



Hutchison Whampoa Limited
和記黃埔有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0013)

Executive Directors

Mr. LI Ka-shing (*Chairman*)
Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*)
Mr. FOK Kin Ning, Canning
(Group Managing Director)
Mrs. CHOW WOO Mo Fong, Susan
(Deputy Group Managing Director)
Mr. Frank John SIXT (*Group Finance Director*)
Mr. LAI Kai Ming, Dominic
Mr. KAM Hing Lam

Registered Office

22nd Floor, Hutchison House
10 Harcourt Road
Hong Kong

Company Secretary

Ms. Edith SHIH

Non-executive Directors

Mr. LEE Yeh Kwong, Charles
Mr. George Colin MAGNUS

Independent Non-executive Directors

Mr. CHENG Hoi Chuen, Vincent
The Hon Sir Michael David KADOORIE
Ms. LEE Wai Mun, Rose
Mr. William Elkin MOCATTA (*alternate to
The Hon Sir Michael David KADOORIE*)
Mr. William SHURNIAK
Mr. WONG Chung Hin

31 March 2015

To the Shareholders

Dear Sir or Madam,

(1) MERGER PROPOSAL –

**(A) PROPOSED SHARE EXCHANGE OFFER
TO THE SCHEME SHAREHOLDERS
FOR THE CANCELLATION OF ALL THE SCHEME SHARES
BY WAY OF A SCHEME OF ARRANGEMENT OF
HUTCHISON WHAMPOA LIMITED
UNDER THE COMPANIES ORDINANCE; AND**

**(B) HUSKY SHARE EXCHANGE AS A SPECIAL DEAL
UNDER RULE 25 OF THE TAKEOVERS CODE
IN RELATION TO THE HUTCHISON PROPOSAL**

AND

(2) PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTOR

1. INTRODUCTION

On 9 January 2015, the boards of directors of Cheung Kong and the Company jointly announced the Proposals which relate to the reorganisation and combination of the Cheung Kong Group and the Group to create CKH Holdings, which will hold the non-property businesses of both groups, and CK Property, which will hold the property businesses of both groups.

In summary, the objectives and benefits of the Merger Proposal and the Spin-off Proposal are to:

- (a) create shareholders' value through the elimination of the holding company discount of CKH Holdings' stake in the Company;
- (b) provide greater transparency and business coherence;
- (c) remove the layered holding structure between CKH Holdings and the Company, allowing shareholders to directly invest in two separate listed vehicles alongside the Trust;
- (d) enable all eligible shareholders to hold shares in CKH Holdings and CK Property directly, enhancing investment flexibility and efficiencies; and
- (e) enhance size and scale.

Please refer to “*Objectives and Benefits of the Merger Proposal and the Spin-off Proposal*” in the Explanatory Statement for further details of the objectives and benefits of the Merger Proposal and the Spin-off Proposal.

HSBC has been appointed as the financial adviser to CKH Holdings and the Offeror in connection with the Merger Proposal.

The Board has established the Independent Board Committee, comprising Mr. Cheng Hoi Chuen, Vincent, The Hon Sir Michael David Kadoorie, Mr. William Shurniak and Mr. Wong Chung Hin, all of whom are independent non-executive Directors, to make recommendations to the Disinterested Shareholders in respect of the Merger Proposal. Ms. Lee Wai Mun, Rose, who is an independent non-executive Director, has not been appointed to the Independent Board Committee as she is also a director of HSBC. Mr. Lee Yeh Kwong, Charles and Mr. George Colin Magnus, who are non-executive Directors, have not been appointed to the Independent Board Committee as they are also non-executive CKH Holdings Directors.

Goldman Sachs has been appointed as the financial adviser to the Company in respect of the Hutchison Proposal and Somerley has been appointed as the Independent Financial Adviser, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Merger Proposal.

In addition, the Company will propose at the General Meeting a resolution to re-elect the Retiring Director.

The purpose of this document is to provide you with further information regarding the Merger Proposal and the re-election of the Retiring Director and to give you notices of the Court Meeting and the General Meeting.

2. THE PROPOSALS

The Proposals consist of (a) the Cheung Kong Reorganisation, (b) the Merger Proposal and (c) the Spin-off Proposal. Completion of the Cheung Kong Reorganisation, which occurred on 18 March 2015, was a condition precedent to completion of the Husky Share Exchange and a pre-condition to the making of the Hutchison Proposal.

The Merger Proposal comprises:

- (a) the Hutchison Proposal pursuant to which the Offeror, a wholly-owned subsidiary of CKH Holdings, is making a conditional share exchange offer to the Scheme Shareholders for the cancellation of the Scheme Shares by way of a scheme of arrangement of the Company under the Companies Ordinance and in consideration, each Scheme Shareholder (other than the Non-Qualifying Overseas Shareholders) will receive new CKH Holdings Shares in the share exchange ratio of 0.684 of a CKH Holdings Share for each Scheme Share held as at the Record Time. On completion of the Hutchison Proposal, the Company will become a wholly-owned subsidiary of CKH Holdings and the listing of the Shares on the Main Board will be withdrawn; and
- (b) the Husky Share Exchange pursuant to which the Group will acquire from the Husky Sale Shares Vendor (a company indirectly wholly owned by the Trust) approximately 6.24% of the common shares of Husky in issue and in consideration, 84,427,246 new CKH Holdings Shares will be issued by CKH Holdings to the Husky Sale Shares Vendor (or as it may direct). On completion of the Husky Share Exchange, the Group will own an aggregate of approximately 40.20% of the common shares of Husky in issue (assuming there is no other change in the shareholding in Husky).

The Hutchison Proposal is subject to the Takeovers Code. The Husky Share Exchange is considered a special deal in relation to the Hutchison Proposal under Rule 25 of the Takeovers Code. Completion of each of the Hutchison Proposal and the Husky Share Exchange is subject to the fulfilment (or, where relevant, waiver) of certain conditions, as further described in the Explanatory Statement. The Husky Share Exchange will be completed immediately prior to completion of the Hutchison Proposal.

Under the Spin-off Proposal, immediately following completion of the Hutchison Proposal and upon completion of the Property Businesses Combination, the Combined Property Businesses will be held by the CK Property Group, which will at that time be wholly owned by CKH Holdings. Immediately following completion of the Property Businesses Combination, CK Property will allot and issue to the CKH Holdings

Shareholders (other than the Non-Qualifying CKH Holdings Shareholders) new CK Property Shares pursuant to the Distribution In Specie in the ratio of one CK Property Share for every one CKH Holdings Share held as at the DIS Record Time. These CKH Holdings Shareholders will include, among others, holders of the CKH Holdings Shares to be issued pursuant to (a) the Husky Share Exchange (i.e. the Husky Sale Shares Vendor (or as it may direct)) and (b) the Scheme (i.e. the Scheme Shareholders other than the Non-Qualifying Overseas Shareholders), unless they are Non-Qualifying CKH Holdings Shareholders.

An application has been made by CK Property to the Stock Exchange for the listing by way of introduction of, and permission to deal in, the CK Property Shares on the Main Board. The Spin-off Proposal is subject to the fulfilment (or, where relevant, waiver) of certain conditions precedent as set out in “*Appendix VII – Information on the CK Property Group and the Spin-off Proposal*”.

3. INFORMATION ON CKH HOLDINGS, THE OFFEROR, THE GROUP, THE RESULTING CKH HOLDINGS GROUP AND THE CK PROPERTY GROUP

Information (including selected financial information) on the CKH Holdings Group, the Offeror, the Group and the CK Property Group, the unaudited pro forma financial information of the Resulting CKH Holdings Group which illustrates the effect of the Merger Proposal and the Spin-off Proposal, the unaudited pro forma financial information of the CK Property Group which illustrates the effect of the Property Businesses Combination and the accountants’ reports on each of the Cheung Kong Property Group and the Hutchison Property Group are set out in the Appendices to this document. Your attention is drawn to these Appendices. This information is provided solely to assist Shareholders in their consideration of the Scheme.

4. RE-ELECTION OF RETIRING DIRECTOR

On 10 July 2014, the Board appointed Mr. Cheng Hoi Chuen, Vincent as an independent non-executive Director to fill a casual vacancy on the Board arising from Mr. Holger Kluge’s retirement from active business activities and resignation as an independent non-executive Director. Pursuant to Article 107 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy will hold office only until the next general meeting of the Company. Accordingly, Mr. Cheng Hoi Chuen, Vincent will retire at the General Meeting and, being eligible, has offered himself for re-election at the General Meeting.

The Board is of the view that Mr. Cheng Hoi Chuen, Vincent is independent having regard to (a) his confirmation of independence as required under the Listing Rules, (b) the absence of involvement in the daily management of the Company and (c) the absence of any relationships or circumstances which would interfere with the exercise of his independent judgement.

Information on Mr. Cheng Hoi Chuen, Vincent as required to be disclosed under the Listing Rules is set out in “*Appendix XI – Information on Retiring Director*”.

5. RECOMMENDATIONS

Having considered (a) the background to the Merger Proposal and the Spin-off Proposal, (b) the objectives and the reasons for, and benefits of, the Merger Proposal and the Spin-off Proposal and their effects as set out in this document and (c) the terms of the Hutchison Proposal and the Husky Share Exchange, the Directors (other than those on the Independent Board Committee whose views are set out below and in “*Letter from the Independent Board Committee*” in this document) consider that (i) the terms of each of the Hutchison Proposal and the Husky Share Exchange are fair and reasonable and (ii) each of the Hutchison Proposal and the Husky Share Exchange is in the interests of the Shareholders as a whole.

The Independent Board Committee, having considered (a) the background to the Merger Proposal and the Spin-off Proposal, (b) the objectives and the reasons for, and benefits of, the Merger Proposal and the Spin-off Proposal and their effects as set out in this document and (c) the terms of the Hutchison Proposal and the Husky Share Exchange and having taken into account the advice of the Independent Financial Adviser, considers that the terms of each of the Hutchison Proposal and the Husky Share Exchange are fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, the Directors (including those on the Independent Board Committee) recommend that:

- (1) the Disinterested Shareholders vote in favour of (a) the resolution to approve the Scheme at the Court Meeting and (b) the ordinary resolution to approve the Husky Share Exchange (as a special deal under Rule 25 of the Takeovers Code in relation to the Hutchison Proposal) at the General Meeting; and
- (2) the Shareholders vote in favour of the special resolution to approve the Scheme and the implementation of the Scheme, including the reduction and restoration of the issued share capital of the Company under the Scheme, at the General Meeting.

The Directors consider the proposal for the re-election of the Retiring Director to be in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution to approve the re-election of the Retiring Director at the General Meeting.

6. COURT MEETING AND GENERAL MEETING

Notices convening the Court Meeting and the General Meeting to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 20 April 2015 at 2:00 p.m. and 2:30 p.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned), respectively, are set out on pages N-1 to N-5 of this document.

The Court has directed that the Court Meeting be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme, with or without modification. The Scheme is subject to approval by the Disinterested Shareholders at the Court Meeting in the manner referred to in “*The Hutchison Proposal – Conditions Precedent to the Hutchison Proposal*” in the Explanatory Statement.

Following the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing (i) a special resolution to approve the Scheme and the implementation of the Scheme, (ii) an ordinary resolution to approve the Husky Share Exchange (as a special deal under Rule 25 of the Takeovers Code in relation to the Hutchison Proposal) and (iii) an ordinary resolution to approve the re-election of the Retiring Director.

7. ACTIONS TO BE TAKEN

Your attention is drawn to “*Actions to be Taken*” in the Explanatory Statement for details of the actions which you should take as a Shareholder or a Beneficial Owner whose Shares are held by a Registered Owner or deposited in CCASS in relation to the Court Meeting and the General Meeting.

If you are an Overseas Shareholder, your attention is drawn to “*Non-Qualifying Overseas Shareholders*” in the Explanatory Statement and “*Information for Overseas Shareholders*” in this document.

8. FURTHER INFORMATION

You are urged to read carefully (1) the letter from the Independent Board Committee set out on pages 7 and 8 of this document, (2) the letter from the Independent Financial Adviser set out on pages 9 to 83 of this document, (3) the Explanatory Statement set out on pages 84 to 128 of this document and (4) the Appendices. In addition, the terms of the Scheme are set out on pages S-1 to S-10 of this document.

If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult an appropriately qualified professional adviser.

Yours faithfully,
For and on behalf of the Board of
Hutchison Whampoa Limited

A handwritten signature in black ink, appearing to read 'LI Ka-shing', with a long vertical stroke extending downwards from the end of the signature.

LI Ka-shing
Chairman