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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 CK Hutchison Holdings Limited, you should at once hand this circular and the accompanying proxy form 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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- (1) MAJOR TRANSACTION IN RELATION TO THE DISPOSALS OF INTERESTS  
IN TOWER ASSETS IN AUSTRIA, DENMARK, IRELAND,  
ITALY, SWEDEN AND THE UNITED KINGDOM**
- (2) DISCLOSEABLE TRANSACTION IN RELATION TO  
THE ACQUISITION OF SHARES IN CELLNEX TELECOM, S.A.**
- (3) PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTOR  
AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING**
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A letter from the Board is set out on pages 12 to 32 of this circular.

The notice convening the EGM to be held at the 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 18 December 2020 at 10:45 a.m. or any adjournment or postponement thereof is set out on pages N-1 to N-2 of this circular. A proxy form for use at the EGM is enclosed with this circular. The proxy form can also be downloaded from websites of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Whether Shareholders are able to attend the EGM in person or not, they should complete, sign and return the proxy form in accordance with the instructions printed thereon to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment or postponement thereof. **Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or at any adjournment or postponement thereof should they subsequently so wish, and, in such event, the proxy shall be deemed to be revoked.**

### **PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE EXTRAORDINARY GENERAL MEETING**

To safeguard the health and safety of EGM attendees and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the EGM:

- (1) compulsory temperature screening/checks;
- (2) submission of Health Declaration Form;
- (3) wearing of surgical face mask;
- (4) no provision of refreshments or drinks; and
- (5) no provision of shuttle bus service.

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the EGM venue at the absolute discretion of the Company as permitted by law.

**For the health and safety of EGM attendees, the Company would encourage Shareholders to exercise their right to vote at the EGM electronically or by appointing the Chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.**

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## GUIDANCE FOR EXTRAORDINARY GENERAL MEETING

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The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect EGM attendees from possible exposure to the COVID-19 pandemic. **For the health and safety of EGM attendees, the Company would encourage Shareholders to: (i) attend the EGM and vote by means of electronic facilities; or (ii) exercise their right to vote at the EGM by appointing the Chairman of the EGM as their proxy instead of attending the EGM in person.**

### ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

The EGM will be a hybrid meeting. In addition to the traditional physical attendance at the EGM, Shareholders have the option of attending, participating and voting in the EGM through online access (by visiting website – <https://web.lumiagm.com> or downloading APP – Lumi AGM) (together, the “**Online Platforms**”). Shareholders participating in the EGM using the Online Platforms will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platforms.

The Online Platforms will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with connection to the internet with a smart phone, tablet device or computer.

#### Login details for registered Shareholders

Details regarding the EGM arrangements including login details to access the Online Platforms are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”).

#### Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend and participate in the EGM using the Online Platforms should liaise with their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) and provide their e-mail address to their Intermediary. Details regarding the EGM arrangements including login details to access the Online Platforms will be sent by the Hong Kong Share Registrar of the Company to the e-mail addresses provided by the non-registered Shareholders.

### QUESTIONS AT AND PRIOR TO THE EGM

Shareholders attending the EGM using the Online Platforms will be able to submit questions relevant to the proposed resolutions online during the EGM. Shareholders can also send their questions by email from Friday, 11 December 2020 (9:00 a.m.) to Wednesday, 16 December 2020 (5:00 p.m.) to [EGM2020@ckh.com.hk](mailto:EGM2020@ckh.com.hk) (for registered Shareholders, please state the 10-digit shareholder reference number starting with “C” (SRN) as printed on the top right corner of the Shareholder Notification).

Whilst the Company will endeavour to respond to as many questions as possible at the EGM, due to time constraints, unanswered questions may be responded to after the EGM as appropriate.

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## GUIDANCE FOR EXTRAORDINARY GENERAL MEETING

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### **VOTING BY PROXY IN ADVANCE OF THE EGM**

Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment or postponement thereof should they subsequently so wish.

### **Submission of proxy forms for registered Shareholders**

A proxy form for use at the EGM is enclosed with this circular. A copy of the proxy form can also be downloaded from the website of the Company at [www.ckh.com.hk/en/ir/announcements.php](http://www.ckh.com.hk/en/ir/announcements.php).

**The deadline to submit completed proxy forms is Wednesday, 16 December 2020 at 10:45 a.m..** Completed proxy forms must be returned to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

### **Appointment of proxy for non-registered Shareholders**

Non-registered Shareholders should contact their Intermediary to assist them in the appointment of proxy.

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## **PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE EXTRAORDINARY GENERAL MEETING**

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For Shareholders who would like to attend the EGM in person, please note that the following precautionary measures will be implemented by the Company at the EGM venue to safeguard the health and safety of the EGM attendees and to comply with the heightened requirements for the prevention and control of the spreading of COVID-19.

### **LIMITING ATTENDANCE IN PERSON AT THE EGM VENUE**

Under Sections 3(2) of the Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 12) Regulation 2020 (the “**Regulation**”), group gatherings of more than 50 persons for a shareholders’ meeting are required to be accommodated in separate partitioned rooms or areas of not more than 50 persons each. In light of the Regulation, the Company will limit attendance in person at the EGM venue to 50 attendees (including the working team to facilitate with the conduct of the EGM) who have been allocated the right of admission to the EGM in person through the following procedures:

#### **Prior on-line registration**

Both registered and non-registered Shareholders who wish to attend the EGM in person are requested to register their interest and provide the following details by email at EGM2020reg@ckh.com.hk during the period from Monday, 7 December 2020, 9:00 a.m. to Thursday, 10 December 2020, 5:00 p.m.:

- (1) full name;
- (2) contact phone number (optional) for better co-ordination; and
- (3) for registered Shareholders, the 10-digit shareholder reference number starting with “C” printed under the barcode on the top right corner of the Shareholder Notification.

In addition, non-registered Shareholders should also contact and instruct their Intermediary to appoint them as proxy or corporate representative so that they can attend and vote at the EGM in person in case they are allocated the right of admission to the EGM venue.

#### **Allocation by balloting**

If the on-line registrations exceed the attendance limit permitted by the Regulation, balloting will be conducted.

Registered Shareholders and non-registered Shareholders who have been allocated the right of admission to the EGM venue in person will be notified by email on or before Friday, 11 December 2020. No notification will be sent to those who are not successful in the balloting.

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## **PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE EXTRAORDINARY GENERAL MEETING**

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### **HEALTH AND SAFETY MEASURES TO BE TAKEN AT THE EGM**

To safeguard the health and safety of the EGM attendees, the Company will also implement the following measures at the EGM:

- (1) compulsory temperature screening/checks will be carried out on every attendee at the main entrance of the EGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms, may be denied entry into the EGM venue and be requested to leave the venue;
- (2) every attendee will be required to submit a completed Health Declaration Form prior to entry into the EGM venue. The Health Declaration Form can be downloaded from the website of the Company at [www.ckh.com.hk/en/ir/announcements.php](http://www.ckh.com.hk/en/ir/announcements.php). Please have the completed and signed Health Declaration Form ready for collection at the main entrance of the EGM venue to facilitate prompt and smooth processing;
- (3) every attendee will be required to wear a surgical face mask at all times (including queuing for registration outside the EGM venue and throughout the EGM) and to sit at a distance from other attendees. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks;
- (4) no refreshments or drinks will be provided to EGM attendees; and
- (5) no shuttle bus service will be provided.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the venue so as to ensure the health and safety of the EGM attendees.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for future announcements and updates on the EGM arrangements.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong Share Registrar of the Company, as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
Telephone: +852 2862 8555  
Facsimile: +852 2865 0990  
Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)

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## DEFINITIONS

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“Acquisition”	the acquisition of the Consideration Shares in relation to the UK Transaction
“Adjustment Items”	certain financial metrics of the relevant Tower Company used to adjust the Consideration as at the date of Closing, whereby its working capital, cash balance and intra-group funding receivables are added to and its debt balance and intra-group funding payables are deducted from the Consideration
“Announcement”	the announcement of the Company dated 12 November 2020 in relation to, among other things, the Transactions
“Articles”	the amended and restated memorandum and articles of association of the Company, as amended from time to time
“Austria Transaction”	the sale and purchase of the entire issued share capital of Austrian TowerCo by the Vendor to Austrian Buyer
“Austrian Anti-trust Condition”	the Austrian Cartel Court or the Austrian Appellate Cartel Court determining that the Austria Transaction is not prohibited by applicable Austrian anti-trust legislation, or is not required to be notified pursuant to applicable Austrian anti-trust legislation, or applicable waiting periods having lapsed or been waived in accordance with applicable Austrian anti-trust legislation
“Austrian Buyer”	Ea Einhundertsechszigste WT Holding GmbH, being a Cellnex Group Company
“Austrian TowerCo”	CK Hutchison Networks (Austria) GmbH, a company incorporated in Austria with limited liability, being a wholly-owned subsidiary of the Vendor which owns and operates the Group’s Tower Assets in Austria
“Board”	the board of Directors
“Buyer”	Austrian Buyer, Danish Buyer, Irish Buyer, Italian Buyer, Swedish Buyer, UK Buyer or the Cellnex Counterparty (as applicable) (together the “ <b>Buyers</b> ”)
“Cellnex”	Cellnex Telecom, S.A., a company incorporated in Spain, the shares of which are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges (Stock Code: BME:CLNX)
“Cellnex Counterparty”	On Tower UK Limited, being a Cellnex Group Company, or a Cellnex Group Company to be nominated by UK Buyer

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## DEFINITIONS

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“Cellnex Group”	Cellnex, its subsidiaries and subsidiary undertakings, any holding company of Cellnex and all other subsidiaries of any such holding company from time to time (including, following Closing in respect of a Tower Company, that relevant Tower Company) (and any of these a “ <b>Cellnex Group Company</b> ”)
“Company”	CK Hutchison Holdings Limited, an exempted 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)
“Closing(s)”	in respect of a Transaction, closing of the sale and purchase of the interests in the relevant Tower Assets
“Consideration”	in respect of a Transaction, the consideration for the Transaction
“Consideration Shares”	shares to be issued by Cellnex as part of the consideration for the UK Transaction
“Danish Buyer”	Cellnex Denmark ApS, being a Cellnex Group Company
“Danish TowerCo”	HI3G Networks Denmark ApS, a company incorporated in Denmark with limited liability, being indirectly-owned as to 60% by the Company which owns and operates the Group’s Tower Assets in Denmark
“Denmark Transaction”	the sale and purchase of the entire issued share capital of Danish TowerCo by the Vendor to Danish Buyer
“Director(s)”	the director(s) of the Company
“DKK”	Danish krone, the lawful currency of Denmark
“EGM”	the extraordinary general meeting of the Company to be convened on Friday, 18 December 2020 at 10:45 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 Tuesday, 22 December 2020) to consider and, if thought fit, pass the resolutions to approve the Second Tranche Transactions and the re-election of the Retiring Director, including any adjournments or postponement thereof
“EUR”	the lawful currency of the member states of the Eurozone
“First Tranche Transactions”	the Austria Transaction, the Denmark Transaction, the Ireland Transaction and the Sweden Transaction
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland



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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Guarantor”	CK Hutchison Group Telecom Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, being an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HI3G”	HI3G Access AB, a company incorporated in Sweden with limited liability, being indirectly-owned as to 60% by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Husky Energy”	Husky Energy Inc., a company incorporated in Alberta, Canada with limited liability, the shares of which are listed on the Toronto Stock Exchange under symbol HSE, being an associated company of the Group
“IFRS”	International Financial Reporting Standards as issued by the International Accounting Standards Board, or where the case may be, International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted for use in the European Union
“Ireland Transaction”	the sale and purchase of the entire issued share capital of Irish TowerCo by the Vendor to Irish Buyer
“Irish Anti-trust Condition”	Irish Buyer not being informed by the European Commission of a referral request by the Irish anti-trust authority, or in the event that the European Commission accepts a referral request by the Irish anti-trust authority, the European Commission declaring the Ireland Transaction to be compatible (or otherwise deemed compatible) with the common market pursuant to the applicable European Union merger regulations
“Irish Buyer”	Aramaka Limited, being a Cellnex Group Company
“Irish TowerCo”	CK Hutchison Networks (Ireland) Limited, a company incorporated in Ireland with limited liability, being an indirect wholly-owned subsidiary of the Company and a 99.9999% owned subsidiary of the Vendor which owns and operates the Group’s Tower Assets in Ireland

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## DEFINITIONS

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“Italian Anti-trust Condition”	the Italian anti-trust authority granting clearance in respect of the Italy Transaction, or the applicable waiting periods having lapsed in accordance with applicable Italian anti-trust legislation, or in the event that the European Commission accepts a referral request by the Italian anti-trust authority, the European Commission declaring the Italy Transaction to be compatible (or otherwise deemed compatible) with the common market pursuant to the applicable European Union merger regulations
“Italian Buyer”	Cellnex Italia, S.p.A., being a Cellnex Group Company
“Italian Foreign Investment Conditions”	the Italian Presidency of Council of Ministries granting clearance for the Italy Transaction in respect of (i) the purchase of Italian TowerCo by Italian Buyer and (ii) the adoption of the requisite Shareholders’ approval in respect of the sale of Italian TowerCo, or applicable waiting periods having lapsed
“Italian TowerCo”	CK Hutchison Networks Italia S.p.A., a company incorporated in Italy with limited liability, being a wholly-owned subsidiary of the Vendor which owns and operates the Group’s Tower Assets in Italy
“Italy Transaction”	the sale and purchase of the entire issued share capital of Italian TowerCo by the Vendor to Italian Buyer
“Latest Practicable Date”	26 November 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 December 2021 (in the relevant jurisdiction of each Transaction, save for the UK Transaction)
“Mobile Business(es)”	the mobile telecommunications services provided by the Group as a mobile network operator
“Master Services Agreement”	in respect of a Tower Company, a master services agreement (or an amended and restated master services agreement) to be entered into on or around the date of Closing of such Tower Company
“Parties”	the parties to the Transactions
“Retiring Director”	Mr Wong Kwai Lam, who will retire at the EGM and, being eligible, has offered himself for re-election at the EGM in accordance with the Articles

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## DEFINITIONS

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“Second Tranche Transactions”	the Italy Transaction and the UK Transaction
“SEK”	Swedish krona, the lawful currency of Sweden
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value HK\$ 1.00 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Sweden Transaction”	the sale and purchase of the entire issued share capital of Swedish TowerCo by the Vendor to Swedish Buyer
“Swedish Buyer”	Goldcup 26513 AB, being a Cellnex Group Company
“Swedish TowerCo”	HI3G Networks AB, a company incorporated in Sweden with limited liability, being indirectly-owned as to 60% by the Company which owns and operates the Group’s Tower Assets in Sweden
“Tower Assets”	the telecommunications network infrastructure comprising (i) the infrastructure assets, including civil works, steel structure, owned land, shelters, power supply equipment, fences, on-structure cable ducts and safety system, container, feed through system, foundation, key safe, lightning protection system, roof area window, service rack, aircraft warning lights, air conditioning and free cooling system, and (ii) the permits and contracts relating to the infrastructure assets, including but not limited to ground leases, site access permits, third party hosting contracts, operation and maintenance contracts and power supply contracts
“Tower Company”	Austrian TowerCo, Danish TowerCo, Irish TowerCo, Swedish TowerCo, Italian TowerCo or UK TowerCo (as applicable) (together the “ <b>Tower Companies</b> ”)
“Transaction”	the Austria Transaction, the Denmark Transaction, the Ireland Transaction, the Sweden Transaction, the Italy Transaction or the UK Transaction (as applicable) (together the “ <b>Transactions</b> ”)

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## DEFINITIONS

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“UK Anti-Trust Condition”	(i) the UK Competition and Markets Authority (“ <b>CMA</b> ”) confirming that it does not intend to refer the UK Transaction for a phase 2 reference or proposes to accept undertakings in lieu of a phase 2 reference, or following a phase 2 reference, the CMA confirming that the UK Transaction may proceed (with or without undertakings), and (ii) if the UK Transaction amounts to a notifiable transaction under the applicable European Union merger regulations, the European Commission declaring the UK Transaction to be compatible (or otherwise deemed compatible) with the common market pursuant to such regulations
“UK Buyer”	Cellnex UK Limited, being a Cellnex Group Company
“UK Foreign Investment Condition”	(i) the UK Secretary of State confirming that he does not intend to refer the UK Transaction for a phase 2 CMA investigation on grounds of public interest or proposes to accept undertakings in lieu of a phase 2 reference or following a phase 2 reference, the Secretary of State confirming the UK Transaction may proceed (with or without undertakings) and (ii) to the extent a mandatory filing is triggered under any applicable foreign investment and/or national rules in the UK, all such approvals having been obtained
“UK Longstop Date”	24 months from the date of the share purchase agreement in respect of the UK Transaction
“UK Passive Assets”	Tower Assets either owned by 3UK or in respect of which 3UK has, from time to time, the right of use in the United Kingdom, which for the avoidance of doubt, exclude the UK Unilateral Assets
“UK TowerCo”	CK Hutchison Networks (UK) Limited, a company incorporated in the United Kingdom with limited liability, being an indirect wholly-owned subsidiary of the Company which will own and operate the Group’s UK Unilateral Assets in the United Kingdom upon Closing
“UK Transaction”	the sale and purchase of the entire issued share capital of UK TowerCo by the Vendor to Cellnex and the sale and purchase of the economic benefit from, and the requirement to bear the costs towards, interests in the UK Passive Assets by 3UK to the Cellnex Counterparty
“UK Unilateral Assets”	Tower Assets to be transferred to UK TowerCo prior to Closing in respect of the UK Transaction
“Vendor”	CK Hutchison Networks Europe Investments S.à r.l., a company incorporated in Luxembourg with limited liability, being an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Vendor Group”	the Vendor, its subsidiaries and subsidiary undertakings from time to time, any holding company of the Vendor and all other subsidiaries or subsidiary undertakings of any such holding company from time to time (including, until Closing in respect of a Tower Company, that relevant Tower Company) (and any of these a “ <b>Vendor Group Company</b> ”)
“Voting Undertaking Registered Shareholders”	Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Castle Trustee Company Limited as trustee of The Li Ka-Shing Castle Trust and their related companies
“3GIS”	3G Infrastructure Services AB, a joint venture established pursuant to the 3GIS Joint Venture Agreement
“3GIS Joint Venture Agreement”	a joint venture agreement dated 20 December 2001 between HI3G and Telenor Sverige AB and restated on 16 September 2013 to establish 3GIS
“3UK”	Hutchison 3G UK Limited, a company incorporated in the United Kingdom with limited liability, being an indirect wholly-owned subsidiary of the Company which operates the Mobile Businesses in the United Kingdom
“%”	per cent.

For the purpose of this circular, the conversion into Hong Kong dollars (HK\$) has been made at the rate of HK\$ 9.19 to EUR 1, HK\$ 10.11 to GBP 1, HK\$ 0.89 to SEK 1 and HK\$ 1.23 to DKK 1. The conversion should not be construed as a representation that Hong Kong dollar amounts actually represented have been, or could be, converted into these currencies at this or any other rate.

References to time and date in this circular are to Hong Kong time and date (unless otherwise stated).

Certain amounts and percentage figures in this circular have been subject to rounding adjustments.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

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## LETTER FROM THE BOARD

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# 長江和記實業有限公司 CK HUTCHISON HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1)

**Board of Directors:****Executive Directors:**

LI Tzar Kuoi, Victor *(Chairman and Group Co-Managing Director)*  
FOK Kin Ning, Canning *(Group Co-Managing Director)*  
Frank John SIXT *(Group Finance Director and Deputy Managing Director)*  
IP Tak Chuen, Edmond *(Deputy Managing Director)*  
KAM Hing Lam *(Deputy Managing Director)*  
LAI Kai Ming, Dominic *(Deputy Managing Director)*  
Edith SHIH

**Non-executive Directors:**

CHOW Kun Chee, Roland  
CHOW WOO Mo Fong, Susan  
LEE Yeh Kwong, Charles  
LEUNG Siu Hon  
George Colin MAGNUS

**Independent Non-executive Directors:**

KWOK Tun-li, Stanley  
CHENG Hoi Chuen, Vincent  
Michael David KADOORIE  
LEE Wai Mun, Rose  
William Elkin MOCATTA *(Alternate Director to Michael David Kadoorie)*  
WONG Kwai Lam  
WONG Yick-ming, Rosanna

**Company Secretary:**

Edith SHIH

**Registered Office:**

PO Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

**Principal Place of Business:**

48th Floor  
Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

2 December 2020

Dear Shareholder(s),

- (1) MAJOR TRANSACTION IN RELATION TO THE DISPOSALS OF INTERESTS  
IN TOWER ASSETS IN AUSTRIA, DENMARK, IRELAND,  
ITALY, SWEDEN AND THE UNITED KINGDOM**
- (2) DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF  
SHARES IN CELLNEX TELECOM, S.A.**
- (3) PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTOR  
AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1 INTRODUCTION**

As disclosed in the Announcement, the Vendor has agreed to sell and each relevant Buyer has agreed to purchase the Group's interests in Tower Assets supporting the Group's Mobile Businesses in, respectively, Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom. Subject to Closing occurring in respect of all six Transactions, the aggregate

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## LETTER FROM THE BOARD

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Consideration to be received by the Vendor (or the relevant Vendor Group Companies) is EUR 10 billion (subject to Closing adjustments), of which 5% shall be attributable to the Group's telecommunications partner in Denmark and Sweden. Each Transaction is subject to its own terms and conditions, and Closing of each Transaction can occur on a standalone basis as each Transaction is independent and not inter-conditional upon the others. The Board has high confidence that conditions to Closing in respect of each Transaction will be fulfilled. It is anticipated that Closings in respect of the Austria Transaction, the Denmark Transaction and the Ireland Transaction will occur on or before 31 December 2020, the Sweden Transaction on or before 31 March 2021, with the Italy Transaction and the UK Transaction to follow on or before 31 December 2021.

A local Master Services Agreement will be entered into between the Group and the relevant Tower Company upon its Closing pursuant to which that Tower Company will provide telecommunications infrastructure services to the Group's Mobile Business in that relevant jurisdiction in the ordinary and usual course of business.

Morgan Stanley Asia Limited has been appointed as the financial advisor in relation to the Transactions.

Moelis & Company Asia Limited and Deutsche Bank have also provided advisory services which assisted in enabling the Transactions.

The purpose of this circular is to provide you with, among other things, (i) further details of the Transactions; (ii) information on the Retiring Director; (iii) a notice of the EGM; and (iv) such information as required under the Listing Rules.

## **2 REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Transactions follow the completion of the Group's internal reorganisation of its telecommunications division and a review of strategic options to maximise value for Shareholders. As at the date of the Announcement, the Group's interests in Tower Assets are approximately 25,000<sup>1</sup> sites in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom.

The Company considers the operation and development of the Group's interests in Tower Assets by a dedicated tower operator with proven industrial expertise would result in efficient capital allocation and enhance the strategic focus of the Group. Cellnex is Europe's leading operator of wireless telecommunications and broadcasting infrastructures and, as part of the Transactions, the Group's Mobile Businesses have formed a long-term strategic partnership with it.

Closing occurring in respect of a Transaction will allow the Company to unlock the underlying value of the European telecommunications tower assets and businesses portfolio for the Group while accelerating the rollout of 5G across the Group's networks. This also helps to partially unlock the value of the Group's telecommunications division, which the Company believes has not been fully reflected in its share price in recent years. The Transactions will enable the Company to realise very significant capital gains and net proceeds, in the form of cash and marketable securities, which will materially reduce the Group's net financial indebtedness and further strengthen its financial profile. Adjusted for the Transactions, the Group's reported net debt to net total capital ratio as at 30 June

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<sup>1</sup> The Group's site count includes sites for UK Unilateral Assets and certain UK Passive Assets in the United Kingdom, but excludes sites owned and operated by 3GIS in Sweden.

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2020 would reduce from 25.6% to 15.2%<sup>2</sup>. From a pure accounting point of view, the cash gains realised on Closings of the Transactions in 2020 and 2021 are expected to offset the anticipated cumulative non-cash accounting losses arising from the Group's share of Husky Energy's non-cash accounting impairment charges and write-down of the Group's carrying value in Husky Energy that may be recognised in those periods.

As part of the Consideration to be received under the UK Transaction, approximately EUR 1.4 billion shall be satisfied by way of allotment and issue of Consideration Shares by Cellnex, adjusted by reference to the volume weighted average price of Cellnex's shares for a period of 20 days before the date of Closing of the UK Transaction. Based on a Cellnex reference share price of EUR 52.79 per Cellnex share as agreed between the relevant Parties, this equates to an approximately 5%<sup>3</sup> stake in Cellnex on an enlarged share capital basis. The Consideration Shares allow the Company to be invested in a high performing European growth stock with expected foreseeable upside as the Transactions are expected to be transformational to Cellnex's business.

Following Closings of the Transactions, the Company's operational efficiency will be improved and its financial position will be enhanced. The Group's telecommunications division will be able to increase its focus on developing its Mobile Business networks and IT platforms, and will retain optionality to accelerate the rollout of its 5G networks, while benefiting from significant additional financial capacity to support future growth and merger and acquisition opportunities.

The terms of each Transaction were reached based on arms' length negotiations and the Directors believe that the terms of each Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Based on the Listing Rules implications as set out in the section headed "11. Implications under the Listing Rules" below, the Company will seek Shareholders' approval at the EGM for the Second Tranche Transactions (comprising the Italy Transaction and the UK Transaction) pursuant to Chapter 14 of the Listing Rules.

### 3 USE OF PROCEEDS

The Company will use the proceeds from the Transactions:

- (i) for general corporate purposes (including but not limited to business expansion, upgrading business infrastructure and systems and maintenance of appropriate working capital reserves);
- (ii) to reduce consolidated net financial indebtedness consistent with its existing credit ratings; and
- (iii) to optimise its capital structure and returns to Shareholders.

In particular, given the very significant gains and the attendant increases in shareholders' funds resulting from the Transactions, the Board intends to give consideration to allocating a portion of the proceeds of the Transactions to on-market share buyback programs. Any such decision will be made taking into account all relevant circumstances and the best

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2 If excluding the impact of the adoption of HKFRS 16, the reported net debt to net total capital ratio as at 30 June 2020 would be reduced from 25.1% to 14.9%.

3 A price adjustment mechanism applies to the number of Consideration Shares to be issued, thereby setting a ceiling at a 6.17% stake and a floor at a 4.38% stake of Cellnex's enlarged share capital.



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interests of the Company and its Shareholders at the time, including negating earnings per Share dilution resulting from the Transactions. Further announcements in this regard (if applicable) will be made as and when Closing of a Transaction occurs in 2020 and 2021.

### 4 THE TERMS OF THE TRANSACTIONS

#### 4.1 The Austria Transaction

##### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex; and
- (iv) Austrian Buyer.

##### ***Subject matter***

The Vendor agreed to sell or procure the sale of, and Austrian Buyer agreed to purchase, all of the shares in the capital of Austrian TowerCo from time to time (the “**Austrian Shares**”).

##### ***Consideration***

The Consideration for the sale and purchase of the Austrian Shares is approximately EUR 1.1 billion, subject to adjustments by reference to the amounts of the Adjustment Items as at the date of Closing. Such Consideration is payable by Austrian Buyer in cash at Closing (subject to balancing payments post-Closing to reflect relevant adjustments, if any).

##### ***Conditions precedent***

Closing for the Austria Transaction is conditional upon: (i) the Austrian Anti-trust Condition having been fulfilled on or before the Longstop Date; and (ii) requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived).

The Vendor intends to waive condition (ii) above. As at the Latest Practicable Date, none of the conditions precedent of the Austria Transaction had been satisfied (or, if applicable, waived).

#### 4.2 The Denmark Transaction

##### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex; and
- (iv) Danish Buyer.

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### ***Subject matter***

The Vendor agreed to sell or procure the sale of, and Danish Buyer agreed to purchase, all of the shares in the capital of Danish TowerCo from time to time (the “**Danish Shares**”).

### ***Consideration***

The Consideration for the sale and purchase of the Danish Shares is approximately EUR 0.4 billion, subject to adjustments by reference to the amounts of the Adjustment Items as at the date of Closing. Such Consideration is payable by Danish Buyer in cash at Closing (subject to balancing payments post-Closing to reflect relevant adjustments, if any).

### ***Conditions precedent***

Closing for the Denmark Transaction is conditional upon requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived).

The Vendor intends to waive the above condition. As at the Latest Practicable Date, the condition precedent of the Denmark Transaction had not been satisfied (or, if applicable, waived).

## **4.3 The Ireland Transaction**

### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex; and
- (iv) Irish Buyer.

### ***Subject matter***

The Vendor agreed to sell or procure the sale of, and Irish Buyer agreed to purchase, all of the shares in the capital of Irish TowerCo from time to time (the “**Irish Shares**”).

### ***Consideration***

The Consideration for the sale and purchase of the Irish Shares is approximately EUR 0.6 billion, subject to adjustments by reference to the amounts of the Adjustment Items as at the date of Closing. Such Consideration is payable by Irish Buyer in cash at Closing (subject to balancing payments post-Closing to reflect relevant adjustments, if any).

### ***Conditions precedent***

Closing for the Ireland Transaction is conditional upon: (i) the Irish Anti-trust Condition having been fulfilled on or before the Longstop Date; and (ii) requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived).

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The Vendor intends to waive condition (ii) above. As at the Latest Practicable Date, none of the conditions precedent of the Ireland Transaction had been satisfied (or, if applicable, waived).

#### 4.4 The Italy Transaction

##### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex; and
- (iv) Italian Buyer.

##### ***Subject matter***

The Vendor agreed to sell or procure the sale of, and Italian Buyer agreed to purchase, all of the shares in the capital of Italian TowerCo from time to time (the “**Italian Shares**”).

##### ***Consideration***

The Consideration for the sale and purchase of the Italian Shares is approximately EUR 3.3 billion, subject to adjustments by reference to the amounts of the Adjustment Items as at the date of Closing. Such Consideration is payable by Italian Buyer in cash at Closing (subject to balancing payments post-Closing to reflect relevant adjustments, if any).

##### ***Conditions precedent***

Closing for the Italy Transaction is conditional upon: (i) the Italian Anti-trust Condition having been fulfilled on or before the Longstop Date; (ii) the Italian Foreign Investment Conditions having been fulfilled on or before the Longstop Date; and (iii) requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived). As at the Latest Practicable Date, none of the conditions precedent of the Italy Transaction had been satisfied (or, if applicable, waived).

#### 4.5 The Sweden Transaction

##### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex; and
- (iv) Swedish Buyer.

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### ***Subject matter***

The Vendor agreed to sell or procure the sale of, and Swedish Buyer agreed to purchase, all of the shares in the capital of Swedish TowerCo from time to time (the “**Swedish Shares**”).

### ***Consideration***

The Consideration for the sale and purchase of the Swedish Shares is approximately EUR 0.8 billion, subject to adjustments by reference to the amounts of the Adjustment Items as at the date of Closing. Such Consideration is payable by Swedish Buyer in cash at Closing (subject to balancing payments post-Closing to reflect relevant adjustments, if any).

### ***Conditions precedent***

Closing for the Sweden Transaction is conditional upon requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived).

The Vendor intends to waive the above condition. As at the Latest Practicable Date, the condition precedent of the Sweden Transaction had not been satisfied (or, if applicable, waived).

### ***Swedish Call Option***

HI3G has agreed to conditionally grant a call option (the “**Swedish Call Option**”) to Swedish Buyer to purchase from HI3G interests in certain Tower Assets owned and operated by 3GIS but which, upon termination or expiry of the 3GIS Joint Venture Agreement, are transferred to HI3G (the “**Swedish Option Towers**”). The Swedish Call Option may only be exercised if, amongst other things, the 3GIS Joint Venture Agreement is terminated or expires no later than 31 December 2030. Such terms of termination of the 3GIS Joint Venture Agreement are subject to agreement by HI3G, and HI3G is not under any obligation to agree such terms or accept the transfer of the Swedish Option Towers.

## **4.6 The UK Transaction**

### ***Parties***

- (i) The Vendor;
- (ii) the Guarantor;
- (iii) Cellnex;
- (iv) 3UK;
- (v) UK Buyer; and
- (vi) the Cellnex Counterparty.

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### ***Subject matter***

The Vendor agreed to procure the sale of, and UK Buyer agreed to purchase, all of the shares in the capital of UK TowerCo from time to time (the “**UK Shares**”), being the holder of the UK Unilateral Assets upon Closing. With effect on or about the date of Closing in respect of the UK Transaction, the Cellnex Counterparty will have the economic benefit from, and the requirement to bear the costs towards, interests in the UK Passive Assets.

### ***Consideration***

The aggregate Consideration for the sale and purchase of the UK Shares and the economic benefit from, and the requirement to bear the costs towards, interests in the UK Passive Assets is approximately EUR 3.7 billion (subject to adjustment by reference to the amounts of the Adjustment Items as at the date of Closing), which shall be satisfied at Closing as to approximately EUR 2.3 billion in cash and approximately EUR 1.4 billion by way of allotment and issue of Consideration Shares by Cellnex, adjusted by reference to the volume weighted average price of Cellnex’s shares for a period of 20 days before the date of Closing of the UK Transaction as quoted on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges. Based on a Cellnex reference share price of EUR 52.79 per Cellnex share as agreed between the relevant Parties, this equates to an approximately 5% stake in Cellnex on an enlarged share capital basis. A price adjustment mechanism applies to the number of Consideration Shares to be issued. The issue price of the Consideration Shares will not be less than EUR 42.23 or more than EUR 60.71 per share, thereby setting a ceiling at a 6.17% stake and a floor at a 4.38% stake of Cellnex’s enlarged share capital.

Subject to customary exceptions, the Consideration Shares are subject to a lock up period of 12 months after Closing in respect of the UK Transaction.

If Cellnex becomes the subject of a takeover offer prior to Closing in respect of UK TowerCo, Cellnex shall procure that the Vendor receives at Closing such equivalent consideration as the Vendor would have received had it been a shareholder of Cellnex at the time of the takeover offer.

### ***Conditions precedent***

Closing for the UK Transaction is conditional upon: (i) the UK Anti-trust Condition having been fulfilled on or before the UK Longstop Date; (ii) the UK Foreign Investment Condition having been fulfilled on or before the UK Longstop Date; and (iii) requisite Shareholders’ approval (if any) having been obtained (or, if applicable, waived) by the Company. In addition, the creation and issue of the Consideration Shares is subject to Cellnex’s shareholders’ approval. If Cellnex’s shareholders’ approval for the creation and issue of the Consideration Shares is not obtained by 31 July 2021, the Consideration Shares for the UK Transaction shall be replaced by a payment of approximately EUR 1.4 billion in cash.

The relevant Parties will procure the application of a positive ruling from HM Revenue & Customs on value-added tax in relation to the UK Transaction. If such ruling is not obtained, the Vendor may elect to proceed with the UK Transaction and bear any value-added tax arising from the UK Transaction. If the Vendor does not agree to bear such value-added tax, the economic benefit from, and the requirement to bear the

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costs towards, interests in the UK Passive Assets will be excluded from the UK Transaction and the Consideration for the UK Transaction will be adjusted by not more than 63%.

As at the Latest Practicable Date, none of the conditions precedent of the UK Transaction had been satisfied (or, if applicable, waived).

### **4.7 Certain other terms**

#### ***Closing***

Closing in respect of each Transaction is subject to its own terms and conditions and the various Closings are not inter-conditional. As a result, Closing in respect of each Transaction can occur on a standalone basis as soon as the Closing conditions applicable in respect of that Transaction have been fulfilled (or, if applicable, waived).

The Directors believe that each Transaction represents a good opportunity for the Company to realise its investments in that particular jurisdiction and the proceeds received from each Closing will create immediate value for Shareholders. Therefore, the Directors are of the view that even if Closing is not achieved in respect of all Transactions, Closing for any one or more of the Transactions would still have the effect of unlocking value of the Group's interests in Tower Assets in that jurisdiction and would be in the best interest of the Company and the Shareholders as a whole.

The Board has high confidence that conditions to Closing in respect of each Transaction will be fulfilled, with Closings in respect of the Austria Transaction, the Denmark Transaction and the Ireland Transaction expected to occur on or before 31 December 2020, Closing in respect of the Sweden Transaction expected to occur on or before 31 March 2021, and Closings in respect of the Italy Transaction and the UK Transaction expected to occur on or before 31 December 2021.

#### ***Termination right***

If requisite Shareholders' approval (if any) in respect of a Closing has been voted on but not approved at the EGM, or if any other condition precedent for a Transaction has not been satisfied (or, if applicable, waived) by the Longstop Date (or the UK Longstop Date for the UK Transaction), the Vendor or Cellnex may by notice terminate such Transaction with immediate effect.

#### ***Restrictive covenants***

The Vendor undertakes to Cellnex, amongst others, that no Vendor Group Company and no directors of any Vendor Group Company shall for its, his or her own account or on behalf of others (other than any Cellnex Group Company), subject to certain exceptions, (i) for a period of two years starting on the Closing date of the respective Transactions, acquire interests in the shares, businesses or assets of an entity which controls or operates as its primary activity a passive infrastructure business that competes with the business of a Tower Company as carried out on the relevant date of Closing, and (ii) solicit certain employees of the Tower Companies for a period of one year starting on the Closing date of the respective Transactions.

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### **Guarantee**

The Guarantor agreed to guarantee the obligations and liabilities of the Vendor (and the relevant Vendor Group Companies) if the Vendor (or relevant Vendor Group Company) fails to perform such obligations or liabilities in connection with the Transactions. Cellnex also agreed to guarantee the obligations and liabilities of each of the Buyers if any of them fails to perform such obligations or liabilities in connection with the Transactions.

## **5 BASIS OF DETERMINING THE CONSIDERATION**

The Consideration for each Transaction was separately arrived at after arm's length negotiation between the Vendor and Cellnex, after taking into account factors including:

- (i) the carrying cost of the Group's interests in the Tower Assets and the gain that is expected to be realised from the Transactions as disclosed in the section headed "10. Financial Effects of the Transactions on the Group";
- (ii) the market conditions and economic landscape facing the telecommunications sector and tower assets operators, including the scarcity of the Tower Assets and the potential increases in tenancy ratios, cost synergies and future expansion opportunities in the jurisdictions in which the relevant Tower Company is engaged in. In particular, tower assets operators have intensified their demand for such assets with a view to building market share in anticipation of the rollout of 5G;
- (iii) the prevailing market comparables, including the implicit value per tower embedded within the share price of listed tower companies or within precedent acquisition transactions in jurisdictions including France, Germany, Italy, Netherlands, Poland, Portugal, Spain and Switzerland; and
- (iv) the information set out under the section headed "2. Reasons for and Benefits of the Transactions" above, including but not limited to the long-term strategic partnership between the Group's Mobile Businesses and Cellnex through the entering into of the Master Services Agreements upon Closing in respect of the Transactions (see the section headed "6. Master Services Agreement" below).

## **6 MASTER SERVICES AGREEMENT**

Upon the Closing in respect of a Transaction, a master services agreement (or an amended or restated version of an existing master services agreement) will be entered into between that Tower Company and the Group's Mobile Business operating subsidiary in that jurisdiction. Pursuant to the Master Services Agreement, that Tower Company will provide, on a non-exclusive basis, telecommunications infrastructure services and built-to-suit services to the Group's Mobile Business in that relevant jurisdiction in the ordinary and usual course of business.

The service fees were determined on the basis of normal commercial terms and after arm's length negotiations between the Vendor and Cellnex having taken into consideration the prevailing mobile telecommunications market trend, the current rate of similar service arrangements in the respective jurisdiction, and the benefits of having a strategic partnership with a dedicated tower operator with proven industrial expertise that the Company believes would result in efficient capital allocation and capex savings, enhance the strategic focus of the Group and accelerate the rollout of 5G across the Group's network.

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The service fees comprise a base line fee, an optional service fee and other fees and costs otherwise agreed by the relevant Parties. The base line fee is determined as an annual amount that applies in respect of each site deployed by the relevant Mobile Business in the particular jurisdiction from time to time. The optional service fee is an additional fee that will become payable in respect of the optional expansion or variation of services to be provided by the relevant Tower Company, and depending on the type of services provided (such as for the deployment of space on a site for additional equipment outside the agreed standard configuration), such fee is to be calculated based on standard rates set out in the Master Services Agreement, or to be agreed on a case-by-case basis between the relevant Parties. Other fees and costs may include, among others, any applicable additional structural enhancement fee, reserved space fee and energy charges. The master services arrangements are services provision contracts which are not within the scope of HKFRS 16 "Leases". The Group will account for the service fees payable under the master services arrangements as operating expenses and will charge these expenses to income statement on an as incurred basis as the services are consumed by the Group.

Each Master Services Agreement shall become effective and valid on the relevant date of Closing and shall remain in effect until the 15th anniversary of such date, unless extended and renewed in accordance with that Master Services Agreement for a further term of 15 years (except for Austrian TowerCo, where the Master Services Agreement provides for an indefinite term subject to termination rights as agreed).

Each Master Services Agreement may be terminated for cause by either party and may be partially terminated in respect of part of the telecommunications infrastructure services which are affected by any material failure to meet service levels.

In addition, HI3G will, upon exercise of the Swedish Call Option, enter into a master services agreement in relation to the Swedish Option Towers on substantially identical terms as the Master Services Agreement to be entered into with Swedish TowerCo.

## **7 INFORMATION ON THE TOWER COMPANIES**

### **7.1 Basic information of the Tower Companies**

Austrian TowerCo was incorporated on 21 September 2018 and holds and operates the Tower Assets of the Group in Austria. It provides Tower Assets services to the Group's Mobile Business in Austria.

Danish TowerCo was incorporated on 1 July 2001 and holds and operates the Tower Assets of the Group in Denmark. It provides Tower Assets services to the Group's Mobile Business in Denmark.

Irish TowerCo was incorporated on 26 February 2020 and holds and operates the Tower Assets of the Group in Ireland. It provides Tower Assets services to the Group's Mobile Business in Ireland.

Italian TowerCo was incorporated on 12 November 2019 and holds and operates the Tower Assets of the Group in Italy. It provides Tower Assets services to the Group's Mobile Business in Italy.

Swedish TowerCo was incorporated on 16 December 2019 and holds and operates the Tower Assets of the Group in Sweden. It provides Tower Assets services to the Group's Mobile Business in Sweden.



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UK TowerCo was incorporated on 30 October 2020. The Vendor will procure the relevant companies within the Group to transfer the UK Unilateral Assets to UK TowerCo prior to Closing of the UK Transaction. Following such transfer, UK TowerCo will provide Tower Assets services to the Group's Mobile Business in the United Kingdom.

### **7.2 Financial information of the Tower Companies**

In the past, the Group did not separately account for the profit and loss attributable to the Group's interests in Tower Assets as (i) the Tower Assets were part and parcel to the Group's overall Mobile Businesses, (ii) the Tower Assets were held together with other assets of the Mobile Businesses of the Group, and (iii) the Tower Assets were used primarily as internal assets to deliver the Group's Mobile Businesses in their ordinary and usual course of business.

With effect from 31 December 2019, the relevant companies within the Group began transferring the Tower Assets to the Tower Companies. The Tower Assets in Austria, Denmark, Ireland, Italy and Sweden were transferred to the Tower Companies, in the case of Austrian TowerCo, on 1 July 2020, in the case of Danish TowerCo, on 30 June 2020 (but with retrospective effect from 1 January 2020 for statutory accounting and tax purposes only), in the case of Irish TowerCo, on 2 July 2020, in the case of Italian TowerCo, on 31 December 2019, and in the case of Swedish TowerCo, on 30 June 2020.

Following the transfers, Austrian TowerCo, Danish TowerCo, Irish TowerCo, Italian TowerCo and Swedish TowerCo commenced accounting for the profit and loss attributable to the Tower Assets held by them. These are set out in the two columns headed "Nine months ended 30 September 2020" and "Three months ended 30 September 2020" in Table A below.

Of the six Tower Companies, two were incorporated in 2020 and the other four were incorporated prior to 2020, with Austrian TowerCo and Danish TowerCo in or before 2018, and Italian TowerCo and Swedish TowerCo in 2019. The profit and loss of the latter four Tower Companies for the two years ended 31 December 2018 and 2019 are presented in the two columns headed "Year ended 31 December 2018" and "Year ended 31 December 2019" in Table A below. It should be noted that, these profit and loss arose from activities other than the operation of the Tower Assets, and are only disclosed as required under the Listing Rules.

No historical financial information is presented for UK TowerCo as it was incorporated on 30 October 2020, and no interests in any Tower Assets have been transferred to UK TowerCo and it has no material assets and liabilities as at the Latest Practicable Date. The Vendor will procure the relevant companies within the Group to transfer the UK Unilateral Assets to UK TowerCo prior to Closing of the UK Transaction.

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**Table A**

The unaudited profit and loss of the Tower Companies for the two years ended 31 December 2018 and 2019 and for the nine months and three months ended 30 September 2020, respectively are set out in the following table:

<i>(in million)</i>	<b>Year ended 31 December</b>		<b>Nine months ended 30 September 2020</b>	<b>Three months ended 30 September 2020</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	
	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>
<b>Austrian TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	nil	nil	EUR 1	EUR 1
<i>HK\$ equivalent</i>	<i>nil</i>	<i>nil</i>	<i>HK\$ 9</i>	<i>HK\$ 9</i>
Net profit after taxation				
<i>Local currency</i>	nil	nil	EUR 1	EUR 1
<i>HK\$ equivalent</i>	<i>nil</i>	<i>nil</i>	<i>HK\$ 9</i>	<i>HK\$ 9</i>
<b>Danish TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	nil	DKK 1,098	DKK 106	DKK 59
	<i>Note 2</i>	<i>Note 2</i>		
<i>HK\$ equivalent</i>	<i>nil</i>	<i>HK\$ 1,351</i>	<i>HK\$ 130</i>	<i>HK\$ 73</i>
	<i>Note 2</i>	<i>Note 2</i>		
Net profit after taxation				
<i>Local currency</i>	nil	DKK 1,098	DKK 83	DKK 46
	<i>Note 2</i>	<i>Note 2</i>		
<i>HK\$ equivalent</i>	<i>nil</i>	<i>HK\$ 1,351</i>	<i>HK\$ 102</i>	<i>HK\$ 57</i>
	<i>Note 2</i>	<i>Note 2</i>		
<b>Irish TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	Note 3	Note 3	EUR 3	EUR 3
<i>HK\$ equivalent</i>	Note 3	Note 3	<i>HK\$ 28</i>	<i>HK\$ 28</i>
Net profit after taxation				
<i>Local currency</i>	Note 3	Note 3	EUR 3	EUR 3
<i>HK\$ equivalent</i>	Note 3	Note 3	<i>HK\$ 28</i>	<i>HK\$ 28</i>
<b>Italian TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	Note 3	nil	EUR 55	EUR 24
<i>HK\$ equivalent</i>	Note 3	<i>nil</i>	<i>HK\$ 505</i>	<i>HK\$ 221</i>
Net profit after taxation				
<i>Local currency</i>	Note 3	nil	EUR 38	EUR 9
<i>HK\$ equivalent</i>	Note 3	<i>nil</i>	<i>HK\$ 349</i>	<i>HK\$ 83</i>
<b>Swedish TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	Note 3	nil	SEK 52	SEK 52
<i>HK\$ equivalent</i>	Note 3	<i>nil</i>	<i>HK\$ 46</i>	<i>HK\$ 46</i>
Net profit after taxation				
<i>Local currency</i>	Note 3	nil	SEK 41	SEK 41
<i>HK\$ equivalent</i>	Note 3	<i>nil</i>	<i>HK\$ 36</i>	<i>HK\$ 36</i>

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<i>(in million)</i>	Year ended 31 December		Nine months ended 30 September	Three months ended 30 September
	2018 <i>Note 1</i>	2019 <i>Note 1</i>	2020 <i>Note 1</i>	2020 <i>Note 1</i>
<b>UK TowerCo</b>				
Net profit before taxation				
<i>Local currency</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>
<i>HK\$ equivalent</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>
Net profit after taxation				
<i>Local currency</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>
<i>HK\$ equivalent</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>

### **Table B**

The unaudited net asset value of the Tower Companies as at 30 September 2020 are set out in the following table:

<i>(in million)</i>	<b>As at 30 September 2020</b>	
	<i>Note 1</i>	<i>Note 1</i>
	Local currency	HK\$ equivalent
Austrian TowerCo	EUR 477	HK\$ 4,384
Danish TowerCo	DKK 523	HK\$ 643
Irish TowerCo	EUR 17	HK\$ 156
Italian TowerCo	EUR 938	HK\$ 8,620
Swedish TowerCo	SEK 1,265	HK\$ 1,126
UK TowerCo	<i>Note 4</i>	<i>Note 4</i>

*Note:*

- The financial figures of the Tower Companies set out in the tables above are derived from the unaudited financial information prepared using the Tower Companies' accounting policies, which are in accordance with IFRS or are adjusted to IFRS if the Tower Companies have not adopted IFRS. Where the Tower Company was incorporated during the financial year/ period, the numbers presented for that Tower Company in Table A represent its profit or loss numbers for that specified financial period/ year commencing from its date of incorporation.
- The historical financial information for the years ended 31 December 2018 and 2019 of Danish TowerCo has been included for illustrative purposes only. Net profit (before taxation and after taxation) for the year ended 31 December 2019 of DKK 1,098 million, represented a gain on disposal of a subsidiary of DKK 955 million and a dividend income from the same subsidiary of DKK 143 million, was unrelated to the operation of the Tower Assets.
- Not applicable as the relevant Tower Company was incorporated after the relevant financial year.
- No historical financial information is presented for UK TowerCo as it was incorporated on 30 October 2020, and no interests in any Tower Assets have been transferred to UK TowerCo and it has no material assets and liabilities as at the Latest Practicable Date. For reference, as at 30 September 2020, the unaudited net asset value of the Group's interests in the Tower Assets as recorded in the Group's consolidated accounting records, supporting the Group's Mobile Business in the United Kingdom amounted to approximately GBP 28 million (equivalent to approximately HK\$ 279 million) and GBP 247 million (equivalent to approximately HK\$ 2,507 million) in respect of the UK Unilateral Assets and UK Passive Assets, respectively.

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### 7.3 Shareholding structure of the Tower Companies

As at the Latest Practicable Date, Austrian TowerCo, Irish TowerCo, Italian TowerCo and UK TowerCo are indirect wholly-owned subsidiaries of the Company and Danish TowerCo and Swedish TowerCo are indirectly owned as to 60% by the Company.

As at the Latest Practicable Date, each of Danish TowerCo and Swedish TowerCo is indirectly owned as to 40% by Intre Holding AB (“**IHAB**”). In order to consolidate the entire issued capital of each of Danish TowerCo and Swedish TowerCo into the Vendor (the “**IHAB Reorganisation**”) prior to the Closings in respect of the Denmark Transaction and the Sweden Transaction, on 11 November 2020 (Central European Time), the Vendor and IHAB, amongst others, entered into an exchange agreement (the “**Exchange Agreement**”), pursuant to which IHAB agreed to sell and the Vendor agreed to purchase the 40% interest in the issued capital of Danish TowerCo and the 40% interest in the issued capital of Swedish TowerCo for a total consideration equal to 5% of the Consideration receivable by the Vendor (or the relevant Vendor Group Companies) in respect of each Closing, payable in cash and/or shares of Cellnex. If Closing does not occur in respect of one or more Transactions, IHAB shall be entitled to receive shares in the Vendor equal to a 5% effective interest in the Tower Companies in respect of which Closing does not occur. As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the IHAB Reorganisation are below 5%, the IHAB Reorganisation does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Furthermore, pursuant to the Exchange Agreement, the Vendor, IHAB, CK Hutchison Networks Holdings Limited (the holding company of the Vendor), amongst others, shall enter into a shareholders agreement in the event that Closing does not take place in relation to one or more of the Transactions on or before the Longstop Date (or the UK Longstop Date in respect of the UK Transaction) and IHAB becomes a shareholder of the Vendor, under which IHAB would be granted certain governance rights in the Vendor, including, among others, the right to appoint one manager to the board of managers of the Vendor, tag-along rights and discussion rights with respect to future transactions which may dilute IHAB’s shareholding interest.

Upon Closing of a Transaction, the relevant Tower Company and the Group’s interests in the relevant Tower Assets will be de-consolidated from the consolidated financial statements of the Group.

## 8 INFORMATION ON THE COMPANY AND THE PARTIES

### 8.1 The Company

The Company is an investment holding company. The Group is a renowned multinational conglomerate committed to development, innovation and technology in many different sectors. Its operations consist of five core businesses – ports and related services, retail, infrastructure, energy, and telecommunications.

### 8.2 The Vendor

The Vendor, an indirect wholly-owned subsidiary of the Company, is a telecommunications infrastructure company which holds the Group’s Tower Assets interests in Europe.

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### 8.3 The Guarantor

The Guarantor, an indirect wholly-owned subsidiary of the Company, is a geographically diverse telecommunications operator in six European markets, Hong Kong and Macau.

## 9 INFORMATION ON CELLNEX

Cellnex is a company incorporated in Spain, the shares of which are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges (Stock Code: BME:CLNX). It is a leading infrastructure operator for wireless telecommunications and broadcasting in Europe.

The following audited financial information is extracted from the 2019 annual report of Cellnex:

<i>(in million)</i>	<b>For the year ended/ As at 31 December 2018</b>		<b>For the year ended/ As at 31 December 2019</b>	
	<i>(EUR)</i>	<i>(HK\$ equivalent)</i>	<i>(EUR)</i>	<i>(HK\$ equivalent)</i>
Operating income	897.9	8,252	1,030.8	9,473
Net profit (loss) before taxation	(36.2)	(333)	(54.0)	(496)
Net profit (loss) after taxation	(17.7)	(163)	(18.5)	(170)
Net assets	615.4	5,656	5,050.8	46,417

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Cellnex and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company under the Listing Rules.

## 10 FINANCIAL EFFECTS OF THE TRANSACTIONS ON THE GROUP

Subject to Closings in respect of all Transactions, the aggregate Consideration to be received by the Vendor (or the relevant Vendor Group Companies) is EUR 10 billion (subject to Closing adjustments), of which 5% shall be attributable to the Group's telecommunications partner in Denmark and Sweden. Out of the aggregate Consideration of EUR 10 billion, approximately EUR 2 billion (subject to Closing adjustments) is expected to be received in 2020 and approximately EUR 8 billion (subject to Closing adjustments) is expected to be received in 2021.

The Group expects to realise a gain upon Closing. Subject to Closing occurring in respect of all six Transactions and based on the information currently available and including (i) the amounts of the Consideration as mentioned above and assuming there is no adjustment to the amount of the Consideration, (ii) the amounts of the carrying cost for assets, liabilities and non-controlling interests, as at 30 September 2020, to be de-recognised and the provisions for levies, taxes and other costs of fulfilling the Group's commitments relating to the Group's interests in the Tower Assets of approximately HK\$ 27 billion, (iii) the Group's reclassification adjustments, as at 30 September 2020, of amounts previously recognised in the comprehensive income relating to its interests in the Tower Assets that are required to be reclassified to income statement of approximately HK\$ 0.5 billion, and (iv) the exchange

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rates disclosed in the “Definitions” section of this circular, the Group estimates the gains (before transaction costs) attributable to Shareholders arising from the Transactions to be approximately HK\$ 60 billion.

Out of the above gain, approximately HK\$ 21 billion is expected to be realised in respect of the First Tranche Transactions and approximately HK\$ 39 billion is expected to be realised in respect of the Second Tranche Transactions. The actual amount of the gains to be realised by the Group is subject to audit and will depend on the actual amount/rate for items (i) to (iv) mentioned above on the date of Closing and the actual transaction costs in connection with the Transactions, and therefore may vary from the amounts mentioned above.

Having taken into account the estimated gain as mentioned above, it is estimated that upon Closings in respect of all six Transactions, the net assets of the Group will increase by approximately HK\$ 60 billion, comprising an increase in total assets of approximately HK\$ 58 billion, of which approximately HK\$ 19 billion and approximately HK\$ 39 billion are attributable to the First Tranche Transactions and the Second Tranche Transactions respectively, and a decrease in total liabilities of approximately HK\$ 2 billion which is predominantly attributable to the First Tranche Transactions.

Following Closings of the Transactions, the Group’s operational efficiency will be improved and its financial position will be enhanced. The Group’s telecommunications division will be able to increase its focus on developing its Mobile Business networks and IT platforms, and will retain optionality to accelerate the rollout of its 5G networks, while benefiting from significant additional financial capacity to support future growth and merger and acquisition opportunities. Leaving aside these potential operational efficiency improvements and benefits from significant additional financial capacity, the Transactions are expected to decrease the Group’s future earnings. The service fees payable under the Master Services Agreements are expected to exceed the savings on depreciation and other operating costs resulting from de-recognition of the Group’s interests in the relevant Tower Assets. Based on the current Tower Assets portfolio, the impact is approximately HK\$ 1,800 million for the first full year following Closings of all six Transactions, of which approximately HK\$ 600 million and approximately HK\$ 1,200 million are related to the First Tranche Transactions and the Second Tranche Transactions respectively. The actual amount to be recognised by the Group is subject to audit and will depend on the actual service fees payable and cost and depreciation de-recognised and the exchange rates at the time of the relevant Closings, and therefore may vary from the amounts mentioned above.

### **11 IMPLICATIONS UNDER THE LISTING RULES**

Each of the Transactions is subject to its own terms and conditions and Closing of each Transaction can occur on a standalone basis as each Transaction is independent and not inter-conditional upon the others. The Transactions, comprising six disposals and one acquisition, shall be assessed individually for the purpose of Chapter 14 of the Listing Rules (subject to applicable aggregation requirements under Rule 14.22 of the Listing Rules as detailed below).

#### **11.1 The Austria Transaction**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Austria Transaction exceed 5% but are all less than 25%, the Austria Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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### **11.2 The Denmark Transaction**

As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Denmark Transaction are below 5%, the Denmark Transaction does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

### **11.3 The Ireland Transaction**

As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Ireland Transaction are below 5%, the Ireland Transaction does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

### **11.4 The Italy Transaction**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Italy Transaction exceed 5% but are all less than 25%, the Italy Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **11.5 The Sweden Transaction**

As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Sweden Transaction are below 5%, the Sweden Transaction does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As the Swedish Call Option is exercisable at HI3G's discretion and all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of any premium payable in respect the Swedish Call Option are below 5%, the Swedish Call Option does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

### **11.6 The UK Transaction**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the UK Transaction exceed 5% but are all less than 25%, the UK Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company. As the UK Transaction, when aggregated with the Italy Transaction (as detailed below), constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, the Acquisition will also constitute a major transaction for the Company but will not be subject to the content requirements applicable to major transactions pursuant to Rule 14.24 of the Listing Rules.

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### 11.7 Aggregation

It is anticipated that Closings in respect of the Austria Transaction, the Denmark Transaction and the Ireland Transaction will occur on or before 31 December 2020, the Sweden Transaction on or before 31 March 2021, with the Italy Transaction and the UK Transaction to follow on or before 31 December 2021.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the First Tranche Transactions (comprising the Austria Transaction, the Denmark Transaction, the Ireland Transaction and the Sweden Transaction) on an aggregate basis exceed 5% but are all less than 25%, the First Tranche Transactions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As a result, the Closings in respect of the First Tranche Transactions are not required to be subject to Shareholders' approval under Chapter 14 of the Listing Rules.

On the basis that the Closings in respect of the Second Tranche Transactions (comprising the Italy Transaction and the UK Transaction) will occur after the Closings of the First Tranche Transactions, the applicable percentage ratios for the Second Tranche Transactions shall be aggregated with those of the First Tranche Transactions.

Accordingly, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Second Tranche Transactions, when aggregated with those of the First Tranche Transactions, exceed 25% but are all less than 75%, the Second Tranche Transactions constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.40 of the Listing Rules, the Company will seek Shareholders' approval at the EGM for the Second Tranche Transactions.

### 12 VOTING UNDERTAKING

The Voting Undertaking Registered Shareholders have provided an irrevocable undertaking to the Guarantor and Cellnex to vote in favour of the resolution to be proposed at the EGM in relation to the Transactions in respect of a total of 1,160,195,710 Shares (representing approximately 30.08% of the issued share capital of the Company as at the Latest Practicable Date).

### 13 RE-ELECTION OF RETIRING DIRECTOR

On 14 May 2020, the Board appointed Mr Wong Kwai Lam ("**Mr K L Wong**") as an Independent Non-executive Director to fill the casual vacancy on the Board arising from the retirement of Mr Wong Chung Hin as an Independent Non-executive Director of the Company. Pursuant to Article 101 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next general meeting of the Company. Accordingly, Mr K L Wong will retire at the EGM and, being eligible, has offered himself for re-election at the EGM.

Mr K L Wong has over 30 years of experience in the commercial and investment banking industry. He also possesses strong board expertise and skills and knowledge that are relevant to the position as a director, including broad experience of identifying and managing operational, financial and other risks. He has shown devotion and commitment to the Board by his 100% attendance at the Board meetings and relevant Board committee meetings during his tenure.



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Mr K L Wong had confirmed his independence pursuant to Rule 3.13 of the Listing Rules. During his tenure as Independent Non-executive Director, he has not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with his exercise of independent judgement.

The Nomination Committee has considered the re-election of Mr K L Wong in accordance with the Director Nomination Policy of the Company, and having regard to the Board's composition as well as the various diversity aspects as set out in the Board Diversity Policy of the Company, the Nomination Committee nominated Mr K L Wong's re-appointment to the Board for consideration.

The Board, having considered the recommendation of the Nomination Committee, is of the view that Mr K L Wong will continue to contribute to the Board with his expertise and experience in the banking industry, his knowledge of the Group, his broad experience in management and operations as well as his devotion to the Group.

Information on Mr K L Wong as required to be disclosed under the Listing Rules is set out in "*Appendix III – Information on Retiring Director*".

### **14 EGM AND VOTING**

The Company will convene the EGM for the Shareholders to consider and, if thought fit, pass (i) an ordinary resolution to approve the Second Tranche Transactions and (ii) an ordinary resolution to approve the re-election of the Retiring Director.

A notice convening the EGM to be held at the 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 18 December 2020 at 10:45 a.m. is set out on pages N-1 to N-2 of this circular. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The ordinary resolutions to be proposed at the EGM shall be voted by way of a poll pursuant to Article 81 of the Articles. After the conclusion of the EGM, the results of the poll will be released on the websites of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

All Shareholders who have a material interest in the Second Tranche Transactions will be required to abstain from voting on the ordinary resolution to approve the Second Tranche Transactions at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Second Tranche Transactions. As such, no Shareholder is required to abstain from voting under the Listing Rules at the EGM on the resolution to approve the Second Tranche Transactions.

A proxy form for use at the EGM is enclosed with this circular. The proxy form can also be downloaded from websites of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Whether Shareholders are able to attend the EGM in person or not, they should complete, sign and return the proxy form in accordance with the instructions printed thereon to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment or postponement thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment or postponement thereof should they subsequently so wish.

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### 15 RECOMMENDATIONS

The Directors believe that the terms of the Transactions are on normal commercial terms and are fair and reasonable. Furthermore, having taken into account the reasons for and the benefits of the Transactions as more particularly described under the section headed “2. Reasons for and Benefits of the Transactions” of this circular, the Directors consider that the Transactions are in the interests of the Company and the Shareholders as a whole. The Directors also consider that it is in the interests of the Company and its Shareholders to re-elect the Retiring Director at the EGM.

Given the above, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the EGM.

**As Closings in respect of the Transactions are conditional on the satisfaction or waiver of certain conditions, there remains a possibility that one or more Transactions may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

Yours faithfully,  
For and on behalf of the Board of  
**CK HUTCHISON HOLDINGS LIMITED**

**Victor T K LI**  
*Chairman and Group Co-Managing Director*

**1 FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2017, 2018 AND 2019 AND THE SIX MONTHS ENDED 30 JUNE 2020**

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020, are disclosed in the following documents which have been published on the websites of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and can be accessed at the website addresses below:

- (i) annual report of the Company for the year ended 31 December 2017 (pages 164 to 266) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0406/ltn20180406601.pdf>)
- (ii) annual report of the Company for the year ended 31 December 2018 (pages 170 to 286) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0409/ltn20190409586.pdf>)
- (iii) annual report of the Company for the year ended 31 December 2019 (pages 134 to 262) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0407/2020040700714.pdf>)
- (iv) interim report of the Company for the six months ended 30 June 2020 (pages 43 to 96) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0820/2020082000511.pdf>)

**2 INDEBTEDNESS****Borrowings**

As at the close of business on 31 October 2020, being the latest practicable date for the purposes of this statement, the Group had total outstanding borrowings of approximately HK\$ 357,683 million comprising: (i) notes and bonds of approximately HK\$ 224,172 million which were unsecured; (ii) bank loans of approximately HK\$ 132,096 million, of which approximately HK\$ 1,398 million were secured and approximately HK\$ 130,698 million were unsecured; (iii) other loans of approximately HK\$ 263 million, of which approximately HK\$ 3 million were secured and approximately HK\$ 260 million were unsecured; and (iv) loans from non-controlling shareholders of approximately HK\$ 1,152 million which were unsecured.

**Pledge of assets**

As at 31 October 2020, the Group had pledged assets with aggregate carrying values of approximately HK\$ 1,298 million, of which approximately HK\$ 1,294 million and approximately HK\$ 4 million are pledged as collateral for bank loans and other loans respectively.

**Lease liabilities**

As at 31 October 2020, the Group had lease liabilities recognised on application of HKFRS 16 “Leases” of approximately HK\$ 92,629 million, of which approximately HK\$ 18,294 million were due within one year and approximately HK\$ 74,335 million were due after one year.

**Contingent liabilities and guarantees**

As at 31 October 2020, the Group had contingent liabilities of approximately HK\$ 14,284 million. The contingent liabilities comprised guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures of approximately HK\$ 6,947 million, and performance and other guarantees of approximately HK\$ 7,337 million.

Save as set out above and apart from intra-group liabilities and guarantees, the Group did not have any outstanding indebtedness in respect of mortgages, charges, debentures or loan capital, bank overdrafts, loans, debt securities or other similar indebtedness or acceptance credits (other than trade bills in the ordinary and usual course of the business) or hire purchase commitments or any guarantees or other material contingent liabilities at the close of business on 31 October 2020.

**3 WORKING CAPITAL**

Taking into account the Group's internal resources and available credit facilities, and in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular. In addition, the Transactions will enable the Company to realise very significant net proceeds, in the form of cash and marketable securities, which will further strengthen the Group's financial profile.

**4 FINANCIAL AND TRADING PROSPECTS**

The Group's operations consist of five core businesses – ports and related services, retail, infrastructure, energy and telecommunications.

In relation to the Group's telecommunications businesses, upon the Closing in respect of a Transaction, a master services agreement (or an amended or restated version of an existing master services agreement) will be entered into between that Tower Company and the Group's Mobile Business operating subsidiary in that jurisdiction. Pursuant to the Master Services Agreement, that Tower Company will provide telecommunications infrastructure services and built-to-suit services to the Group's Mobile Business in that relevant jurisdiction in the ordinary and usual course of business, such that the Group will continue to engage in Mobile Business in that relevant jurisdiction.

The Group will continue its operations in the other four core businesses.

In the first half of 2020, the world experienced an abrupt collapse in crude prices and suffered widespread disruptions in social and economic activities arising from the rapid and continued spread of COVID-19. The forward trajectory of the pandemic – its spread, morbidity, longer term health impacts, geographic and demographic distribution, and duration – remains uncertain at this time. In addition, geopolitical and trade stresses have increased materially since 2019, as have strained central bank and government balance sheets globally.

The Group's energy business will be operating under pressure in the current low oil price environment and the unpredictable crude market outlook. On 26 October 2020, the Company announced that Husky Energy is undergoing a potential merger, which may have financial impact to the Group, however the merger is subject to various approvals and there is no assurance that it will be completed.

For the ports and retail businesses, it will remain challenging to achieve profitability similar to that of the second half last year. The Group's infrastructure and telecommunications businesses are relatively sheltered as these are considered essential and critical infrastructure services.

**5 NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that, other than in the section headed "4. Financial and Trading Prospects" above and as disclosed in (i) the Company's 2020 Interim Report, (ii) the 2020 third quarter results published by Husky Energy on 29 October 2020, and (iii) the overseas regulatory announcement and inside information announcement published by the Company on 4 November 2020 in relation to the Q3 2020 quarterly trading update of CK Hutchison Group Telecom Holdings Limited, there has been no material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group have been made up.

## 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

### Interests in Shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

#### (i) Long positions in the Shares

Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	1,160,195,710 <sup>(1)</sup>	1,165,421,760	30.2217%
			)		
	Beneficial owner	Personal interest	220,000		
			)		
	Interest of controlled corporations	Corporate interest	4,600,850 <sup>(2)</sup>		
			)		
Interest of spouse	Family interest	200,000			
Interest of child	Family interest	205,200 <sup>(3)</sup>			
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,011,438 <sup>(4)</sup>	6,011,438	0.1558%
Frank John Sixt	Beneficial owner	Personal interest	166,800	166,800	0.0043%
Kam Hing Lam	Beneficial owner	Personal interest	51,040	108,400	0.0028%
			)		
	Interest of child	Family interest	57,360		

**APPENDIX II**
**GENERAL INFORMATION**

<b>Directors</b>	<b>Capacity</b>	<b>Nature of Interests</b>	<b>Number of Shares Held</b>	<b>Total</b>	<b>Approximate % of Shareholding</b>
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	34,200	34,200	0.0008%
Edith Shih	Beneficial owner	Personal interest	187,125 )	192,187	0.0049%
	Interest of spouse	Family interest	5,062 )		
Chow Kun Chee, Roland	Beneficial owner	Personal interest	99,752	99,752	0.0025%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	129,960	129,960	0.0033%
Lee Yeh Kwong, Charles	Beneficial owner	Personal interest	862,124 )	906,584	0.0235%
	Interest of spouse	Family interest	37,620 )		
	Interest of a controlled corporation	Corporate interest	6,840 <sup>(5)</sup> )		
Leung Siu Hon	Beneficial owner	Personal interest	663,968 )	748,030	0.0193%
	Interest of spouse	Family interest	84,062 )		
George Colin Magnus	Founder and/or beneficiary of a discretionary trust	Other interest	833,868 <sup>(6)</sup> )	936,000	0.0242%
	Beneficial owner	Personal interest	85,361 )		
	Interest of spouse	Family interest	16,771 )		
Cheng Hoi Chuen, Vincent	Beneficial owner	Personal interest	10,000	10,000	0.0002%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of a discretionary trust	Other interest	7,380,860 <sup>(7)</sup>	7,380,860	0.1914%

## Notes:

(1) The 1,160,195,710 Shares comprise:

- (a) 1,003,380,744 Shares held by Li Ka-Shing Unity Trustee Company Limited ("**TUT1**") as trustee of The Li Ka-Shing Unity Trust ("**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 The Li Ka-Shing Unity Discretionary Trust ("**DT1**") and another discretionary trust ("**DT2**"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("**TDT1**", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("**TDT2**", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, 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 by reason only of its obligation and power to hold interests in those Shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Shares independently without any reference to Unity Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, Mr Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said Shares held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as a Director.

- (b) 72,387,720 Shares held by Li Ka-Shing Castle Trustee Company Limited ("**TUT3**") as trustee of The Li Ka-Shing Castle Trust ("**UT3**") and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("**TUT3 related companies**"). Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("**DT3**" and "**DT4**"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("**TDT3**", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("**TDT4**", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, 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 by reason only of its obligation and power to hold interests in those Shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Shares independently without any reference to 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 Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said Shares held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director.

- (c) 84,427,246 Shares held by a company controlled by TDT3 as trustee of DT3.

(2) Among those Shares,

- (a) 300,000 and 1,077,000 Shares are held by Li Ka Shing Foundation Limited ("**LKSF**") and a wholly owned subsidiary of Li Ka Shing (Global) Foundation ("**LKSGF**") respectively. By virtue of the terms of the constituent documents of LKSF and LKSGF, 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 the general meetings of LKSF and LKSGF.
- (b) 2,272,350 Shares are 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.
- (c) 951,500 Shares are held by a company which is equally controlled by Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor.



- (3) Such Shares are held by a company in which a child of Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.
- (4) Such Shares are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.
- (5) Such Shares are held by a company of which Mr Lee Yeh Kwong, Charles is interested in the entire issued share capital.
- (6) 184,000 Shares are held by a company controlled by a trust of which Mr George Colin Magnus is a discretionary beneficiary and 649,868 Shares are indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and/or a discretionary beneficiary.
- (7) Such Shares are ultimately held by a discretionary trust of which The Hon Sir Michael David Kadoorie is either the founder, a beneficiary and/or a discretionary object.

**(ii) Long positions in the shares, underlying shares and debentures of the associated corporations of the Company**

- (1) (a) As at the Latest Practicable Date, Mr Li Tzar Kuoi, Victor, as a Director of the Company, was deemed to be interested in the following by virtue of, inter alia, his interests as described in Note (1) above:
  - a. 5,428,000 ordinary shares, representing approximately 0.20% of the issued voting shares, in CK Infrastructure Holdings Limited (“**CKI**”) held by TUT1 as trustee of UT1;
  - b. 153,280 ordinary shares, representing approximately 0.003% of the issued voting shares, in Hutchison Telecommunications Hong Kong Holdings Limited (“**HTHKH**”) held by TUT3 as trustee of UT3;
  - c. 294,703,249 common shares, representing approximately 29.32% of the issued voting shares, in Husky Energy held by a company controlled by TDT3 as trustee of DT3; and
  - d. 15,000,000 ordinary shares, representing approximately 15% of the issued voting shares, in Beautiland Company Limited held by a wholly owned subsidiary of TUT1 as trustee of UT1.
- (b) As at the Latest Practicable Date, Mr Li Tzar Kuoi, Victor was also deemed to be interested in (i) 7,870,000 share stapled units, representing approximately 0.08% of the issued voting share stapled units, in HK Electric Investments (“**HKEI**”) and HK Electric Investments Limited (“**HKEIL**”) of which 5,170,000 share stapled units are held by LKSF and 2,700,000 share stapled units are held by a wholly owned subsidiary of LKSGF; (ii) 2,835,759,715 ordinary shares, representing approximately 29.50% of the issued voting shares, in CK Life Sciences Int’l., (Holdings) Inc. (“**CKLS**”) held by wholly owned subsidiaries of LKSF; and (iii) 350,773,499 ordinary shares, representing approximately 7.27% of the issued voting shares, in HTHKH of which 245,546 ordinary shares are held by LKSGF and 350,527,953 ordinary shares are held by LKSF. By virtue of the terms of the constituent documents of LKSF and LKSGF, 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 the general meetings of LKSF and LKSGF.

- (c) In addition, Mr Li Tzar Kuoi, Victor had, as at the Latest Practicable Date, the following interests:
- a. personal interests in 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS held in his capacity as a beneficial owner;
  - b. family interests in (a) 192,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in HTHKH held by a company in which his child is entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings; and (b) 227,000 ordinary shares, representing approximately 0.008% of the issued voting shares, in CKI held by his spouse; and
  - c. corporate interests in (a) 2,519,250 ordinary shares, representing approximately 0.05% of the issued voting shares, in HTHKH; and (b) a nominal amount of US\$ 38,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by CK Hutchison Capital Securities (17) Limited, which are held by 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.
- (2) Mr Fok Kin Ning, Canning had, as at the Latest Practicable Date, the following interests:
- a. 5,100,000 ordinary shares, representing approximately 0.03% of the issued voting shares, in Hutchison Telecommunications (Australia) Limited (“**HTAL**”) comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;
  - b. family interests in 267,400 ordinary shares, representing approximately 0.03% of the issued voting shares, in Hutchison China MediTech Limited (“**Chi-Med**”) held by his spouse;
  - c. corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the issued voting shares, in HTHKH;
  - d. corporate interests in 255,365 common shares, representing approximately 0.02% of the issued voting shares, in Husky Energy;
  - e. corporate interests in 2,000,000 share stapled units, representing approximately 0.02% of the issued voting share stapled units, in HKEI and HKEIL; and
  - f. corporate interests in 1,500,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in CKLS.

Mr Fok Kin Ning, Canning holds the above personal interests in his capacity as a beneficial owner and holds the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

- (3) Mr Frank John Sixt in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in (i) 1,000,000 ordinary shares, representing approximately 0.007% of the issued voting shares, in HTAL; (ii) 255,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH; (iii) 70,190 common shares, representing approximately 0.006% of the issued voting shares, in Husky Energy; (iv) 900,000 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; and (v) 492,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM Group Limited ("**TOM**").
- (4) Mr Ip Tak Chuen, Edmond in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in (i) 262,840 common shares, representing approximately 0.02% of the issued voting shares, in Husky Energy; and (ii) 2,250,000 ordinary shares, representing approximately 0.02% of the issued voting shares, in CKLS.
- (5) Mr Kam Hing Lam had, as at the Latest Practicable Date, the following interests:
- a. personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner; and
  - b. family interests in (a) 100,000 ordinary shares, representing approximately 0.004% of the issued voting shares, in Power Assets Holdings Limited ("**Power Assets**"); (b) 1,025,000 share stapled units, representing approximately 0.01% of the issued voting share stapled units, in HKEI and HKEIL; and (c) 6,225,000 ordinary shares, representing approximately 0.06% of the issued voting shares, in CKLS, which are held by his child.
- (6) Ms Edith Shih in her capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in (i) 700,000 ordinary shares and 100,000 American depositary shares (each representing five ordinary shares), in aggregate representing approximately 0.16% of the issued voting shares, in Chi-Med; and (ii) a nominal amount of US\$ 250,000 in the 4.625% Notes due 2022 issued by Hutchison Whampoa International (11) Limited.
- (7) Mr Chow Kun Chee, Roland in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in (i) 10,000 ordinary shares, representing approximately 0.0003% of the issued voting shares, in CKI; (ii) 903,936 ordinary shares, representing approximately 0.009% of the issued voting shares, in CKLS; (iii) 134,918 ordinary shares, representing approximately 0.006% of the issued voting shares, in Power Assets; (iv) 582,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in TOM; and (v) 33,730 share stapled units, representing approximately 0.0003% of the issued voting share stapled units, in HKEI and HKEIL.
- (8) Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the issued voting shares, in HTHKH.

- (9) Mr Lee Yeh Kwong, Charles had, as at the Latest Practicable Date, the following interests:
- a. personal interests in 100,000 ordinary shares, representing approximately 0.003% of the issued voting shares, in CKI held in his capacity as a beneficial owner;
  - b. 247,000 ordinary shares, representing approximately 0.01% of the issued voting shares, in Power Assets comprising corporate interests in 100,000 ordinary shares held through a company of which Mr Lee is interested in the entire issued share capital and family interests in 147,000 ordinary shares held by his spouse;
  - c. family interests in 1,532 common shares, representing approximately 0.0001% of the issued voting shares, in Husky Energy held by his spouse; and
  - d. corporate interests in 25,000 share stapled units, representing approximately 0.0002% of the issued voting share stapled units, in HKEI and HKEIL held through a company of which Mr Lee is interested in the entire issued share capital.
- (10) Mr Leung Siu Hon had, as at the Latest Practicable Date, the following interests:
- a. 2,106,000 share stapled units, representing approximately 0.02% of the issued voting share stapled units, in HKEI and HKEIL comprising personal interests in 1,200,000 share stapled units held in his capacity as a beneficial owner and family interests in 906,000 share stapled units held by his spouse;
  - b. personal interests in 100,000 ordinary shares, representing approximately 0.002% of the issued voting shares, in TOM held in his capacity as a beneficial owner; and
  - c. 1,693,100 ordinary shares, representing approximately 0.01% of the issued voting shares, in CKLS comprising (a) personal interests in 1,688,130 ordinary shares held in his capacity as a beneficial owner; (b) family interests in 2,000 ordinary shares held by his spouse; and (c) corporate interests in 2,970 ordinary shares held by a company which is wholly owned by Mr Leung and his spouse.
- (11) Mr George Colin Magnus had, as at the Latest Practicable Date, the following interests:
- a. 13,333 ordinary shares, representing approximately 0.0002% of the issued voting shares, in HTHKH comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse;

- b. personal interests in 34,974 common shares and 64,841 unlisted and physically settled Deferred Share Units (each representing one common share), in aggregate representing approximately 0.009% of the issued voting shares, in Husky Energy held in his capacity as a beneficial owner; and
  - c. 765,000 ordinary shares, representing approximately 0.007% of the issued voting shares, in CKLS comprising (a) personal interests in 753,360 ordinary shares held in his capacity as a beneficial owner; (b) family interests in 600 ordinary shares held by his spouse; and (c) other interests in 11,040 ordinary shares held by a company controlled by a trust of which Mr Magnus is a discretionary beneficiary.
- (12) Mr Kwok Tun-li, Stanley had, as at the Latest Practicable Date, the following interests:
- a. 193,270 common shares, representing approximately 0.01% of the issued voting shares, in Husky Energy comprising (a) personal interests in 20,606 common shares and 21,667 unlisted and physically settled Deferred Share Units (each representing one common share) held in his capacity as a beneficial owner; and (b) family interests in 10,215 common shares and 140,782 unlisted and physically settled Deferred Share Units (each representing one common share) held by his spouse; and
  - b. family interests in 200,000 ordinary shares, representing approximately 0.002% of the issued voting shares, in CKLS held by his spouse.
- (13) Ms Lee Wai Mun, Rose had, as at the Latest Practicable Date, the following interests:
- a. personal interests in 2,200 ordinary shares, representing approximately 0.0001% of the issued voting shares, in Power Assets held in her capacity as a beneficial owner; and
  - b. corporate interests in 10,488 common shares, representing approximately 0.001% of the issued voting shares, in Husky Energy held through a company of which Ms Lee is interested in the entire issued share capital.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was 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 the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were 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.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

### Competing Interests of Directors

As at the Latest Practicable Date, the following Directors had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Directors	Name of Company/ Partnership/Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business (Note)
Li Tzar Kuoi, Victor	CK Asset Holdings Limited ("CKA")	Chairman and Managing Director	(3) & (4)
	CKLS	Chairman	(2)
	HK Electric Investments Manager Limited ("HKEIML") as trustee-manager of HKEI, and HKEIL	Deputy Chairman of HKEIL and Non-executive Director of both HKEIML and HKEIL	(3) & (4)
	Husky Energy	Co-Chairman	(4)
	Power Assets	Non-executive Director	(3) & (4)
Fok Kin Ning, Canning	HKEIML as trustee-manager of HKEI, and HKEIL	Chairman	(3) & (4)
	Hutchison Port Holdings Management Pte. Limited ("HPHM") as trustee-manager of Hutchison Port Holdings Trust ("HPH Trust")	Chairman	(1)
	Husky Energy	Co-Chairman	(4)
	Power Assets	Chairman	(3) & (4)
	TPG Telecom Limited ("TPG")	Non-executive Director	(5)
	HKEIML as trustee-manager of HKEI, and HKEIL	Alternate Director	(3) & (4)
Frank John Sixt	Husky Energy	Director	(4)
	TOM	Non-executive Chairman	(5)
	TPG	Non-executive Director	(5)
Ip Tak Chuen, Edmond	CKA	Deputy Managing Director	(3) & (4)
	CKLS	Senior Vice President and Chief Investment Officer	(2)
Kam Hing Lam	CKA	Deputy Managing Director	(3) & (4)
	CKLS	President	(2)
Lai Kai Ming, Dominic	TOM	Alternate Director	(5)
Edith Shih	HPHM as trustee-manager of HPH Trust	Non-executive Director	(1)
Chow Woo Mo Fong, Susan	HKEIML as trustee-manager of HKEI, and HKEIL	Alternate Director	(3) & (4)
Lee Yeh Kwong, Charles	Team Investment Limited	Director and Shareholder	(4)

*Note:*

The following is a list of the nature of the competing business:

- (1) Ports and related services
- (2) Retail
- (3) Infrastructure
- (4) Energy
- (5) Telecommunications

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 any businesses (apart from the businesses of the Group) which compete or are likely to compete, either directly or indirectly, with the principal businesses of the Group.

### **3 DIRECTORS' SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group not terminable by the Group within one year without payment of compensation (other than statutory compensation).

### **4 INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2019 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save as otherwise disclosed under the section 'Connected Transactions' in the annual report of the Company for the financial year ended 31 December 2019, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group.

### **5 MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of the business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date, and are or may be material:

- (i) the share purchase agreement in respect of the Austria Transaction, the Denmark Transaction, the Ireland Transaction, the Italy Transaction and the Sweden Transaction; and
- (ii) the share purchase agreement in respect of the UK Transaction.

### **6 MATERIAL LITIGATION**

As at the Latest Practicable Date, no members of the Group were engaged in any litigation of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

**7 MISCELLANEOUS**

- (i) The registered office of the Company is situated at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company in Hong Kong is situated at 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
- (ii) The Company's Hong Kong share registrar and transfer office is Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iii) The Company's principal share registrar and transfer office is Maples Fund Services (Cayman) Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (iv) The company secretary of the Company is Ms Edith Shih. Ms Edith Shih is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia. Ms Edith Shih is also a Fellow of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute.

**8 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. (Hong Kong time) to 5:00 p.m. (Hong Kong time) on any weekday, except Saturdays, Sundays and public holidays, during the period of 14 days from the date of this circular:

- (i) the Articles;
- (ii) the material contracts referred to in paragraph 5 of this appendix;
- (iii) the annual reports of the Company for each of the financial years ended 31 December 2017, 2018 and 2019;
- (iv) the interim report of the Company for the six months ended 30 June 2020; and
- (v) this circular.



**WONG Kwai Lam, BA, PhD**

Mr Wong, aged 71, has been an Independent Non-executive Director and a member of the Audit Committee and the Remuneration Committee of the Company since 14 May 2020. He was a member of the Nomination Committee of the Company from 14 May 2020 to 25 November 2020. He has over 30 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Ltd. ("**Merrill Lynch**") from May 1993 to August 2009 where he served as a Managing Director in the Asia Investment Banking Division since January 1995. He was appointed as a Senior Client Advisor to Merrill Lynch in September 2009 and served in that position for one year. Prior to joining Merrill Lynch, Mr Wong had been a Director in the Investment Banking Division of CS First Boston (Hong Kong) Limited and a Director and the Head of Primary Market in Standard Chartered Asia Limited. Mr Wong is also an Independent Non-executive Director of Hutchison Port Holdings Management Pte. Limited as trustee-manager of Hutchison Port Holdings Trust ("**HPH Trust**"), ARA Asset Management (Prosperity) Limited as manager of Prosperity Real Estate Investment Trust ("**Prosperity REIT**"), K. Wah International Holdings Limited ("**KWIH**"), LHIL Manager Limited as trustee-manager of Langham Hospitality Investments ("**LHI**") and Langham Hospitality Investments Limited ("**LHIL**"). He was previously an Independent Non-executive Director of China Merchants Bank Co., Ltd ("**CMBC**") (*resigned on 30 November 2018*). HPH Trust, Prosperity REIT, KWIH, LHI, LHIL and CMBC are listed in Hong Kong or overseas. Mr Wong is currently Chairman of IncitAdv Consultants Limited and The Chamber of Hong Kong Listed Companies, Vice Chairman of the Board of Trustees and a member of the Investment Sub-committee of the Board of Trustees of New Asia College of the Chinese University of Hong Kong, member of the Hospital Governing Committee of the Prince of Wales Hospital, Director of CUHK Medical Centre Limited and Chairman and a Director of Hong Kong Grand Opera Company Limited. He is a former member of the Advisory Committee and of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong. Mr Wong holds a Bachelor of Arts degree and a PhD degree.

Save as disclosed above, Mr Wong has not held any directorship in any other publicly listed companies, whether in Hong Kong or overseas, during the past three years; and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Wong does not have any interests in the issued shares of the Company within the meaning of Part XV of the SFO. The initial term of Mr Wong's service as an Independent Non-executive Director of the Company shall end on 31 December 2020; such appointment being automatically renewed for successive 12-month periods, subject to retirement by rotation and re-election at the forthcoming EGM in accordance with the provisions of the Articles. The director's fees of Mr Wong as an Independent Non-executive Director, a member of the Audit Committee and the Remuneration Committee of the Company under his appointment letter are HK\$ 220,000, HK\$ 130,000 and HK\$ 60,000 per annum respectively. Such fees are subject to review from time to time and proration for any incomplete year of service.

Save as disclosed above, there are no other matters concerning Mr Wong that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# 長江和記實業有限公司 CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of CK Hutchison Holdings Limited (the “**Company**”) will be held at the 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 18 December 2020 at 10:45 a.m. (or, in the event that 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 that day, at the same time and place on Tuesday, 22 December 2020) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 2 December 2020 of which this notice forms part.

#### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Second Tranche Transactions contemplated under the share purchase agreements (the “**Share Purchase Agreements**”) dated 12 November 2020 entered into between, among others, CK Hutchison Networks Europe Investments S.à r.l. and Cellnex Telecom, S.A. (a copy marked “A” and initialled by the chairman of the Meeting for the purpose of identification is produced to the Meeting) and all actions taken or to be taken by the Company and/or its subsidiaries pursuant to or incidental to the Second Tranche Transactions be and is hereby approved; and
- (b) any one of the directors of the Company, acting collectively and individually, be and is 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 Share Purchase Agreements and the Second Tranche Transactions contemplated thereunder.”

2. “**THAT** Mr Wong Kwai Lam be and is hereby re-elected as a Director of the Company.”

By Order of the Board

**Edith Shih**

*Executive Director and Company Secretary*

Hong Kong, 2 December 2020

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notes:

- a. The Meeting will be a hybrid meeting. Shareholders have the option of attending, participating and voting in the Meeting through the Online Platforms. Shareholders attending the Meeting using the Online Platforms will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platforms.
- b. At the Meeting, the Chairman of the Meeting will put each of the above resolutions to be voted by way of a poll pursuant to Article 81 of the Articles.
- c. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and on a poll, vote in his stead. A proxy need not be a Shareholder.
- d. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time appointed for holding the Meeting or any adjournment or postponement.
- e. Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment or postponement should the shareholder so desire.
- f. The register of members of the Company will be closed from Tuesday, 15 December 2020 to Friday, 18 December 2020 (or to Tuesday, 22 December 2020, in the event that the Meeting is to be held on Tuesday, 22 December 2020 because of a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above), both days inclusive, during which period no transfer of Shares will be effected, to determine Shareholders' entitlement to attend and vote at the Meeting (or at any adjournment or postponement thereof).
- g. For determination of Shareholders' entitlement to attend and vote at the Meeting, all Share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 14 December 2020. In the event that the Meeting is held on a date later than 18 December 2020 because of bad weather or other reasons, the record date for determination of entitlement to attend and vote at the Meeting will be deferred accordingly. Further details of the new record date will be announced in such circumstances.
- h. Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the Meeting arrangements at short notice. Shareholders should check the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for future announcements and updates on the Meeting arrangements.
- i. **BAD WEATHER ARRANGEMENTS:**  
  
The Meeting will be held on Friday, 18 December 2020 as scheduled regardless of whether or not an amber or red rainstorm warning signal 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 Friday, 18 December 2020, 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 Tuesday, 22 December 2020 instead.  
  
Shareholders may call the hotline at (852) 3169 3868 or visit the website of the Company at [www.ckh.com.hk](http://www.ckh.com.hk) for details of the postponement and alternative meeting arrangements. Shareholders should make their own decision as to whether they would attend the Meeting under bad weather conditions having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.
- j. In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.