

This press release is for information purposes only and is not an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction. This press release is a brief summary of the proposals outlined in further detail in the joint announcement of Cheung Kong and Hutchison dated 9 January 2015 (the “joint announcement”). The joint announcement contains important information about the proposals and shareholders and investors of Cheung Kong and Hutchison are advised to read the joint announcement in its entirety. The joint announcement is available on the Hong Kong Stock Exchange’s website at [www.hkex.com.hk](http://www.hkex.com.hk) and on each of Cheung Kong’s and Hutchison’s websites. This press release uses the same terms as defined in the joint announcement.

## **Press Release**

### **Shareholder value creation through elimination of holding company discount**

**Cheung Kong and Hutchison to create two new leading Hong Kong listed companies through a business combination, reorganisation and spin-off:**

- **CK Hutchison Holdings Limited (“CKH Holdings”) holding all the non-property businesses of both Groups, and**
- **Cheung Kong Property Holdings Limited (“CK Property”) holding the property businesses of both Groups**

**Cheung Kong and Hutchison Shareholders will be offered shares in both CKH Holdings and CK Property in exchange for their existing Cheung Kong or Hutchison shares through a series of transactions.**

- Cheung Kong Shareholders will receive 1 CKH Holdings share per 1 Cheung Kong share
- Hutchison Shareholders will receive 0.684 CKH Holdings share per 1 Hutchison share
- After completion of the Proposals, all eligible CKH Holdings shareholders will receive 1 CK Property share per 1 CKH Holdings share
- The exchange ratios have been determined using the average closing price of Cheung Kong and Hutchison shares for the five trading days up to and including 7 January 2015 with no premium

(Hong Kong, 9 January 2015) The Boards of Directors of Cheung Kong (Holdings) Limited (“Cheung Kong”, SEHK stock code: 0001) and Hutchison Whampoa Limited (“Hutchison”, SEHK stock code: 0013) announce today a proposed share exchange merger and combination of their assets into two new Hong Kong-listed companies:

**CK Hutchison Holdings Limited** (“CKH Holdings”) will hold all of the non-property businesses of the Cheung Kong Group and the Hutchison Group, including ports and related services, telecommunications, retail, infrastructure, energy and movable assets leasing operations (aircraft leasing).

**Cheung Kong Property Holdings Limited** (“CK Property”) will combine the property businesses of the Cheung Kong Group and the Hutchison Group in Hong Kong, Mainland China and overseas.

In addition to the Hutchison Group’s existing 33.97% ownership in Husky Energy Inc. (“Husky”), the CKH Holdings Group will hold 6.24% of Husky to be acquired by the Hutchison Group from the Li family trusts in exchange for new CKH Holdings shares by reference to the average closing price of Husky shares for the five trading days up to and including 6 January 2015 with no premium.

These Proposals will be implemented through the Cheung Kong Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal referred to below. Subject to all required approvals being obtained and the fulfilment of all conditions precedent, it is expected that all the Proposals will be completed around the end of the first half of 2015.

Commenting on the transaction, Mr. Li Ka-shing, Chairman of Cheung Kong and Hutchison, said, “This transaction is a watershed event in our Group’s history. It is transformational from the point of view of shareholder value. Cheung Kong and Hutchison have grown substantially in size and scale over the past decade. The reorganisation proposed today will place the companies in an even stronger position for future growth and development.”

“This transaction is expected to create significant value for shareholders through the elimination of the holding company discount, which will be shared by Cheung Kong and Hutchison shareholders. The distinct business profiles of CKH Holdings and CK Property will enable investors to better value the underlying businesses of the Groups and may lead to further value enhancement in the future,” Mr. Li continued.

### ***Transaction Objectives***

The objectives of the Proposals are:

- (a) Shareholder value creation through the elimination of the holding company discount of Cheung Kong’s stake in Hutchison** – The Proposals should immediately realise value for shareholders through the elimination of the Cheung Kong holding company discount associated with the existing tiered shareholding

structure as **no Hutchison shares will be held indirectly**. Based on the closing price of the Cheung Kong Shares on the Stock Exchange on 7 January 2015, the Cheung Kong Shares were trading at a 23.0% discount to, or HK\$87 billion less than, Cheung Kong's book equity value attributable to its shareholders as at 30 June 2014 (based on the unaudited consolidated financial statements of Cheung Kong for the six months ended 30 June 2014), which included its 49.97% stake in Hutchison. A part of this is attributable to the holding company discount on Cheung Kong's stake in Hutchison, which would be eliminated through the Proposals as shareholders will hold CKH Holdings and CK Property directly.

The exchange ratios for the Merger Proposal have been determined using average market closing prices with no premium. All Cheung Kong and Hutchison shareholders will be able to benefit from the continuing growth of the distinct businesses of CKH Holdings and CK Property.

- (b) Greater transparency and business coherence** – After completion of the Proposals, the business profiles of the CKH Holdings Group and the CK Property Group will be very clearly delineated. As a result, shareholders and potential investors will be better able to differentiate and value the businesses of the CKH Holdings Group and the CK Property Group based on their respective earnings, cash flows and net asset value profiles. ***The increased transparency and the greater coherence in the grouping of the existing businesses of the Cheung Kong Group and the Hutchison Group under the new structure is expected to enhance value, in particular given the differences between the valuation methodologies investors would normally apply to the property business of CK Property and the diversified portfolio of industrial, infrastructure and consumer businesses of CKH Holdings.***

The transaction will align the businesses of each of CKH Holdings and CK Property with their respective investor bases and ***eliminate the investment arbitrage*** that originates from valuation mismatch between Cheung Kong and Hutchison.

- (c) Removal of layered holding structure between Cheung Kong and Hutchison allows public shareholders to directly invest in two separate listed vehicles alongside the Li family trusts** – At present, the Li family trusts are the controlling shareholder of Cheung Kong, which in turn owns 49.97% of Hutchison. After completion of the Proposals, the Li family trusts will be the controlling shareholder of each of CKH Holdings and CK Property and the Li family will continue to chair and lead the management of both companies.
- (d) Shareholders to hold CKH Holdings and CK Property shares directly, enhancing investment flexibility and efficiencies** – Upon completion of the Proposals, eligible Cheung Kong and Hutchison shareholders will hold CKH Holdings and CK Property shares directly. This will provide shareholders with greater flexibility and the choice to adjust their shareholdings in CKH Holdings or CK Property according to their individual investment objectives and preference.

**(e) Enhanced size and scale** – After completion of the Proposals, the **CKH Holdings Group** will be a multinational conglomerate of significant size and scale, operating in over 50 countries. Infrastructure assets currently owned by the Cheung Kong Group, which contributed HK\$1.6 billion to Cheung Kong’s profit before tax in 2013, will be consolidated with those of the Hutchison Group, and there will be an increased interest in the energy sector through the CKH Holdings Group becoming the largest shareholder in Husky. In addition, the CKH Holdings Group’s portfolio will include the Hutchison Group’s existing operations in ports and related services, retail and telecommunications; the Cheung Kong Group’s newly acquired business of ownership and leasing of movable assets will further diversify the CKH Holdings Group’s business mix.

**The CK Property Group** will be one of the largest property companies listed in Hong Kong with a leading market share in Hong Kong, strong penetration in Mainland China as well as an international presence. As at 30 November 2014, the property businesses of the Cheung Kong Group and the Hutchison Group which will be transferred to the CK Property Group include a total attributable interest in approximately 17 million square feet of rental properties, a development landbank of approximately 170 million square feet (including approximately 158 million square feet in Mainland China) and more than 14,600 hotel rooms, which would make the CK Property Group the largest hotel owner-operator listed in Hong Kong.

HSBC has been appointed as sole financial adviser to Cheung Kong, CKH Holdings and CK Global Investments Limited in relation to the Cheung Kong Reorganisation Proposal and the Merger Proposal.

Anglo Chinese, which has been engaged as the independent financial adviser to each of Cheung Kong, CKH Holdings and CK Global Investments Limited, has advised that, having taken into account, among others, the terms of the Hutchison Scheme, the terms of the Husky Share Exchange and the anticipated benefits expected to arise from the objectives of the Proposals, it considers that the Hutchison Scheme is in the interests of the respective shareholders of Cheung Kong and (upon completion of the Cheung Kong Reorganisation Proposal) CKH Holdings.

An independent financial adviser will be appointed by Hutchison to advise the Hutchison independent board and independent shareholders in relation to the Merger Proposal.

### ***Transaction Structure***

#### ***The Cheung Kong Reorganisation Proposal***

Cheung Kong will first effect a reorganisation pursuant to which a newly formed Cayman Islands company, CKH Holdings, which will be registered and listed in Hong Kong, will become the holding company of Cheung Kong. This will be implemented through a share exchange under a scheme of arrangement (“Cheung Kong Scheme”) in Hong Kong. All existing Cheung Kong shareholders (including the Li family trusts, its controlling shareholder) are expected to be entitled to vote on the Cheung Kong Scheme. On completion, CKH Holdings will control the same asset base and

businesses as Cheung Kong and will continue to trade on The Stock Exchange of Hong Kong Limited (“SEHK”) under the stock code “0001”.

The Cheung Kong Reorganisation Proposal will provide greater flexibility for making distributions to CKH Holdings shareholders.

Without first completing the Cheung Kong Reorganisation Proposal, the Spin-off Proposal, if it were made by Cheung Kong, would have utilised a significant portion of Cheung Kong’s distributable reserves since under the Hong Kong Companies Ordinance, a Hong Kong company may only make distributions to shareholders out of its profits available for distribution. By contrast, Cayman Islands law allows a Cayman Islands company to make distributions out of profits and, subject to a solvency test and its memorandum and articles of association, out of share premium. The Cheung Kong Reorganisation Proposal will create a substantial share premium in CKH Holdings, which will allow the Spin-off Proposal, payment of dividends in the ordinary course or special dividends when appropriate and also facilitate any future corporate exercise involving significant share issues or a significant distribution to CKH Holdings shareholders without limiting CKH Holdings’ ability to pay ordinary or special dividends in the future. This will provide CKH Holdings with significant financial flexibility and ability to make distributions to shareholders and continue to create shareholder value.

After completion of the Cheung Kong Reorganisation Proposal, Cheung Kong’s listing status will be replaced by CKH Holdings.

An application will be made for the listing of CKH Holdings shares on the SEHK by way of introduction. A waiver has been obtained from the Securities and Futures Commission (“SFC”) from the application of the Hong Kong Takeovers Code to the Cheung Kong Reorganisation Proposal.

The Cheung Kong Reorganisation Proposal under the Cheung Kong Scheme is not conditional on the Merger Proposal and the Spin-off Proposal referred to below, but the Merger Proposal and the Spin-off Proposal will only proceed if the Cheung Kong Scheme becomes effective.

#### *The Merger Proposal*

Following completion of the Cheung Kong Scheme, it is proposed that:

- (a) The Hutchison Group will acquire 61.4 million shares of Husky (representing 6.24% of the issued share capital of Husky) from the Li family trusts that presently control Cheung Kong and hold 35.57% of Husky shares in exchange for new CKH Holdings shares in the ratio of one Husky share for 1.376 CKH Holdings share (“Husky Share Exchange”); and
- (b) The CKH Holdings Group and Hutchison will enter into a share exchange under a scheme of arrangement (“Hutchison Scheme”) pursuant to which each Hutchison share not held by Cheung Kong will be exchanged for newly issued CKH Holdings shares in the ratio of one Hutchison share for 0.684 CKH Holdings share.

(the Husky Share Exchange and the Hutchison Scheme are together referred to as the “Merger Proposal”; the Hutchison Scheme will be implemented by CKH Holdings through its wholly-owned subsidiary CK Global Investments Ltd.)

The Husky Share Exchange and the Hutchison Scheme will each be subject to, among other things, approval by the requisite majorities of the independent shareholders of CKH Holdings and Hutchison and the required regulatory and other customary approvals being obtained. The Hutchison Scheme will be governed by the Hong Kong Takeovers Code. The exchange ratios for the purposes of the Husky Share Exchange and the Hutchison Scheme were established using the average five day closing prices of Cheung Kong and Hutchison shares up to and including 7 January 2015 and the average five day closing prices of Husky shares up to and including 6 January 2015 in their primary markets without any premium or discount and, in the case of Husky shares, are based on an exchange rate of HK\$6.5782 per 1 Canadian dollar.

The Husky Share Exchange and Hutchison Scheme will be inter-conditional with the Hutchison Scheme completing immediately after the Husky Share Exchange.

The Li family trusts and the Li family will remain the controlling shareholder of CKH Holdings upon completion of the Merger Proposal with a shareholding of 30.15%

#### *The Spin-off Proposal*

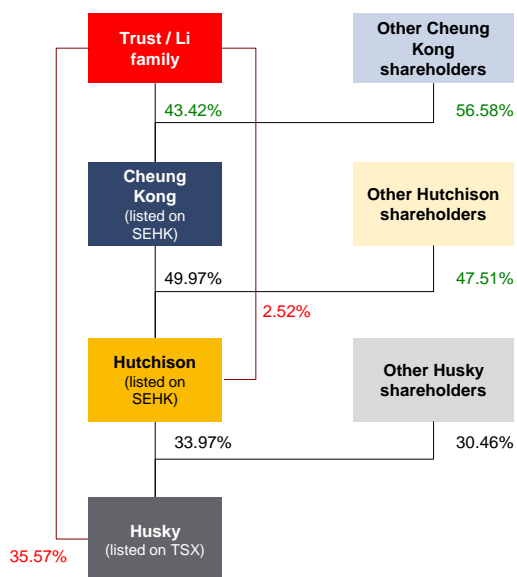
Immediately following completion of the Merger Proposal, all of the CKH Holdings Group’s development and rental property and hotels business (namely, the current respective property businesses of the Cheung Kong Group and the Hutchison Group) will be transferred to CK Property, a newly formed holding company to be registered and listed in Hong Kong, for a combination of new CK Property shares and cash. The cash portion of the consideration is HK\$55 billion and is expected to be funded by a committed bridge facility and/or a syndicated loan. After its listing, CK Property may consider debt capital markets financings to diversify its sources of funding further.

All CK Property shares in issue will then be distributed by CKH Holdings to the then eligible CKH Holdings shareholders through a distribution-in-specie. The number of CK Property shares to be distributed will be the same as the number of CKH Holdings shares in issue immediately following completion of the Merger Proposal and accordingly they will be distributed on a one-for-one basis.

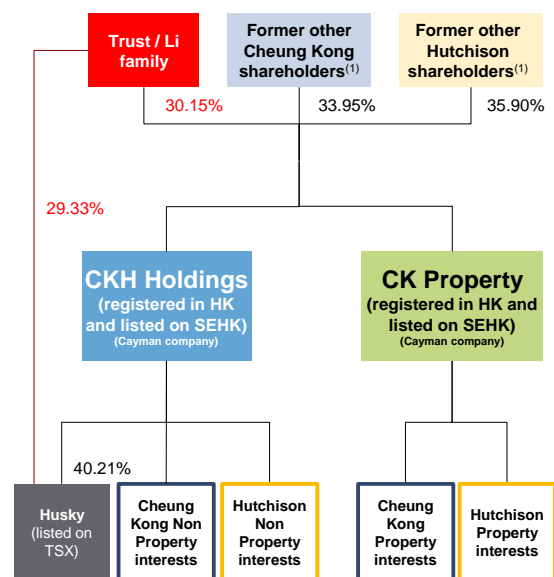
An application will be made for the listing of CK Property shares on the SEHK by way of introduction. Cheung Kong on behalf of CKH Holdings has already obtained SEHK approval for the Spin-off Proposal.

HSBC Corporate Finance (Hong Kong) Limited and Merrill Lynch Far East Limited have been appointed as joint sponsors in relation to the Spin-off Proposal.

## Pre-transaction



## Post-transaction



Note:  
(1) As at the record date for the Merger Proposal and the Spin-off Proposal

## Ratings

The Proposals are not expected to have any adverse effect on the Cheung Kong Group's or the Hutchison Group's creditors, as CKH Holdings will, as appropriate, either prepay or, following completion of the Proposals, guarantee existing indebtedness of the Cheung Kong Group and the Hutchison Group which is guaranteed by Cheung Kong or Hutchison, including all outstanding bonds and capital securities issued by members of the Cheung Kong Group and the Hutchison Group and guaranteed by Cheung Kong or Hutchison. Following completion of the Proposals, both CKH Holdings and CK Property are expected to obtain and maintain strong investment grade ratings consistent with Hutchison's current investment grade ratings, subject to rating agencies' confirmations.

## Dividend Arrangements

Prior to completion of the Merger Proposal, each of Hutchison and Cheung Kong (or, if the Cheung Kong Reorganisation Proposal has become effective, Hutchison and CKH Holdings) will declare a second interim dividend in lieu of a fiscal year 2014 final dividend based on their respective full year 2014 results.

For fiscal year 2015, if the Merger Proposal and the Spin-off Proposal have become effective, an interim dividend will be declared by CKH Holdings and CK Property at the time of the announcement of their respective interim results and will take account of results of the respective businesses of the CKH Holdings Group and the CK Property Group from 1 January 2015. Subject to business results for fiscal year 2015, assuming an existing Cheung Kong or Hutchison shareholder continues to hold both the CKH Holdings and CK Property shares received through the Proposals, it is expected that the combined per share dividend of CKH Holdings and CK Property will pay in respect of

fiscal year 2015 on those shares will be more than the total dividend per Cheung Kong or Hutchison share, as the case may be, paid in respect of fiscal year 2014, excluding any special dividends paid in that year.

Going forward from fiscal year 2016, each of CKH Holdings and CK Property will adopt a dividend policy that is consistent with its business profile. Subject to business conditions and maintenance of CKH Holdings' and CK Property's strong investment grade ratings, such dividend policy is expected to result in a higher dividend payout ratio than that in fiscal year 2015.

### ***Management and Board Arrangement***

Following completion of the Spin-off Proposal, the boards of directors of CKH Holdings and CK Property will comprise the following proposed executive directors:

For CKH Holdings: Mr. Li Ka-shing (Chairman), Mr. Victor Li (Deputy Chairman and Co-Managing Director), Mr. Canning Fok (Co-Managing Director), Mrs. Susan Chow, Mr. Edmond Ip, Mr. H.L. Kam, Mr. Dominic Lai and Mr. Frank Sixt.

For CK Property: Mr. Li Ka-shing (Chairman), Mr. Victor Li (Deputy Chairman and Managing Director), Mr. H.L. Kam (Deputy Managing Director), Mr. Edmond Ip (Deputy Managing Director), Mr. Davy Chung, Mr. Justin Chiu, Mr. Raymond Chow, Ms. Ezra Pau, Ms. Grace Woo.

There is no overlap of the proposed non-executive directors or independent non-executive directors of the two companies.

### ***About Cheung Kong***

Cheung Kong is the flagship of the Cheung Kong Group, the leading Hong Kong based multi-national conglomerate which operates in more than 50 countries and employs over 280,000 staff worldwide. It is one of the largest developers in Hong Kong of residential, commercial and industrial properties. Cheung Kong is the largest shareholder of Hutchison holding a 49.97% interest.

### ***About Hutchison***

Hutchison is a renowned multinational conglomerate committed to innovation and technology. Its diverse businesses operate in more than 50 countries with over 270,000 employees across the world. Hutchison is among the largest companies listed on the Main Board of the SEHK. Hutchison has six core businesses - ports and related services, property and hotels, retail, infrastructure, energy and telecommunications. Hutchison reported turnover of approximately HK\$413 billion (USD53 billion) and HK\$204 billion (USD26 billion) for the audited results for year ended 31 December 2013 and for the unaudited results for the six months ended 30 June 2014 respectively.



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Please refer to details of the Proposals in our announcement on our website:  
Cheung Kong: <http://www.ckh.com.hk>  
Hutchison: <http://www.hutchison-whampoa.com/>

**WARNINGS**

*Shareholders and holders of other securities of either Cheung Kong or Hutchison, and potential investors in the securities of either Cheung Kong or Hutchison, should note that the Cheung Kong Reorganisation Proposal, the Merger Proposal, the Spin-off Proposal and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meeting(s), sanction by the Court and approval of the Stock Exchange and/or other regulators. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective.*

*Shareholders and holders of other securities of either Cheung Kong or Hutchison, and potential investors in the securities of either Cheung Kong or Hutchison, should exercise caution when dealing in the shares or other securities of either Cheung Kong or Hutchison. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).*

*This press release does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This press release does not constitute a prospectus or a prospectus equivalent document. Cheung Kong Shareholders and Hutchison Shareholders are advised to read carefully the formal documentation in relation to the Cheung Kong Reorganisation Proposal or the Hutchison Proposal, respectively, once it has been despatched.*

*In particular, this press release is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The CKH Holdings Shares, which will be issued in connection with the Cheung Kong Reorganisation Proposal or the Merger Proposal, if made, and the CK Property Shares proposed to be distributed under the*

*Distribution In Specie as described in the Spin-off Proposal, if made, have not been, and will not be, registered under the U.S. Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the CKH Holdings Shares or the CK Property Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The CKH Holdings Shares and the CK Property Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act or an exemption from registration. It is expected that the CKH Holdings Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. CKH Holdings does not propose to distribute CK Property Shares to shareholders in the United States in connection with the Spin-off Proposal unless it determines that it can do so in transactions not requiring registration under the U.S. Securities Act. Neither CKH Holdings nor CK Property intends to make any public offering of securities in the United States.*

*Under applicable U.S. securities laws, Cheung Kong Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be “affiliates” of Cheung Kong or CKH Holdings prior to, or of CKH Holdings after, the Cheung Kong Scheme Effective Date will be subject to certain transfer restrictions relating to the CKH Holdings Shares received in connection with the Cheung Kong Scheme. Under applicable U.S. securities laws, Hutchison Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be “affiliates” of Hutchison or CKH Holdings prior to, or of CKH Holdings after, the effective date of the Hutchison Scheme, if made, will be subject to certain transfer restrictions relating to the CKH Holdings Shares received in connection with the Hutchison Scheme.*

*Notice to Cheung Kong Shareholders and Hutchison Shareholders in the United States: The Cheung Kong Reorganisation Proposal and the Hutchison Proposal relate to the shares of Hong Kong companies and are proposed to be made by means of separate schemes of arrangement provided for under the laws of Hong Kong. The Cheung Kong Reorganisation Proposal and the Hutchison Proposal are subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement, which differ from the disclosure and other requirements of the U.S. securities laws. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in Hong Kong that may not be comparable to the financial statements of U.S. companies.*

*Notice to investors 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).*

*This press release contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Hutchison, Cheung Kong, and their respective boards of directors regarding the transactions described in this press release. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”,*

*“anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Cheung Kong and Hutchison and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which the Cheung Kong Group and the Hutchison Group operate, and other factors affecting the levels of the businesses of the Cheung Kong Group and Hutchison Group respectively and the costs and availability of financing for the activities of the Cheung Kong Group and the Hutchison Group respectively.*

*Any forward-looking statement contained in this press release based on past or current trends and/or activities of the Cheung Kong Group and the Hutchison Group respectively should not be taken as a representation that such trends or activities will continue in the future. No statement in this press release is intended to be a profit forecast or to imply that the earnings of Cheung Kong or Hutchison for the current year or future years will necessarily match or exceed the historical or published earnings of Cheung Kong or Hutchison. Each forward-looking statement speaks only as at the date of the particular statement. Each of Cheung Kong and Hutchison expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations of each of Cheung Kong and Hutchison with regard thereto or any change in events, conditions of circumstances on which any such statement is based.*

*Percentages in this press release are approximations.*