ontario Court. While such class action proceeding is still outstanding, according to the CCAA (Companies Creditors Arrangement Act) plan, all claims for which there is no insurance coverage or which exceed that coverage have been released, Mr. Murray’s potential liability in such class action was therefore released, and he has not been convicted with respect to such action.

2006 – Each of Mr. Kam Hing Lam and Mr. Ip Tak Chuen, Edmond previously held directorships in CrossCity Motorway Pty Ltd, CrossCity Motorway Nominees No. 1 Pty Ltd, CrossCity Motorway Nominees No. 2 Pty Ltd, CrossCity Motorway Holdings Pty Ltd and CrossCity Motorway Finance Pty Ltd (collectively the “**CrossCity companies**”) (*all resigned on 22 December 2006*), all incorporated in Australia. The principal business of the CrossCity companies was the design, construction and operation of the Cross City Tunnel in Sydney, Australia. A voluntary administrator and a receiver and manager were appointed in respect of the CrossCity companies on 27 December 2006 as they were insolvent. Following a competitive tender process, ownership of the project contracts in respect of the Cross City Tunnel was transferred to a new consortium formed by ABN AMRO and Leighton Contractors, under sale contracts which were executed on 19 June 2007 and completed on 27 September 2007.

2004 – Each of Mr. Li Tzar Kuoi, Victor, Mr. Chung Sun Keung, Davy and Ms. Woo Chia Ching, Grace previously held directorships in Star River Investment Limited (“**Star River**”) (each ceased to act as director on 4 June 2005), a company owned as to 50% by the Company with its place of incorporation in Hong Kong and active in acquiring property for development. Star River commenced creditors’ voluntary winding up on 28 September 2004, with a wholly-owned subsidiary of the Company being the petitioning creditor. The amount involved in the winding-up was HK\$17,259,710.34 and Star River was subsequently dissolved on 4 June 2005.

2004 – Mr. Chiu Kwok Hung, Justin was a director of Best Partner Resources Limited (“**Best Partner**”) (a company incorporated in Hong Kong for engaging in the food court business in Hong Kong and owned as to 30% by the Company) for the period from December 2001 to July 2004. Best Partner was put into liquidation by a petition presented by its creditor on 27 September 2004. The amount involved was HK\$1,284,654.20 plus interest and costs and a winding-up order was made by the Court on 10 November 2004. Mr. Chiu had resigned as a director of Best Partner before commencement of the winding up proceeding and he did not take part in any matters giving rise to the winding up. Best Partner was dissolved on 20 November 2009.

2002 – Mr. Frank John Sixt was a director of vLinx Inc. until 12 April 2002, a private Canadian company engaged in the development of technology and software which was petitioned into bankruptcy on 15 April 2002.

1998 – Mr. Fok Kin Ning, Canning previously held directorship (resigned on 12 January 1998) of Peregrine Investments Holdings Limited, an investment company incorporated in Bermuda and registered under Part XI of the previous Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Peregrine Investments Holdings Limited commenced compulsory liquidation on 18 March 1998. As at the Latest Practicable date, the amount involved in the liquidation was approximately HK\$15,278 million and the liquidation is currently still in progress.

1984 – The Insider Dealing Tribunal, established pursuant to the provisions of Section 141G of the former Securities Ordinance (Chapter 333 of the Laws of Hong Kong) (later repealed in 2002), was appointed in relation to dealings in the securities of International City Holdings Limited (“**ICH**”) which took place in 1984. The Insider Dealing Tribunal

determined in 1986 that the Company, Starpeace Limited (“**Starpeace**”) (now liquidated but previously a subsidiary of the Company), Mr. Li Ka-shing, Mr. George Colin Magnus and Mr. Chow Nin Mow, Albert (each being at that time, a director of the Company and Starpeace) and other parties were involved in insider dealing of certain securities of ICH. However, no disqualification, director/officer ban, cease trade ban, penalty or other consequence (criminal, civil or regulatory) resulted from such determination by the Insider Dealing Tribunal and there was no determination of any dishonesty or fraud or motive of deriving personal benefits on the part of the relevant directors. Mr. Li Ka-shing was later conferred with the honors of CBE and KBE in 1989 and 2000, respectively.

#### **10. CERTAIN MATERIAL US FEDERAL INCOME TAX CONSEQUENCES**

The following discussion is a summary of certain US federal income tax considerations under present law of the exchange of Scheme Shares for CKH Holdings Shares pursuant to the Reorganisation Proposal by a US Holder (as defined below). This summary deals only with US Holders (as defined below) receiving CKH Holdings Shares in the Reorganisation Proposal that use the US dollar as their functional currency and that hold Scheme Shares as capital assets. This summary does not address tax considerations applicable to investors subject to special rules, such as persons that own five per cent. or more by vote or value of the Company’s equity interests, certain financial institutions, dealers or traders, insurance companies, tax exempt entities, persons holding their Shares as part of a hedge, straddle, conversion, constructive sale or other integrated transaction. It also does not address US state and local or non-US tax considerations.

As used here, “US Holder” means, for purposes of the Reorganisation Proposal, a beneficial owner of Scheme Shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation or entity treated as such created or organised under the laws of the United States, any State thereof, or the District of Columbia, (iii) a trust subject to the control of a US person and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The tax consequences to a partner in a partnership (or other entity treated as a partnership for US federal income tax purposes) acquiring, holding or disposing of Scheme Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships holding Scheme Shares should consult their own tax advisers about the US federal income tax consequences to their partners from participating in the Reorganisation Proposal and acquiring, owning and disposing of CKH Holdings Shares. The Company believes, and this discussion assumes, that CKH Holdings and the Company will not be passive foreign investment companies (“**PFICs**”) in the current year and future years, except as discussed with respect to the Company under the heading “*The Reorganisation Proposal*” below.

*The Reorganisation Proposal**In General*

An exchange of shares is generally tax deferred under the United States Internal Revenue Code of 1986, as amended (the “Code”), when shareholders receiving shares own at least 80% of the acquiring corporation or the acquiring corporation acquires at least 80% of the shares of a single corporation. Therefore, except as described below, a US Holder receiving CKH Holdings Shares pursuant to the Reorganisation Proposal (i) should not recognise any income, gain or loss upon the receipt of the CKH Holdings Shares, (ii) should take an aggregate tax basis in the CKH Holdings Shares received equal to their aggregate tax basis in their Scheme Shares that were exchanged pursuant to the Reorganisation Proposal, and (iii) should have a holding period for the CKH Holdings Shares that includes the period during which the US Holder held the exchanged Scheme Shares.

However, the Company has neither requested nor received an opinion of US federal income tax counsel that the exchange pursuant to the Reorganisation Proposal qualifies for tax deferred status under the Code and no ruling has been sought or obtained from the United States Internal Revenue Service (“IRS”). There can be no assurance the IRS will not take a position that the Reorganisation Proposal does not qualify for tax deferred status under the Code, or that such position would not be sustained if asserted. If such a position were taken and were sustained, then US Holders would be required to treat the exchange of Scheme Shares for CKH Holdings Shares pursuant to the Reorganisation Proposal as a taxable exchange where they would recognise gain or loss in an amount equal to the difference between their tax basis in the Scheme Shares and fair market value of their CKH Holdings Shares, would take a tax basis in the Scheme Shares equal to their fair market value, and would have a holding period in their CKH Holdings Shares that begins with the effective date of the Reorganisation Proposal. Any gain or loss generally would be capital gain or loss treated as from sources within United States for foreign tax credit purposes and will generally be long term capital gain or loss if such US Holders have owned their Scheme Shares for more than one year.

*PFIC Considerations*

In addition, if the Company has been a PFIC for any taxable year of the Company in which a US Holder has owned Scheme Shares, such US Holder may be required to recognise gain as ordinary income and certain additional taxes on the exchange of such US Holder’s Scheme Shares for CKH Holdings Shares even if the exchange would otherwise qualify for tax deferred status. The Company does not believe that it is a PFIC in its current taxable year, and although it has not undertaken to determine whether it had been a PFIC in any prior taxable year, it does not believe it has been a PFIC in the most recent prior taxable year. US Holders should consult their tax advisors concerning the PFIC rules and any potential considerations relevant to them arising from the Reorganisation Proposal.

**11. MISCELLANEOUS**

- (a) Save as disclosed in this document, none of the Directors is materially interested in any contract or arrangement subsisting as at the date of this document which is significant in relation to the business of the Group taken as a whole.
- (b) The expert referred to under the section headed “Qualification of Expert” in this Appendix does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) None of the Directors or the expert referred to under the section headed “Qualification of Expert” in this Appendix has any direct or indirect interest in the promotion of CKH Holdings, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) Within the two years preceding the date of this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of any member of the Group.
- (e) No share or loan capital of any member of the Group is under option or is agreed conditionally or unconditionally to be put under option.
- (f) There are no founder or management or deferred shares in any member of the Group.
- (g) There are no arrangements in existence under which future dividends of the Company or CKH Holdings are to be waived or agreed to be waived.
- (h) Research and development has not been material to the Group in the past five financial years ended 31 December 2014.
- (i) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this document.
- (j) No temporary documents of title for new CKH Holdings Shares will be issued.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the offices of Woo Kwan Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours on any Business Day from the date of this document until the earlier of the Effective Date or the date on which the Scheme lapses:



- (a) the Memorandum and Articles conditionally adopted by CKH Holdings on 3 February 2015;
- (b) the articles of association of the Company;
- (c) the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2011, 31 December 2012 and 31 December 2013, respectively;
- (d) the material contracts set out in the section headed “Material contracts” of this Appendix VII;
- (e) the letter of consent referred to in the section headed “Qualification of expert” of this Appendix VII; and
- (f) the letter of advice from Maples and Calder, together with a copy of the Cayman Companies Law, as referred to in paragraph 3.21 of Appendix IV.

**13. PRELIMINARY EXPENSES**

The preliminary expenses of CKH Holdings are approximately HK\$47,000 and are payable by CKH Holdings.

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## **APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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### **1. WAIVERS FROM COMPLIANCE WITH THE LISTING RULES**

#### **1.1 Waiver from the requirement to appoint a sponsor adviser and related requirements**

Rule 3A.02 of the Listing Rules requires a new listing applicant to appoint a sponsor under a written engagement agreement to assist it with its initial application for listing.

The Company has applied for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with the requirements under Rule 3A.02 such that CKH Holdings will not be required to appoint a sponsor or comply with any related requirements for the purposes of its listing, on the grounds that: (i) CKH Holdings' listing application is a technical new listing application only and there is no policy basis for requiring a sponsor to perform its usual duties on such a transaction; (ii) there is no reason for CKH Holdings to publish an extensive listing document, since the business and management will remain identical with no investment decision being made by investors; (iii) a due diligence exercise on a business that is already listed would serve no real purpose; (iv) the rationale for the sponsor regime is not applicable to the Reorganisation Proposal; and (v) certain necessary "procedural" elements of a sponsor's role can be satisfied by a financial adviser.

Rules 3A.13, 9.03(1), 9.11(17b), 9.11(28) 9.11(32) and 9.11(36) of the Listing Rules require the submission of certain documents by a sponsor or require signing of such documents by a sponsor (as the case may be).

The Company has applied for, and the Stock Exchange has granted, waivers to CKH Holdings from compliance with such filing requirements on the grounds that (i) the relevant requirements would no longer be relevant given that no sponsor is required to be appointed pursuant to the waiver from the requirement to appoint a sponsor granted as mentioned above; and (ii) with respect to the confirmation of working capital sufficiency statement, the confirmation will be provided by either the financial adviser or auditors of CKH Holdings.

#### **1.2 Waiver from the requirement to appoint a compliance adviser and related requirements**

Rule 3A.19 of the Listing Rules requires an issuer to appoint a compliance adviser for the period commencing on the date of initial listing of its equity securities and ending on the date on which it complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the date of its initial listing.

The Company has applied for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with the requirements under Rule 3A.19 such that CKH Holdings will not be required to appoint a compliance adviser or comply with any related requirements for the purposes of its listing, on the grounds that: (i) all the existing Directors and officers of the Company will be the CKH Holdings Directors and officers of CKH Holdings upon completion of the Reorganisation Proposal; (ii) the majority of the Directors and officers of the Company have held their positions with the Company for a long period of time and, as such, they are already subject to, and familiar with, the continuing

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## **APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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obligations of a listed company under the Listing Rules and applicable laws, rule, codes and guidelines. As such, it would be unnecessary both to seek assistance from a compliance adviser, and to incur the costs of appointing a compliance adviser, given that the interests of CKH Holdings Shareholders would not be prejudiced by the non-appointment of a compliance adviser.

Rules 3A.21 to 29 of the Listing Rules requires the submission of a compliance adviser's undertaking and sets out, among other things, the responsibilities and duties of a compliance adviser and the issuer's obligation to consult with the compliance adviser and to publish an announcement in respect of the termination, resignation, appointment or replacement of compliance advisers. The Company has applied for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with such requirements on the ground that the requirements would no longer be relevant given that no compliance adviser is required to be appointed pursuant to the waiver from the requirement to appoint a compliance adviser granted as mentioned above.

### **1.3 Waiver from the requirements under Rule 10.07 of the Listing Rules**

Rule 10.07 of the Listing Rules restricts controlling shareholders of an issuer from disposing, directly or indirectly, of securities in respect of which they are shown by the listing document to be the beneficial owners.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with Rule 10.07 of the Listing Rules, on the grounds that: (i) Rule 10.07 of the Listing Rules is intended to provide stability to the shareholder base of an issuer for a period following its initial listing, which is not relevant to a transaction such as the Reorganisation Proposal where the Controlling Shareholder has held its controlling stake for a long time, and will be identical in composition immediately before and after the Reorganisation Proposal; and (ii) as a result of the Merger Proposal, there will be a deemed disposal by the Controlling Shareholder of the CKH Holdings Shares, which should not be restricted given the full disclosure given to the Shareholders of all aspects of the Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal.

### **1.4 Waiver from the requirements under Rule 10.08 of the Listing Rules**

Under Rule 10.08 of the Listing Rules, no further shares or securities convertible into equity securities may be issued or form the subject of any agreement to such an issue within six months from the date dealings in the securities of the new issuer commence on the Stock Exchange.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with Rule 10.08 of the Listing Rules, on the grounds that: (i) Rule 10.08 of the Listing Rules is intended to provide stability to the shareholder base of an issuer and avoid dilution of its shareholders' interests, for a period following its initial listing, which is not relevant to a transaction such as the Reorganisation Proposal where the CKH Holdings Shareholders will be identical to the

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## **APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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Shareholders upon completion of the Reorganisation Proposal; (ii) it is envisaged that CKH Holdings will issue new CKH Holdings Shares in respect of the Merger Proposal and, in order for the Merger Proposal to be effected, a waiver from the restriction under Rule 10.08 of the Listing Rules is necessary; and (iii) applying this restriction to CKH Holdings would prejudice the CKH Holdings Shareholders since it would prevent CKH Holdings and its subsidiaries from entering into transactions that the Company and its subsidiaries would have been able to enter into absent the Reorganisation Proposal and, given that there is no fund raising in the Reorganisation Proposal, it would be unduly burdensome for such restriction to apply.

### **1.5 Waiver from the requirements to include in this document valuations of, and information on, properties of the Group and related requirements**

Rules 5.01A, 5.01B 5.09 and 5.10 of, and paragraph 51A of Appendix 1A to, the Listing Rules require a new listing applicant to include valuations of, and information on, property interests in its listing document.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with Rules 5.01A, 5.01B, 5.09 and 5.10 of, and paragraph 51A of Appendix 1A to, the Listing Rules on the grounds that: (i) the requirement to include valuations of, and information on, property interests is to allow investors to have a complete picture of the properties owned by the listing applicant and thereby enable them to make an informed investment decision; (ii) this is not applicable to a transaction such as the Reorganisation Proposal, where the principal purpose of this document is to seek Shareholders' approval for the Reorganisation Proposal and the Scheme, and not to provide information to Shareholders to make an investment decision in relation to CKH Holdings, and the Reorganisation Proposal will not involve any new funds being raised; (iii) although the Reorganisation Proposal technically triggers a new listing application, the businesses of CKH Holdings and its subsidiaries will be identical in all respects to the businesses currently being operated by the Company and its subsidiaries, about which the market is fully informed and with which investors are entirely familiar; (iv) dispensing with the need to include valuations of, and information on, property interests, in this document is consistent with the policy rationale behind Rules 11.07 and 11.09(7) of the Listing Rules which permit a listing document issued by a new applicant on an introduction in the circumstances set out in Rule 7.14(3) of the Listing Rules, as in the case of CKH Holdings' listing, not to include particulars and information necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the applicant or an accountants' report.

### **1.6 Waiver from the requirements to include particulars of the Group under paragraphs 26 and 29 of Appendix 1A of the Listing Rules**

Paragraph 26 of Appendix 1A to the Listing Rules requires the disclosure of particulars of alterations in the capital of any member of the group within two years immediately preceding the issue of the listing document. Paragraph 29 of Appendix 1A of the Listing

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## APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE

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Rules requires the disclosure of the name, date, country of incorporation, the general nature of business and issued capital of an issuer's subsidiaries, and of the location of the group's principal establishments.

The Company has applied for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with the requirements paragraphs 26 and 29 of Appendix 1A of the Listing Rules, on the grounds that: (i) the principal purpose of this document is to seek Shareholders' approval for the Reorganisation Proposal and the Scheme, and not to provide information to Shareholders to make an investment decision in relation to CKH Holdings; and the Reorganisation Proposal will not involve any new funds being raised; (ii) although the Reorganisation Proposal technically triggers a new listing application, the CKH Holdings Group's businesses will be identical in all respects to the businesses currently being operated by the Group, about which the market is fully informed and with which investors are entirely familiar; (iii) dispensing with the need to include particulars required under paragraphs 26 and 29 of Appendix 1A of the Listing Rules is consistent with the policy rationale behind Rules 11.07 of the Listing Rules which permit a listing document issued by a new applicant on an introduction in the circumstances set out in Rule 7.14(3) of the Listing Rules, as in the case of CKH Holdings' listing, not to include particulars and information necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the applicant; (iv) given the nature of the Reorganisation Proposal where shareholders and the market generally are already familiar with the businesses of the issuer, the content requirements of the listing document should be no greater than those of a listing document published in the context of a rights issue; (v) given the substantial number of subsidiaries of CKH Holdings involved, compliance would be impracticable; and (vi) in the case of the requirement under paragraph 29 of Appendix 1A, the required particulars will be given in respect of the principal subsidiaries of CKH Holdings.

### **1.7 Waiver from the requirement to file profit forecast memorandum and cash flow forecast memorandum**

Rule 9.11(10)(b) of the Listing Rules requires the submission of a final or an advanced draft of the board of director's profit forecast memorandum covering the period up to the forthcoming financial year end date after the date of listing and a cash flow forecast memorandum covering at least 12 months from the expected date of publication of the listing document with principal assumptions, accounting policies and calculation for the forecasts (together the "**Forecast Memoranda**") where the draft listing document submitted to the Stock Exchange together with the listing application does not contain a profit forecast.

The Company has applied for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with the requirements under Rule 9.11(10)(b) of the Listing Rules such that CKH Holdings will not be required to submit any Forecast Memoranda, on the grounds that: (i) the requirement to submit the Forecast Memoranda is intended to demonstrate the listing applicant's sustainability and, accordingly, suitability for listing; (ii) there is no need for the submission of the Forecast Memoranda since there should be no question of CKH Holdings' sustainability and suitability for listing given that the businesses of CKH Holdings and its subsidiaries will be identical in all respects to the businesses

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## **APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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currently being operated by the Company and its subsidiaries, and its results of operations will be identical to those of the Company, that the Company is one of the largest companies listed on the Stock Exchange and a constituent of Hang Seng Index, and that it has a long history of financial reporting in accordance with the requirements under the Listing Rules and is subject to ongoing disclosure requirements under Chapter 13.09 of Part XIVA of the SFO such that it would be required to disclose anything material as regards its profitability and working capital; (iii) the CKH Holdings Shareholders will not be prejudiced by a waiver of such requirement given the Forecast Memoranda are only provided to the Stock Exchange and are not required to be included in the listing document.

### **1.8 Waiver from disclosure of certain interests under Part XV of the SFO in this document**

Paragraph 45(1) of Appendix 1A to the Listing Rules requires a listed issuer to include in its listing document, among other things, a statement showing the interests and short positions of each director and chief executive of the listed issuer in the shares, underlying shares and debentures of the listed issuer or any associated corporation (within the meaning of Part XV of the SFO) which would fall to be disclosed or entered in the relevant register required to be kept by the listed issuer under Part XV of the SFC or to be notified under the Model Code.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from compliance with paragraphs 45(1) of Appendix 1A to the Listing Rules in respect of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as CKH Holdings Directors, on the grounds that the associated corporations (within the meaning of Part XV of the SFO) of CKH Holdings in which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are deemed to be interested by virtue of their deemed interests in the issued share capital of CKH Holdings are of a substantial number and disclosure of such information will not be material in the context of the Group and are of excessive length and will not provide any useful information to the Shareholders.

### **1.9 Waiver from the requirement of no spin-off by an existing issuer within three years of its original listing**

Paragraph 3(b) of Practice Note 15 of the Listing Rules prohibits the spin-off by an existing issuer within three years of its original listing.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with paragraph 3(b) of Practice Note 15 of the Listing Rules such that the spin-off and separate listing of CK Property under the Spin-off Proposal can be implemented within three years of CKH Holdings' original listing, on the grounds that while CKH Holdings would have been listed on the Stock Exchange for only a few months prior to the implementation of the Spin-off Proposal, for the purposes of satisfying the requirement of paragraph 3(b) of Practice Note 15 of the Listing Rules, this requirement should be applied by reference to the Company's original listing, on the basis that (i) pursuant to the Reorganisation Proposal and upon the Scheme becoming effective, CKH Holdings will become the holding company of the Group, with CKH Holdings being

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## APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE

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listed on the Stock Exchange in place of the Company, and there is otherwise no change in the business of the Group as a result of the Reorganisation Proposal; and (ii) since the Company has been listed on the Stock Exchange since 1972, the spin-off and separate listing of CK Property under the Spin-off Proposal would occur more than three years after the Company's original listing.

### **1.10 Waiver from the requirement by an issuer to publish its preliminary results in respect of its financial year no later than three months after the end of the financial year**

Rule 13.49(1) of the Listing Rules requires an issuer to publish its preliminary results in respect of each financial year not later than three months after the end of the financial year.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with Rule 13.49(1) of the Listing Rules such that CKH Holdings will not be required to publish its preliminary results for the financial year ended 31 December 2014 on the grounds that: (i) in accordance with Guidance Letter GL10-09 issued by the Stock Exchange, this document includes financial information in respect of CKH Holdings (on a standalone basis) for the period from its incorporation (being 11 December 2014) to 31 December 2014 under the section headed "Results of CKH Holdings from 11 December 2014 (Date of Incorporation) to 31 December 2014" in Appendix II to this document and CKH Holdings will not be in breach of any requirements in its constitutional documents, any Cayman laws and regulations or other regulatory requirements regarding its obligation to publish annual results announcements; (ii) as CKH Holdings is expected to comply with the requirement under Rule 13.46 of the Listing Rules to publish an annual report for the financial year ended 31 December 2014 within four months after the financial year-end, i.e. by 30 April 2015, that annual report will include, among other things: (a) financial statements, an auditors' report and management discussion and analysis on the Company for the year ended 31 December 2014; and (b) financial statements and an auditors' report on CKH Holdings (on a standalone basis) for the period from its incorporation (11 December 2014) to 31 December 2014; and (iii) it is expected that the Company will publish its preliminary results for the year ended 31 December 2014 prior to the Scheme becoming effective and such publication will ensure that investors in the Company (who, assuming that the Scheme becomes effective, will become investors in CKH Holdings), will receive the relevant annual results information concerning the performance of the underlying business of the Group for the year ended 31 December 2014 and to publish an additional preliminary results announcement for CKH Holdings in such circumstances would risk misleading investors, since it would contain very little information (given CKH Holdings would only have existed for a few weeks before the end of the 2014 financial year, with no operations of substance carried out during that time).

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## **APPENDIX VIII WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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### **1.11 Waiver from the requirement that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer from four clear business days before the expected hearing date until listing is granted**

Rule 9.09(b) of the Listing Rules requires that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer from four clear business days before the expected hearing date until listing is granted.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to CKH Holdings from compliance with Rule 9.09(b) of the Listing Rules such that the transfer of CKH Holdings Shares held by the Company to the Shareholders upon the Scheme becoming effective, will not result in a breach of the said Listing Rules, on the grounds that: (i) the transfer is due to a corporate reorganisation (i.e. the Reorganisation Proposal) which was mentioned in paragraph 5(3) of Guidance Letter GL42-12 issued by the Stock Exchange as a situation where the Stock Exchange would normally grant such waiver; (ii) as part of implementation of the Scheme, the Existing CKH Holdings Share held by the Company (such nominal, founder-type share having been issued to the Company merely in the context of setting up of CKH Holdings) will be transferred to a Shareholder and this is disclosed in full in this document and is purely a result of the corporate reorganisation under the Scheme.

## **2. WAIVER FROM THE REQUIREMENTS OF THE TAKEOVERS CODE IN RESPECT OF THE REORGANISATION PROPOSAL**

The Takeovers Code applies to, among other things, takeovers affecting companies with a primary listing of their securities in Hong Kong and is concerned with takeovers, of all relevant companies, however effected and these include, among other things, transactions where control (as defined in the Takeovers Code) of a company is to be obtained.

Rule 2.10 of the Takeovers Code requires that except with the consent of the Executive, where any person seeks to use a scheme of arrangement or capital reorganisation to acquire or privatise a company, the scheme or capital reorganisation may only be implemented if, in addition to satisfying any voting requirements imposed by law: (i) the scheme or the capital reorganisation is approved by at least 75% of the votes attaching to the disinterested shares that are cast either in person or by proxy at a duly convened meeting of the holders of the disinterested shares; and (ii) the number of votes cast against the resolution to approve the scheme or the capital reorganisation at such meeting is not more than 10% of the votes attaching to all disinterested shares. Rule 2.10 of the Takeovers Code further states that the Executive will normally only waive the requirements of the Takeovers Code and in particular Rule 2.10 thereof in the case of a scheme or capital reorganisation under which: (i) there is no substantial change in percentage shareholding of any shareholder; (ii) there is no acquisition or consolidation of control by any person or a group of persons; and (iii) except as a result of any debt restructuring to which the company is a party, shareholders' economic interests in the company are not affected by implementation of the proposal.



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## **APPENDIX VIII    WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND THE TAKEOVERS CODE**

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The Company has applied for, and the Executive has granted, a waiver as envisaged by Rule 2.10 of the Takeovers Code, such that none of the requirements of the Takeovers Code will apply to the Reorganisation Proposal, on the grounds that: (i) there will be no substantial change in the percentage shareholding of any Shareholder as a result of the Reorganisation Proposal, and no other arrangements are expected to be put in place which would enable any Shareholder to obtain or consolidate control of CKH Holdings, the Reorganisation Proposal will not result in any acquisition or consolidation of control by any person or group of persons; (ii) the Reorganisation Proposal will not alter the business, net assets or liabilities or financial position of the Group (before or upon completion of the Reorganisation Proposal), other than by way of payment of professional costs and expenses relating to the Reorganisation Proposal and accordingly, Shareholders' economic interests in the Company or CKH Holdings will not be affected by the Reorganisation Proposal; and (iii) the Shareholders would not be unfairly prejudiced if such waiver were to be granted.

*In this document, the following words and expressions shall have the following meanings, unless the context otherwise requires:*

“Announcement”	the announcement dated 9 January 2015 issued jointly by the Company and Hutchison in relation to, among other things, the Reorganisation Proposal
“Announcement Date”	9 January 2015, the date on which the Announcement was published
“Articles”	the articles of association of CKH Holdings, as amended from time to time
“Auditors”	the auditors for the time being of CKH Holdings
“Authorisations”	all authorisations, registrations, filings, rulings, consents, permissions and approvals (including approval in-principle)
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“CAD”	Canadian dollars, the lawful currency of Canada
“Cayman Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Cheung Kong Group”	the Group, together with its listed affiliated companies
“CK Property”	Cheung Kong Property Holdings Limited 長江實業地產有限公司, an exempted company incorporated in the Cayman Islands on 2 January 2015 with limited liability, which is currently a wholly-owned subsidiary of CKH Holdings and which, if the Spin-off Proposal becomes unconditional, is expected to become the holding company of the Group Property Businesses and become listed on the Main Board by way of introduction
“CK Property Group”	CK Property and its subsidiaries from time to time

“CK Property Shares”	ordinary shares in the share capital of CK Property
“CKH Holdings”	CK Hutchison Holdings Limited 長江和記實業有限公司, an exempted company incorporated in the Cayman Islands on 11 December 2014 with limited liability which is currently a wholly-owned subsidiary of the Company and, upon the Scheme becoming effective, will become the new holding company of the Group, and the shares of which will be listed on the Main Board by way of introduction
“CKH Holdings Board”	the board of CKH Holdings Directors
“CKH Holdings Directors”	the directors of CKH Holdings
“CKH Holdings Group”	CKH Holdings and its subsidiaries from time to time (which will include the Group immediately upon the implementation of the Reorganisation Proposal)
“CKH Holdings Shares”	ordinary shares of HK\$1.00 par value each in the share capital of CKH Holdings
“CKH Holdings Shareholders”	the holders of the CKH Holdings Shares
“close associate”	has the meaning ascribed to it in the Listing Rules
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Companies Registrar”	the Registrar of Companies in Hong Kong
“Company”	Cheung Kong (Holdings) Limited 長江實業(集團)有限公司 (stock code: 0001), a company incorporated in Hong Kong on 8 June 1971 with limited liability, the Shares of which are listed on the Main Board. As at the Latest Practicable Date, the issued shares of the Company were held as to approximately 40.43% by the Controlling Shareholder, approximately 3.03% by certain Directors (including Shares in which they were taken to be interested under the SFO but excluding the Shares held by the Controlling Shareholder) and the remaining approximately 56.54% by public Shareholders
“core connected person”	has the meaning ascribed to it in the Listing Rules
“Court”	the Court of First Instance of the High Court of Hong Kong

“Court Meeting”	the meeting of the Scheme Shareholders to be convened in accordance with the directions of the Court for the purpose of considering and, if thought fit, approving the Scheme
“Directors”	the directors of the Company
“Distribution In Specie”	the proposed issue by CK Property of CK Property Shares immediately after the Property Businesses Combination to the CKH Holdings Shareholders as at the relevant record date pursuant to the Spin-off Proposal
“DT1”	The Li Ka-Shing Unity Discretionary Trust, of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT1
“DT2”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT2
“DT3”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT3
“DT4”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT4
“Effective Date”	the date upon which the Scheme, if approved and sanctioned by the Court, becomes effective in accordance with its terms, which is also the day on which an office copy of the order of the Court sanctioning the Scheme under Division 2 of Part 13 of the Companies Ordinance, and the minute and return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance, respectively, are registered by the Companies Registrar
“EUR”	Euros, the lawful currency of the Eurozone

“Excluded Jurisdictions”	those jurisdictions the law of which precludes an offer of the CKH Holdings Shares or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or that CKH Holdings regards as unduly onerous
“Excluded Property Interests”	<ul style="list-style-type: none"><li>(i) those property interests held by the Group or the Hutchison Group which are used for the purposes of carrying on, or ancillary to, the Group Non-Property Businesses;</li><li>(ii) the property interests held by the listed subsidiaries and listed associated companies of the Company, Hutchison or CKH Holdings for use in carrying on, or ancillary to, their respective business operations, which will continue to be held by such listed subsidiaries and associated companies; and</li><li>(iii) the Group’s interest in one property under development held through one of its subsidiaries, all the entire issued shares of which have been agreed to be sold to a third party</li></ul>
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing CKH Holdings Share”	the existing CKH Holdings Share, which has been issued nil paid and is registered in the name of and beneficially owned by the Company
“Explanatory Statement”	the explanatory statement relating to the Reorganisation Proposal, the text of which is set out on pages 13 to 32 of this document
“GBP”	Pound Sterling, the lawful currency of the United Kingdom
“General Meeting”	the general meeting of the Company to be convened for immediately following the Court Meeting for the purposes of considering and, if thought fit, approving the Scheme and its implementation
“Group”	the Company and its subsidiaries before the Scheme becomes effective, or (where the context so requires) CKH Holdings and its subsidiaries upon the Scheme becoming effective

“Group Non-Property Businesses”	the businesses of the Group and the Hutchison Group other than the Group Property Businesses, comprising the following businesses: (a) ports and related services, (b) retail, (c) infrastructure, (d) energy, (e) telecommunications, (f) the ownership and leasing of movable assets, and (g) other investments in securities
“Group Property Businesses”	the property businesses of the Group and the Hutchison Group, (i) comprising (a) property development and investment, (b) hotels and serviced suites operation, (c) property and project management, and (d) unitholding in each of Fortune Real Estate Investment Trust, Prosperity Real Estate Investment Trust and Hui Xian Real Estate Investment Trust (all of which are listed on the Main Board) as well as interests in ARA Asset Management Limited (which is listed on the Singapore Exchange Limited and is the holding company of the managers of Fortune Real Estate Investment Trust and Prosperity Real Estate Investment Trust) and Hui Xian Asset Management Limited (which is the manager of Hui Xian Real Estate Investment Trust), (ii) but excluding the Excluded Property Interests
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered to conduct Type 1 (dealings in securities), Type 2 (dealings in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), acting as the financial adviser to the Company and CKH Holdings in connection with the Scheme and the Reorganisation Proposal

“Husky”	Husky Energy Inc. (赫斯基能源公司), a corporation incorporated under the laws of Alberta, Canada on 21 June 2000 and the common shares of which are publicly traded and listed on the Toronto Stock Exchange. As at the Latest Practicable Date, the issued common shares of Husky are held as to 33.97% by the Husky Sale Shares Purchaser, 35.57% by the Husky Sale Shares Vendor and the remaining 30.46% by its public shareholders
“Husky Sale Shares”	61,357,010 Husky Shares, representing approximately 6.24% of the common shares of Husky in issue as at the date of the Announcement
“Husky Sale Shares Purchaser”	Hutchison Whampoa Europe Investments S.à r.l., a company incorporated in Luxembourg on 3 December 1999 with limited liability and an indirect wholly-owned subsidiary of Hutchison, and which holds the Hutchison Group’s existing 33.97% interest in Husky
“Husky Sale Shares Vendor”	L.F. Investments S.à r.l., a company incorporated in Luxembourg on 1 December 2011 with limited liability and which is indirectly wholly owned by the Trust
“Husky Share Exchange”	the proposed acquisition by the Husky Sale Shares Purchaser of the Husky Sale Shares pursuant to the Husky Share Exchange Agreement, further details of which are set out in the Announcement
“Husky Share Exchange Agreement”	the conditional agreement dated 9 January 2015 entered into between the Husky Sale Shares Vendor and the Husky Sale Shares Purchaser in relation to the Husky Share Exchange, further details of which are set out in the Announcement
“Husky Shares”	the common shares of Husky which are publicly traded and listed on the Toronto Stock Exchange
“Hutchison”	Hutchison Whampoa Limited 和記黃埔有限公司 (stock code: 0013), a company incorporated in Hong Kong on 26 July 1977 with limited liability, the shares of which are listed on the Main Board. As at the Latest Practicable Date, the issued shares of Hutchison were held as to approximately 49.97% by the Company
“Hutchison Group”	Hutchison and its subsidiaries

“Hutchison Proposal”	the conditional share exchange offer proposed to be made by CK Global Investments Limited, a company incorporated in the British Virgin Islands on 30 December 2014 with limited liability and a wholly-owned subsidiary of CKH Holdings, to the Hutchison Scheme Shareholders for the cancellation of all the Hutchison Scheme Shares by way of the Hutchison Scheme (subject to completion of the Reorganisation Proposal), further details of which are set out in the Announcement
“Hutchison Scheme”	the proposed scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance for the implementation of the Hutchison Proposal
“Hutchison Scheme Record Time”	the record time to be determined by Hutchison for determining the entitlement of the Hutchison Scheme Shareholders to the Hutchison Scheme, which is expected to be on the Business Day immediately preceding the date upon which the Hutchison Scheme becomes effective in accordance with the Companies Ordinance
“Hutchison Scheme Shareholders”	holders of the Hutchison Scheme Shares
“Hutchison Scheme Shares”	all the Hutchison Shares in issue at the Hutchison Scheme Record Time, other than those held by collectively, (i) Continental Realty Limited, (ii) Fumanda Limited, (iii) Good Energy Limited, (iv) Guidefield Limited, (v) Haldaner Limited, (vi) Harrowgate Investments Limited, (vii) Harvestime Holdings Limited, (viii) Hey Darley Limited, (ix) Hislop Resources Limited, (x) Kam Chin Investment S.A., (xi) Mirabole Limited, (xii) Oriental Time Investment Limited, (xiii) Polycourt Limited, (xiv) Richland Realty Limited, (xv) Shining Heights Profits Limited, (xvi) Top Win Investment Limited, (xvii) Wealth Pleasure Limited, (xviii) Well Karin Limited, (xix) White Rain Enterprises Limited, and (xx) Winbo Power Limited, each of which is a wholly-owned subsidiary of the Company and which in aggregate hold approximately 49.97% of the issued shares of Hutchison
“Hutchison Shares”	ordinary shares in the issued share capital of Hutchison



“Investor Participants”	persons admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Latest Practicable Date”	27 January 2015, being the latest practicable date prior to the issue of this document for ascertaining certain information contained in this document
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the Main Board of the Stock Exchange
“Memorandum”	the memorandum of association of CKH Holdings, as amended from time to time
“Merger Proposal”	collectively, the Hutchison Proposal and the Husky Share Exchange
“Mr. Li Ka-shing”	Mr. Li Ka-shing, who is the chairman and an executive director of each of the Company and CKH Holdings
“Mr. Li Tzar Kuoi, Victor”	Mr. Li Tzar Kuoi, Victor, who is the managing director and the deputy chairman and an executive director of each of the Company and CKH Holdings
“Non-Qualifying CKH Holdings Shareholders”	those CKH Holdings Shareholders and other person(s) who will not receive CK Property Shares pursuant to the Distribution In Specie, but will receive cash in full satisfaction of their entitlement to receive the CK Property Shares, further details of which are set out in the Announcement
“Non-Qualifying Hutchison Overseas Shareholders”	those Hutchison Shareholders who will not receive CKH Holdings Shares pursuant to the Hutchison Scheme, but will receive cash in full satisfaction of their rights to the CKH Holdings Shares where the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or which CKH Holdings regards as unduly onerous

“Non-Qualifying Overseas Shareholders”	those Overseas Shareholders who will not receive CKH Holdings Shares pursuant to the Scheme but will receive cash in full satisfaction of their rights to the CKH Holdings Shares where the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or which CKH Holdings regards as unduly onerous, as further described in the section headed “Non-Qualifying Overseas Shareholders” in the “Explanatory Statement” in this document
“Other CCASS Participant”	a person admitted to participate in CCASS other than an Investor Participant
“Overseas Shareholders”	Shareholders whose addresses, as shown on the register of members of the Company at the Record Time, are in any jurisdiction other than Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this document and, except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“Property Businesses Combination”	the proposed transfer of the Group Property Businesses to the CK Property Group, following completion of the Merger Proposal
“Record Time”	the record time for determining the entitlement of Scheme Shareholders to the Scheme, being 4:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Effective Date
“Registered Owner”	in respect of a Beneficial Owner, any nominee, trustee, depositary or any other authorised custodian or third party whose name is entered in the register of members of the Company as the holder of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the Company’s registrar and transfer office
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions

“Reorganisation Proposal”	the proposal whereby the holding company of the Group will be changed from the Company to CKH Holdings by way of the Scheme
“Repurchase Mandate”	the unconditional general mandate given to the CKH Holdings Board to repurchase fully-paid CKH Holdings Shares on the Stock Exchange
“Scheme”	a scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance for the implementation of the Reorganisation Proposal as set out on pages S-1 to S-7 of this document
“Scheme Shareholders”	holders of the Scheme Shares as at the Record Time
“Scheme Shares”	all the Shares in issue at the Record Time
“SEC”	the US Securities and Exchange Commission
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the share capital of the Company
“special resolution”	a resolution to be passed by Shareholders representing at least 75% of the total voting rights of all Shareholders who (being entitled so to do) vote in person or by proxy at the General Meeting
“Spin-off Proposal”	the proposed spin-off and distribution of the Group Property Businesses to the CKH Holdings Shareholders by way of the Distribution In Specie, and separate listing of the CK Property Shares on the Main Board by way of introduction, further details of which are set out in the Announcement
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC (as amended, supplemented or otherwise modified from time to time)
“TDT1”	Li Ka-Shing Unity Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT1
“TDT2”	Li Ka-Shing Unity Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT2
“TDT3”	Li Ka-Shing Castle Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT3
“TDT4”	Li Ka-Shing Castle Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT4
“Trust”	DT1, DT2, DT3, DT4, UT1 and UT3, and where the context requires, any of them
“TUT1” or the “Controlling Shareholder”	Li Ka-Shing Unity Trustee Company Limited, a company incorporated in the Cayman Islands, which is the trustee of UT1
“TUT3”	Li Ka-Shing Castle Trustee Company Limited, a company incorporated in the Cayman Islands, which is the trustee of UT3
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US\$”	United States dollars, the lawful currency of the US
“US” or “United States” or “United States of America”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US GAAP”	generally accepted accounting principles in the United States
“UT1”	The Li Ka-Shing Unity Trust
“UT3”	The Li Ka-Shing Castle Trust
“%”	per cent.

*All percentages stated in this document are approximations.*

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# SCHEME OF ARRANGEMENT

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HCMP 93/2015

IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS

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IN THE MATTER OF  
**CHEUNG KONG (HOLDINGS) LIMITED**  
長江實業(集團)有限公司

and

IN THE MATTER OF  
The Companies Ordinance,  
Chapter 622 of the Laws of Hong Kong

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**SCHEME OF ARRANGEMENT**  
(under Division 2 of Part 13 of the Companies Ordinance,  
Chapter 622 of the Laws of Hong Kong)

between

**CHEUNG KONG (HOLDINGS) LIMITED**  
長江實業(集團)有限公司

and

**HOLDERS OF SCHEME SHARES**  
(as hereinafter defined)

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PRELIMINARY

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(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, following expressions shall bear the following meanings:

“business day”	a day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities;
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## SCHEME OF ARRANGEMENT

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“CKH Holdings”	CK Hutchison Holdings Limited 長江和記實業有限公司, a company incorporated in the Cayman Islands with limited liability;
“CKH Holdings Shares”	ordinary shares of HK\$1.00 par value each in the capital of CKH Holdings;
“Company”	Cheung Kong (Holdings) Limited 長江實業(集團)有限公司, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board;
“Court”	the Court of First Instance of the High Court of Hong Kong;
“Effective Date”	the date on which this Scheme becomes effective in accordance with paragraph 8 of this Scheme;
“Existing CKH Holdings Share”	the existing CKH Holdings Share, which has been issued nil paid and is registered in the name of and beneficially owned by the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“holder”	a registered holder and includes a person entitled by transmission to be registered as such and joint holders;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“New CKH Holdings Shares”	new CKH Holdings Shares to be allotted and issued pursuant to paragraph 1 of this Scheme;
“Non-Qualifying Overseas Shareholders”	those Overseas Shareholders who will not receive CKH Holdings Shares pursuant to this Scheme but will receive cash in full satisfaction of their rights to the CKH Holdings Shares where the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares, or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or which CKH Holdings regards as unduly onerous;

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## SCHEME OF ARRANGEMENT

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“Overseas Shareholder(s)”	Shareholders whose addresses, as shown on the register of members of the Company at the Record Time, are in any jurisdiction other than Hong Kong;
“Record Time”	4:00 p.m. (Hong Kong time) on the business day immediately preceding the Effective Date;
“this Scheme”	this scheme of arrangement in its present form or with or subject to any modification of or addition to it or any condition, which the Court may think fit to approve or impose;
“Scheme Shares”	all the Shares in issue at the Record Time;
“Shareholders”	holders of the Shares; and
“Shares”	ordinary shares in the capital of the Company.

- (B) At the close of business on 27 January 2015, both the issued and paid up capital of the Company were HK\$10,488,733,666.03 and a total of 2,316,164,338 Shares were in issue.
- (C) CKH Holdings was incorporated in the Cayman Islands on 11 December 2014 as an exempted company under the Cayman Companies Law Cap. 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands. CKH Holdings has an authorised share capital of HK\$380,000 and one share with par value HK\$1.00 in issue which is nil paid (being the Existing CKH Holdings Share).
- (D) As at the date hereof, CKH Holdings does not beneficially own any Shares.
- (E) The primary purpose of this Scheme is that the holders of the Scheme Shares (other than the Non-Qualifying Overseas Shareholders, if any) should receive CKH Holdings Shares in consideration for the cancellation and extinguishment of the Scheme Shares on the basis of one CKH Holdings Share for each Scheme Share held by them at the Record Time, and that the Company should become a wholly-owned subsidiary of CKH Holdings.
- (F) CKH Holdings has agreed to appear by Counsel at the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

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# SCHEME OF ARRANGEMENT

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## THE SCHEME

### PART I

#### SCHEME PARTICULARS

1. On the Effective Date:
  - (a) simultaneously with each other:
    - (i) the share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;
    - (ii) subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company shall be increased to its former amount of HK\$10,488,733,666.03 by the creation of such number of Shares as is equal to the number of Scheme Shares cancelled; and
    - (iii) the Company shall apply all the credit arising in its books of account as a result of the reduction of its share capital in paying up the Shares to be created as set out in (ii), which Shares shall be allotted and issued, credited as fully paid, to CKH Holdings; and
  - (b) in consideration for the cancellation and extinguishment of the Scheme Shares and in exchange for the allotment and issue by the Company to CKH Holdings of new Shares as set out in 1(a)(iii) above:
    - (i) CKH Holdings shall allot and issue at its expense the New CKH Holdings Shares, credited as fully paid; and
    - (ii) the Company shall transfer the Existing CKH Holdings Share,  
  
to the holders of Scheme Shares whose names appear in the register of members of the Company at the Record Time, subject to paragraph 3 of this Scheme, on the basis of one (1) CKH Holdings Share for every one (1) Scheme Share cancelled as set out above.

### PART II

#### GENERAL APPLICATION

2. The Existing CKH Holdings Share and the New CKH Holdings Shares shall be fully paid or credited as fully paid and rank pari passu in all respects with each other, including as to dividends, voting rights and return of capital or other distributions that may be declared, paid or made.



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## SCHEME OF ARRANGEMENT

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3. If the law of any relevant jurisdiction precludes an offer of the CKH Holdings Shares, or precludes it except after compliance by CKH Holdings with conditions with which CKH Holdings is unable to comply or which CKH Holdings regards as unduly onerous, no CKH Holdings Shares will be issued or transferred to the relevant holders of Scheme Shares.
4. In such case, CKH Holdings shall allot the New CKH Holdings Shares and the Company shall transfer the Existing CKH Holdings Share which would otherwise have been allotted or transferred to such holders of Scheme Shares to a person selected by the board of directors of CKH Holdings, who shall sell such CKH Holdings Shares on the market as soon as reasonably practicable after dealings in the CKH Holdings Shares commence on The Stock Exchange of Hong Kong Limited, and CKH Holdings shall cause the aggregate proceeds of such sale (net of expenses and taxes) to be paid to the relevant holders of Scheme Shares (pro rata to their shareholdings in the Company as at the Record Time) in Hong Kong dollars in full satisfaction of their rights to the CKH Holdings Shares to which, but for paragraph 3 above, such holders of Scheme Shares would have become entitled under the Scheme, provided that if the amount that a holder of Scheme Share would be entitled to receive is less than HK\$50, such sum will be retained for the benefit of CKH Holdings.
5.
  - (a) On or before the Effective Date, CKH Holdings shall (i) allot and issue the New CKH Holdings Shares and the Company shall transfer or cause to be transferred the Existing CKH Holdings Share both to take effect as at the Effective Date pursuant to paragraph 1 above, and (ii) send or cause to be sent to the holders of CKH Holdings Shares certificates representing the appropriate number of CKH Holdings Shares, in registered form, issued and allotted or transferred (as the case may be) to such holders pursuant to paragraph 1(b) above.
  - (b) All net proceeds of sale payable by CKH Holdings to a holder of Scheme Shares in accordance with paragraph 3 of this Scheme shall be made by cheque drawn on a licensed bank in Hong Kong. No later than 28 days after the Effective Date, CKH Holdings shall deliver or procure to be delivered (except to the extent to which it may be prohibited by law in any part of the world from so doing) such cheques to the persons entitled thereto in the manner mentioned in paragraph 5(c) below.
  - (c) Unless indicated otherwise in writing to the branch share registrar and transfer office of CKH Holdings in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, all share certificates referred to in paragraph 5(a) of this Scheme and cheques referred to in paragraph 5(b) of this Scheme shall be sent by prepaid post (or by prepaid air-mail if the holder of CKH Holdings Shares is situated outside Hong Kong) addressed to the holders of CKH Holdings Shares at their respective addresses as appearing in the register of members of the Company at the Record Time or, in the case of joint holders, at the address appearing in there at such time, of that one of the joint holders whose name stands first in there in respect of the relevant joint holding or to the other persons entitled to them.

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## SCHEME OF ARRANGEMENT

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- (d) Share certificates and cheques shall be delivered at the risk of addressees and none of CKH Holdings, the Company or any persons nominated by them to carry out such delivery shall be responsible for any loss or delay in transmission.
  - (e) On or after the day being six (6) calendar months after the posting of the share certificates pursuant to paragraph 5(a) above, CKH Holdings shall have the right to sell those CKH Holdings Shares, the certificates of which have been returned, and shall place all monies represented thereby in a deposit account in CKH Holdings' name with a licensed bank in Hong Kong selected by CKH Holdings. CKH Holdings shall hold such monies until the expiration of six (6) years from the Effective Date and shall prior to such date make payments to persons who satisfy CKH Holdings that they are respectively entitled to them. Any payments made by CKH Holdings hereunder shall include any interest accrued on the sums to which the respective persons are entitled pursuant to paragraph 1(b) calculated at the annual rate prevailing from time to time at the licensed bank in which the monies are deposited, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law. CKH Holdings shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled or not so entitled, as the case may be, which determination shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
  - (f) On the expiration of six (6) years from the Effective Date, CKH Holdings shall be released from any further obligation to make any payments under this Scheme and CKH Holdings shall keep the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 5(e) above including accrued interest subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
  - (g) Paragraph 5(f) above shall take effect subject to any prohibition or condition imposed by law.
6. Subject to the despatch of the share certificates by CKH Holdings for the Existing CKH Holdings Share and the appropriate number of New CKH Holdings Shares, each instrument of transfer and certificate validly subsisting at the Record Time in respect of a transfer or holding, respectively, of any number of the Shares shall, on the Effective Date, cease to be valid for any purpose as an instrument of transfer or a certificate for the Shares and every holder of such certificates shall be bound on the request of CKH Holdings to deliver up to the Company the certificates for its, his or her existing shareholdings in the Company. Each valid instrument of transfer for the Shares existing at the Record Time shall, instead, be a valid instrument of transfer in respect of the relevant number of CKH Holdings Shares.
7. All mandates or other instructions to the Company in force at the Record Time relating to the Shares shall on the Effective Date cease to be valid and effective mandates or instructions to the Company but shall, with effect from the Effective Date and unless

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## SCHEME OF ARRANGEMENT

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and until revoked, be deemed to be valid and subsisting mandates or instructions to CKH Holdings relating to the relevant CKH Holdings Shares allotted, issued or transferred pursuant to paragraph 1(b) above.

8. This Scheme shall become effective as soon as an office copy of the order of the Court sanctioning this Scheme and minute and return that comply with subsections (2) and (3) respectively of section 230 of the Companies Ordinance shall have been registered by the Registrar of Companies in Hong Kong.
9. Unless this Scheme shall have become effective as set out above on or before Tuesday, 30 June 2015 or such later date, if any, as the Court may allow, this Scheme shall lapse.
10. The Company and CKH Holdings may jointly consent for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition that the Court may see fit to approve or impose.
11. All costs, charges and expenses of and incidental to this Scheme and the costs of carrying the same into effect shall be borne by CKH Holdings.

Dated 6 February 2015

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## NOTICE OF THE COURT MEETING

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HCMP 93/2015

IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 93 OF 2015

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IN THE MATTER OF

**CHEUNG KONG (HOLDINGS) LIMITED**  
長江實業(集團)有限公司

AND

IN THE MATTER OF

THE COMPANIES ORDINANCE,  
S.670, Chapter 622 of the Laws of Hong Kong

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### NOTICE OF COURT MEETING

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**NOTICE IS HEREBY GIVEN** that, by an Order dated 3 February 2015 made in the above matters, the Court has directed a Meeting of the holders of the shares in the capital of Cheung Kong (Holdings) Limited 長江實業(集團)有限公司 (the “Company”) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and holders of its shares and that such Meeting will be held at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 25 February 2015 at 9:00 a.m., at which place and time all the holders of shares in the capital of the Company are entitled to attend.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 671 of the Companies Ordinance are incorporated in the document, of which this Notice forms part.

Holders of Scheme Shares may vote in person at the Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A pink form of proxy for use at the Meeting is enclosed herewith.

It is requested that forms appointing proxies be lodged at the Company’s registered office at 7th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong, not less than 48 hours before the time appointed for the Meeting, but if forms are not so lodged they may be handed to the Chairman of the Meeting at the Meeting.

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## NOTICE OF THE COURT MEETING

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Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled to it; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it.

By the same Order, the Court has appointed Mr. Ip Tak Chuen, Edmond or, failing him, Mr. Li Ka-shing or, failing him, Mr. Li Tzar Kuoi, Victor, all being directors of the Company, to act as Chairman of the Meeting and has directed the Chairman to report the result of it to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 6th day of February 2015.

**WOO KWAN LEE & LO**  
Solicitors  
26th Floor, Jardine House  
1 Connaught Place  
Central  
Hong Kong  
Solicitors for  
**CHEUNG KONG (HOLDINGS) LIMITED**

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## NOTICE OF GENERAL MEETING

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# CHEUNG KONG (HOLDINGS) LIMITED 長江實業(集團)有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 0001)

**NOTICE IS HEREBY GIVEN** that a general meeting of the Shareholders of **Cheung Kong (Holdings) Limited** 長江實業(集團)有限公司 (the “**Company**”) will be held at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong, on Wednesday, 25 February 2015 at 9:30 a.m. (or as soon thereafter as the meeting of holders of ordinary shares in the capital of the Company convened by the direction of the High Court of the Hong Kong Special Administrative Region for the same place and day shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution:

### SPECIAL RESOLUTION

**“THAT:**

- (A) the scheme of arrangement dated 6 February 2015 under Division 2 of Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Scheme**”) between the Company and holders of Scheme Shares (as defined in the Scheme) in the form of the print contained in the scheme document of the Company dated 6 February 2015 produced to this meeting, which print has for the purpose of identification been signed by the Chairman hereof marked “A”, with any modification of or addition to it, or any condition, as may be approved or imposed by the Court (as defined in the Scheme), be and the same is hereby approved;
- (B) for the purpose of giving effect to the Scheme:
  - (i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
  - (ii) subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company be increased to its former amount by the creation of such number of new shares as is equal to the number of the Scheme Shares (as defined in the Scheme) cancelled and extinguished;
  - (iii) on the Effective Date (as defined in the Scheme), the Company shall apply the entire amount of the credit which shall arise in its books of account as a result of the cancellation of the Scheme Shares in paying up new shares to be created as referred to in (B)(ii) above, which shares shall be allotted and issued, credited as fully paid, to CKH Holdings, a company incorporated in the Cayman Islands; and

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## NOTICE OF GENERAL MEETING

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- (iv) in consideration for the cancellation of the Scheme Shares, the Company shall transfer its existing one (1) share of HK\$1.00 in the capital of CK Hutchison Holdings Limited (長江和記實業有限公司) (“**CKH Holdings**”), credited as fully paid, to any holder of Scheme Shares appearing in the register of members of the Company at the Record Time (as defined in the Scheme) as the directors of the Company shall think fit; and
- (C) the directors of the Company be and they are hereby unconditionally authorised to allot and issue the shares referred to in (B)(iii) above, to transfer the share in the capital of CKH Holdings referred to in (B)(iv) above and do such acts and/or sign such documents as they may deem necessary for the implementation of the Scheme.”

By order of the Board  
**Eirene YEUNG**  
*Company Secretary*

Hong Kong, 6 February 2015

*Registered office:*

7th Floor  
Cheung Kong Center  
2 Queen’s Road Central  
Hong Kong

*Notes:*

- a. At the general meeting, the Chairman of the Meeting will put the above resolution to be voted by way of a poll under Article 73 of the articles of association of the Company.
- b. Any member entitled to attend and vote at the general meeting is entitled to appoint more than one proxy to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.
- c. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the Company’s registered office at 7th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong not less than 48 hours before the time appointed for holding the general meeting or any adjournment of it (as the case may be).
- d. Completion and return of the form of proxy will not preclude a member from attending and vote at the general meeting or any adjournment of it (as the case may be) should the member so desires.
- e. The register of members of the Company will be closed from Tuesday, 24 February 2015 to Wednesday, 25 February 2015, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the general meeting, all share certificates with completed transfer forms, either overleaf or separate, must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Monday, 23 February 2015.
- f. If tropical cyclone warning signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 6:00 a.m. on the date of the general meeting, the general meeting will be postponed. Shareholders are requested to visit the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for details of alternative meeting arrangements.
- g. The general meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders who have any queries concerning the alternative meeting arrangements, please call the Company at (852) 2128 8888 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding public holidays.

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## NOTICE OF GENERAL MEETING

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- h. Shareholders should make their own decision as to whether they would attend the general meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.