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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cheung Kong Property Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHEUNG KONG PROPERTY HOLDINGS LIMITED 長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1113)

(1) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION RELATING TO THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY

(2) PROPOSED CHANGE OF COMPANY NAME

**Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders**

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

A letter from the Board is set out on pages 6 to 21 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of the Transaction is set out on pages 22 and 23 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Transaction is set out on pages 24 to 41 of this circular.

A notice convening the EGM to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 24 August 2017 at 11:30 a.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Friday, 25 August 2017) is set out on pages 50 to 52 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend the EGM or any adjournment thereof in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit it at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish.

In the case of inconsistency between the Chinese version and the English version of this circular, the English version will prevail.

8 August 2017

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Acquisition”	the acquisition of the entire issued and outstanding common shares in the capital of the Operating Company by the Project Company pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the sale and purchase agreement dated 31 March 2017 entered into between Canada Water Tanks Sarl (a limited liability company – société à responsabilité limitée – incorporated under the laws of Luxembourg), the Project Company and the Company in relation to the Acquisition;
“Announcement”	the joint announcement issued by the Company, CKHH and CKI dated 14 July 2017 in relation to the Transaction and the Change of Company Name;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day(s) other than (i) Saturday and Sunday; and (ii) any day on which banking institutions in the Province of British Columbia or Hong Kong are not open for business;
“C\$”	Canadian dollar, the lawful currency of Canada;
“Change of Company Name”	the proposed change of the English name of the Company to “CK Asset Holdings Limited” from “Cheung Kong Property Holdings Limited”, and the proposed change of the Chinese name of the Company to “長江實業集團有限公司” from “長江實業地產有限公司”;
“CKHH”	CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1);
“CKI”	CK Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038);
“CKI Group”	CKI and its subsidiaries;
“Closing”	the completion of the Shares Transfer and the Note Assignment;

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“Closing Date”	the date that is five (5) Business Days after fulfilment of the condition under the Sale and Purchase Agreement or such other date as agreed by the Purchaser and the Vendor;
“Company”	Cheung Kong Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113);
“connected person”	has the meaning ascribed to such term in the Listing Rules;
“Consideration”	aggregate consideration for the Shares Transfer and the Note Assignment under the Sale and Purchase Agreement;
“Director(s)”	the director(s) of the Company;
“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, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, 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, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, 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, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, 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, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is TDT4;

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“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 24 August 2017 at 11:30 a.m. at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving, the Transaction and the Change of Company Name;
“Equity Contribution”	means C\$2,821.60 million;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent board committee of the Board established to advise the Independent Shareholders on the Transaction, comprising Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being independent non-executive Directors;
“Independent Financial Adviser” or “Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, and which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction;
“Independent Shareholders”	Shareholders other than those who have a material interest in the Transaction;
“Latest Practicable Date”	4 August 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“Main Board”	the Main Board of the Stock Exchange;

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“Manager”	the manager of the Project Group who is responsible for overseeing the Project Group’s business and financial performance;
“Note”	a promissory note issued by the Project Company to the Vendor in respect of the advances made by the Vendor in the principal amount of C\$428.95 million, representing 25% of the aggregate principal amount of all loans advanced to the Project Company as of the date of the Sale and Purchase Agreement. The interest rate of the Note is 7.5% per annum;
“Note Assignment”	the assignment of the Note from the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement;
“Operating Company”	3216444 Nova Scotia Company, a company formed under the laws of the Province of Nova Scotia, Canada;
“Operating Group”	Operating Company and its subsidiaries;
“Project Company”	CKP (Canada) Holdings Limited, a company incorporated under the laws of British Columbia and an indirect wholly-owned subsidiary of the Company;
“Project Group”	the Project Company and its subsidiaries, including the Operating Group;
“Project Share(s)”	common share(s) of the total issued share capital of the Project Company;
“Purchaser”	Roaring Victory Limited, a company incorporated under the laws of British Virgin Islands and an indirect wholly-owned subsidiary of CKI;
“Reliance LP”	Reliance LP, a limited partnership formed under the laws of the Province of Ontario, Canada;
“Sale and Purchase Agreement”	the share purchase, assignment and assumption agreement dated 14 July 2017 entered into between the Vendor, the Purchaser and CKI in relation to the Shares Transfer and the Note Assignment;
“Sale Shares”	2,500 Project Shares, representing 25% of the entire issued shares of the Project Company;
“Shares”	ordinary shares in the capital of the Company with a nominal value of HK\$1.00 each;

DEFINITIONS

“Shareholder(s)”	holder(s) of Shares;
“Shareholders’ Approval”	the approval of the Independent Shareholders;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Company, CKI, the Vendor, the Purchaser and the Project Company in relation to the operation and management of the Project Group and the relationship between the Group and the CKI Group therein upon Closing;
“Shares Transfer”	the sale and purchase of the Sale Shares between the Vendor and the Purchaser pursuant to the Sale and Purchase Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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;
“Transaction”	the transaction contemplated under the Sale and Purchase Agreement;
“Trust”	DT1, DT2, DT3, DT4, UT1 and UT3, and where the context requires, any of them;
“UT1”	The Li Ka-Shing Unity Trust;
“UT3”	The Li Ka-Shing Castle Trust; and
“Vendor”	Rich Heights Limited, a company incorporated under the laws of British Virgin Islands and an indirect wholly-owned subsidiary of the Company.

Note: The figures in “C\$” are converted into HK\$ at a rate of C\$1.00 : HK\$6.135 (being the exchange rate used in the Announcement) throughout this circular for indicative purpose only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

LETTER FROM THE BOARD



CHEUNG KONG PROPERTY HOLDINGS LIMITED 長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1113)

Registered Office: PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Principal Place of Business: 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong

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
CHIU Kwok Hung, Justin
CHOW Wai Kam
PAU Yee Wan, Ezra
WOO Chia Ching, Grace

Independent Non-executive Directors

CHEONG Ying Chew, Henry
CHOW Nin Mow, Albert
HUNG Siu-lin, Katherine
YEH Yuan Chang, Anthony
Colin Stevens RUSSEL
Donald Jeffrey ROBERTS

Company Secretary

Eirene YEUNG

8 August 2017

Dear Shareholder(s),

(1) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION RELATING TO THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY

(2) PROPOSED CHANGE OF COMPANY NAME

1. INTRODUCTION

Reference is made to the announcement of the Company dated 31 March 2017 in relation to the Acquisition and the Announcement. The completion of the Acquisition took place on 13 July 2017. As disclosed in the Announcement, on 14 July 2017, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser (an indirect wholly-owned subsidiary of CKI) and CKI (as guarantor of the Purchaser) entered into the Sale and Purchase Agreement, pursuant to which, conditional upon the obtaining of the Shareholders' Approval, the Vendor has agreed to dispose of 25% equity interest in the Project Company to the Purchaser by (i) the sale and purchase of the Sale Shares; and (ii) the assignment of the Note. It is also a term in the Sale and Purchase Agreement that the Vendor, the Purchaser, the Company, CKI and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the Group and CKI Group therein upon Closing.

LETTER FROM THE BOARD

The Company also disclosed in the Announcement that the Company will propose at the EGM a resolution to approve the Change of Company Name.

The purpose of this circular is (i) to provide you with further information regarding details of the Transaction; (ii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transaction; (iii) to set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transaction; (iv) to provide you with further information regarding the Change of Company Name; (v) to give the Shareholders the notice of the EGM, at which approval of the Independent Shareholders for the Transaction and the approval of the Shareholders for the Change of Company Name will be sought; and (vi) the other information as required under the Listing Rules.

2. THE SALE AND PURCHASE AGREEMENT

On 14 July 2017, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser (an indirect wholly-owned subsidiary of CKI) and CKI (as guarantor of the Purchaser) entered into the Sale and Purchase Agreement for the Shares Transfer and the Note Assignment.

(a) Asset being acquired

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 25% of the equity interest in the Project Company by the sale and purchase of the Sale Shares and the assignment of the Note as and from the Closing Date.

(b) Guarantee given by CKI

CKI has agreed to unconditionally, absolutely, continuingly and irrevocably guarantee to the Vendor the timely payments of the price payable by the Purchaser to the Vendor for the Sale Shares and the Note Assignment, being an amount equal to the Consideration (the “**Purchaser Liabilities**”), on Closing, in the event the Purchaser has failed to pay the Purchaser Liabilities on the Closing Date.

(c) Consideration

The Consideration shall be approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million), which comprises the following:

- (i) an approximate amount of C\$285.97 million (equivalent to approximately HK\$1,754.43 million), being the consideration for the Shares Transfer; and
- (ii) an approximate amount of C\$428.95 million (equivalent to approximately HK\$2,631.61 million), being the principal amount of the Note,

and any accrued and unpaid interest, net of any applicable taxes, on the Note as of the Closing Date.

LETTER FROM THE BOARD

The Consideration shall be paid by the Purchaser to the Vendor on the Closing Date in immediately available funds by wire transfer.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, and was based on cost, being the amount which the Vendor has paid for the Sale Shares and the principal amount of the Note (the aggregate of which has been paid by the Vendor to the Project Company to satisfy 25% of the consideration and transaction costs for Acquisition and the working capital of the Project Group).

(d) Closing

Subject to the satisfaction of the condition as set out below, the Closing will take place on the day which is five (5) Business Days after fulfilment of the condition (or such other date as agreed by the Purchaser and the Vendor).

Upon Closing, the Vendor, the Purchaser, the Company, CKI and the Project Company will enter into the Shareholders' Agreement and the principal terms thereof are stated under the section headed "3. The Shareholders' Agreement" in this circular.

(e) Condition

The Closing is conditional upon the obtaining of the Shareholders' Approval in respect of the sale of the Sale Shares and the Note Assignment and the transactions contemplated under the Sale and Purchase Agreement as required under the Listing Rules.

3. THE SHAREHOLDERS' AGREEMENT

Upon Closing, the Company, CKI, the Vendor, the Purchaser and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the Group and CKI Group therein.

(a) Funding and Guarantees

None of the members of the Group and CKI Group shall be obliged to (i) make, or procure any of their subsidiaries to make, any loans to the Project Company; (ii) subscribe, or procure any of their subsidiaries to subscribe, for any share capital or other securities of the Project Company; and (iii) give, or procure any of their subsidiaries to give, any guarantee, indemnity or other assurance in respect of the liabilities or obligations of the Project Group.

LETTER FROM THE BOARD

(b) Board Composition

Each of the Company and CKI shall be entitled, but not obliged, to nominate for election one director of the Project Company in respect of each complete 25% of the Project Shares which it owns (either directly or indirectly through its subsidiaries). The Company and CKI may also agree to appoint additional director on the board of the Project Company. The appointment of such additional director will be made by mutual agreement between the Company and CKI. As at the Latest Practicable Date, the person to be appointed as additional director of the Project Company has been agreed on by the Company and CKI.

The Company shall be entitled to nominate one of its nominated directors to be the chairman of the board of the Project Company.

(c) Quorum of Board Meeting

Subject to the applicable law and the articles of the Project Company, the quorum for the transaction of business at any board meeting of the Project Company shall be at least one director nominated by each of the Company and CKI is present. If a quorum is not present or ceases to be present at a board meeting, the board meeting shall be adjourned. The quorum at the adjourned meeting shall be any 2 directors present.

(d) Board Voting

Save for the reserved matters for the board meeting of the Project Company as set out in the section headed “(f) Reserved Matters” below, a decision of the board of the Project Company shall be taken by a simple majority of the directors present and entitled to vote. The chairman of the board of the Project Company shall have a second or casting vote when there are equal votes for and against any resolution in meetings of the board.

(e) Shareholders’ Meeting

The quorum for any meeting of the shareholders of the Project Company shall be one person representing each of the Company and CKI present in person. If a quorum is not present or ceases to be present at a shareholders’ meeting, the shareholders’ meeting shall be adjourned. The quorum at the adjourned meeting shall be any holder of the Project Shares controlling not less than 51% of the Project Shares present in person.

LETTER FROM THE BOARD

(f) **Reserved Matters**

For shareholders' meeting of the Project Company

Each of the Company and CKI shall exercise its rights and powers (whether held directly or indirectly through its subsidiaries) in respect of each member of the Project Group so as to procure that none of the member of the Project Group shall, subject to applicable law, transact any of the business set out below without the prior written approval of holders of the Project Shares controlling more than 85% of the votes able to be cast at a meeting of the shareholders of the Project Company called to consider the matter:

- (i) amend the articles, by-laws and other constitutional documents of the Project Company;
- (ii) the creation or issue of any Project Shares to any person other than a subsidiary of the Project Company or the grant of any option over any Project Shares, except to the extent necessary to avoid or cure an event of default under the terms of any banking facilities of the Project Group and in such case any Project Shares to be issued shall first to be offered to either the Company and/or CKI on identical terms pro rata to their shareholding (either directly or indirectly through their respective subsidiaries) in the Project Company, with any Project Shares not taken up being offered round to accepting shareholders (or their subsidiaries) pro rata to their shareholding in the Project Company before being offered to persons other than the Company and/or CKI;
- (iii) the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve or the redemption of any Project Shares or any other reorganisation of its share capital;
- (iv) the making of any petition or passing of any resolution for winding-up or liquidation or the making of an application for an administration order;
- (v) for so long as CKI (either directly or indirectly through its subsidiaries) holds not less than 25% of the Project Shares in issue:
 - (a) approve annual business plan, annual budget or any amendments thereto from time to time;
 - (b) approve any financing arrangement or plan to change the gearing ratio of the Project Group, which could reasonably result in the lowering of the credit rating of the Project Group; or
 - (c) approve the appointment of chief executive officer and chief financial officer of the Project Group;

LETTER FROM THE BOARD

- (vi) amend the dividend and distribution policy such that it would result in the distribution of less than 50% of the free cash flows of the Project Group, or declare a dividend that distributes less than 50% of the free cash flow of the Project Company; or
- (vii) expand or change the nature of the business of the Project Group to any new business or, new jurisdiction in which the business is to be carried on by the Project Group but only if such business involves investment by the Project Group exceeding the value of 2% of the Equity Contribution.

For board meeting of the Project Company

Each of the Company and CKI shall exercise its rights and powers in respect of each member of the Project Group (and procure that each of the directors which it nominates to the board of any member of the Project Group, shall exercise his rights and powers) so as to procure that none of the members of the Project Group shall, subject to applicable law, transact any of the business set out below unless with the approval of the board of the Project Company by affirmative votes of more than eighty-five (85%) of the votes of the directors of the Project Company at a meeting of the board of the directors of the Project Company:

- (i) any change to the dividend and distribution policy that would result in the distribution of less than 50% of the free cash flows of the Project Group;
- (ii) any purchase by the Project Company of its own shares;
- (iii) the acquisition of any assets or business which are not related to the operation of the business of the Project Group where the assets or business to be acquired have a value in excess of 2% of the Equity Contribution or the disposal of any assets or part of the business of the Project Group which is likely to prejudice the operation of the business;
- (iv) entering into any contract, whether for the provision of services or for the acquisition or disposal of any assets or otherwise, involving payments by or to any member of the Project Group or the assumption by any member of the Project Group of liabilities in excess of 2% of the Equity Contribution in aggregate;
- (v) any member of the Project Group borrowing money in excess of 2% of the Equity Contribution per annum in aggregate (acknowledging that any such borrowing may only be made to the extent permitted by banking covenants and required for the ordinary course of the business of the Project Group or as the case may be any of its subsidiaries);
- (vi) the creation of any material mortgage, charge, lien or encumbrance on any assets; or

LETTER FROM THE BOARD

(vii) the settlement or compromise of any legal dispute or proceedings involving the payment or receipt of 2% of the Equity Contribution or more in aggregate in any one year.

(g) Dealing with transfer of Project Shares

Unless the consent of the other party (i.e. the Company or CKI (as the case may be)) in writing is obtained, or the transfer is in accordance with the terms of the Shareholders' Agreement or the transfer is within the same group of companies of either the Company or CKI, each of the Company and CKI undertakes to the other that, during the continuance of the Shareholders' Agreement, it shall not and shall procure that each of its subsidiaries shall not:

- (i) mortgage, pledge or otherwise encumber its interest in the whole or any of the Project Shares;
- (ii) sell, transfer or otherwise dispose of all or any of its Project Shares or any interest therein or assign or otherwise purport to deal therewith or with any interest therein;
- (iii) enter into any agreement with respect to the voting rights attached to all or any of its Project Shares; or
- (iv) agree, whether conditionally or otherwise, to do any of the foregoing.

(h) Pre-emption Rights

Unless the Company or CKI is transferring the Project Shares to any member of its respective groups or otherwise as permitted under the Shareholders' Agreement, either the Company or CKI shall first offer such Project Shares to the other prior to its disposal.

(i) Appointment of CKI as the Manager

Upon Closing, CKI shall be appointed as the Manager of the Project Group and shall be responsible for overseeing the Project Group's business and financial performance. In the performance of its duties, the Manager shall draw on its experience of managing and operating infrastructure projects in Canada and other parts of the world to assist the board of the Project Company to perform its duties and, specifically, it shall (i) make recommendations for the appointment and/or dismissals of the chief executive officer and chief financial officer of any member of the Project Group and other members of the senior management and assessing management's performance; (ii) consider and provide advice to the Project Group's annual business plan, annual and monthly budget and other management and financial plans and/or reports prepared by management of the Project Group, and make such recommendations to the board of the Project Company for improvements or follow up; and (iii) provide such support services as may be requested by the board of the Project Group from time to time in connection with the management of the Project Group. For the avoidance of doubt, the board of the Project Company shall remain responsible for making all relevant decisions as it considers appropriate and shall not be obliged to follow the Manager's recommendations.

LETTER FROM THE BOARD

No remuneration will be payable to CKI for services provided by it in its capacity as the Manager of the Project Group in view of the opportunity for investment in the Project Group offered by the Vendor to the Purchaser.

The appointment of Manager shall be terminated on the earlier of (i) the date on which CKI (directly or indirectly through its subsidiaries) ceases to hold any Project Shares; or (ii) the date on which not less than six (6) months written notice to that effect is given by the Project Company following a decision of the board of the Project Company to terminate the Manager's appointment. Upon termination of the Manager's appointment pursuant to item (ii) aforesaid, subject to compliance with the relevant requirements under the Listing Rules by the Company and/or CKI, the Company shall grant to CKI a right whereby CKI may, within 30 days after the date of termination of its appointment, or such other period if granting of and/or the exercise of such right is/are subject to compliance with shareholders' approval requirement under the Listing Rules, serve a written notice on the Company and require the Company to purchase all (but not some) of Project Shares held by CKI or its subsidiaries at the fair market value per Project Share as agreed by CKI and the Company or failing which, certified by an independent investment bank of international repute agreed between the Company and CKI, such right shall lapse if CKI fails to serve notice within the prescribed period as mentioned above.

4. INFORMATION OF THE PROJECT GROUP

The Project Company is a holding company incorporated under the laws of the Province of British Columbia, Canada. As at the Latest Practicable Date, the Project Company is indirectly wholly-owned by the Company.

The Project Company holds the entire equity interest of the Operating Company, an indirect holding company of Reliance LP, which is principally engaged in the building equipment services sector providing water heaters, HVAC (heating, ventilation and air conditioning) equipment, comfort protection plans and other services to homeowners primarily in Ontario, Canada, under the consumer brand identity of "Reliance Home Comfort". The Project Group also has operations in Manitoba, Saskatchewan and Alberta in Canada and Georgia in the United States. Other than the interest in the Operating Company, cash balance and the loans advanced by the Vendor to the Project Company, the Project Company does not hold any other assets or has any other liabilities.

As at 14 July 2017, the Project Group has an unaudited net asset value of approximately C\$1,144 million (equivalent to approximately HK\$7,018 million).

LETTER FROM THE BOARD

Certain financial information of the Operating Group for each of the two years ended 31 December 2016 are set out below:

	For the year ended 31 December	
	2015 (audited)*	2016 (audited)
	<i>(C\$ million)</i>	<i>(C\$ million)</i>
Profit (loss) before taxation from continuing operations	(110.34) (equivalent to approximately (HK\$676.94 million))	69.93 (equivalent to approximately HK\$429.02 million)
Profit (loss) after taxation from continuing operations	(105.78) (equivalent to approximately (HK\$648.96 million))	52.87 (equivalent to approximately HK\$324.36 million)

* *The 2015 financial information of the Operating Group was impacted by non-operating factors, such as interest expense for a shareholder loan, and non-recurring factors, such as accounting mark-to-market non-cash impact of foreign exchange movements of approximately C\$83.01 million (equivalent to approximately HK\$509.27 million) mainly arising from depreciation of Canadian dollars against US dollars during 2015, and settlement costs of approximately C\$85.12 million (equivalent to approximately HK\$522.21 million) for early repayment of certain debts.*

The aggregate amount which the Vendor has paid for the Sale Shares and the principal amount of the Note is approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million). As the Vendor will transfer the Sale Shares and assign the Note to the Purchaser based on cost, it is expected that no gain or loss will be recorded from the Shares Transfer and the Note Assignment by the Group. The Group intends to use the proceeds of the Shares Transfer and the Note Assignment for general working capital of the Group.

Following the Transaction, the Project Company will be accounted for as a joint venture by each of the Company and CKI in its consolidated financial statements.

5. INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT

The Company

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

LETTER FROM THE BOARD

CKI

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

The Purchaser

The Purchaser is an investment holding company, and is indirectly wholly-owned by CKI.

The Vendor

The Vendor is an investment holding company, and is indirectly wholly-owned by the Company.

6. REASONS FOR, AND BENEFITS OF, THE ENTERING INTO OF THE TRANSACTION

As disclosed in the announcement of the Company dated 31 March 2017, at the time of entering into the Acquisition Agreement, the Company's intention was to on-sell up to 25% of the Group's stake in the Operating Company to CKI, subject to the obtaining of all necessary approvals. Upon Closing, CKI will become a shareholder holding 25% stake in the Project Company and be appointed as the Manager of the Project Group, whilst the Company will continue to hold an indirect 75% stake in the Project Company. The Transaction is in accord with the Company's strategy that, when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. While this business is in the field of household equipment services, there are certain infrastructure aspects to the business in which CKI has a track record of managing and operating, enhancing value in the long term and their marketability. The Company can collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI, with its experience of owning and operating infrastructure business in Canada and in other parts of the world, a suitable joint venture partner. The Transaction would provide synergy effect to both the Company and CKI and allow them to share their management and strategic expertise in the management and operation of the Project Group.

If the Shareholders' Approval in respect of the Transaction is not obtained and the Transaction does not proceed, the entire issued share capital of Project Company will remain indirectly owned by the Company. In such case, the Company may leverage on the expertise of the Operating Group's existing management and may consider to engage any joint ventures or associates of CKI or other professionals, as appropriate, to support the management of the Operating Group's business.

LETTER FROM THE BOARD

For the above reasons, the Directors (other than Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being independent non-executive Directors who are members of the Independent Board Committee established to make recommendations to the Independent Shareholders on the Transaction, and whose views are set out in the “Letter from the Independent Board Committee” in this circular, but including Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, the other independent non-executive Directors, each of whom is not appointed as a member of the Independent Board Committee due to each also being an independent non-executive director of CKI) consider that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. As each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has or may be regarded as having a material interest in the Transaction, each of them has voluntarily abstained from voting on the board resolutions of the Company approving the Transaction.

7. LISTING RULES IMPLICATIONS

The Transaction will result in the assets of the Project Group not being consolidated in the accounts of the Company. Accordingly, 100% of the Project Group’s total assets, profits and revenue will be taken for the calculation of size tests as required under Rule 14.28 of the Listing Rules, irrespective of the size of the interest being disposed of.

As one or more of the applicable percentage ratios of the Company under the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the Company’s compliance with the announcement and notification requirements but is not subject to the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust currently directly and/or indirectly hold an aggregate of approximately 31.47% of the issued share capital of the Company and an aggregate of approximately 30.16% of the issued share capital of CKHH. CKHH has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules. As CKHH currently holds approximately 71.93% of the issued share capital of CKI, CKI may also be regarded as a connected person of the Company by virtue of it being a subsidiary of CKHH. Therefore, the Transaction also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Company under the Transaction exceed 5%, the Transaction is subject to the Company’s compliance with the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

8. PROPOSED CHANGE OF COMPANY NAME

(a) Proposed Change of Company Name

The Board proposes to change the English name of the Company to “CK Asset Holdings Limited” from “Cheung Kong Property Holdings Limited”, and to change the Chinese name of the Company to “長江實業集團有限公司” from “長江實業地產有限公司”.

(b) Reasons for the Change of Company Name

With a view to aligning the Company’s name with the name of the other listed companies within the CK group and to better reflect the Company’s strategy to achieve long-term sustainable business growth and value creation for the Shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue, such as infrastructure investment, property investment and aircraft leasing, the Board has proposed the Change of Company Name as it believes that the proposed new English name of the Company, “CK Asset Holdings Limited”, will better reflect the Company’s position and strategic direction. The Board considers that the Change of Company Name is in the interests of the Company and the Shareholders as a whole.

(c) Conditions of the Change of Company Name

The Change of Company Name will be conditional upon:

- (i) the passing of a special resolution by the Shareholders at the EGM to approve the Change of Company Name; and
- (ii) the approval of the proposed new name of the Company by the Registrar of Companies in the Cayman Islands.

Upon satisfaction of the above conditions, the Change of Company Name will become effective on the date on which the Registrar of Companies in the Cayman Islands enters the new English name and the Chinese name in the register of companies in place of the existing name, as evidenced by a certificate of incorporation on change of name issued by the Registrar of Companies in the Cayman Islands. Upon the Change of Company Name becoming effective, the Company will comply with the necessary filing procedures in Hong Kong.

(d) Effect of the Change of Company Name

The Change of Company Name will not affect any of the rights of the existing Shareholders. All share certificates of the Company in issue bearing the existing name of the Company will, after the Change of Company Name, continue to be evidence of title and valid for all purposes (including for the purposes of trading, settlement, registration and delivery). There will not be any arrangement for the exchange of the share certificates of the Company under its existing name for new share certificates under the new name of the Company. Share certificates issued by the Company after the Change of Company Name has become effective will be in the new name of the Company.

LETTER FROM THE BOARD

Save for the change of the stock short name which the Company will announce in due course, the trading arrangements for the Shares on the Stock Exchange will not be affected.

Further announcements will be made by the Company concerning the effective date of the Change of Company Name and the change of the stock short name upon the Change of Company Name becoming effective as and when appropriate.

9. EGM AND VOTING

The Company will convene the EGM for (a) the Independent Shareholders to consider and, if thought fit, pass an ordinary resolution to approve the Transaction and (b) the Shareholders to consider and, if thought fit, pass a special resolution to approve the Change of Company Name. A notice convening the EGM to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 24 August 2017 at 11:30 a.m. is set out on pages 50 to 52 of this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the forthcoming EGM will therefore put the resolutions to be proposed at the EGM to be voted by way of a poll pursuant to Article 81 of the Amended and Restated Articles of Association of the Company.

After the conclusion of the EGM, the results of the poll will be released on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.ckph.com.hk.

All Shareholders who have a material interest in the Transaction will be required to abstain from voting on the ordinary resolution to approve the Transaction at the EGM. Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the relevant entities under the Trust will, and will procure their respective associates to, abstain from voting on the ordinary resolution to approve the Transaction at the EGM.

All Shareholders will be entitled to vote on the special resolution to approve the Change of Company Name at the EGM.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM or any adjourned meeting in person, please complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

10. RECOMMENDATIONS

(a) Recommendations in relation to the Transaction

(i) *Recommendation from the Directors (other than those on the Independent Board Committee)*

Having taken into account the reasons for and benefits of the Transaction as set out in this letter from the Board above, the Directors (other than those on the Independent Board Committee, whose views are set out in the Letter from the Independent Board Committee of this circular) consider that the Transaction is on normal commercial terms, the terms of the Transaction are fair and reasonable and the entry into the Transaction is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (other than those on the Independent Board Committee, whose views are set out in the Letter from the Independent Board Committee of this circular) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transaction.

As each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has or may be regarded as having a material interest in the Transaction, each of them has voluntarily abstained from voting on the board resolutions of the Company for approving the Transaction.

(ii) *Recommendation from the Independent Board Committee*

The Independent Board Committee (Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, each being independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders in respect of the Transaction after taking into account the advice from the Independent Financial Adviser. Since Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, being independent non-executive Directors, are also independent non-executive directors of CKI, they were not appointed as members of the Independent Board Committee.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 22 and 23 of this circular which contains its recommendation to the Independent Shareholders on the Transaction; and (ii) the letter from the Independent Financial Adviser set out on pages 24 to 41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Transaction and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

LETTER FROM THE BOARD

The Independent Board Committee, having considered the reasons for and benefits of the Transaction as set out above and the terms of the Transaction and having taken into account the advice of the Independent Financial Adviser, and in particular, the factors, reasons and recommendations set out in the Letter from the Independent Financial Adviser of this circular, considers that the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Transaction are fair and reasonable as far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transaction.

(iii) Recommendation from the Independent Financial Adviser

Anglo Chinese has been engaged as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Transaction, and whether it is in the ordinary and usual course of business of the Group, on normal commercial terms and is in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 24 to 41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Transaction and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

Having taken into account the principal factors and reasons therein, the Independent Financial Adviser considers that the terms of the Transaction are fair and reasonable so far as the Independent Shareholders are concerned. In addition, the Independent Financial Adviser considers that the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Financial Adviser advises the Independent Board Committee to recommend, and it recommends, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transaction.

(b) Recommendation in relation to the Change of Company Name

The Board considers that the Change of Company Name is in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the special resolution to be proposed at the EGM to approve the Change of Company Name.

LETTER FROM THE BOARD

11. FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 22 and 23 of this circular, the letter from the Independent Financial Adviser as set out on pages 24 to 41 of this circular, the additional information as set out in the Appendix of this circular and the notice of the EGM as set out on pages 50 to 52 of this circular.

Yours faithfully,

For and on behalf of the Board of

CHEUNG KONG PROPERTY HOLDINGS LIMITED

LI Ka-shing

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the Transaction.



CHEUNG KONG PROPERTY HOLDINGS LIMITED 長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1113)

8 August 2017

To the Independent Shareholders

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION RELATING TO THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY

We refer to the circular of Cheung Kong Property Holdings Limited dated 8 August 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you in connection with the Transaction, details of which are set out in the “Letter from the Board” of the Circular.

Anglo Chinese has been engaged to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Transaction, and whether it is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

We wish to draw your attention to the “Letter from the Independent Financial Adviser” as set out on pages 24 to 41 of the Circular, which contains its advice and recommendation to us and the Independent Shareholders and its recommendation to the Independent Shareholders as to how to vote in respect of the ordinary resolution to be proposed at the EGM to approve the Transaction.

Having considered the reasons for and benefits of the Transaction as set out in the Circular, the terms of the Transaction, the reasons considered by, and the opinion of, the Independent Financial Adviser as stated in its letter of advice, and the relevant information contained in the Letter from the Board, we are of the opinion that the Transaction is on normal

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

commercial terms and in the ordinary and usual course of business of the Group, is on terms which are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transaction.

Yours faithfully,

CHOW Nin Mow, Albert

HUNG Siu-lin, Katherine

YEH Yuan Chang, Anthony

Donald Jeffrey ROBERTS

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Anglo Chinese, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction, which has been prepared for the purpose of incorporation into this circular.

ANGLO CHINESE CORPORATE FINANCE, LIMITED

www.anglochinesegroup.com

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

The Independent Board Committee
and the Independent Shareholders of
Cheung Kong Property Holdings Limited

8th August, 2017

Dear Sirs,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION RELATING TO THE SALE AND PURCHASE OF 25% INTEREST IN THE PROJECT COMPANY

I. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the transaction contemplated under the Sale and Purchase Agreement, details of which are set out in the letter from the Board in this circular dated 8th August, 2017 issued by the Company to, among others, the Independent Shareholders, of which this letter forms apart.

As the Independent Financial Adviser to the Independent Board Committee we are required by the Listing Rules to state whether the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole, the Transaction is on normal commercial terms, and in the ordinary and normal course of the business of the Company and advise whether the Independent Shareholders should vote in favour of the Transaction at the EGM convened to approve it. The terms used in this letter shall have the same meaning as defined in this circular, of which this letter forms part, unless the context requires otherwise.

The Transaction will result in the assets of the Project Group not being consolidated in the accounts of the Company. Accordingly, 100% of the Project Group's total assets, profits and revenue will be taken for the calculation of size tests as required under Rule 14.28 of the Listing Rules, irrespective of the size of the interest being disposed of. As one or more of the applicable percentage ratios of the Company exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company and is subject to the Company's compliance with the announcement and notification requirements but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the Trust currently directly and, or indirectly hold an aggregate of approximately 31.47% of the issued share capital of the Company and an aggregate of approximately 30.16% of the issued share capital of CKHH. CKHH has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules. As CKHH currently holds approximately 71.93% of the issued share capital of CKI, CKI may also be regarded as a connected person of the Company by virtue of it being a subsidiary of CKHH. Therefore, the Transaction also constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios of the Company under the Transaction exceed 5%, the Transaction is subject to the Company's compliance with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, other than Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel as they are the independent non-executive director of both the Company and CKI, has been formed to advise the Independent Shareholders on whether the relevant elements of the Transaction are fair and reasonable, and how they are recommended to vote on the relevant resolution to be proposed at the forthcoming EGM convened to approve the Transaction. We have been appointed to advise the Independent Board Committee and the Independent Shareholders accordingly.

In formulating our recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Company. We have also assumed that the information and representations contained or referred to in this circular were true and accurate at the time they were made and continued to be so at the Latest Practicable Date. We have reviewed the recently published information on the Company and CKI including the annual reports for the three years ended 31st December, 2016, the interim results announcement of CKI for the six months ended 30th June, 2017, and the published announcement in relation to the Acquisition. We have also discussed with the management of the Company, amongst other things, the Company's prospect and the background to and reasons for the Transaction. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in this circular and to provide a reasonable basis for our opinion and advice. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have not, however, conducted an independent investigation into the business and affairs of the Group and the Operating Group, and, or the associates of either of them, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Apart from professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associate of any of them. Within the past three years from the Latest Practicable Date, we were previously engaged as an independent financial adviser by CKHH and CKI on two occasions, details of which were set out in the circulars of CKHH and CKI dated 31st March, 2015 and 20th October, 2015, respectively. We were also engaged as an independent financial adviser by the Company in relation to a connected transaction and discloseable transaction, and details of which was set out in the circular of the Company dated 22nd February, 2017. Given our independent role and normal professional fees received from CKHH, CKI and the Company under these past engagements, we do not consider that they will affect our independence in relation to our present engagement to advise the Independent Board Committee and Independent Shareholders.

II. BACKGROUND OF THE SALE AND PURCHASE AGREEMENT

1. Background of the Transaction

References are made to the announcements of the Company dated 31st March, 2017 and 14th July, 2017. On 31st March 2017, the Board announced that Canada Water Tanks Sarl as vendor, the Project Company, an indirectly wholly-owned subsidiary of the Company as purchaser, and the Company as guarantor of the purchaser, had entered into the Acquisition Agreement in relation to the acquisition of the entire and outstanding shares in the capital of the Operating Company at a consideration of approximately C\$2.82 billion (equivalent to approximately HK\$16.44 billion), subject to the adjustments. Please refer to the announcement of the Company dated 31st March, 2017 for the principal terms of the Acquisition Agreement. In the announcement dated 31st March, 2017 it was stated that it is the Company's intention to on-sell up to 25% of the Group's stake in the Operating Company to CKI, subject to obtaining the necessary approvals. The Acquisition Agreement was completed on 13th July, 2017.

In furtherance of this stated intention and as set out in the Announcement, the Vendor, an indirectly wholly-owned subsidiary of the Company, the Purchaser, an indirectly wholly-owned subsidiary of CKI, and CKI as guarantor of the Purchaser entered into the Sale and Purchase Agreement for the Shares Transfer and the Note Assignment, pursuant to which, conditional upon the obtaining of the Shareholders' Approval, the Vendor has agreed to dispose of 25% equity interest in the Project Company to the Purchaser by (i) the sale and purchase of the Sale Shares; and (ii) the assignment of the Note. It is also a term in the Sale and Purchase Agreement that the Vendor, the Purchaser, the Company, CKI and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the Group and CKI Group upon Closing.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Information on the Project Group and the Operating Company

The Project Company is a holding company incorporated under the laws of the Province of British Columbia, Canada. As at the Latest Practicable Date, the Project Company is an indirectly wholly-owned subsidiary of the Company, and it holds the entire equity interests of the Operating Company, an indirect holding company of Reliance LP. Other than the interests in the Operating Company, cash balance and the loans advanced by the Vendor to the Project Company, the Project Company did not hold any other assets or has any other liabilities as at the Latest Practicable Date.

Reliance LP is principally engaged in the building equipment services sector providing water heaters, HVAC (heating, ventilation and air conditioning) equipment, comfort protection plans and other services to homeowners primarily in Ontario, Canada, under the consumer brand identity of “Reliance Home Comfort”. The Project Group also has operations in Manitoba, Saskatchewan and Alberta, Canada, and Georgia in the United States.

As stated in the letter from the Board of this circular, the Project Group had an unaudited net asset value of approximately C\$1,144 million (equivalent to approximately HK\$7,018 million) as at 14th July, 2017.

The key financial information of the Operating Group for the two years ended 31st December, 2016 are set out below:

	For the year ended 31st December,	
	2015	2016
<i>(In C\$ million)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	566.5 (equivalent to approximately HK\$3,475.5 million)	601.7 (equivalent to approximately HK\$3,691.4 million)
EBITDA	241.5 (equivalent to approximately HK\$1,481.6 million)	333.3 (equivalent to approximately HK\$2,044.8 million)
Profit (loss) before tax from continuing operations	(110.3) <i>(note 1)</i> (equivalent to approximately HK\$(676.7) million)	69.9 (equivalent to approximately HK\$428.8 million)
Profit (loss) after tax from continuing operations	(105.8) <i>(note 1)</i> (equivalent to approximately HK\$(649.1) million)	52.9 (equivalent to approximately HK\$324.5 million)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note:

1. For the year ended 31st December, 2015, the losses before, and after tax from continuing operations were mainly attributable to (i) the interest expenses for a shareholder's loan, which was non-operating event; and (ii) accounting mark-to-market non-cash impact of foreign exchange movements of approximately C\$83.0 million (equivalent to approximately HK\$509.2 million) mainly arising from the depreciation of Canadian dollars against US dollars during the year of 2015, and settlement costs of approximately C\$85.1 million (equivalent to approximately HK\$522.1 million) for early repayment of certain debts, which were non-recurring events.

The aggregate amount of which the Vendor has paid for the Sale Shares and the principal amount of the Note is approximately C\$714.9 million (equivalent to approximately HK\$4,386.0 million). As the Vendor will transfer the Sale Shares and assign the Note to the Purchaser based on cost, it is expected that no gain or loss will be recorded from the Shares Transfer and the Note Assignment by the Group. The Group intends to use the proceeds of the Shares Transfer and the Note Assignment for general working capital of the Group. Following the Transaction, the Project Company will be accounted for as a joint venture by each of the Company and CKI in their respective consolidated financial statements.

3. Information of the Group and the Vendor

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

4. Information of the CKI Group and the Purchaser

The CKI Group

The principal activities of the CKI Group are development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, the Netherlands, Portugal, Australia, New Zealand and Canada. The shares of CKI are listed on the Main Board of the Stock Exchange under Stock Code 1038.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table sets out a summary of consolidated financial results of CKI for the two years ended 31st December, 2015 and 2016 as extracted from CKI's 2016 annual report, and for each of the six months ended 30th June, 2016 and 2017 as extracted from CKI's interim results announcement for 2017:

	For the year ended		For the six months ended	
	31st December,		30th June,	
	2015	2016	2016	2017
<i>(In HK\$ million)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Turnover				
Sales and interest income from infrastructure investments	5,557	5,321	2,588	2,776
– Sales of infrastructure materials	2,161	1,980	920	954
– Interest income from loans granted to associates	378	364	183	184
– Interest income from loans granted to joint ventures	1,714	1,631	834	907
– Sales of waste management services	1,225	1,322	627	731
– Interest income from investments in securities	46	24	24	–
– Sales of water supply	33	–	–	–
Share of turnover of joint ventures	22,980	22,025	11,468	11,201
Total turnover	28,537	27,346	14,056	13,977
Other income	537	580	374	228
Operating costs	(2,865)	(3,972)	(1,762)	(1,618)
Finance costs	(726)	(560)	(278)	(305)
Exchange gain/(loss)	(326)	(698)	(498)	213
Gain on disposal of investment in securities	–	781	781	–
Share of results of associates	3,275	2,861	1,601	1,804
Share of results of joint ventures	6,198	5,887	3,004	2,847
Profit before taxation	11,650	10,200	5,810	5,945
Profit for the year attributable to	11,658	10,208	5,803	5,930
– Shareholders of CKI	11,162	9,636	5,511	5,657
– Owners of perpetual capital securities	517	584	308	275
– Non-controlling interests	(21)	(12)	(16)	(2)
Earnings per share (HK\$)	4.44	3.82	2.19	2.25
Dividends per share (HK\$)	2.15	2.26	0.63	0.67

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As discussed in the 2016 annual report of CKI, Power Assets Holdings Limited (“PAH”) contributed profits of approximately HK\$2,494 million to CKI which represented a decline of 17% when compared to the year of 2015. This was mainly due to the weaker British pounds, lower UK deferred tax credit adjustment and a reduction of its stake in HK Electric Investments and HK Electric Investments Limited from 49.9% to 33.37% since 9th June, 2015 and the reversal of provisions and expenses taken in 2015. During the year of 2016, CKI, together with PAH, acquired 65% of Husky Midstream Limited Partnership, with CKI holding a 16.25% interest.

As discussed in CKI’s announcement on interim results for 2017, CKI recorded unaudited profit attributable to shareholders of approximately HK\$5,657 million, an approximately 2.6% increase over the same period in 2016, which was achieved notwithstanding the British pound having dropped more than approximately 10% when compared with the corresponding period last year. Profit contribution from PAH was approximately HK\$1,564 million, an increase of 16% as compared to the same period last year, as both Hong Kong and international portfolios reported financial growth during the period under review.

Since 31st December, 2016, CKI acquired indirectly 40% interests in DUET Finance Limited, DUET Finance Trust, DUET Investment Holdings Limited and DUET Company Limited, which were the owners and operators of energy utility assets in Australia, the United States, the United Kingdom and Europe. The Company, CKI and PAH hold respectively through the joint venture company a 40%, 40% and 20% interest in these businesses. Please refer to the circular of the Company dated 22nd February, 2017 for the details of the abovementioned acquisition and joint venture formation.

The following table sets out a summary of the consolidated financial positions of CKI as at 31st December, 2015 and 2016 extracted from the CKI’s 2016 annual report, and as at 30th June, 2017 extracted from CKI’s announcement on interim results for 2017:

	As at 31st December,		As at
	2015	2016	30th June,
<i>(In HK\$ million)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
Current assets	9,278	13,539	5,887
Non-current assets	122,824	114,371	132,376
Total assets	132,102	127,910	138,263
Current liabilities	3,681	13,837	11,454
Non-current liabilities	17,862	7,886	18,186
Total liabilities	21,543	21,723	29,640
Net assets	110,559	106,187	108,623

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As shown in the above summary of audited consolidated financial position of CKI as at 31st December, 2016, CKI had total assets of HK\$127,910 million, of which approximately 38.9% were represented by its interest in PAH. As discussed in the 2016 annual report of CKI, CKI had cash on hand of approximately HK\$12 billion and a net debt to net total capital ratio of 4.5% as at 31st December, 2016.

As discussed in the CKI's announcement on interim results for 2017, as at 30th June, 2017, the CKI Group had cash on hand of approximately HK\$4.7 billion and a net debt to net total capital ratio of approximately 15.3%. Such ratio was higher than the net debt to net total capital ratio of approximately 4.5% as at 31st December, 2016, which was mainly attributable to the funds utilised for the investment in a business that owns and operates energy utility assets in Australia, the United States, the United Kingdom and Europe during the period. Notwithstanding the DUET acquisition as mentioned above, CKI maintained a strong financial position.

The Purchaser

The Purchaser is an investment holding company and is indirectly wholly-owned by CKI.

5. Consideration payable under the Sale and Purchase Agreement

The Consideration payable under the Sale and Purchase Agreement shall be approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million), which comprises the following:

- (i) an approximate amount of C\$285.97 million (equivalent to approximately HK\$1,754.43 million), being the consideration for the Shares Transfer; and
- (ii) an approximate amount of C\$428.95 million (equivalent to approximately HK\$2,631.61 million), being the aggregate principal amount of the Note,

plus any accrued and unpaid interest, net of any applicable taxes, on the Note as of the Closing Date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, and was based on cost, being the amount which the Vendor has paid for the Sale Shares and the principal amount of the Note (the aggregate of which has been paid by the Vendor to the Project Company to satisfy 25% of the consideration and transaction costs for the Acquisition and the working capital of the Project Group). Further details of the terms of the Sale and Purchase Agreement are set out in the letter from the Board included in this circular.

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6. Commercial rationale for the entering into the Acquisition Agreement and the Transaction

In assessing the Transaction and the form it has taken, we consider it is important to understand its commercial rationale and its background. The Acquisition Agreement was entered into by the Group following negotiations which had originated in the fourth quarter of 2016. These negotiations were led by representatives of CKI in recognition of CKI's experience in related or similar operating businesses but with material input from representatives of the Company to ensure that the proposed Acquisition met the Company's investment objectives. From the outset it was intended that the Company would be essentially an investor with the management of the Operating Company being the direct responsibility of CKI given its interest and expertise in managing businesses which have similar or related characteristics.

As mentioned in the letter from the Board included in this circular, the Company's strategy is that when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. For the Company, its retained investment after completion of the Transaction conforms with its stated objective of balancing the more cyclical or periodic returns from property development primarily in Hong Kong and Mainland China, which is its principal business focus, with new investments which have more predictable cashflows and dividends. The investment in the Operating Company meets the criteria of the type of investments which the Company has stated it is seeking to balance its property development and investment activities. The Company articulated its investment policy in some details when it announced on 2nd December, 2016 that the Group had acquired from a subsidiary of CKHH the entire issued share capital of CK Capital Limited, which owns through subsidiary companies a fleet of 43 aircraft and an effective 50% shareholding interest in Vermillion Aviation Holdings Limited which owns through subsidiary companies a fleet of 22 aircraft and a commitment to purchase eight more.

As discussed in the section headed "Background of the Sale and Purchase Agreement – Information of the CKI Group and the Purchaser – The CKI Group" above, on 16th January, 2017, the Company announced the formation of a joint venture in connection with the acquisition of the interests in DUET Finance Limited, DUET Finance Trust, DUET Investment Holdings Limited and DUET Company Limited, which were the owners and operators of energy utility assets in Australia, the United States, the United Kingdom and Europe. For largely the same reasons as set out in the paragraph above the interests in these assets are now indirectly held as a joint venture in which the Company, CKI and PAH are interested as to 40%, 40% and 20% respectively. As in the case of the Transaction, CKI with its experience in the energy utility sector is responsible for the day-to-day management of this joint venture investment. The Company will be able to collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI,

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with its experience of owning and operating infrastructure business in Canada and in other parts of the world, a suitable joint venture partner. The Transaction will allow the Company and CKI to share their management and strategic expertise in the management and operation of the Project Group. It was also announced on 14th July, 2017 that the Company intends to change its name to CK Asset Holdings Limited to reflect better the Company's strategy to achieve long-term sustainable business growth and value creation for the Shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue. Accordingly, we consider that the Transaction is in the ordinary and normal course of its business.

III. THE SHAREHOLDERS' AGREEMENT

Upon Closing, the Company, CKI, the Vendor, the Purchaser and the Project Company will enter into the Shareholders' Agreement to govern the operation and management of the Project Group and the relationship between the Group and CKI Group. Upon Closing, CKI shall be appointed as the Manager of the Project Group and shall be responsible for overseeing the Project Group's business and financial performance. In the performance of its duties, the Manager shall draw on its experience of managing and operating infrastructure projects in Canada and other parts of the world to assist the board of the Project Company to perform its duties and, specifically, it shall (i) make recommendations for the appointment and, or dismissals of the chief executive officer and chief financial officer of any member of the Project Group and other members of the senior management and assessing management's performance; (ii) consider and provide advice to the Project Group's annual business plan, annual and monthly budget and other management and financial plans and, or reports prepared by management of the Project Group, and make such recommendations to the board of the Project Company for improvements or follow up; and (iii) provide such support services as may be requested by the board of the Project Group from time to time in connection with the management of the Project Group. For the avoidance of doubt, the board of the Project Company shall remain responsible for making all relevant decisions as it considers appropriate and shall not be obliged to follow the Manager's recommendations.

No remuneration will be payable to CKI for services provided by it in its capacity as the Manager of the Project Group, in view of the opportunity for investment in the Project Group offered by the Vendor to the Purchaser. Further details of the principal terms of the Shareholders' Agreement are set out in the letter from the Board included in this circular.

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IV. FURTHER FACTORS AND CONSIDERATIONS IN THE ASSESSMENT OF THE TRANSACTION

1. The terms of the Acquisition Agreement

The Operating Company was acquired by the Company pursuant to the Acquisition Agreement from a holding company owned by investment funds managed by a US-based private investment firm. The terms of the Acquisition Agreement were therefore negotiated on an arms-length basis between two independent parties. As previously stated representatives of CKI were closely involved in the negotiation of the terms. The Acquisition Agreement which has been completed constituted a discloseable transaction under the Listing Rules but was not subject to the approval of the Shareholders of the Company. Accordingly, the consideration under the terms of the Acquisition Agreement falls beyond the scope of our engagement to advise on the Transaction, which relates only to the on-sale of the 25% equity interest in the Project Company to CKI, which is a connected transaction under the Listing Rules.

2. The terms of the Sale and Purchase Agreement

Further, as we have already stated, the negotiation of the Acquisition involved representatives of the Company and CKI, and the commercial basis of which was for each to take an agreed percentage cost of the Acquisition. The price was manifestly determined by negotiation at arm's length with the representatives of the vendor of the Operating Company, who are independent of the Company and CKI. It is for these reasons, we do not consider that the price of the Acquisition forms part of the connected transaction between the Company and CKI on which we have been engaged to render our advice. The Acquisition price was not determined by negotiation between parties who are deemed to be connected but by negotiation by the Company and CKI on the one hand, and representatives of the vendor of the Operating Company on another side. Further details of the principal terms of the Sale and Purchase Agreement are set out in the letter from the Board included in this circular.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser, and was based on cost, being the amount which the Vendor has paid for the Sale Shares and the principal amount of the Note (the aggregate of which has been paid by the Vendor to the Project Company to satisfy 25% of the consideration and transaction costs for Acquisition and the working capital of the Project Group). Accordingly, the effect on the Group accounts is expected to be neutral, ignoring any transaction fees, resulting in neither a profit nor a loss upon completion of the Transaction.

Although our engagement does not require us to provide an opinion on the terms of the Acquisition, we recognise that its terms are reflected in the Transaction. We have therefore undertaken an analysis of companies and transactions in the

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following section which we believe have comparable characteristics to the Operating Group and the consideration terms of Acquisition Agreement respectively.

3. Trading statistic of comparable listed company and precedent transactions

Comparable company

The Operating Company is principally engaged in the rental services of water heaters and HVAC equipment in Ontario, and has one main competitor, Enercare Inc.. We have not identified any other company which we consider comparable. Accordingly, we consider that Enercare Inc. is the only suitable direct comparable with the Operating Company for the purpose of arriving at an opinion on the terms of the Transaction.

As 100% of the Project Group will be controlled jointly by the Company and CKI who together will be able to determine the capital structure and deployment of the cashflow of the Project Group, we believe that the most relevant comparable measure is the enterprise value (the “EV”) to the earnings before interest paid, taxation, depreciation and amortisation (the “EBITDA”) ratio. We have therefore assessed Enercare Inc. and the Operating Company using an EV/EBITDA multiple. We extracted the figures from the latest published full year audited financial statements of Enercare Inc. and the audited report of the Operating Company to calculate their respective multiples.

Ticker	Company	Share price	Market	EV	EBITDA	EV/ EBITDA
		as at the Latest Practicable Date	capitalisation as at the Latest Practicable Date			
		(C\$)	(C\$ '000)	(C\$ '000)	(C\$ '000)	(x)
TSX: ECI	Enercare Inc.	20.85	2,189,398	3,120,098 <i>note 3</i>	265,792 <i>note 3</i>	11.7
	The Operating Company	N.A.	N.A.	4,573,573 <i>note 4</i>	333,295	13.7

Notes:

- EV is the enterprise value of a company or business. It has been calculated by taking the sum of the market capitalisation of the relevant company at the Latest Practicable Date, and non-controlling interests and borrowings, less cash and bank deposits, extracted from the respective company’s latest published full year audited financial statements.
- EBITDA represents the earnings before interest paid, taxation, depreciation and amortisation. It is a measure of gross funds generated by a business.
- We have used the figures from the 2016 annual report of Enercare Inc. to calculate the value of EV, and extracted the value of EBITDA from such report.
- As the Operating Company was a private company, the Consideration is used to determine its EV.

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The valuation of the Operating Company is higher than the comparable company, Enercare Inc.. As the EV used at arriving at the EV/EBITDA multiple of Enercare Inc. is based on its market capitalisation of the issued share capital, and therefore a takeover premium for control should not be generally included. We have considered the value of the Operation Company from the perspective of controlling interest, and therefore, a takeover premium for the control should be applied to such controlling interest. Accordingly, based on our best effort and knowledge, we have made reference to the Control Premium Study (3rd quarter 2016) which was published by Factset Mergerstat, LLC. (the “Mergerstat”), an independent information provider for merger and acquisition transaction data, in relation to the examination of control premia of the transactions whereby 50.01% or more of a company was acquired. As indicated by such market data and for illustrative purposes, the overall average and median premiums for the 143 transactions (excluding negative premium transactions) in this study report were approximately 47.3% and 32.8%, respectively, while the overall average and median premiums for the 164 transactions (including negative premium transactions) were approximately 36.6% and 29.0%, respectively ^{note 1}. As such, the higher EV/EBITDA multiple of the Operating Company, with reference to the abovementioned premium control data as proxy only, should reflect the takeover premium for control for the Acquisition, which we are of the opinion is fair and reasonable.

Note:

1. The control premium calculated in the Control Premium Study (3rd quarter 2016) report was the percentage difference between the total consideration price per share of the target company’s common stock and the market trading price per share prior to the acquisition announcement as analysed and determined by Mergerstat.

Recent precedent transactions

We have attempted to identify comparable transactions (the “Comparable Transactions”) that are similar to the acquisition of the Operating Company in core business nature in North America during the past 5 years, and five Comparable Transactions have been selected, to the best of our endeavours, in our research through public information. We have assessed these Comparable Transactions on the basis of their respective EV/EBITDA multiples. We believe this is the most appropriate basis for comparison, particularly in the circumstance when the Operating Company has been owned by private equity investors which would be likely cause it to have a higher level of borrowings than were it to be a listed company or subsidiary of a listed company. Since returns are measured before interest, taxation, amortisation and depreciation, and the entire price value includes borrowings, the comparison effectively eliminates the effect of differing levels of borrowing. Accordingly, we regard is the most appropriate measure to assess the valuation for the acquisition of a company or business.

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Date of announcement/ press release	Acquirer	Target company	Size of consideration ('000)	EV ('000)	EBITDA ('000)	EV/ EBITDA (x)
September, 2013	Direct Energy	America's Water Heater Rentals, LLC	US\$30,000	N.A. ^{note 2}	N.A. ^{note 2}	N.A.
June, 2014	Reliance Comfort Limited Partnership	National Energy Corporation	C\$505,000	C\$505,000 ^{note 3}	C\$42,060	12.0
July, 2014	TPG Special Situations Partner, LLC	Enercare Inc. and Enercare Solutions Inc.	C\$872,850 ^{note 4}	C\$1,387,230	C\$152,493	9.1
July, 2014	Enercare Inc. and Enercare Solutions Inc.	Ontario home and small commercial services business of Direct Energy Marketing Limited	C\$550,390	C\$550,390	C\$ 39,300	14.0
March, 2016	Enercare Inc. and Enercare Solutions Inc.	SEHAC Holdings Corporation	US\$340,750	US\$321,358	US\$23,511	13.7
					Average ^{note 5}	13.2
					Median ^{note 5}	13.7
					Maximum ^{note 5}	14.0
					Minimum ^{note 5}	12.0
March, 2017	The Project Company	The Operating Company	C\$2,859,680	C\$4,573,573	C\$333,295	13.7

Notes:

- The figures used for these Comparable Transactions have been extracted from Bloomberg, the press release, public announcements and regulatory filings and have been converted into C\$, if necessary.
- Direct Energy, a subsidiary of Centrica plc (LON:CNA), acquired a US-based home services business, America's Water Heater Rentals (AWHR) for US\$30 million in cash plus working capital. AWHR provides rentals, as well as related repair and maintenance services to residential customers located principally in Midwest, Florida and U.S. Northwest. Nevertheless, no public information was available for the calculation of EV and EBITDA values. Accordingly, no EV/EBITDA multiple could be calculated for comparison.
- No public information was available for the EV of National Energy Corporation, and therefore, no adjustments were made for the calculation of its EV.
- The consideration was based on the top end of the C\$13.50-15.00 bid range offered by TPG Special Situation Partner, LLC to Enercare Inc. and Enercare Solutions Inc.. The offer was declined by the board of Enercare Inc. which determined that the indicated price range did not represent the full value of Enercare Inc's shares.

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5. We have excluded the transaction which was offered by TPG Special Situation Partner, LLC for the acquisition of Enercare Inc. and Enercare Solutions Inc. for comparison purpose because this deal was not proceeded.

Except for the Direct Energy's acquisition and the TPG Special Situations Partner, LLC's takeover bid illustrated in the table above, we have identified 3 Comparable Transactions suitable for comparison purpose in the past five years in North America, and the valuation of the Operating Company is close to the average and median values of the Comparable Transactions.

Assessment of the consideration under the Sale and Purchase Agreement

On the basis of the traded price of security in the comparable company, and the acquisitions of businesses operating in comparable sector to the Operating Company, and taking into the consideration of the takeover premium being paid for the control of the Operating Company, we consider that the Consideration is fair and reasonable, and a fair and reasonable basis for CKI to participate in the Transaction.

4. The terms of the Shareholders' Agreement

The Shareholders' Agreement forms an integral part of the Transaction as a whole and, in addition to the respective shareholdings of the parties, establishes the structure and mechanism for the Company and CKI to participate in the Project Group. It governs the operation and management of the Project Group and the relationship between the Group and CKI Group, including funding and guarantees, the composition of the board of the Project Company, board meeting quorum, board voting and shareholders' meetings. In addition, there are certain reserved matters which will effectively require the consent of both shareholders. Further details of the Shareholders' Agreement are set out in the letter from the Board included in this circular.

Upon Closing, CKI shall be appointed as the Manager of the Project Group and shall be responsible for overseeing the Project Group's business and financial performance. No remuneration will be payable to CKI for the services provided by it in its capacity as the Manager of the Project Group, in view of the opportunity for investment in the Project Group offered to the Purchaser under the Transaction. Accordingly, the amount of management resources that the Group will be required to allocate to its investment in the Project Group is expected to be insignificant.

We consider that the terms of the Shareholders' Agreement are usual for governing the relationship of shareholders of a jointly controlled company and reflect normal commercial terms. We also consider the management arrangement to be in the interests of the Company and its Shareholders as a whole.

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5. Reasons for and the benefits of the Transaction

The reasons for the Transaction are set out in this letter below and included in the letter from the Board. We consider that it is in the interests of the Company and its Shareholders as a whole to have CKI, with its experience in related businesses, participate in the Project Group with the management arrangement contemplated in the Shareholders' Agreement.

As disclosed in the announcement of the Company dated 31st March, 2017, at the time of entering into the Acquisition Agreement, the Company's intention was to on-sell up to 25% of the Group's stake in the Operating Company to CKI, subject to the obtaining of all necessary approvals. Upon Closing, CKI will become a shareholder holding 25% stake in the Project Company and be appointed as the Manager of the Project Group, whilst the Company will continue to hold an indirect 75% stake in the Project Company. The Transaction is in accord with the Company's strategy that, when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. While this business is in the field of household equipment services, there are certain infrastructure aspects to the business in which CKI has a track record of managing and operating, enhancing value in the long term and their marketability. The Company can collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI, with its experience of owning and operating infrastructure business in Canada and in other parts of the world, a suitable joint venture partner. The Transaction will allow the Company and CKI to share their management and strategic expertise in the management and operation of the Project Group.

If the Shareholders' Approval in respect of the Transaction is not obtained and the Transaction does not proceed, the entire issued share capital of Project Company will remain indirectly owned by the Company. In such case, the Company may leverage on the expertise of the Operating Group's existing management and may consider engaging any joint ventures or associates of CKI or other professionals, as appropriate, to support the management of the Operating Group's business.

V. POSSIBLE FINANCIAL EFFECTS OF THE TRANSACTION

1. Earnings

As the Vendor will transfer the Sale Shares and assign the Note to the Purchaser based on cost, the Group is expected that no gain or loss will be recorded from the Shares Transfer and the Note Assignment by the Group. Following the Transaction, the Project Company will be accounted for as a joint venture by each of the Company and CKI in their respective consolidated financial statements, and accordingly, 75% of the profits (losses) of the Project Company will be accounted

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for in the income statement of the Group in the current financial year. The Group will utilise the proceeds of the Shares Transfer and Note Assignment for the general working capital of the Group.

2. Net assets

Following the Transaction, the Group and the CKI Group will hold 75% and 25% of equity interests in the Project Group, respectively. The Transaction will result in the assets of the Project Group not being consolidated in the accounts of the Company, and the joint venture arrangement will be established between the Group and the CKI Group and will provide both the Group and CKI Group with the rights to the net assets of the Operating Group.

3. Working capital

Given that the Consideration of approximately C\$714.92 million (equivalent to approximately HK\$4,386.03 million) shall be entirely settled by wire transfer on the Closing Date, the working capital of the Group is expected to improve upon Closing.

4. Conclusions

In view of the above scenario, we consider that there will not be any adverse impact on the earning, net asset position and working capital of the Group immediately upon the Closing. It should be noted that the abovementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon the Closing.

VI. RECOMMENDATION

Taking into account the background of the Sale and Purchase Agreement and the Shareholders' Agreement, the factors and considerations as well as the possible financial effects of the Transaction stated above, we are of the opinion that the terms of the Transaction in so far as they affect the Company are fair and reasonable, the Transaction is on normal commercial terms, and in the ordinary and usual course of the business of the Company. We consider the Transaction is fair and reasonable as far as the Independent Shareholders are concerned, and is in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of, and we also advise the Independent Shareholders to vote in favour of, the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

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Yours faithfully,

For and on behalf of

Anglo Chinese Corporate Finance, Limited

Stephen Clark

Managing Director

Dennis Cassidy

Director – Head of Corporate Finance

1. Mr. Stephen Clark is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has over 35 years of experience in corporate finance.
2. Mr. Dennis Cassidy is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has over 35 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This circular, for which the 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

(a) Interests in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and 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 corporation(s) (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 and 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:

Long Position in Shares

(i) *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	–	–	133,150,256 (Note 1)	1,028,753,254 (Note 2)	1,161,903,510	31.42%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	3,572,350 (Note 3)	1,028,753,254 (Note 2)	1,032,950,804	27.94%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	–	–	108,400	0.0029%
Chow Nin Mow, Albert	Beneficial owner	66	–	–	–	66	≈0%
Hung Siu-lin, Katherine	Beneficial owner	43,256	–	–	–	43,256	0.0012%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	91,920	–	–	91,920	0.0025%
Donald Jeffrey Roberts	Beneficial owner	167,396	–	–	–	167,396	0.0045%

(ii) 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		
Precise Result Global Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	15 (Note 4)	15	15%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	15 (Note 4)	15	15%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	2,000 (Note 4)	2,000	20%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	2,000 (Note 4)	2,000	20%
Mightycity Company Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	168,375 (Note 4)	168,375	1.53%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	168,375 (Note 4)	168,375	1.53%

Notes:

- (1) The 133,150,256 shares of the Company comprise:
- (a) 131,850,256 shares held by certain companies of which Mr. Li Ka-shing is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 1,300,000 shares held by Li Ka Shing Foundation Limited (“LKSF”). By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing 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.
- (2) The two references to 1,028,753,254 shares of the Company relate to the same block of shares comprising:
- (a) 936,462,744 shares held by Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“TUT1 related companies”). Mr. Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1 and TDT2 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, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 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 of the Company 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 of the Company 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 aforesaid.

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 of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as Directors of the Company.

- (b) 7,863,264 shares held by Li Ka-Shing Castle Trustee Company Limited (“TUT3”) as trustee of UT3. Mr. Li Ka-shing is the settlor of each of DT3 and DT4. Each of TDT3 and TDT4 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, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 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 only interested in the shares of the Company 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 of the Company 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 aforesaid.

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 shares of the Company held by TUT3 as trustee of UT3 under the SFO as Directors of the Company.

- (c) 84,427,246 shares held by a company controlled by TDT3 as trustee of DT3.
- (3) The 3,572,350 shares of the Company comprise:
 - (a) 2,272,350 shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 1,300,000 shares held by LKSF. By virtue of the terms of the constituent documents of LKSF, 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.
 - (4) These are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors, by virtue of their deemed interests in TUT1 as trustee of UT1 as described in Note (2)(a) above, are taken to have a duty of disclosure in relation to such shares under the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or deemed to have 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 are required,

pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests in assets, contracts or arrangements of the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the businesses of the Group taken as a whole.

(c) Competing Businesses

(i) *Principal Business Activities of the Group*

The principal business activities of the Group comprise the following:

- (1) property development and investment;
- (2) hotel and serviced suite operation;
- (3) property and project management;
- (4) interests in Real Estate Investment Trusts;
- (5) ownership and leasing of movable assets; and
- (6) investment in energy and infrastructure assets.

(ii) Interests in Competing Businesses

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:

<u>Name of Director</u>	<u>Name of Company</u>	<u>Nature of Interest</u>	<u>Competing Businesses (Note)</u>
Li Ka-shing	CK Hutchison Holdings Limited	Chairman	(6)
Li Tzar Kuoi, Victor	CK Hutchison Holdings Limited	Group Co-Managing Director and Deputy Chairman	(6)
	CK Infrastructure Holdings Limited	Chairman	(5) & (6)
	CK Life Sciences Int’l., (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(6)
	Husky Energy Inc. Power Assets Holdings Limited	Co-Chairman Non-executive Director	(6) (6)
Kam Hing Lam	CK Hutchison Holdings Limited	Deputy Managing Director	(6)
	CK Infrastructure Holdings Limited	Group Managing Director	(5) & (6)
	CK Life Sciences Int’l., (Holdings) Inc.	President and Chief Executive Officer	(1)
	Hui Xian Asset Management Limited	Chairman	(1), (2), (3) & (4)
Ip Tak Chuen, Edmond	CK Hutchison Holdings Limited	Deputy Managing Director	(6)
	CK Infrastructure Holdings Limited	Deputy Chairman	(5) & (6)
	CK Life Sciences Int’l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2), (3) & (4)

<u>Name of Director</u>	<u>Name of Company</u>	<u>Nature of Interest</u>	<u>Competing Businesses (Note)</u>
Chiu Kwok Hung, Justin	ARA Asset Management Limited	Director	(3) & (4)
	ARA Asset Management (Fortune) Limited	Non-executive Director	(3) & (4)
	ARA Asia Dragon Limited	Director	(1) & (3)
	ARA Asset Management (Prosperity) Limited	Chairman	(3) & (4)
Chow Wai Kam	AVIC International Holding (HK) Limited	Non-executive Director	(1)

Note: Such businesses may be conducted through subsidiaries, associated companies or by way of other form of investments. Please refer to “(i) Principal Business Activities of the Group” above for the types of the Competing Businesses.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their respective close associates (as if each of them was treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

(d) Common directors

As at the Latest Practicable Date, the following Directors are also directors of certain companies which have an interest or short position 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 (the “**Relevant Companies**”):

<u>Name of Director</u>	<u>Relevant Companies in which the Director is also a director</u>
Li Tzar Kuoi, Victor	Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust
	Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust
	Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust

<u>Name of Director</u>	<u>Relevant Companies in which the Director is also a director</u>
Pau Yee Wan, Ezra	Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust
	Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust
	Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation)).

4. EXPERT

(a) Qualification of expert

The following is the name and qualification of the expert who has given its opinion or advice which are contained in this circular:

<u>Name</u>	<u>Qualification</u>
Anglo Chinese Corporate Finance, Limited	A licensed corporation permitted to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

(b) Interests of expert

As at the Latest Practicable Date, Anglo Chinese was not interested in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and Anglo Chinese had no direct or indirect interest in any assets which had been, since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. CONSENT

Anglo Chinese has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they are respectively appear in this circular.

6. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, they are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of P. C. Woo & Co. at Room 1225, 12/F, Prince's Building, No. 10 Chater Road, Central, Hong Kong on any weekday, except Saturdays, Sundays and public holidays, during the period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders dated 8 August 2017, the text of which is set out in "Letter from the Independent Board Committee" of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 8 August 2017, the text of which is set out in "Letter from the Independent Financial Adviser" of this circular;
- (d) the consent letter referred to in the paragraph headed "5. *Consent*" in this Appendix; and
- (e) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



CHEUNG KONG PROPERTY HOLDINGS LIMITED 長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Cheung Kong Property Holdings Limited (the “**Company**”) will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on **Thursday, 24 August 2017** at 11:30 a.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Friday, 25 August 2017) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution no. 1 as an ordinary resolution of the Company and resolution no. 2 as a special resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the connected transaction that is contemplated among Rich Heights Limited (an indirect wholly-owned subsidiary of the Company), Roaring Victory Limited (an indirect wholly-owned subsidiary of CK Infrastructure Holdings Limited), the Company and CK Infrastructure Holdings Limited pursuant to, or in connection with, the Sale and Purchase Agreement (as defined and described in the circular of the Company dated 8 August 2017 (the “**Circular**”)) (a copy of the Circular marked “**A**” together with a copy of the Sale and Purchase Agreement marked “**B**” have been tabled before the meeting and initialled by the Chairman of the Meeting for the purpose of identification), including, but not limited to, the Shares Transfer (as defined in the Circular) and the Note Assignment (as defined in the Circular) in relation to the Transaction (as defined in the Circular), be and is hereby approved; and
- (b) the directors of the Company, acting collectively and individually, be and are hereby authorised to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to the Sale and Purchase Agreement and all of the transactions contemplated thereunder.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION

2. “**THAT** conditional upon the approval of the proposed new name of the Company by the Registrar of Companies in the Cayman Islands, the English name of the Company be changed to “CK Asset Holdings Limited” from “Cheung Kong Property Holdings Limited” and the Chinese name of the Company be changed to “長江實業集團有限公司” from “長江實業地產有限公司” (collectively, the “**Change of Company Name**”); and the directors of the Company, acting collectively and individually, be and are hereby authorised to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to the Change of Company Name.”

By Order of the Board

Eirene YEUNG

Company Secretary

Hong Kong, 8 August 2017

Notes:

1. Unless otherwise defined in this notice or the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this notice.
2. At the Meeting, the Chairman of the Meeting will put the above resolutions to be voted by way of a poll under Article 81 of the Company’s Amended and Restated Articles of Association.
3. Any member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy in accordance with the relevant provisions of the Amended and Restated Articles of Association of the Company to attend and on a poll, vote in his/her stead. A proxy need not be a member of the Company.
4. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority must be deposited at the Company’s principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the proxy form will not preclude a member from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) should the member so desires and in such event, the proxy form shall be deemed to be revoked.
6. For the purpose of determining the entitlement to attend and vote at the Meeting, the Register of Members of the Company will be closed from Monday, 21 August 2017 to Thursday, 24 August 2017 (or Friday, 25 August 2017 in the event that the Meeting is to be held on Friday, 25 August 2017 because of a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above (as detailed in note 7 below)), both days inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company’s Hong Kong Share 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 Friday, 18 August 2017.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. The Meeting will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 24 August 2017 at 11:30 a.m. as scheduled regardless of whether or not an amber or red rainstorm warning signal or a tropical cyclone warning signal no. 3 or below is in force in Hong Kong at any time on that day.

However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on Thursday, 24 August 2017, the Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Friday, 25 August 2017 instead.

Members who have any queries concerning these 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.

Members should make their own decision as to whether they would attend the Meeting under bad weather conditions at their own risk having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

8. In the case of joint holders of a Share, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such Share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the Meeting, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the Register of Members of the Company in respect of the relevant joint holding.
9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

This circular (both English and Chinese versions) (“Circular”) has been posted on the Company’s website at www.ckph.com.hk. Shareholders who have chosen (or are deemed to have consented) to read the Company’s corporate communications (including but not limited to the Circular) published on the Company’s website in place of receiving printed copies thereof may request the printed copy of the Circular in writing to the Company c/o the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email to ckph.ecom@computershare.com.hk.

Shareholders who have chosen (or are deemed to have consented) to receive the corporate communications using electronic means through the Company’s website and who for any reason have difficulty in receiving or gaining access to the Circular posted on the Company’s website will upon request in writing to the Company c/o the Company’s Hong Kong Share Registrar or by email to ckph.ecom@computershare.com.hk promptly be sent the Circular in printed form free of charge.

Shareholders may at any time choose to change your choice as to the means of receipt (i.e. in printed form or by electronic means through the Company’s website) and/or the language of the Company’s corporate communications by reasonable prior notice in writing to the Company c/o the Company’s Hong Kong Share Registrar or sending a notice to ckph.ecom@computershare.com.hk.

Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of the Circular since both language versions are bound together into one booklet.