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CK ASSET HOLDINGS LIMITED

長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

CONNECTED TRANSACTIONS

PROVISION OF GUARANTEES

The Board announces that on 25 November 2019 (after trading hours), AMCK (an aircraft leasing joint venture company which is 50% indirectly owned by the Company) (as borrower) and the Company (as guarantor) entered into three separate Facility Agreements with three separate financial institutions for total Loan Facilities of up to US\$550 million. In connection with the grant of the Loan Facilities to AMCK, the Company has agreed to provide Guarantees to each Lender of all of AMCK's payment and other obligations under each Facility Agreement.

In consideration for the Company agreeing to provide such Guarantees, on 25 November 2019 (after trading hours), the Company and AMCK entered into three separate Guarantee Fee Agreements pursuant to which AMCK has agreed to indemnify the Company for the full amount of any payment made by the Company under the Facility Agreements and to pay to the Company a guarantee fee calculated at 0.45% per annum based on the average outstanding amount of the loan under the relevant Facility Agreement for the prior three months. The guarantee fee is payable on a quarterly basis in arrears.

As LKSGF (a connected person of the Company at the listed issuer level and an associate of Mr. Li Ka-shing, the substantial shareholder of the Company under the SFO, and of Mr. Victor T K Li, a Director of the Company) holds 10% of the voting power at the general meeting of AMCK, AMCK is considered as a commonly held entity of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of the Guarantees by the Company in favour of each Lender and the Guarantee Fee Agreements constitute connected transactions of the Company.

As one or more of the applicable percentage ratios of the Company in respect of the provision of the Guarantees and the Guarantee Fee Agreements exceed 0.1% but all of the applicable percentage ratios are less than 5%, the provision of the Guarantees and the Guarantee Fee Agreements are subject to the announcement and reporting requirements but are not subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The board of directors (the “**Board**”) of CK Asset Holdings Limited (the “**Company**”) announces that on 25 November 2019 (after trading hours), AMCK Aviation Holdings Ireland Limited (“**AMCK**”) (as borrower) and the Company (as guarantor) entered into three separate loan facility agreements (the “**Facility Agreements**”) with three separate financial institutions for total loan facilities of up to US\$550 million (the “**Loan Facilities**”). AMCK is an aircraft leasing joint venture company which is indirectly owned by the Company, MC Aviation Partners Inc. and Li Ka Shing (Global) Foundation (“**LKSGF**”, formerly known as Li Ka Shing (Overseas) Foundation) as to 50%, 40% and 10%, respectively.

2. FACILITY AGREEMENTS AND GUARANTEE FEE AGREEMENTS

Under the Facility Agreements, each of Bank of America, N.A., Hong Kong Branch, The Bank of Nova Scotia, Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited (the “**Lenders**”) have agreed to provide loan facilities of up to US\$150 million, US\$250 million and US\$150 million, respectively, to AMCK for five years, three years and three years, respectively. The Loan Facilities have been made available to AMCK to finance or refinance the purchase of aircraft and for other general corporate purposes. In connection with the grant of the Loan Facilities to AMCK, the Company has agreed to guarantee to each Lender all of AMCK’s payment and other obligations under each Facility Agreement (the “**Guarantees**”).

In consideration for the Company agreeing to provide the Guarantees, on 25 November 2019 (after trading hours), the Company and AMCK entered into three separate guarantee fee agreements (the “**Guarantee Fee Agreements**”) pursuant to which AMCK has agreed that for so long as any loan is or may be outstanding under the relevant Facility Agreement, it will indemnify the Company for the full amount of any payment made by the Company under the Facility Agreements and pay to the Company a guarantee fee calculated at 0.45% per annum based on the average outstanding amount of the loan under the relevant Facility Agreement for the prior three months. The guarantee fee is payable on a quarterly basis in arrears and was determined by reference to the expected interest saving and higher operational efficiency enjoyed by AMCK.

3. REASONS FOR, AND BENEFITS OF, THE PROVISION OF THE GUARANTEES

AMCK is an aircraft leasing joint venture company which is indirectly owned by the Company, MC Aviation Partners Inc. and LKSGF as to 50%, 40% and 10%, respectively. As an aircraft leasing company, AMCK purchases aircraft in the ordinary course of its business and the Loan Facilities are to facilitate AMCK to finance or refinance the purchase of aircraft for the ongoing development of its business.

The Company has agreed to provide the Guarantees to the Lenders to facilitate the grant of the Loan Facilities to AMCK as this would enable AMCK to obtain commercially more favourable terms for the Loan Facilities, including but not limited to a lower cost of funding (after taking into account the guarantee fee to be paid by AMCK to the Company) and fewer operational restrictions which would allow it to enjoy higher operational flexibility and efficiency. In return, the Company will receive a guarantee fee pursuant to the Guarantee Fee Agreement for the provision of the Guarantees to reflect the financial assistance provided by the Company.

The Directors (including the independent non-executive directors of the Company), having regard to the benefits which are expected to accrue to the Company as a result of providing the Guarantees, consider that the terms of the Guarantees and the Guarantee Fee Agreements are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole. No Director has a material interest in the provision of the Guarantees and the Guarantee Fee Agreements, and accordingly, no Director was required to abstain from voting on the resolutions of the Board to approve such matters.

4. LISTING RULES IMPLICATIONS

As LKSGF (a connected person of the Company at the listed issuer level and an associate of Mr. Li Ka-shing, the substantial shareholder of the Company under the Securities and Futures Ordinance (the “SFO”), and of Mr. Victor T K Li, a Director of the Company) holds 10% of the voting power at the general meeting of AMCK, AMCK is considered as a commonly held entity of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Accordingly, the provision of the Guarantees by the Company in favour of each Lender and the Guarantee Fee Agreements constitute connected transactions of the Company.

As one or more of the applicable percentage ratios of the Company in respect of the provision of the Guarantees and the Guarantee Fee Agreements exceed 0.1% but all of the applicable percentage ratios are less than 5%, the provision of the Guarantees and the Guarantee Fee Agreements are subject to the announcement and reporting requirements but are not subject to the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

5. GENERAL INFORMATION

The Company is a leading multinational corporation and has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, investment in infrastructure and utility asset operation, brewery and pub operation and aircraft leasing.

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

By Order of the Board
CK ASSET HOLDINGS LIMITED
Eirene Yeung
Executive Committee Member
& Company Secretary

Hong Kong, 25 November 2019

The Directors of the Company as at the date of this announcement are Mr. LI Tzar Kuoi, Victor, (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Mr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Colin Stevens RUSSEL and Mr. Donald Jeffrey ROBERTS as Independent Non-executive Directors.