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 **Cheung Kong Infrastructure Holdings Limited**
長江基建集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 1038)

 **Power Assets Holdings Ltd.**
電能實業有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 0006)

ASSETS GLOBAL INTERNATIONAL LIMITED
(Incorporated in the British Virgin Islands with limited liability)

 **長江和記實業有限公司**
CK HUTCHISON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 0001)

**PROPOSED MERGER OF
CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED AND
POWER ASSETS HOLDINGS LIMITED
INVOLVING A SHARE EXCHANGE OFFER
TO THE SCHEME SHAREHOLDERS OF POWER ASSETS HOLDINGS LIMITED
FOR THE CANCELLATION OF ALL THE SCHEME SHARES
BY WAY OF A SCHEME OF ARRANGEMENT**

Financial Adviser to CKI and the Offeror

HSBC 

Independent Financial Adviser to CKI and the Offeror

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

1. THE PROPOSAL

The respective boards of directors of CKI, the Offeror (a wholly-owned subsidiary of CKI), PAH and CKH Holdings jointly announce that on 8 September 2015, the CKI Board and the Offeror Board requested the PAH Board to put forward a proposal to the Scheme Shareholders for the proposed merger of CKI and PAH by way of a scheme of arrangement of PAH under the Companies Ordinance.

Terms of the Proposal

Under the Proposal, the Offeror will make a conditional share exchange offer to the Scheme Shareholders for the cancellation of all the Scheme Shares (which will be all the PAH Shares in issue other than those held by the Relevant CKI Subsidiaries), in exchange for CKI Shares to be issued credited as fully paid in the following ratio, based on the holding of Scheme Shares as at the Scheme Record Time:

For every one Scheme Share held 1.04 CKI Shares

The above share exchange ratio was determined by CKI and the Offeror based on the average closing prices of the CKI Shares and the PAH Shares on the Stock Exchange for the five trading days up to (and including) 4 September 2015, without any premium or discount.

The consideration for the Proposal will be satisfied by CKI issuing new CKI Shares to the Scheme Shareholders, other than the Non-Qualifying PAH Overseas Shareholders, if any (as further described below).

Conditions Precedent to the Proposal

The Proposal is subject to a number of conditions precedent, including, among other things, (a) the approval of the Proposal by the Independent CKI Shareholders, (b) the approval of the Scheme by the Independent PAH Shareholders and (c) the sanctioning of the Scheme by the Court.

Subject to the fulfilment (or, where relevant, the waiver) of the conditions precedent to the Proposal, it is currently expected that the Proposal will be completed by early 2016.

Anglo Chinese, which has been engaged as independent financial adviser to the CKI Board and the Offeror Board in relation to the Proposal pursuant to Rule 2.4 of the Takeovers Code, has advised that, having taken into account, among other things, the terms of the Scheme and the anticipated benefits expected to arise from the objectives of the Proposal, it considers that the Proposal is in the interests of the respective shareholders of CKI and the Offeror. A copy of the full advice of Anglo Chinese will be included in the CKI Circular.

2. OBJECTIVES OF THE PROPOSAL

The Proposal is intended to deliver value to the shareholders of both CKI and PAH. For CKI, as the listed company holding the merged businesses, the Proposal would equip it with a stronger balance sheet and significant cash balance to capture global opportunities for the enlarged CKI Group in the broader infrastructure sectors, including both power and non-power sectors. For PAH, the Proposal would enable the Scheme Shareholders to exchange their shares in PAH for new shares in CKI, which has a proven track record of earnings and dividend growth, and allow them to remain invested in the enhanced infrastructure platform that will be created. From 2010 to 2014, CKI's dividend per share grew at a compound annual growth rate of approximately 10.7%.

Following completion of the Proposal, CKH Holdings will remain as the controlling shareholder of CKI, with a 49.19% shareholding. The resulting significantly larger public float of CKI Shares, both in terms of percentage and the number of shares, should enhance the liquidity of the CKI Shares.

The Proposal would allow the shareholders of both CKI and PAH to participate in the future growth of the merged businesses. Upon completion of the Proposal, the enlarged CKI Group will be in a stronger competitive position and shareholders of both CKI and PAH would benefit as further explained in "*B. Objectives of the Proposal*" below.

3. LISTING RULES IMPLICATIONS

For the purposes of the Listing Rules, the Proposal will constitute:

- (a) a very substantial acquisition and a connected transaction for CKI; and
- (b) a discloseable transaction and a connected transaction for CKH Holdings.

Please see "*L. Listing Rules Implications of the Proposal*" below for further details.

4. WITHDRAWAL OF LISTING OF PAH SHARES UPON SCHEME BECOMING EFFECTIVE

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. An application will be made to the Stock Exchange for the withdrawal of the listing of the PAH Shares on the Stock Exchange following the Scheme becoming effective.

Please see "*M. Withdrawal of Listing of PAH Shares upon Scheme Becoming Effective*" below for further details.

5. PROPOSED CONDITIONAL CKI SPECIAL DIVIDEND

The CKI Board intends to declare a conditional special interim dividend of HK\$5.00 per CKI Share, which, if it becomes unconditional, will be payable to all CKI Shareholders (including holders of CKI Shares issued pursuant to the Scheme) as at the CKI Dividend Record Time on the Scheme Effective Date. The CKI Special Dividend represents 2.5 times CKI's 2014 total dividend of HK\$2.00 per CKI Share.

The payment of the CKI Special Dividend will be conditional upon the satisfaction of both of the following conditions: (a) the passing of an ordinary resolution by the PAH Shareholders at the PAH General Meeting to agree to the payment by CKI of the CKI Special Dividend and (b) the Scheme having become effective. The Relevant CKI Subsidiaries will voluntarily abstain from voting on the ordinary resolution referred to in (a) above.

The Proposal is not conditional upon the payment of the CKI Special Dividend becoming unconditional. Therefore, if the ordinary resolution referred to in the condition in (a) above is not passed but the Scheme becomes effective, the Proposal will be completed but the CKI Special Dividend will not be paid to the CKI Shareholders.

Please see “*D. Proposed Dividend Arrangement*” below for further details.

6. PROPOSED CHANGE OF COMPANY NAME OF CKI

In connection with the Proposal, the CKI Board proposes to change the English name of CKI from “Cheung Kong Infrastructure Holdings Limited” to “CK Infrastructure Assets (Holdings) Limited” and to adopt “長江基建實業(集團)有限公司” as CKI’s secondary name on completion of the Proposal. The Change of CKI Company Name is to signify the merger of CKI and PAH.

The Change of CKI Company Name is conditional upon (a) the approval of the change of name by the CKI Shareholders by way of a special resolution at the CKI SGM, (b) the approval of the proposed new name by the Registrar of Companies in Bermuda and (c) the Scheme having become effective.

Please see “*I. Proposed Change of Company Name of CKI*” below for further details.

7. WARNINGS

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

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

A. INTRODUCTION

The respective boards of directors of CKI, the Offeror, PAH and CKH Holdings jointly announce that on 8 September 2015, the CKI Board and the Offeror Board requested the PAH Board to put forward the Proposal as detailed below. Subject to the fulfilment (or, where relevant, the waiver) of the conditions precedent to the Proposal, it is currently expected that the Proposal will be completed by early 2016.

B. OBJECTIVES OF THE PROPOSAL

The Proposal is intended to deliver value to the shareholders of both CKI and PAH. For CKI, as the listed company holding the merged businesses, the Proposal would equip it with a stronger balance sheet and significant cash balance to capture global opportunities for the enlarged CKI Group in the broader infrastructure sectors, including both power and non-power sectors. For PAH, the Proposal would enable the Scheme Shareholders to exchange their shares in PAH for new shares in CKI, which has a proven track record of earnings and dividend growth, and allow them to remain invested in the enhanced infrastructure platform that will be created. From 2010 to 2014, CKI's dividend per share grew at a compound annual growth rate of approximately 10.7%.

Following completion of the Proposal, CKH Holdings will remain as the controlling shareholder of CKI, with a 49.19% shareholding. The resulting significantly larger public float of CKI Shares, both in terms of percentage and the number of shares, should enhance the liquidity of the CKI Shares.

The Proposal would allow the shareholders of both CKI and PAH to participate in the future growth of the merged businesses. Upon completion of the Proposal, the enlarged CKI Group will be in a stronger competitive position and shareholders of both CKI and PAH would benefit as a result of the following:

1. Enhanced size and scale

The Proposal will create a world class, diversified infrastructure investment platform that is significantly enhanced in terms of size and scale over the existing individual businesses of CKI and PAH. It will control a wide range of businesses in the areas of energy infrastructure, transportation infrastructure, water infrastructure, waste management and other infrastructure related businesses. The unified platform will have a clear investment mandate and will unite the investor base currently split between CKI and PAH.

Following completion of the Proposal, seven projects in which both CKI and PAH have ownership interests are expected to become consolidated in CKI's financial statements. CKI's larger size and scale will better position it to achieve diversification within its portfolio across different infrastructure sectors and geographies.

Currently, the long-term credit ratings for both CKI and PAH are “A-” from Standard & Poor’s. Following completion of the Proposal and subject to the confirmation of the rating agency, CKI is expected to maintain its current rating. The stronger balance sheet and significant cash balance will enable CKI to better compete for infrastructure projects given the capital intensive nature of the infrastructure industry.

2. Expanded business focus and investment mandate

PAH’s business consists solely of investments in the power infrastructure sector. CKI focuses its business on the non-power infrastructure sector, while also having a number of co-investments with PAH in power projects. The successful implementation of the Proposal will provide the merged businesses with enhanced flexibility to invest across the whole infrastructure sector (both power and non-power), thereby allowing the capture of a broader range of opportunities which meet the enlarged CKI Group’s return requirements.

Upon completion of the Proposal, it is expected that CKI will be deconsolidated from the financial statements of CKH Holdings. As a result, CKI would have greater flexibility to make independent capital allocation decisions without having regard to the impact on CKH Holdings’ consolidated financial position.

3. Increased transparency in CKI’s financial performance

As at 30 June 2015, there were 11 projects in which both CKI and PAH had ownership interests. The total net assets of those projects attributable to each of CKI and PAH represented approximately 62.6% of the Adjusted Total Assets of CKI and 66.9% of the Adjusted Total Assets of PAH.

The results of operations of seven of the 11 projects are expected to become consolidated into the financial statements of CKI following completion of the Proposal, which would provide investors in CKI with greater transparency over CKI’s financial performance. In addition, management expertise at the company level will be consolidated so that it can be efficiently deployed against the combined asset base. On the other hand, each of these projects is already operated on a day-to-day basis by the management teams of the respective projects. As a result, it is expected that the Proposal will carry minimal integration risks.

4. Seek to continue to grow CKI’s dividends year-on-year

The Proposal will optimise the balance sheet of the enlarged CKI Group and, subject to the passing of the relevant ordinary resolution by the PAH Shareholders at the PAH General Meeting, allow the enlarged CKI Group to immediately reward CKI Shareholders (including the holders of the CKI Shares issued pursuant to the Scheme) with a special dividend following completion of the Proposal as well as seeking to continue to grow its dividends year-on-year. This is consistent with CKI’s long-term proven track record of

expanding its business while growing its dividends year-on-year. Historical dividends per CKI Share grew at a compound annual growth rate of approximately 9.0% over the period between 2000 and 2014 and approximately 10.7% over the period between 2010 and 2014, respectively.

Please see “D. Proposed Dividend Arrangement” below for further details.

C. TERMS OF THE PROPOSAL

1. The Proposal

Under the Proposal, it is proposed that on the Scheme Effective Date:

- (a) the share capital of PAH will be reduced by cancelling and extinguishing the Scheme Shares (being all the PAH Shares in issue as at the Scheme Record Time other than those held by the Relevant CKI Subsidiaries);
- (b) subject to and immediately upon such reduction of capital taking effect, the share capital of PAH will be increased to its former amount by the creation of such number of new PAH Shares as is equal to the number of Scheme Shares cancelled;
- (c) PAH will apply all credit arising in its books of account as a result of such capital reduction in paying up the newly created PAH Shares, which will be allotted and issued, credited as fully paid, to the Offeror (which is a wholly-owned subsidiary of CKI); and
- (d) in consideration for the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholders (other than the Non-Qualifying PAH Overseas Shareholders, if any) will receive new CKI Shares to be issued (which will rank *pari passu* with each other and with all other CKI Shares then in issue), credited as fully paid, in the following ratio, based on the holding of Scheme Shares as at the Scheme Record Time:

For every one Scheme Share held 1.04 CKI Shares

The above share exchange ratio was determined by CKI and the Offeror based on the average closing prices of the CKI Shares and the PAH Shares on the Stock Exchange for the five trading days up to (and including) 4 September 2015, without any premium or discount.

Upon the Scheme becoming effective, PAH will become a wholly-owned subsidiary of CKI and the listing of the PAH Shares on the Stock Exchange will be withdrawn.

2. Total Consideration under the Proposal

As at the date of this announcement, 2,134,261,654 PAH Shares are in issue, of which 829,599,612 PAH Shares (representing approximately 38.87% of the PAH Shares in issue) are held by wholly-owned subsidiaries of CKI, and the remaining 1,304,662,042 PAH Shares (representing approximately 61.13% of the PAH Shares in issue) are held by the Scheme Shareholders.

Pursuant to the Proposal, upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished and the Scheme Shareholders (other than the Non-Qualifying PAH Overseas Shareholders, if any) will receive new CKI Shares to be issued credited as fully paid in the ratio of 1.04 CKI Shares for every one Scheme Share held as at the Scheme Record Time.

3. Conditions Precedent to the Proposal

The Scheme will become effective and binding on PAH and all Scheme Shareholders upon, and completion of the Proposal is subject to, the fulfilment (or, where relevant, waiver) of the following conditions precedent:

- (a) the Scheme being approved by the Independent PAH Shareholders representing at least 75% of the voting rights of Independent PAH Shareholders present and voting, in person or by proxy, at the PAH Court Meeting, with votes cast against the Scheme at the PAH Court Meeting not exceeding 10% of the total voting rights attached to all disinterested shares of PAH (as respectively defined in Note 6 to Rule 2 of the Takeovers Code and Division 2 of Part 13 of the Companies Ordinance);
- (b) the passing of a special resolution by the PAH Shareholders at the PAH General Meeting to approve (1) the Scheme and (2) the implementation of the Scheme, including, in particular, the reduction of the issued share capital of PAH by cancelling and extinguishing the Scheme Shares and the issue of the new PAH Shares to the Offeror;
- (c) the passing of an ordinary resolution by the Independent CKI Shareholders at the CKI SGM to approve the Proposal and all transactions contemplated thereunder;
- (d) the Scheme, with or without modification, being sanctioned and the proposed reduction of capital provided for in the Scheme being confirmed by the Court, and an office copy of the Court order together with the minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance respectively being registered by the Companies Registrar;
- (e) the Listing Committee granting approval for the listing of, and permission to deal in, the CKI Shares to be issued as consideration under the Scheme on the Main Board and such approval not having been revoked prior to the Scheme becoming effective;

- (f) all applicable filings, notices and waivers required in connection with the Proposal and its implementation from or with any competent governmental or regulatory body being made, and if applicable, any waiting periods under any applicable antitrust or similar laws and regulations having expired or terminated; and
- (g) all other Authorisations which may be required in connection with the Proposal under any existing contractual arrangements, including loan and other finance documentation, or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

The Offeror reserves the right to waive the conditions precedent in paragraphs (f) and (g) above in whole or in part and either generally or in respect of any particular matter. The other conditions precedent cannot be waived in any event.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror will only be able to invoke any or all of the above conditions precedent as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such condition(s) precedent are of material significance to the Offeror in the context of the Proposal.

PAH has been advised that the Scheme is a takeover offer under section 674 of the Companies Ordinance, and therefore the requirement for the approval by a majority in number of the PAH Shareholders present and voting at the PAH Court Meeting (that is, the so-called “headcount test”) will not apply.

If the Scheme has not become effective by 31 March 2016 (or such later date as the Offeror may agree and as allowed by the Court), the Scheme will lapse and the Proposal will not proceed.

4. Rights Attaching to the CKI Shares

The CKI Shares to be issued pursuant to the Scheme as the Cancellation Consideration will, when issued, be credited as fully paid, free from all liens, charges and encumbrances, and will rank *pari passu* with all other CKI Shares then in issue. Holders of such CKI Shares will be entitled to receive all dividends and other distributions of CKI if the record time for determining the entitlement to such dividends and distributions falls at or after the time at which the Scheme becomes effective. As such, holders of CKI Shares to be issued pursuant to the Scheme will be entitled to receive the CKI Special Dividend referred to in “D. Proposed Dividend Arrangement” below if it is paid.

CKI will make an application to the Stock Exchange for the listing of, and permission to deal in, the CKI Shares to be issued pursuant to the Scheme on the Main Board.

5. Fractional Entitlements to the CKI Shares under the Scheme

Fractions of CKI Shares will not be issued to the Scheme Shareholders under the Scheme. The fractional entitlements of the Scheme Shareholders to CKI Shares under the Scheme will be aggregated (and, if necessary, rounded down to the nearest whole number of a CKI Share) and allotted to the Selected Person, who will sell the resulting CKI Shares in the open market as soon as practicable following the Scheme becoming effective. The proceeds of sale of such fractional entitlements (net of expenses and taxes) will be paid to the Scheme Shareholders concerned according to their respective attributable entitlements thereto.

6. Board Lot Size and Odd Lots of CKI Shares

It is intended that upon completion of the Proposal, the board lot size for trading in CKI Shares on the Stock Exchange will be 500 CKI Shares (which is different from the current board lot size of 1,000 CKI Shares). This would align to the board lot size for PAH, which is 500 PAH Shares. The CKI Board is of the view that the smaller board lot size will result in the board lot value of CKI Shares being smaller than its current board lot value and could therefore improve the liquidity of the CKI Shares. The adoption of such different board lot size will not result in any change in the relative rights of the CKI Shareholders. Since the existing board lot size is an integral multiple of the proposed new board lot size, no CKI Shareholder who currently does not hold an odd lot of CKI Shares will hold an odd lot of CKI Shares as a result of the adoption of a different board lot size.

In order to assist Scheme Shareholders to sell any odd lots of CKI Shares if they so wish, CKI will appoint an odd lot matching agent(s) to provide, on a best efforts basis, a service to match the sale and purchase of odd lots of CKI Shares for a period of time following completion of the Proposal. Further details of the odd lot matching service will be set out in the Scheme Document.

7. Non-Qualifying PAH Overseas Shareholders

The making of the offer under the Proposal to certain PAH Shareholders may be subject to the laws of jurisdictions other than Hong Kong. PAH Shareholders should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of the PAH Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Proposal, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction.

Subject to the requirements of the Takeovers Code, the Scheme will provide that if the law of any relevant jurisdiction precludes an offer of the CKI Shares, or precludes it except after compliance by CKI with conditions with which CKI is unable to comply or that CKI regards as unduly onerous, no CKI Shares will be issued to the relevant Non-Qualifying PAH Overseas Shareholders.

In such case, CKI will allot the CKI Shares which would otherwise have been allotted to the relevant Non-Qualifying PAH Overseas Shareholders under the Scheme to the Selected Person, who will sell such CKI Shares on the market as soon as reasonably practicable following the Scheme becoming effective. The aggregate proceeds of such sale (net of expenses and taxes) will be paid to the relevant Non-Qualifying PAH Overseas Shareholders (*pro rata* to their shareholdings in PAH as at the Scheme Record Time) in Hong Kong dollars in full satisfaction of their rights to the relevant CKI Shares, provided that if the amount that a Non-Qualifying PAH Overseas Shareholder would be entitled to receive is less than HK\$50, such sum will be retained for the benefit of CKI. The exclusion of any PAH Overseas Shareholders from receiving CKI Shares under the Scheme is subject to a waiver being granted by the Executive.

8. Holders of PAH ADSs

Upon the Scheme becoming effective, the Scheme Shares underlying the PAH ADSs will be cancelled and extinguished together with all other Scheme Shares in consideration for the Cancellation Consideration. As the PAH ADSs are governed by the PAH ADS Deposit Agreement and not Hong Kong law, the terms of the Proposal do not provide for the cancellation of the PAH ADSs.

As at the close of business (New York time) on 4 September 2015, there were 2,813,121 PAH ADSs outstanding. Each PAH ADS represents one PAH Share.

Please see “N. Information for Holders of PAH ADSs” for further details.

D. PROPOSED DIVIDEND ARRANGEMENT

1. CKI Special Dividend

The CKI Board intends to declare, on a conditional basis, the CKI Special Dividend to all CKI Shareholders whose names appear in the register of members of CKI as at the CKI Dividend Record Time on the Scheme Effective Date (including the holders of CKI Shares issued pursuant to the Scheme) on the following basis:

For each CKI Share held. HK\$5.00 in cash

The payment of the CKI Special Dividend will be conditional upon the satisfaction of both of the following conditions:

- (a) the passing of an ordinary resolution by the PAH Shareholders at the PAH General Meeting to agree to the payment by CKI of the CKI Special Dividend; and
- (b) the Scheme having become effective.

The Proposal is not conditional upon the payment of the CKI Special Dividend becoming unconditional. Therefore, if the ordinary resolution referred to in paragraph (a) above is not passed but the Scheme becomes effective, the Proposal will be completed but the CKI Special Dividend will not be paid to the CKI Shareholders.

While the passing of an ordinary resolution of PAH Shareholders referred to in paragraph (a) above is not required by law or regulation or the CKI Bye-laws for the CKI Special Dividend to be paid by CKI, and CKI and PAH have historically sought to reinvest in their businesses and not disburse cash by way of special dividends, CKI has agreed to make the payment of the CKI Special Dividend subject to the passing of such resolution so as to afford the PAH Shareholders the ability to determine whether the enlarged CKI Group should retain or distribute the cash represented by the proposed CKI Special Dividend.

CKI has informed PAH that it will procure the Relevant CKI Subsidiaries to voluntarily abstain from voting on the ordinary resolution referred to in paragraph (a) above at the PAH General Meeting. Accordingly, the ordinary resolution referred to in paragraph (a) above will only be voted on by the Scheme Shareholders present and voting, in person or by proxy, at the PAH General Meeting.

If the conditions to the payment of the CKI Special Dividend are satisfied, the Selected Person will receive the CKI Special Dividend in respect of the CKI Shares which are allotted to it representing (i) the aggregated fractional entitlements of the Scheme Shareholders to CKI Shares under the Scheme and (ii) the CKI Shares which would otherwise have been allotted to the Non-Qualifying PAH Overseas Shareholders under the Scheme. The Selected Person will pay such Scheme Shareholders their attributable entitlements to the CKI Special Dividend as soon as practicable after the payment date for the CKI Special Dividend.

The payment date of the CKI Special Dividend, if the payment becomes unconditional, will be announced by CKI in due course.

2. Expected Dividend for the Financial Year Ending 2015 and Thereafter

If the Scheme becomes effective and assuming an existing CKI Shareholder continues to hold its existing CKI Shares or an existing PAH Shareholder continues to hold the CKI Shares issued pursuant to the Scheme (as the case may be) and subject to business conditions and the maintenance of CKI's strong investment grade rating, it is expected that:

- (a) in respect of the financial year ending 31 December 2015, the total dividends to be received by such CKI Shareholder or such PAH Shareholder on its CKI Shares and, as applicable, PAH Shares (excluding the CKI Special Dividend, if it is paid) will be more than the total dividends that such shareholder would have received on its existing CKI Shares or its existing PAH Shares (as the case may be) in respect of the financial year ended 31 December 2014; and

(b) in respect of the financial year ending 31 December 2016, the total dividends to be received by such CKI Shareholder or such PAH Shareholder on its CKI Shares will be more than the total dividends that such shareholder would have received on its CKI Shares and, as applicable, PAH Shares in respect of the financial year ending 31 December 2015 (excluding the CKI Special Dividend, if it is paid).

Thereafter, subject to business conditions and maintenance of CKI's strong investment grade rating, CKI will seek to continue to increase its dividends year-on-year consistent with its business profile.

E. SHAREHOLDING STRUCTURE

1. Shareholding Structure of PAH

The table below sets out the shareholding structure of PAH (a) as at the date of this announcement and (b) immediately following completion of the Proposal, assuming that there is no other change in the shareholding of PAH after the date of this announcement.

	As at the date of this announcement		Immediately following completion of the Proposal	
	Number of PAH Shares	%	Number of PAH Shares	%
Offeror⁽¹⁾	–	–	1,304,662,042	61.13
Offeror Concert Parties				
<i>PAH Shares held not subject to the Scheme</i>				
– Relevant CKI Subsidiaries ⁽¹⁾	829,599,612	38.87	829,599,612	38.87
	829,599,612	38.87	2,134,261,654	100.00
<i>PAH Shares held subject to the Scheme</i>				
– Mr. Li Tzar Kuoi, Victor ⁽²⁾	151,000	0.01	–	–
– Mr. Kam Hing Lam ⁽³⁾	100,000	0.00	–	–
– Mrs. Lee Pui Ling, Angelina ⁽⁴⁾	8,800	0.00	–	–
– HSBC ⁽⁵⁾	–	–	–	–
– Other Offeror Concert Parties ⁽⁶⁾	28,500	0.00	–	–
	288,300	0.01	–	–
Aggregate number of PAH Shares held by the Offeror and the Offeror Concert Parties⁽⁵⁾⁽⁶⁾	829,887,912	38.88	2,134,261,654	100.00
Independent PAH Shareholders	1,304,373,742	61.12	–	–
Total	2,134,261,654	100.00	2,134,261,654	100.00
Total number of Scheme Shares	1,304,662,042	61.13	–	–

Notes:

- (1) The Offeror and the Relevant CKI Subsidiaries are wholly-owned subsidiaries of CKI.
- (2) Such 151,000 PAH Shares are held as Mr. Li Tzar Kuoi, Victor's family interest. Mr. Li Tzar Kuoi, Victor, who is an executive CKI Director and an executive CKH Holdings Director, is presumed to be acting in concert with the Offeror in relation to PAH under the Takeovers Code.
- (3) Such 100,000 PAH Shares are held as Mr. Kam Hing Lam's family interest. Mr. Kam Hing Lam, who is an executive CKI Director, an executive CKH Holdings Director and an Offeror Director, is presumed to be acting in concert with the Offeror in relation to PAH under the Takeovers Code.
- (4) Mrs. Lee Pui Ling, Angelina, who is a non-executive CKI Director, is presumed to be acting in concert with the Offeror in relation to PAH under the Takeovers Code.
- (5) HSBC is the financial adviser to CKI and the Offeror. Accordingly, HSBC and relevant members of the HSBC group which hold PAH Shares are presumed to be acting in concert with CKI and the Offeror in relation to PAH in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code (except in respect of PAH Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code, and also excluding PAH Shares of non-discretionary investment clients of the HSBC group).

Details of the relevant holdings or borrowings or lendings of PAH Shares or derivatives in respect of PAH Shares by other parts of the HSBC group will be obtained as soon as possible after this announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if the relevant holdings, borrowings or lendings of the other parts of the HSBC group are significant. The statements in this announcement as to the holdings, borrowings or lendings of PAH Shares or derivatives in respect of PAH Shares by parties acting in concert with CKI and the Offeror are subject to the holdings, borrowings or lendings (if any) of the other parts of the HSBC group.

- (6) Such 28,500 PAH Shares are held by pension funds of the CKI Group, which are presumed to be acting in concert with the Offeror in relation to PAH in accordance with class (3) of the definition of "acting in concert" under the Takeovers Code.

Following completion of the Proposal, the CKI Group will hold 100% of the PAH Shares in issue, of which approximately 38.87% will be held by the Relevant CKI Subsidiaries, and approximately 61.13% will be held by the Offeror.

2. Other Arrangements Relating to the Securities of PAH

As at the date of this announcement:

- (a) PAH does not have any outstanding share options, warrants or convertible securities;
- (b) save as disclosed in paragraph 1 above, none of the Offeror, CKI or any of the other Offeror Concert Parties owns or controls or has direction over any PAH Shares;
- (c) none of the Offeror, CKI or any of the other Offeror Concert Parties has entered into any derivatives in respect of securities of PAH;

- (d) save for the arrangements contemplated under the Proposal, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the PAH Shares, the CKI Shares or the shares of the Offeror which may be material to the Proposal;
- (e) there are no agreements or arrangements to which the Offeror is a party, which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (f) none of the Offeror, CKI or any of the other Offeror Concert Parties has received any irrevocable commitment(s) from any Independent PAH Shareholders in respect of voting at the PAH Court Meeting and/or the PAH General Meeting; and
- (g) there are no relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of PAH which any of the Offeror, CKI or any of the other Offeror Concert Parties has borrowed or lent, save for any borrowed shares which the borrower has either on-lent or sold.

Please also see “N. Information for Holders of PAH ADSs” below.

3. Shareholding Structure of CKI

The table below sets out the shareholding structure of CKI (a) as at the date of this announcement and (b) immediately following completion of the Proposal, assuming that there is no other change in the shareholding of CKI after the date of this announcement.

	As at the date of this announcement		CKI Shares to be issued under the Scheme	Immediately following completion of the Proposal ⁽⁷⁾	
	Number of CKI Shares	%		Number of CKI Shares	%
CKH Holdings ⁽¹⁾	1,906,681,945	75.67	–	1,906,681,945	49.19
Mr. Li Tzar Kuoi, Victor ⁽²⁾	5,428,000	0.22	157,040 ⁽³⁾	5,585,040	0.14
Mr. Kam Hing Lam	100,000	0.00	104,000 ⁽⁴⁾	204,000	0.00
Mrs. Lee Pui Ling, Angelina	–	–	9,152 ⁽⁵⁾	9,152	0.00
Mr. Tsai Chao Chung, Charles	–	–	4,182 ⁽⁶⁾	4,182	0.00
	1,912,209,945	75.89	274,374	1,912,484,319	49.33
Other CKI Shareholders	607,401,000	24.11	–	607,401,000	15.67
Other PAH Shareholders	–	–	1,356,574,149	1,356,574,149	35.00
Total	2,519,610,945	100.00	1,356,848,523	3,876,459,468	100.00

Notes:

- (1) Such 1,906,681,945 CKI Shares are held by Hutchison Infrastructure Holdings Limited, a subsidiary of Hutchison Whampoa Limited. CKH Holdings is deemed to be interested in such 1,906,681,945 CKI Shares as CKH Holdings holds more than one-third of the issued share capital of each of Cheung Kong (Holdings) Limited and CK Global Investments Limited, each of which holds more than one-third of the issued share capital of Hutchison Whampoa Limited.
- (2) The discretionary beneficiaries of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”) are, *inter alia*, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard. Each of the trustees of DT1 and DT2 holds units in The Li Ka-Shing Unity Trust (“UT1”) but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 holds a total of 5,428,000 CKI Shares.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 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 interested in the CKI 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 CKI 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.

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

- (3) Based on the share exchange ratio of 1.04 new CKI Shares for every one Scheme Share and the 151,000 PAH Shares which are held as Mr. Li Tzar Kuoi, Victor’s family interest as at the date of this announcement, a total of 157,040 CKI Shares will be issued under the Scheme in respect of such interest of Mr. Li Tzar Kuoi, Victor if the Scheme becomes effective.
- (4) Based on the share exchange ratio of 1.04 new CKI Shares for every one Scheme Share and the 100,000 PAH Shares which are held as Mr. Kam Hing Lam’s family interest as at the date of this announcement, a total of 104,000 CKI Shares will be issued under the Scheme in respect of such interest of Mr. Kam Hing Lam if the Scheme becomes effective.
- (5) Based on the share exchange ratio of 1.04 new CKI Shares for every one Scheme Share and the 8,800 PAH Shares in which Mrs. Lee Pui Ling, Angelina is interested as at the date of this announcement, a total of 9,152 CKI Shares will be issued under the Scheme in respect of such interest of Mrs. Lee Pui Ling, Angelina if the Scheme becomes effective.
- (6) Based on the share exchange ratio of 1.04 new CKI Shares for every one Scheme Share and the 4,022 PAH Shares in which Mr. Tsai Chao Chung, Charles is interested as at the date of this announcement, a total of 4,182 CKI Shares will be issued under the Scheme in respect of such interest of Mr. Tsai Chao Chung, Charles if the Scheme becomes effective.
- (7) The number of CKI Shares to be issued to the relevant parties under the Scheme may be subject to change due to possible rounding down of the actual number of CKI Shares to be issued as a result of exclusion of their respective fractional entitlements under the Scheme (if any).

Following completion of the Proposal, CKH Holdings' shareholding in CKI will be diluted as a result of the issue of the new CKI Shares representing the Cancellation Consideration. CKH Holdings will remain as the controlling shareholder of CKI under the Listing Rules and will hold (through its wholly-owned subsidiaries) approximately 49.19% in CKI immediately following completion of the Proposal. However, CKI will cease to be a subsidiary of CKH Holdings and it is expected that its results will cease to be consolidated in CKH Holdings' financial statements. Under relevant accounting rules, the profit or loss arising from the deconsolidation of CKI will be calculated by reference to the net assets of CKI (including an appropriate portion of the cumulative exchange differences, available-for-sale investments reserves and other relevant reserves) and the non-controlling interests in CKI as recorded in the CKH Holdings' consolidated financial statements on completion of the Proposal as compared to the value of the shareholding of CKI retained by CKH Holdings on completion of the Proposal. Based on current estimates, the deconsolidation of CKI is expected to result in a profit of approximately HK\$1 billion in CKH Holdings' consolidated income statement.

F. FINANCIAL INFORMATION ON PAH AND CKI

1. Financial Information on PAH

Set out below are the audited net profits of PAH based on the audited consolidated financial statements of PAH for the two years ended 31 December 2014, and the unaudited net profits of PAH based on the unaudited consolidated financial statements of PAH for the six months ended 30 June 2015, each of which were prepared in accordance with generally accepted accounting principles in Hong Kong:

	For the year ended 31 December		For the six months ended 30 June
	2013 <i>(audited)</i>	2014 <i>(audited)</i>	2015 <i>(unaudited)</i>
Profit before taxation	HK\$11,591 million	HK\$61,098 million ⁽¹⁾	HK\$3,222 million
Profit after taxation	HK\$10,777 million	HK\$61,085 million ⁽¹⁾	HK\$3,237 million

Note:

- (1) Includes one-time gain of HK\$52,928 million arising from the spin-off of the Hong Kong electricity business by PAH.

As at 30 June 2015, the unaudited net asset value of PAH, based on the unaudited consolidated financial statements of PAH for the six months ended 30 June 2015, was HK\$121,472 million.

2. Financial Information on CKI

Set out below are the audited net profits of CKI based on the audited consolidated financial statements of CKI for the two years ended 31 December 2014, and the unaudited net profits of CKI based on the unaudited consolidated financial statements of CKI for the six months ended 30 June 2015, each of which were prepared in accordance with generally accepted accounting principles in Hong Kong:

	For the year ended 31 December		For the six months ended 30 June
	2013	2014	2015
	(audited)	(audited)	(unaudited)
Profit before taxation	HK\$12,254 million	HK\$32,346 million ⁽¹⁾	HK\$5,517 million
Profit after taxation	HK\$12,312 million	HK\$32,320 million ⁽¹⁾	HK\$5,506 million

Note:

- (1) Includes share of one-time gain of HK\$19,557 million arising from the spin-off of the Hong Kong electricity business by PAH.

As at 30 June 2015, the unaudited net asset value of CKI, based on the unaudited consolidated financial statements of CKI for the six months ended 30 June 2015, was HK\$107,414 million.

G. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

Please refer to the objectives of the Proposal set out in “B. Objectives of the Proposal” above.

H. CKI BOARD FOLLOWING COMPLETION OF THE PROPOSAL

To ensure continuity of the current strong management teams of CKI and PAH which have extensive experience in the power and infrastructure sectors, it is proposed that on completion of the Proposal, the CKI Board will comprise all of the existing directors of CKI and PAH and the composition of the CKI Board will be as follows:

Executive CKI Directors

Mr. Li Tzar Kuoi, Victor (*Chairman*)
Mr. Kam Hing Lam (*Group Managing Director*)
Mr. Fok Kin Ning, Canning (*Deputy Chairman*)
Mr. Ip Tak Chuen, Edmond (*Deputy Chairman*)
Mr. Andrew John Hunter (*Deputy Managing Director*)
Mr. Chan Loi Shun (*Chief Financial Officer*)
Mrs. Chow Woo Mo Fong, Susan
Mr. Neil Douglas McGee
Mr. Frank John Sixt
Mr. Wan Chi Tin
Mr. Tsai Chao Chung, Charles

Independent Non-executive CKI Directors

Mrs. Sng Sow-mei alias Poon Sow Mei
Mr. Ralph Raymond Shea
Mr. Cheong Ying Chew, Henry
Mrs. Kwok Eva Lee
Mr. Lan Hong Tsung, David
Mr. Colin Stevens Russel
Mr. Wong Chung Hin
Mr. Barrie Cook
Mr. Wu Ting Yuk, Anthony
Mr. Ip Yuk-keung, Albert

Non-executive CKI Directors

Mr. George Colin Magnus
Mrs. Lee Pui Ling, Angelina

Alternate CKI Directors

Mr. Man Ka Keung, Simon
(alternate to Mr. Ip Tak Chuen, Edmond)
Ms. Eirene Yeung
(alternate to Mr. Kam Hing Lam)

I. PROPOSED CHANGE OF COMPANY NAME OF CKI

1. Proposed Change of CKI Company Name

In connection with the Proposal, the CKI Board proposes to change the English name of CKI from “Cheung Kong Infrastructure Holdings Limited” to “CK Infrastructure Assets (Holdings) Limited” and to adopt “長江基建實業(集團)有限公司” as CKI’s secondary name (the “**Change of CKI Company Name**”) on completion of the Proposal. The stock short name of CKI will be changed consequently.

The Change of CKI Company Name is to signify the merger of CKI and PAH.

2. Conditions of the Change of CKI Company Name

The Change of CKI Company Name will be conditional upon:

- (a) the passing of a special resolution by the CKI Shareholders at the CKI SGM to approve the Change of CKI Company Name;
- (b) the approval of the proposed new name of CKI by the Registrar of Companies in Bermuda; and
- (c) the Scheme having become effective.

Upon satisfaction of the above conditions, the Change of CKI Company Name will become effective on the date on which the Registrar of Companies in Bermuda enters the new English name and the secondary name in the register of companies in place of the existing name. Upon the Change of CKI Company Name becoming effective, CKI will comply with the necessary filing procedures in Hong Kong.

3. Effect of the Change of CKI Company Name

The Change of CKI Company Name does not affect any of the rights of the existing CKI Shareholders. All share certificates of CKI in issue bearing the existing name of CKI will, after the Change of CKI Company Name, continue to be evidence of title and valid for all purposes (including for the purposes of trading, settlement, registration and delivery). There will not be any arrangement for the exchange of the share certificates of CKI under its existing name for new share certificates under the new name of CKI. Share certificates of CKI which are issued after the Change of CKI Company Name having become effective will be in the new name of CKI. The CKI Shares will be traded on the Stock Exchange in the new stock short name after the Change of CKI Company Name has become effective.

Further announcements concerning the effective date of the Change of CKI Company Name and the date on which the CKI Shares will commence to be traded under the new stock short name on the Stock Exchange will be made in due course.

J. RECOMMENDATIONS OF THE CKI BOARD

Having taken into account the objectives and the reasons for, and benefits of, the Proposal and its effects as set out above, the CKI Directors (other than the independent non-executive CKI Directors, whose views will be set out in the CKI Circular after considering the advice of the independent financial adviser of CKI) consider that (i) the terms of the Proposal are fair and reasonable and (ii) the making of the Proposal and the issue of the CKI Shares as contemplated under the Proposal are in the interests of CKI and the CKI Shareholders as a whole.

Accordingly, the CKI Directors (other than the independent non-executive CKI Directors, whose views will be set out in the CKI Circular) recommend the Independent CKI Shareholders to vote in favour of the resolution to be proposed at the CKI SGM to approve the making of the Proposal and the issue of the CKI Shares as contemplated under the Proposal.

Each of Mr. Li Tzar Kuoi, Victor, Mr. Kam Hing Lam and Mrs. Lee Pui Ling, Angelina, who hold or are interested in the PAH Shares as described in “E. Shareholding Structure – Shareholding Structure of PAH” above, abstained from voting on the relevant board resolutions of CKI for the approval of such transactions.

The CKI Directors consider the Change of CKI Company Name following completion of the Proposal to be in the interests of CKI and the CKI Shareholders as a whole and recommend the CKI Shareholders to vote in favour of the special resolution to be proposed at the CKI SGM to approve the Change of CKI Company Name.

K. RECOMMENDATIONS OF THE PAH BOARD

Having taken into account the objectives and the reasons for, and benefits of, the Proposal and its effects as set out above, the PAH Directors (other than the independent non-executive PAH Directors, whose views will be set out in the Scheme Document after considering the advice of the independent financial adviser of PAH) consider that (i) the terms of the Proposal are fair and reasonable and (ii) the Proposal is in the interests of the PAH Shareholders as a whole.

Accordingly, the PAH Directors (other than the independent non-executive PAH Directors, whose views will be set out in the Scheme Document) recommend the Independent PAH Shareholders to vote in favour of the resolution to be proposed at the PAH Court Meeting and the PAH Shareholders to vote in favour of the resolution to be proposed at the PAH General Meeting, in each case to approve the Proposal.

L. LISTING RULES IMPLICATIONS OF THE PROPOSAL

1. Listing Rules Implications for CKI

The Proposal will constitute a very substantial acquisition for CKI under Chapter 14 of the Listing Rules and will be subject to the approval of the CKI Shareholders at the CKI SGM pursuant to Chapter 14 of the Listing Rules. Such approval will need to be obtained from the Independent CKI Shareholders as the Proposal will also constitute a connected transaction for CKI as described below.

As certain directors of CKI and/or certain of their associates hold PAH Shares, it is expected that the Scheme Shareholders will include certain connected persons of CKI. The issue of new CKI Shares pursuant to the Scheme by CKI to the connected persons of CKI will constitute a connected transaction for CKI, which will be subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An application was made on behalf of CKI to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.68(5) of the Listing Rules in relation to the requirement to include in this announcement the original acquisition costs of the PAH Shares held by the connected persons of CKI, on the basis that the relevant enquiries could not be completed before the issue of this announcement for reasons of confidentiality and it is therefore unduly onerous to verify such information to the required standard of accuracy. The information on such original acquisition costs will be announced no later than the date of issue of the CKI Circular and will also be included in the CKI Circular.

2. Listing Rules Implications for CKH Holdings

As at the date of this announcement, CKH Holdings holds, through its subsidiaries, approximately 75.67% of the issued share capital of CKI. The Proposal will constitute an acquisition of PAH by a subsidiary of CKH Holdings (i.e. CKI) and also a deemed disposal of CKI by CKH Holdings since the issue of new CKI Shares pursuant to the Proposal will result in a reduction of the percentage shareholding interest of CKH Holdings in CKI.

As the highest applicable percentage ratio for these transactions is more than 5% and less than 25%, the Proposal will constitute a discloseable transaction for CKH Holdings and is subject to the announcement and reporting requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

It is expected that the Scheme Shareholders will include certain connected persons of CKH Holdings. The issue of new CKI Shares pursuant to the Scheme by CKI, which is a subsidiary of CKH Holdings, to the connected persons of CKH Holdings will constitute a connected transaction for CKH Holdings. As all of the applicable percentage ratios in relation to such issue of new CKI Shares are less than 0.1%, such issue of new CKI Shares will constitute a fully exempt connected transaction for CKH Holdings.

Having taken into account the objectives and the reasons for, and benefits of, the Proposal and its effects as set out above, the CKH Holdings Directors consider that (i) the terms of the Proposal are fair and reasonable and (ii) the Proposal is in the interests of the shareholders of CKH Holdings as a whole.

M. WITHDRAWAL OF LISTING OF PAH SHARES UPON SCHEME BECOMING EFFECTIVE

1. Listing Status of the PAH Shares

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. An application will be made to the Stock Exchange for the withdrawal of the listing of the PAH Shares on the Stock Exchange following the Scheme becoming effective, in accordance with Rule 6.15(2) of the Listing Rules.

2. Event of Lapse of the Proposal or Failure to Obtain Approval for the Proposal

Under the relevant restrictions of the Takeovers Code, if the Proposal does not become unconditional or is withdrawn or lapses, neither the Offeror nor any person who has acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Proposal is withdrawn or lapses, announce an offer or possible offer for PAH, except with the consent of the Executive.

If the Proposal does not proceed or is withdrawn or lapses, all expenses incurred by PAH in connection with the Proposal will be borne by CKI and the listing of the PAH Shares on the Stock Exchange will not be withdrawn.

N. INFORMATION FOR HOLDERS OF PAH ADSs

As holders of PAH ADSs are not registered holders of Scheme Shares, they do not have the right to vote at the PAH Court Meeting or the PAH General Meeting. However, they may instruct the PAH Depositary to vote the Scheme Shares underlying their PAH ADSs in accordance with the terms of the PAH ADS Deposit Agreement.

Holders of PAH ADSs who wish to participate at the PAH Court Meeting, the PAH General Meeting or the hearing of the Court to sanction the Scheme would need to surrender their PAH ADSs to the PAH Depositary for withdrawal of the Scheme Shares underlying such PAH ADSs in accordance with the terms of the PAH ADS Deposit Agreement prior to the relevant dates which will be set out in the Scheme Document and become holders of such Scheme Shares. Holders of PAH ADSs who wish to become holders of Scheme Shares are likely to incur cancellation fees and may incur taxes and other charges in connection with the surrender and withdrawal of their PAH ADSs.

Holders of PAH ADSs should note that the new CKI Shares to be issued as the Cancellation Consideration for the Scheme Shares underlying their PAH ADSs will be issued to the PAH Depositary, who will, at its discretion, either sell such CKI Shares on the Stock Exchange and distribute the net proceeds to holders of PAH ADSs or distribute such CKI Shares to the holders of PAH ADSs, in either case in accordance with the terms of the PAH ADS Deposit Agreement. Holders of PAH ADSs should refer to the PAH ADS Deposit Agreement for a complete description of their rights.

Further information for holders of the PAH ADSs in relation to the Proposal will be set out in the Scheme Document. PAH will make arrangements with the PAH Depositary to ensure that the PAH Depositary will provide to holders of PAH ADSs the Scheme Document and other relevant information.

O. GENERAL INFORMATION

1. Information on the CKI Group, the PAH Group and the CKH Holdings Group

(a) The CKI Group

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

(b) The PAH Group

The principal activities of the PAH Group are investment in power businesses in Hong Kong and overseas.

(c) The CKH Holdings Group

The CKH Holdings Group operates and invests in five core businesses: ports and related services, retail, infrastructure, energy and telecommunications.

2. General Meetings and Court Meeting

(a) CKI SGM

CKI will convene the CKI SGM for (a) the Independent CKI Shareholders to consider and, if thought fit, approve the making of the Proposal and the issue of the CKI Shares as contemplated under the Proposal and (b) the CKI Shareholders to consider and, if thought fit, approve the Change of CKI Company Name.

All CKI Shareholders who have a material interest (which is different from that of all other CKI Shareholders) in the Proposal, and their associates, will be required to abstain from voting on resolution (a) referred to above at the CKI SGM.

CKH Holdings' shareholding in CKI will be entitled to be voted on resolution (a) referred to above at the CKI SGM and CKH Holdings has indicated that such shareholding will be voted in favour of such resolution at the CKI SGM.

All CKI Shareholders will be entitled to vote on resolution (b) referred to above at the CKI SGM. CKH Holdings has indicated that its shareholding in CKI will be voted in favour of such resolution at the CKI SGM.

(b) PAH Court Meeting and PAH General Meeting

The PAH Court Meeting will be convened for the Independent PAH Shareholders to consider and, if thought fit, approve, the Scheme.

The Offeror and the Offeror Concert Parties (including the persons holding PAH Shares referred to in the first column under “*Offeror Concert Parties*” in “*E. Shareholding Structure – Shareholding Structure of PAH*” above (except, in the case of members of the HSBC group, exempt fund managers and except in respect of PAH Shares of non-discretionary investment clients as referred to in the definition of “Independent PAH Shareholders” in this announcement)) will abstain from voting on the resolution to approve the Scheme at the PAH Court Meeting.

The PAH General Meeting will be convened for the PAH Shareholders to consider, and if thought fit, (a) approve the Scheme and its implementation, including the reduction and restoration of the issued share capital of PAH under the Scheme, and (b) agree to the payment by CKI of the CKI Special Dividend.

Each of the Relevant CKI Subsidiaries, Mr. Li Tzar Kuoi, Victor, Mr. Kam Hing Lam and Mrs. Lee Pui Ling, Angelina has indicated that those PAH Shares which it, he or she holds or which it, he or she is interested in (as the case may be) will be voted in favour of resolution (a) above at the PAH General Meeting but will voluntarily abstain on resolution (b) above at the PAH General Meeting.

3. Independent Board Committees, Financial Adviser and Independent Financial Advisers

(a) CKI and the Offeror

An independent board committee (comprising all of the independent non-executive directors of CKI) has been established by the CKI Board to make recommendations to the Independent CKI Shareholders on the Proposal.

HSBC has been appointed as the sole financial adviser to CKI and the Offeror in connection with the Proposal.

Anglo Chinese, which has been engaged as independent financial adviser to the CKI Board and the Offeror Board in relation to the Proposal pursuant to Rule 2.4 of the Takeovers Code, has advised that, having taken into account, among other things, the terms of the Scheme and the anticipated benefits expected to arise from the objectives of the Proposal, it considers that the Proposal is in the interests of the respective shareholders of CKI and the Offeror. A copy of the full advice of Anglo Chinese will be included in the CKI Circular.

Anglo Chinese has also been appointed as the independent financial adviser to advise the independent board committee of CKI and the Independent CKI Shareholders in connection with the Proposal.

(b) PAH

An independent board committee (comprising all of the independent non-executive directors of PAH) has been established by the PAH Board to make recommendations to the Independent PAH Shareholders on the Proposal. The two non-executive directors of PAH (being Mr. Li Tzar Kuoi, Victor and Mr. Frank John Sixt) will not be members of the independent board committee of PAH as they are also executive CKI Directors.

An independent financial adviser will be appointed to advise the independent board committee of PAH in connection with the Proposal. An announcement will be made by PAH as soon as practicable following the appointment of such independent financial adviser.

4. Timetable

Subject to the fulfilment (or, where relevant, waiver) of the conditions referred to in “*C. Terms of the Proposal – Conditions Precedent to the Proposal*” above, it is currently expected that the Proposal will be completed by early 2016.

It is currently expected that the CKI Circular will be despatched to the CKI Shareholders and, subject to the requirements of the Takeovers Code, the Scheme Document will be despatched to the PAH Shareholders on or before 31 October 2015. The precise date is subject to change, depending on the Court schedule and the availability of hearing dates as the convening of the PAH Court Meeting will be ordered by the Court and the Scheme will require the sanction of the Court.

5. Companies’ Presentation

The Appendix sets out a copy of the joint investor presentation of CKI and PAH, which forms part of this announcement.

6. Precautionary Language Regarding Forward-Looking Statements

This announcement contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of CKI, the Offeror, PAH and their respective boards of directors regarding the transactions described in this announcement. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “anticipate”, “seek”, “continue” or similar expressions identify forward-looking statements. These forward-looking

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

Any forward-looking statement contained in this announcement based on past or current trends and/or activities of the CKI Group and the PAH Group, respectively, should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of CKI or PAH for the current year or future years will necessarily match or exceed the historical or published earnings of CKI or PAH. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of CKI, the Offeror or PAH assumes any obligation to correct or update the forward-looking statements or opinions contained in this announcement.

P. SECURITIES OF CKI AND PAH

As at the date of this announcement, the relevant securities of CKI comprise 2,519,610,945 CKI Shares in issue.

As at the date of this announcement, the relevant securities of PAH comprise PAH Shares in issue and the outstanding PAH ADSs. There are 2,134,261,654 PAH Shares in issue (including the PAH Shares underlying the PAH ADSs) as at the date of this announcement. There were 2,813,121 PAH ADSs outstanding as at the close of business (New York time) on 4 September 2015.

Save as disclosed above, neither CKI nor PAH has other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

Further announcement(s) will be made as and when appropriate or required in accordance with the applicable requirements of the Listing Rules and the Takeovers Code.

Q. DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of either of CKI and PAH respectively (including those shareholders who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of either of CKI and PAH, or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of either of CKI and PAH), are hereby reminded to disclose their dealings in the relevant securities of either of CKI and PAH pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

R. WARNINGS

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

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

This announcement does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document. CKI Shareholders and PAH Shareholders are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

In particular, this announcement is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The CKI Shares which will be issued in connection with the Proposal have not been, and will not be, registered under the U.S. Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the CKI Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The CKI Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act or an exemption from registration. It is expected that the CKI Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. CKI does not intend to make any public offering of securities in the United States.

Under applicable U.S. securities laws, PAH Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be “affiliates” of PAH or CKI prior to, or CKI after, the Scheme Effective Date will be subject to certain transfer restrictions relating to the CKI Shares received in connection with the Scheme.

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

Notice to Investors in Singapore: The CKI Shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except under or pursuant to a prospectus registration exemption under Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) (other than section 280 of the SFA).

S. DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below, unless the context requires otherwise:

“Adjusted Total Assets”	(a) in the case of CKI, means the total assets less bank deposits and cash and its attributable interest in PAH and (b) in the case of PAH, means the total assets less bank balances and deposits
“ADS”	American Depositary Share
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, and which is the independent financial adviser to the CKI Board and the Offeror Board in respect of the Proposal pursuant to Rule 2.4 of the Takeovers Code and the independent financial adviser to advise the independent board committee of CKI and the Independent CKI Shareholders in respect of the Proposal
“associate”	has the meaning ascribed to it in the Listing Rules
“Authorisations”	all authorisations, registrations, filings, rulings, consents, permissions and approvals (including approval in-principle)
“business day”	a day on which the Stock Exchange is open for business of dealing in securities
“Cancellation Consideration”	the consideration for the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme, being 1.04 CKI Shares for every one Scheme Share held as at the Scheme Record Time
“CKH Holdings”	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 (stock code: 0001)
“CKH Holdings Board”	the board of CKH Holdings Directors
“CKH Holdings Directors”	the directors of CKH Holdings
“CKH Holdings Group”	CKH Holdings and its subsidiaries

“CKI”	Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board (stock code: 1038)
“CKI Board”	the board of CKI Directors
“CKI Bye-laws”	the bye-laws of CKI (as amended from time to time)
“CKI Circular”	the circular of CKI to be issued and despatched to the CKI Shareholders in relation to the Proposal and the Change of CKI Company Name, which will include the notice for convening the CKI SGM
“CKI Directors”	the directors of CKI
“CKI Dividend Record Time”	the record time to be determined by CKI for determining the entitlement of the CKI Shareholders to the CKI Special Dividend
“CKI Group”	CKI and its subsidiaries
“CKI SGM”	a special general meeting of CKI to be convened for the purposes of considering and, if thought fit, approving (a) the making of the Proposal and the issue of the CKI Shares as contemplated under the Proposal and (b) the Change of CKI Company Name
“CKI Shareholders”	holders of CKI Shares
“CKI Shares”	ordinary shares in the share capital of CKI
“CKI Special Dividend”	the conditional special interim dividend proposed to be declared by the CKI Board, which is subject to the conditions described in <i>“D. Proposed Dividend Arrangement”</i>
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Companies Registrar”	the Registrar of Companies in Hong Kong
“connected person”	has the meaning ascribed to it in the Listing Rules
“Court”	the Court of First Instance of the High Court of Hong Kong
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the Law of Hong Kong), which is the financial adviser to CKI and the Offeror in relation to the Proposal
“Independent CKI Shareholders”	CKI Shareholders who do not have a material interest (which is different from that of all other CKI Shareholders) in the Proposal
“Independent PAH Shareholders”	PAH Shareholders other than the Offeror and Offeror Concert Parties. For the avoidance of doubt, Independent PAH Shareholders include any member of the HSBC group in respect of PAH Shares of its non-discretionary investment clients where such client (a) has control over the voting rights attaching to those PAH Shares, (b) if those PAH Shares are voted, gives instructions as to how the PAH Shares are to be voted and provided the shares are voted in accordance with the instructions given, and (c) is not the Offeror or any of the Offeror Concert Parties
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the Main Board of the Stock Exchange

“Non-Qualifying PAH Overseas Shareholders”	those PAH Overseas Shareholders who will not receive CKI Shares pursuant to the Scheme, but will, upon the Scheme becoming effective, receive cash in full satisfaction of their rights to the CKI Shares where the law of any relevant jurisdiction precludes an offer of the CKI Shares, or precludes it except after compliance by CKI with conditions with which CKI is unable to comply or which CKI regards as unduly onerous
“Offeror”	Assets Global International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of CKI
“Offeror Board”	the board of Offeror Directors
“Offeror Concert Parties”	parties acting in concert with the Offeror in relation to PAH, including the persons referred to in the first column under “ <i>Offeror Concert Parties</i> ” in “ <i>E. Shareholding Structure – Shareholding Structure of PAH</i> ” (except for members of the HSBC group which are exempt fund managers and/or exempt principal traders, in each case recognised by the Executive as such for the purposes of the Takeovers Code), each of which is presumed under the Takeovers Code to be acting in concert with the Offeror in relation to PAH
“Offeror Directors”	the directors of the Offeror
“PAH”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (stock code: 0006)
“PAH ADS Deposit Agreement”	the Deposit Agreement dated 29 July 1996 entered into between PAH (formerly known as Hongkong Electric Holdings Limited), the PAH Depositary and all holders and beneficial owners of PAH ADSs
“PAH ADSs”	ADSs which are issued by the PAH Depositary, each representing ownership of one PAH Share
“PAH Board”	the board of PAH Directors
“PAH Court Meeting”	the meeting of the Scheme Shareholders to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme
“PAH Depositary”	Citibank, N.A.

“PAH Directors”	the directors of PAH
“PAH General Meeting”	the general meeting of PAH to be convened for the same date as the PAH Court Meeting for the purpose of considering and, if thought fit, (a) approving the Scheme and its implementation, including the reduction and restoration of the issued share capital of PAH under the Scheme, and (b) agreeing to the payment by CKI of the CKI Special Dividend
“PAH Group”	PAH and its subsidiaries
“PAH Overseas Shareholders”	PAH Shareholders whose addresses, as shown in the register of members of PAH as at the Scheme Record Time, are in any jurisdiction other than Hong Kong
“PAH Shareholders”	holders of PAH Shares
“PAH Shares”	ordinary shares in the issued share capital of PAH
“PRC”	the People’s Republic of China, which for the purpose of this announcement, except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“Proposal”	the conditional share exchange offer to be made by the Offeror to the Scheme Shareholders for the cancellation of all the Scheme Shares by way of the Scheme
“Relevant CKI Subsidiaries”	collectively (i) Asian Equities Inc., (ii) Hestonville Resources Limited, (iii) Interman Development Inc., (iv) Lipton Finance S.A., (v) Monitor Equities S.A., (vi) Univest Equity S.A. and (vii) Venniton Development Inc., each of which is a wholly-owned subsidiary of CKI and which in aggregate hold approximately 38.87% of the issued shares of PAH
“Scheme”	the proposed scheme of arrangement pursuant to Division 2 of Part 13 of the Companies Ordinance for the implementation of the Proposal
“Scheme Document”	the composite scheme document to be issued by the Offeror, CKI and PAH to the PAH Shareholders in relation to the Scheme
“Scheme Effective Date”	the date upon which the Scheme becomes effective in accordance with the Companies Ordinance

“Scheme Record Time”	the record time to be determined by PAH for determining the entitlements of the Scheme Shareholders to the Scheme, which is expected to be on the business day immediately preceding the Scheme Effective Date
“Scheme Shareholders”	holders of the Scheme Shares
“Scheme Shares”	all the PAH Shares in issue at the Scheme Record Time, other than those held by the Offeror and the Relevant CKI Subsidiaries
“Selected Person”	the nominee selected by CKI
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC (as amended, supplemented or otherwise modified from time to time)
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“%”	per cent.

All percentages stated in this announcement are approximations.

By Order of the Board
Cheung Kong Infrastructure Holdings Limited
Li Tzar Kuoi, Victor
Chairman

By Order of the Board
Power Assets Holdings Limited
Fok Kin Ning, Canning
Chairman

By Order of the Board
Assets Global International Limited
Li Tzar Kuoi, Victor
Director

By Order of the Board
CK Hutchison Holdings Limited
Edith Shih
Company Secretary

Hong Kong, 8 September 2015

As at the date of this announcement, the CKI Directors are: Mr. Li Tzar Kuoi, Victor (Chairman), Mr. Kam Hing Lam (Group Managing Director), Mr. Ip Tak Chuen, Edmond (Deputy Chairman), Mr. Fok Kin Ning, Canning (Deputy Chairman), Mr. Andrew John Hunter (Deputy Managing Director), Mr. Chan Loi Shun (Chief Financial Officer), Mrs. Chow Woo Mo Fong, Susan (also alternate director to Mr. Fok Kin Ning, Canning and Mr. Frank John Sixt) and Mr. Frank John Sixt, as executive directors; Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei, Mr. Colin Stevens Russel, Mr. Lan Hong Tsung, David and Mr. Barrie Cook, as independent non-executive directors; Mrs. Lee Pui Ling, Angelina and Mr. George Colin Magnus, as non-executive directors; and Mr. Man Ka Keung, Simon (alternate director to Mr. Ip Tak Chuen, Edmond) and Ms. Eirene Yeung (alternate director to Mr. Kam Hing Lam).

The CKI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the PAH Group and the CKH Holdings Group (but excluding information relating to the CKI Group)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by PAH, CKH Holdings or their respective directors) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the PAH Group and the CKH Holdings Group (but excluding information relating to the CKI Group)) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Offeror Directors are Mr. Li Tzar Kuoi, Victor, Mrs. Chow Woo Mo Fong, Susan, Mr. Kam Hing Lam and Mr. Ip Tak Chuen, Edmond.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the PAH Group and the CKH Holdings Group (but excluding information relating to the CKI Group)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by PAH, CKH Holdings or their respective directors) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the PAH Group and the CKH Holdings Group (but excluding information relating to the CKI Group)) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the PAH Directors are: Mr. Fok Kin Ning, Canning (Chairman), Mr. Tsai Chao Chung, Charles (Chief Executive Officer), Mr. Chan Loi Shun, Mr. Andrew John Hunter, Mr. Neil Douglas McGee and Mr. Wan Chi Tin, as executive directors; Mr. Li Tzar Kuoi, Victor and Mr. Frank John Sixt, as non-executive directors; and Mr. Ip Yuk-keung, Albert, Mr. Ralph Raymond Shea, Mr. Wong Chung Hin and Mr. Wu Ting Yuk, Anthony, as independent non-executive directors.

The PAH Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the CKI Group and the CKH Holdings Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by CKI, the Offeror, CKH Holdings or their respective directors) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the CKI Group and the CKH Holdings Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the CKH Holdings Directors are: Mr. Li Ka-shing (Chairman), Mr. Li Tzar Kuoi, Victor (Group Co-Managing Director and Deputy Chairman), Mr. Fok Kin Ning, Canning (Group Co-Managing Director), Mrs. Chow Woo Mo Fong, Susan (Group Deputy Managing Director), Mr. Frank John Sixt (Group Finance Director and Deputy Managing Director), Mr. Ip Tak Chuen, Edmond (Deputy Managing Director), Mr. Kam Hing Lam (Deputy Managing Director) and Mr. Lai Kai Ming, Dominic (Deputy Managing Director) as executive directors; Mr. Chow Kun Chee, Roland, Mr. Lee Yeh Kwong, Charles, Mr. Leung Siu Hon and Mr. George Colin Magnus as non-executive directors; and Mr. Kwok Tun-li, Stanley, Mr. Cheng Hoi Chuen, Vincent, The Hon. Sir Michael David Kadoorie, Ms. Lee Wai Mun, Rose, Mr. William Elkin Mocatta (alternate director to The Hon. Sir Michael David Kadoorie), Mr. William Shurniak, Mr. Wong Chung Hin and Dr. Wong Yick-ming, Rosanna as independent non-executive directors.

The CKH Holdings Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the CKI Group and the PAH Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by CKH Holdings or the CKH Holdings Directors have been arrived at after due and careful consideration and there are no other facts (other than those relating to the CKI Group and the PAH Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

APPENDIX

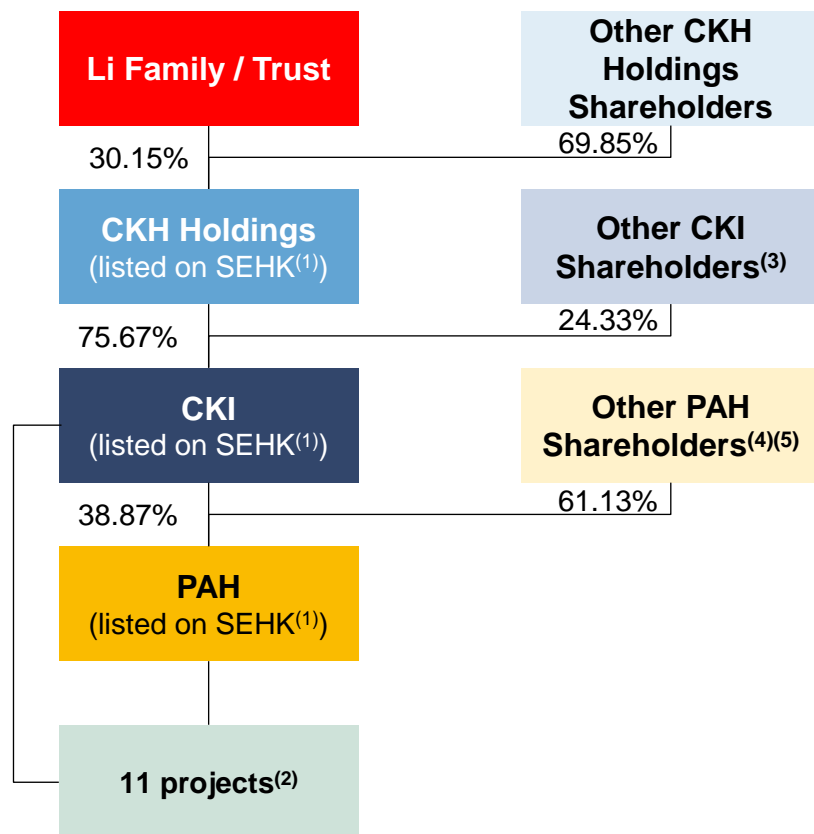
Investor presentation

8 September 2015

This presentation is for information purposes only and is not an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction. This presentation is a brief summary of the Proposal outlined in further detail in the joint announcement of CKI, the Offeror, PAH and CKH Holdings dated 8 September 2015 (the “joint announcement”). The joint announcement contains important information about the Proposal and shareholders and investors of CKI, PAH and CKH Holdings are advised to read the joint announcement in its entirety. The joint announcement is available on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and on each of the websites of CKI, PAH and CKH Holdings. This presentation uses the same terms as defined in the joint announcement.

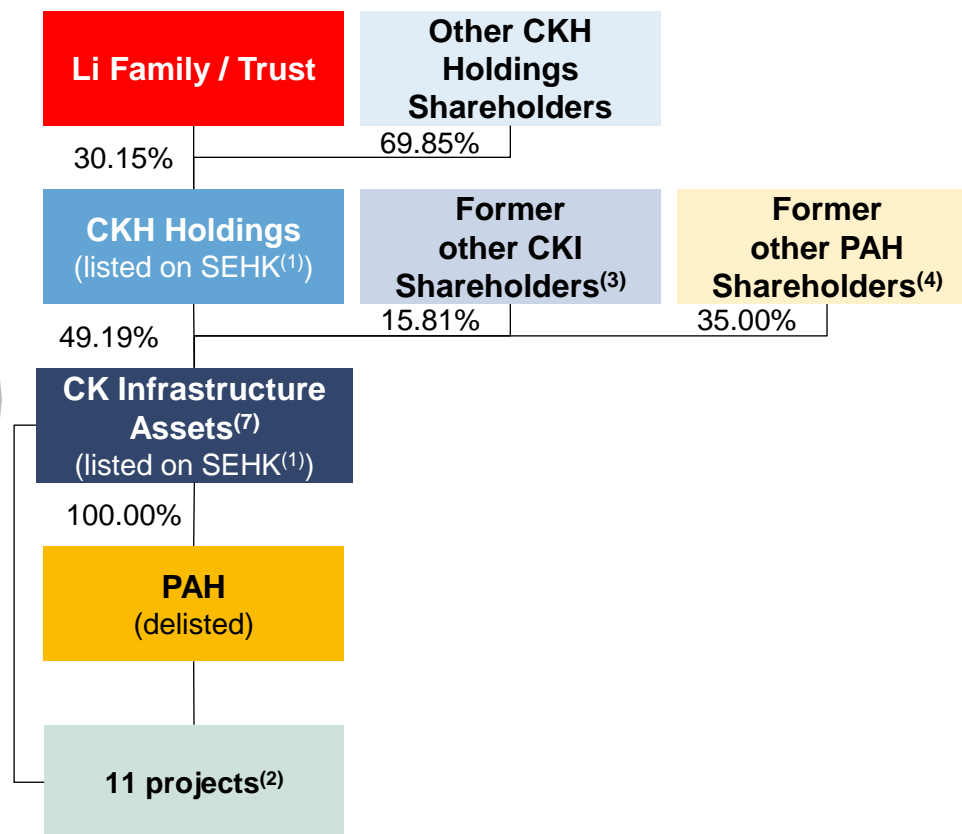
Transaction overview

Pre-transaction



- CKI holds 38.87% shareholding in PAH
- There are 11 power infrastructure projects in which both CKI and PAH have ownership interests

Post-transaction⁽⁶⁾



- Scheme Shareholders will exchange their PAH Shares for new CKI Shares
- Upon completion, PAH will be delisted from SEHK⁽¹⁾
- Seven of the 11 projects in which both CKI and PAH have ownership interests are expected to be consolidated into the financial statements of the enlarged CKI Group

Notes:

- (1) The Stock Exchange of Hong Kong Limited
- (2) Please refer to page 17 for details of the projects in which both CKI and PAH have ownership interests and the accounting treatments of such projects post transaction
- (3) Pre-transaction: includes 0.22% stake in CKI in which Mr. Li Tzar Kuoi, Victor is interested; post-transaction: includes 0.14% stake in enlarged CKI Group in which Mr. Li Tzar Kuoi, Victor is interested
- (4) Pre-transaction: includes 0.01% stake in PAH in which Mr. Li Tzar Kuoi, Victor is interested; post-transaction: includes 0.004% stake in enlarged CKI Group in which Mr. Li Tzar Kuoi, Victor is interested
- (5) Certain Non Qualifying PAH Overseas Shareholders will not receive CKI Shares
- (6) Based on PAH / CKI exchange ratio of 1.04 CKI Shares for every one PAH Share
- (7) The CKI Board proposes to change the company name from Cheung Kong Infrastructure Holdings Limited to CK Infrastructure Assets (Holdings) Limited ("CK Infrastructure Assets") on completion of the Proposal to signify the merger of CKI and PAH

Summary of deal terms

Transaction (the “Proposal”)	<ul style="list-style-type: none"> • Share exchange offer to Scheme Shareholders of PAH for the cancellation of all the Scheme Shares
Exchange ratio	<ul style="list-style-type: none"> • Fixed exchange ratio of 1.04 CKI Shares in exchange for each existing Scheme Share, based on the average closing prices of CKI Shares and PAH Shares on the Stock Exchange for the 5 trading days up to (and including) 4 September 2015, without any premium or discount
Consideration	<ul style="list-style-type: none"> • A total of 2,134,261,654 PAH Shares are in issue, of which approximately 38.87% are held by CKI and the remaining approximately 61.13% are held by Scheme Shareholders • A total of 1,356,848,523 new CKI Shares will be issued to Scheme Shareholders
Conditions precedent to completion of the Proposal	<p>The conditions precedent include, among others:</p> <ul style="list-style-type: none"> • The Scheme being approved by the Independent PAH Shareholders representing at least 75% of the voting rights of Independent PAH Shareholders present and voting, in person or by proxy, at the PAH Court Meeting, with votes cast against the Scheme at the PAH Court Meeting not exceeding 10% of the total voting rights attached to all disinterested PAH Shares • The passing of a special resolution by the PAH Shareholders at the PAH General Meeting to approve (1) the Scheme and (2) its implementation, including, in particular, the reduction of the issued share capital of PAH by cancelling and extinguishing the Scheme Shares and the issue of the new PAH Shares to the Offeror • The passing of an ordinary resolution by the CKI Shareholders⁽¹⁾ (including CKH Holdings) at the CKI SGM to approve the Proposal; CKH Holdings has indicated its intention to vote in favour of such resolution at the CKI SGM • The sanctioning of the Scheme by the Court
Change of board lot size	<ul style="list-style-type: none"> • It is intended that upon completion of the Proposal, the board lot size for trading in CKI Shares on the Stock Exchange will be changed to 500 CKI Shares from the current board lot size of 1,000 CKI Shares
Change of CKI Company Name	<ul style="list-style-type: none"> • The CKI Board proposes to change the company name from Cheung Kong Infrastructure Holdings Limited to CK Infrastructure Assets (Holdings) Limited on completion of the Proposal to signify the merger of CKI and PAH

Note:

(1) Excluding any CKI Shareholders who have a material interest which is different from that of other CKI shareholders in the Proposal

Proposed dividend arrangement

- **Conditional special interim dividend to all CKI shareholders of the merged company upon completion of the Proposal**
- **Financial year ending (“FY”) 2015: Total dividends to be received by each CKI / PAH Shareholder is expected to be more than FY2014 levels⁽²⁾**
- **FY2016: Total dividends to be received by each CKI / PAH Shareholder is expected to be more than FY2015 levels⁽²⁾**
- **Thereafter: CKI will seek to continue to grow its dividends year-on-year⁽²⁾**

CKI Special Dividend

- The CKI Board intends to declare, on a conditional basis, a special interim dividend of HK\$5.00 per share to all CKI Shareholders whose names appear in the register of members of CKI as at the CKI Dividend Record Time on the Scheme Effective Date (including the holders of CKI Shares issued pursuant to the Scheme)
- The payment of the CKI Special Dividend will be conditional upon the satisfaction of both of the following conditions:
 - the passing of an ordinary resolution by the PAH Shareholders at the PAH General Meeting to agree to the payment by CKI of the CKI Special Dividend⁽¹⁾; and
 - the Scheme having become effective

Expected FY2015 dividend⁽²⁾

- Total dividends to be received by a CKI Shareholder or a PAH Shareholder on its CKI Shares and, as applicable, PAH Shares (excluding the CKI Special Dividend, if it is paid) is expected to be more than the total dividends that such shareholder would have received on its existing CKI Shares or its existing PAH Shares (as the case may be) in respect of the financial year ended 31 December 2014

Expected FY2016 dividend⁽²⁾

- Total dividends to be received by a CKI Shareholder or a PAH Shareholder on its CKI Shares is expected to be more than the total dividends that such shareholder would have received on its CKI Shares and, as applicable, PAH Shares in respect of the financial year ending 31 December 2015 (excluding the CKI Special Dividend, if it is paid)

Thereafter⁽²⁾

- Thereafter, subject to business conditions and maintenance of CKI's strong investment grade rating, CKI will seek to continue to increase its dividends year-on-year consistent with its business profile

Notes:

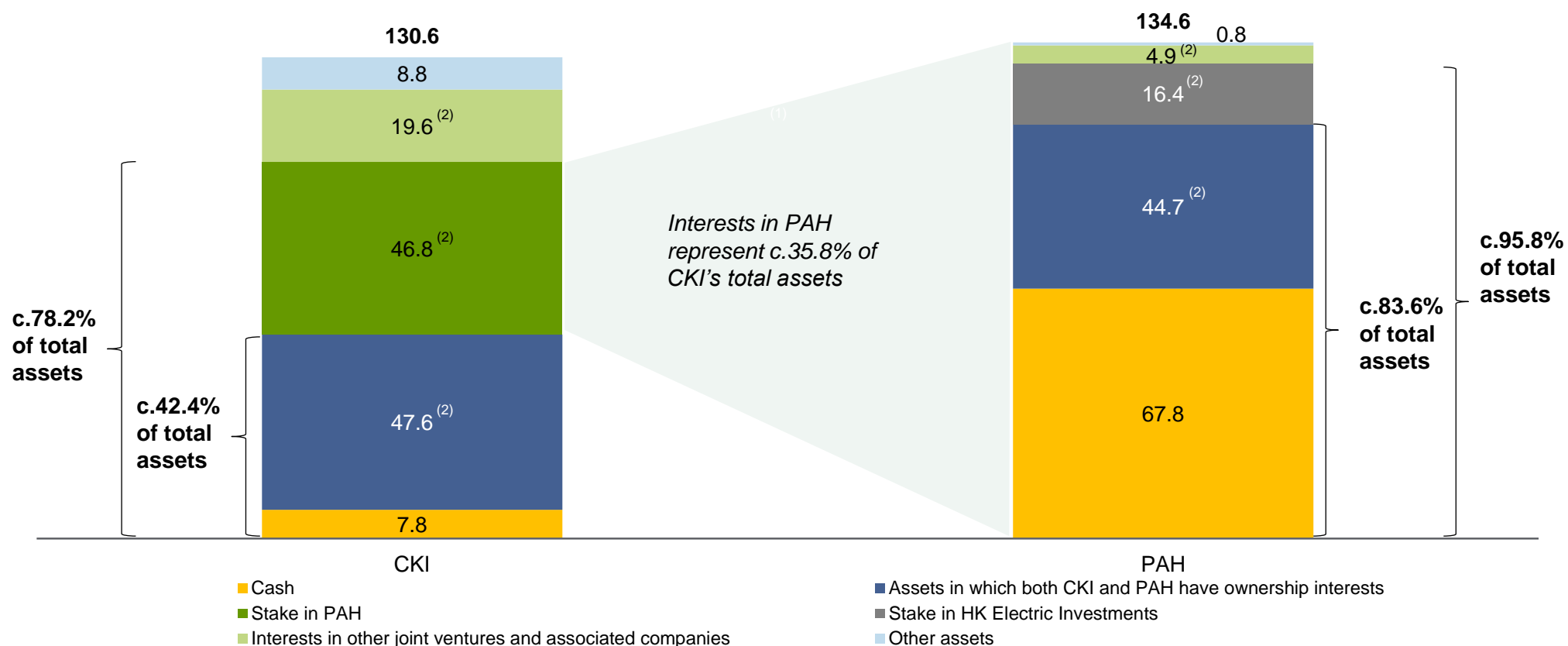
(1) (a) The CKI subsidiaries which hold PAH Shares, (b) Mr. Li Tzar Kuoi, Victor, (c) Mr. Kam Hing Lam, and (d) Mrs. Lee Pui Ling, Angelina will abstain from voting on this resolution

(2) If the Scheme becomes effective and assuming an existing CKI Shareholder continues to hold its existing CKI Shares or an existing PAH Shareholder continues to hold the CKI Shares issued pursuant to the Scheme (as the case may be) and subject to business conditions and the maintenance of CKI's strong investment grade ratings

Overview of asset base of CKI and PAH⁽¹⁾

- Projects in which both CKI and PAH have ownership interests represent a major portion of the asset base of CKI and PAH
- As at 30 June 2015, over 78% of CKI's total assets comprised (a) cash, (b) projects in which both CKI and PAH have ownership interests⁽²⁾ and (c) CKI's existing stake in PAH⁽²⁾
- As at 30 June 2015, over 95% of PAH's asset base comprised (a) cash, (b) projects in which both CKI and PAH have ownership interests⁽²⁾ and (c) PAH's existing stake in HK Electric Investments (listed on the Stock Exchange)⁽²⁾

Composition of CKI's and PAH's respective asset base as at 30 June 2015 (HK\$bn)



Source: Company information

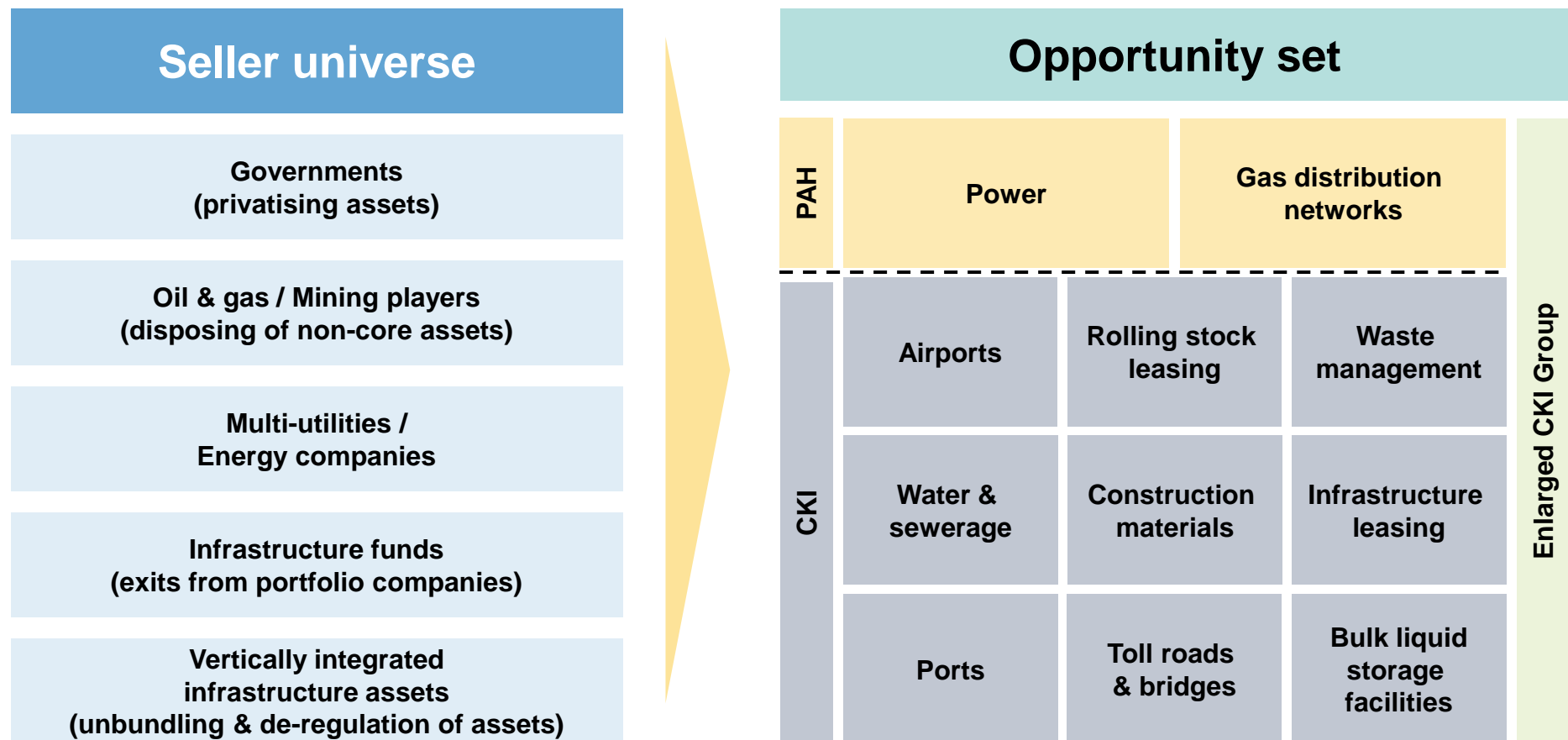
Notes:

(1) Percentages on this page are calculated based on exact figures (rounded to nearest dollar) and may not be the same as that calculated based on rounded figures as shown in the chart on the page

(2) Based on the net asset value of the projects as recorded on the latest unaudited financial statements of CKI and PAH respectively (under the equity method)

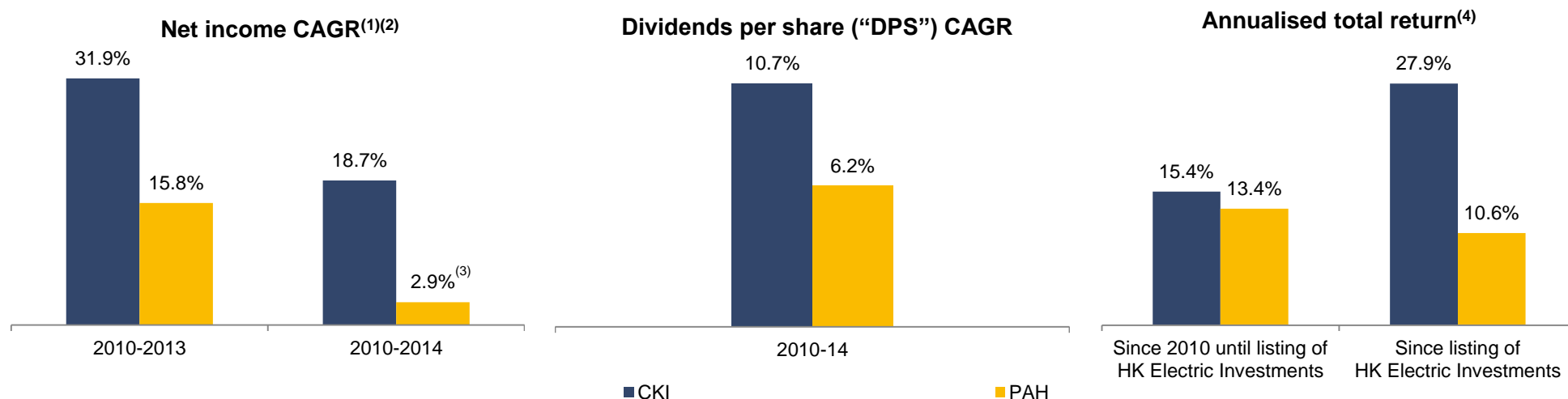
Expanded business focus and investment mandate

- Following completion of the Proposal, the enlarged CKI Group will be able to invest across the whole infrastructure sector (both power and non-power)
- It will enable the cash balance of PAH to be deployed against a much broader opportunity set



Selected financial metrics of CKI and PAH

- CKI has a proven track record in delivering strong growth in earnings and dividends
- On the other hand, PAH has a more stable business profile with lower last-twelve-month (“LTM”) return on equity given its large idle cash balance. However, it has a higher dividend payout ratio and yield as compared with CKI
- Although CKI has outperformed PAH on a total annualised return basis (i.e. share price performance plus dividend return), PAH trades at a higher price-to-earnings ratio (P/E) than CKI



	LTM return on equity ⁽⁵⁾	Dividend payout ratio (2012 / 2013 / 2014) ⁽⁶⁾	Dividend yield (FY2014 dividend per share / share price) ⁽⁷⁾	P/E ratio (LTM) ⁽⁸⁾
CKI	10.7%	43.0% / 39.4% / 50.1%	3.13%	15.1x
PAH	6.3%	53.7% / 48.7% / 70.8%	4.05%	18.4x

Source: Company annual reports and interim reports, Bloomberg

Notes:

- (1) CAGR = compound annual growth rate
- (2) Normalised net income with one-off gain on disposal of subsidiary / associate / joint venture and one-off spin-off gain removed. Please refer to the Appendix for detailed calculations
- (3) With the one-off spin-off gain disregarded, PAH’s normalised net income in 2014 is significantly lower than previous years due to the spin-off of the Hong Kong electricity business in January 2014
- (4) Annualised total return is calculated based on the aggregate of (i) share price difference over specified period and (ii) dividends received over the period, which were assumed to be reinvested to purchase shares in CKI or PAH (as applicable) at the closing share price on the day of dividend payment; the listing date of HK Electric Investments was 29 January 2014. The data represents the annualised return over the period of 4 January 2010 to 28 January 2014, and the period of 28 January 2014 to 4 September 2015 respectively. Please refer to page 18 for the details of the historical DPS of CKI and PAH
- (5) LTM Return on equity = normalised net profit attributable to shareholders over the last twelve months ended 30 June 2015 (2015 1H net profit + FY 2014 net profit – 2014 1H net profit) / equity attributable to shareholders as at 30 June 2015, i.e. CKI: HK\$99,409m and PAH: HK\$121,472m; please refer to the Appendix for detailed calculations of the normalised net profit attributable to shareholders
- (6) Dividend payout ratio = total dividend declared for the year / normalised net income
- (7) Dividend yield = 2014 full year DPS, i.e. CKI: HK\$2.00 and PAH: HK\$2.68 / closing share price on 4 September 2015, i.e. CKI: HK\$63.90 or PAH: HK\$66.25
- (8) P/E (LTM) = closing price on 4 September 2015 * total shares outstanding as of 4 September 2015 closing / normalised net income over the last twelve months ended 30 June 2015

Please refer to the Appendix for dividend and detailed calculations of historical normalised net income for both CKI and PAH

A win-win transaction for both CKI and PAH Shareholders

CKI Shareholders



Stronger balance sheet enables CKI to capture global infrastructure opportunities



Greater flexibility to make independent capital allocation decisions without having regard to the impact on CKH Holdings' consolidated financial position



Significantly enhanced free float should increase liquidity

A win-win transaction for both CKI and PAH Shareholders (cont'd)

PAH Shareholders



Allow PAH's balance sheet cash (accumulated since the spin-off of the Hong Kong electricity business) to be deployed against a much broader opportunity set

- **Since listing of HK Electric Investments, the annualised total return of PAH is c.10.6% as compared to c.27.9% for CKI⁽¹⁾**



Receive CKI shares which have largely the same asset base but trading at LTM 15.1x P/E (as compared to PAH trading at LTM 18.4x P/E), implying a discount of 18%⁽¹⁾



Leverage on CKI's expertise in global infrastructure investment and its stronger track record of growth

- **CKI 2010-14 net income / DPS CAGR: 18.7% / 10.7%⁽²⁾⁽³⁾**
- **PAH 2010-14 net income / DPS CAGR: 2.9% / 6.2%⁽²⁾⁽³⁾**

Notes:






(1) Please refer to page 7 for the detailed calculations of annualised total return and LTM P/E; the discount is calculated as follows: $(\text{PAH LTM P/E} - \text{CKI LTM P/E}) / \text{PAH LTM P/E}$

(2) Please refer to page 21 for the detailed calculations of net income CAGR

(3) Please refer to page 18 for the detailed calculations of DPS CAGR

A win-win transaction for both CKI and PAH Shareholders (cont'd)

Competitive strengths of the merged company

-  **Ability to leverage CKI's wider investment mandate and broader expertise as well as PAH's significant cash balance to invest in the global infrastructure arena**
-  **Stronger position to compete for infrastructure projects (with a stronger balance sheet and larger asset base, scale and size) given the capital intensive nature of the infrastructure industry**
-  **Achieve better risk diversification and enable shareholders (in particular those currently invested in PAH) to benefit from a wider infrastructure portfolio which is spread across different infrastructure sectors and geographies**
-  **Management expertise of both companies consolidated, and resources more efficiently deployed against the combined asset base**
-  **Unite the investor base currently split between CKI and PAH, thereby increasing the free float of CKI shares**

A special interim dividend of HK\$5.00 per CKI share will be declared and paid to all holders of CKI Shares (including holders of CKI Shares issued pursuant to the Scheme) conditional upon the Scheme becoming effective, and the passing of a resolution by PAH shareholders to agree to the payment by CKI of the special interim dividend⁽¹⁾

Note:

(1) (a) The CKI subsidiaries which hold PAH Shares, (b) Mr. Li Tzar Kuoi, Victor, (c) Mr. Kam Hing Lam, and (d) Mrs. Lee Pui Ling, Angelina will abstain from voting on this resolution

A win-win transaction for both CKI and PAH Shareholders (cont'd)

The merged company

United Kingdom

80.0%	UK Power Networks
40.0%	Northumbrian Water
88.4%	Northern Gas Networks
60.0%	Wales & West Utilities
50.0%	UK Rails (Eversholt)
50.0%	Seabank Power
4.8%	Southern Water

Australia

51.0%	SA Power Networks
51.0%	Victoria Power Networks
72.5%	Australian Gas Networks
100.0%	Transmission Operations Australia
7.7%	Spark Infrastructure

New Zealand

100.0%	EnviroNZ
100.0%	Wellington Electricity

Canada

100.0%	Canadian Power
50.0%	Park'N Fly Canada

Netherlands

55.0%	Dutch Enviro Energy
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Infrastructure related business

50.0%	Alliance Construction Materials
100.0%	Green Island Cement
100.0%	Anderson Asphalt
100.0%	Green Island Cement (Yunfu)
66.5%	Guangdong Gitic Green Island Cement
40.0%	Siqijor Limestone Quarry

Hong Kong

33.4%	HK Electric Investments
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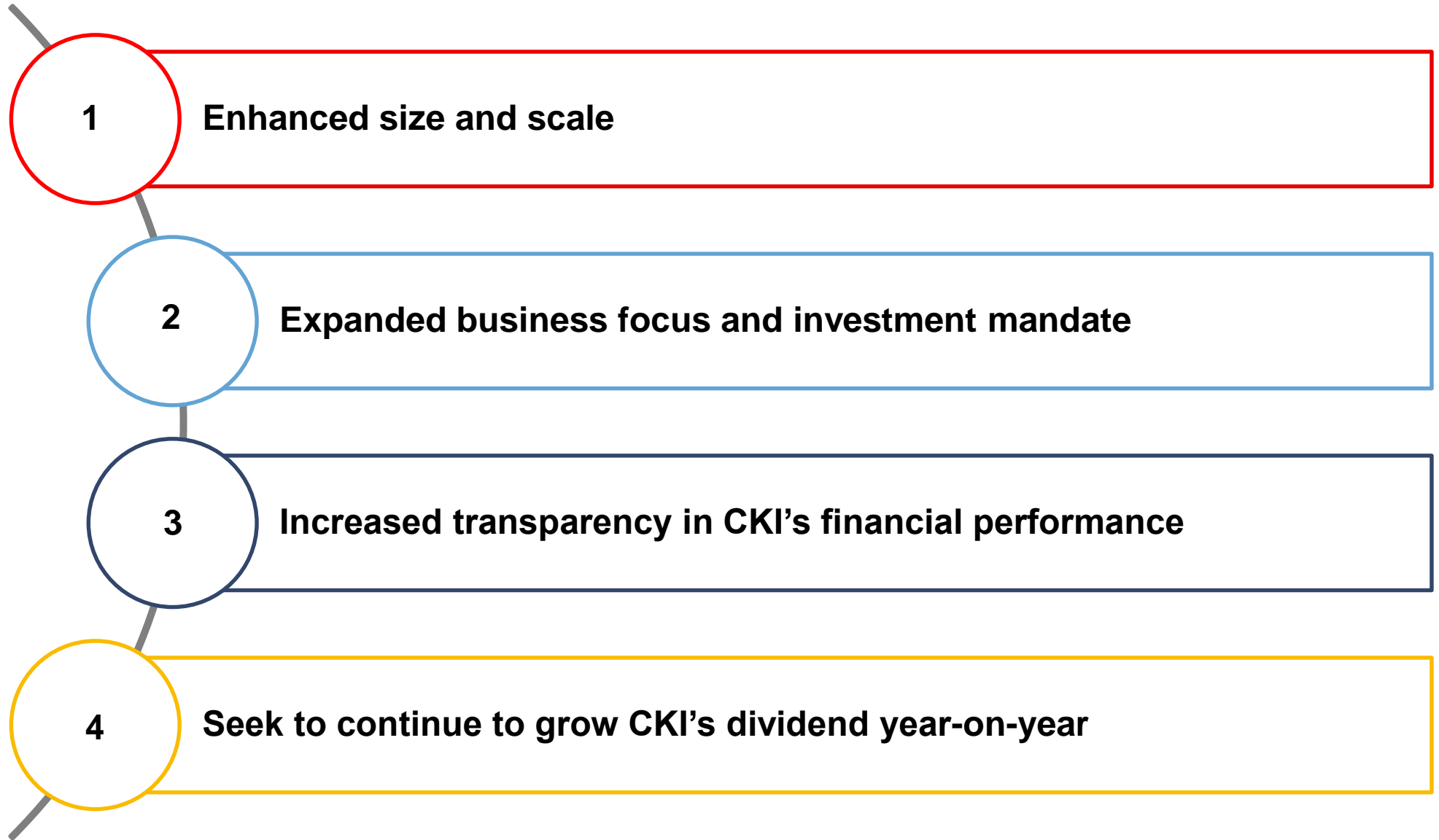
Mainland China

45.0%	Zhuhai Power
45.0%	Jinwan Power
45.0%	Siping Cogeneration
45.0%	Dali Wind Power
45.0%	Laoting Wind Power
33.5%	Shen-Shan Highway (Eastern Section)
30.0%	Shantou Bay Bridge
51.0%	Tangshan Tangle Road
44.2%	Changsha Wujialing and Wuyilu Bridges
50.0%	Jiangmen Chaolian Bridge
40.0%	Panyu Beidou Bridge

Thailand

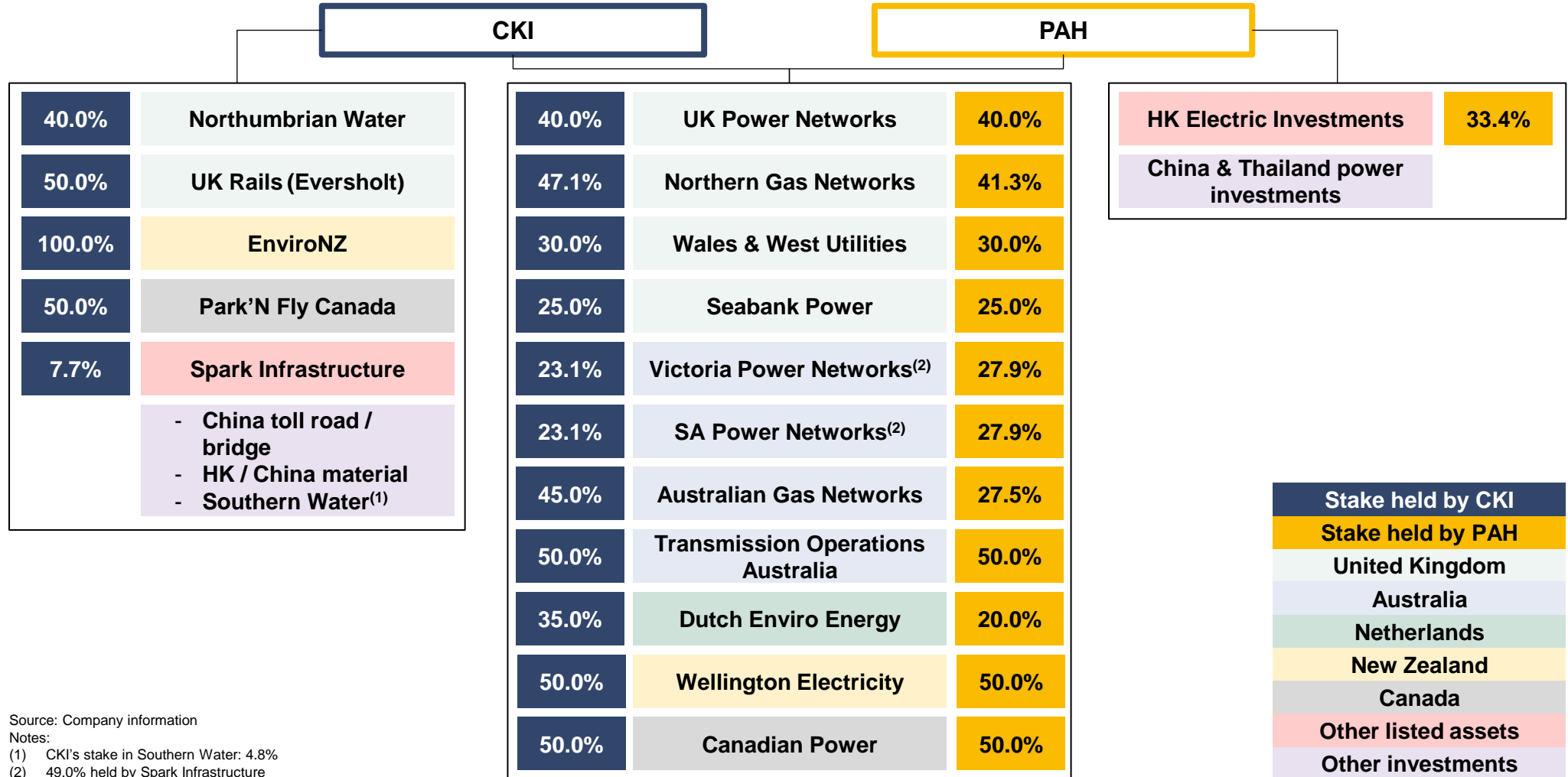
25.0%	Ratchaburi Power
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Both CKI and PAH's Shareholders can participate in the future growth of the enlarged CKI Group



1 Enhanced size and scale

- The Proposal will strengthen CKI's position as a world class, diversified infrastructure company
- The Proposal will establish a unified infrastructure platform with a clear investment mandate, which unites the investor base currently split between CKI and PAH
- The larger size and scale will better position CKI to 1) achieve diversification across different infrastructure sectors and geographies, and 2) compete for infrastructure projects given the capital intensive nature of the infrastructure industry



Source: Company information













Notes:

(1) CKI's stake in Southern Water: 4.8%

(2) 49.0% held by Spark Infrastructure

1 Enhanced size and scale (cont'd)

- Following completion of the Proposal, seven out of the 11 projects (indicated below) in which both CKI and PAH have ownership interests are expected to become consolidated in CKI's financial statements

	United Kingdom				Australia				Nether-lands	New Zealand	Canada	
												
	UK Power Networks	Northern Gas Networks	Wales & West Utilities	Seabank Power	Victoria Power Networks	SA Power Networks	Australian Gas Networks	Transmission Operations Australia	Dutch Enviro Energy	Wellington Electricity	Canadian Power	
Business description	One of the UK's largest electricity distributors	One of the eight major gas distribution networks in Great Britain	Gas distribution network that serves Wales and the South West of England	Electricity-generating business located in Bristol, UK	Owner and operator of two electricity distribution networks in Victoria, Australia	Primary electricity distribution business for the state of South Australia	One of the largest natural gas distribution networks in Australia	Renewable energy power transmission business in Victoria, Australia	Largest energy-from-waste company in the Netherlands	Electricity distribution business in Wellington, New Zealand	Power plant operator in Canada	
Total assets ⁽¹⁾⁽²⁾	GBP9.5bn ⁽³⁾	GBP1.6bn ⁽³⁾	GBP1.4bn ⁽³⁾	GBP210.6m ⁽³⁾	AUD7.6bn ⁽⁴⁾	AUD6.3bn ⁽⁴⁾	AUD5.0bn ⁽⁴⁾	AUD34.2m ⁽⁴⁾	EUR1.0bn ⁽⁵⁾	NZD895.2m ⁽⁴⁾	CAD784.2m ⁽⁵⁾	
Before transaction %												
CKI's direct stake	40.0%	47.1%	30.0%	25.0%	23.1%	23.1%	45.0%	50.0%	35.0%	50.0%	50.0%	
PAH's direct stake	40.0%	41.3%	30.0%	25.0%	27.9%	27.9%	27.5%	50.0%	20.0%	50.0%	50.0%	
CKI's effective stake ⁽⁶⁾	55.5%	63.1%	41.7%	34.7%	33.9%	33.9%	55.7%	69.4%	42.8%	69.4%	69.4%	
Post transaction %												
Enlarged CKI Group's stake ⁽⁷⁾⁽⁸⁾	80.0% ⁽⁹⁾	88.4% ⁽⁹⁾	60.0%	50.0%	51.0% ⁽⁹⁾	51.0% ⁽⁹⁾	72.5%	100.0% ⁽⁹⁾	55.0%	100.0% ⁽⁹⁾	100.0% ⁽⁹⁾	

Source: Company information

Notes:

- In local reporting currency
- The total asset value is calculated based on the latest audited financial statements of the project company
- Reported under UK GAAP accounts
- Reported under local standards, which are equivalent to IFRS
- Reported under IFRS
- CKI's effective stake = CKI's direct stake + CKI's indirect stake through its 38.87% stake in PAH
- Enlarged CKI Group's stake = CKI's direct stake + PAH's direct stake
- Please refer to page 17 for the accounting treatments of the projects in which both CKI and PAH have ownership interests
- Expected to be consolidated into the financial statements of CKI following the completion of the Proposal

1 Enhanced size and scale (cont'd)

- Both CKI and PAH have strong capital positions – the long term credit ratings for both CKI and PAH are “A-” from Standard & Poor’s
- CKI is expected to maintain its current rating, subject to the rating agency’s confirmation
- The stronger balance sheet and significant cash balance will enable CKI to better compete for infrastructure projects given the capital intensive nature of the infrastructure industry

<i>(HK\$ million)</i>	CKI	PAH
Selected financials (as of 30 June 2015)		
Total debt	17,866	9,938
Cash and bank deposits	7,753	67,796
Net debt / (net cash)	10,113	(57,858)
Total equity	107,414	121,472
Net total capital ⁽¹⁾	117,527	63,614
Total assets	130,563	134,555
Selected ratio		
Net debt / net total capital	8.6%	Not meaningful (Net cash position of 57,858)
LTM return on equity ⁽²⁾	10.7%	6.3%

Source: Company information

Notes:

(1) Net total capital is the sum of net debt/(net cash) and total equity

(2) LTM return on equity = Normalised net profit attributable to shareholders over the last twelve months ended 30 June 2015 (2015 1H net profit + FY 2014 net profit – 2014 1H net profit) / Equity attributable to shareholders as at 30 June 2015 (CKI: HK\$99,409m, PAH: HK\$121,472m); please refer to appendix for detailed calculations of the normalised net profit attributable to shareholders

2

Expanded business focus and investment mandate

- **PAH's business consists solely of investments in the power infrastructure sector. CKI focuses its business on the non-power infrastructure sector, while also having a number of co-investments with PAH in power projects**
- **Since 2010, CKI has been more active in pursuing acquisitions, as illustrated in the table below**

Major investments made by CKI and PAH since 2010












	Year of announcement	Project	Sector	CKI's interest	PAH's interest	Enterprise Value at acquisition
Power and power-related sector investments						
1	2010	Seabank Power	Power	25.0%	25.0%	GBP423.4m
2	2010	UK Power Networks	Power	40.0%	40.0%	GBP5.8bn
3	2012	Wales & West Utilities	Gas distribution networks	30.0%	30.0%	GBP2.0bn
4	2013	Dutch Enviro Energy	Waste treatment / energy-from-waste	35.0%	20.0%	EUR940.0m
5	2014	Australian Gas Networks (Envestra)	Gas distribution networks	45.0%	27.5%	AUD4.6bn
Non-power infrastructure sector investments						
1	2011	Northumbrian Water	Water and sewerage	40.0%	-	GBP4.8bn
2	2013	EnviroNZ	Waste management	100.0%	-	NZD501.5m
3	2014	Park'N Fly Canada	Car park facilities	50.0%	-	CAD381.0m
4	2015	UK Rails (Eversholt)	Rolling stock leasing	50.0%	-	GBP2.5bn

Source: Company information

3

Increased transparency in CKI's financial performance

- Following completion of the Proposal, seven of the 11 projects in which both CKI and PAH have ownership interests are expected to become consolidated into the financial statements of CKI
- Investors in CKI will be provided with greater transparency over the financial performance of CKI
- Each of these projects is operated on a day-to-day basis by the management teams of the respective projects. As a result, it is expected that the transaction will carry minimal integration risks
- The Proposal enables the consolidation of management expertise so that it can be efficiently deployed against the combined asset base

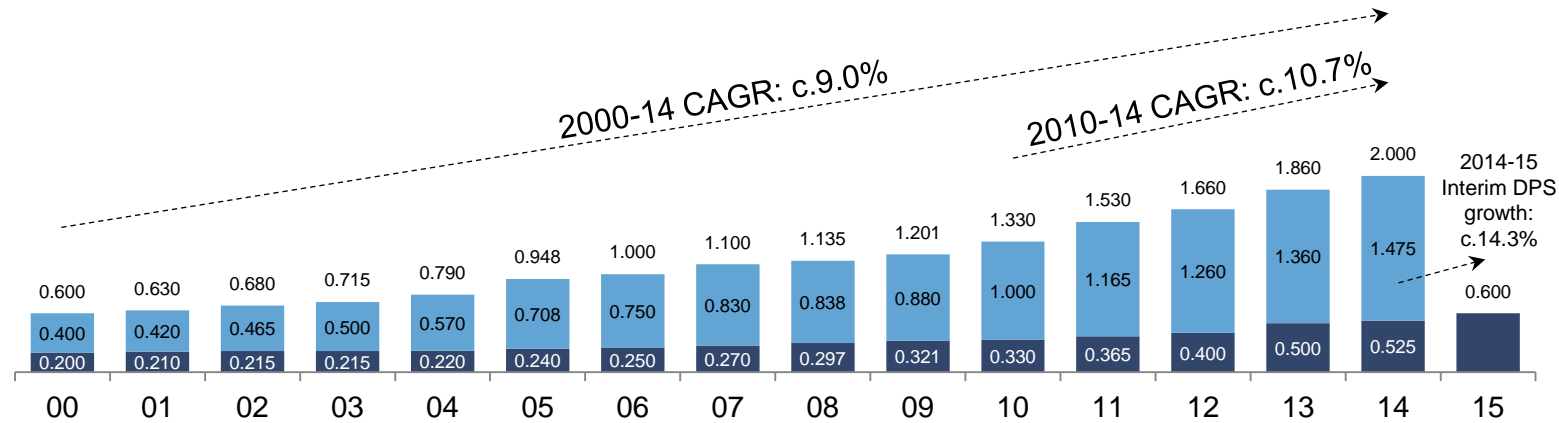
		Stake held by CKI	Stake held by PAH		Accounting treatment (Before / After)
United Kingdom	 UK Power Networks	40.0%	40.0%	80.0%	JV → Subsidiary
	 Northern Gas Networks	47.1%	41.3%	88.4%	JV → Subsidiary
	 Wales & West Utilities	30.0%	30.0%	60.0%	JV → JV
	 Seabank Power	25.0%	25.0%	50.0%	JV → JV
Australia	 Victoria Power Networks	23.1%	27.9%	51.0%	Associate → Subsidiary
	 SA Power Networks	23.1%	27.9%	51.0%	Associate → Subsidiary
	 Australian Gas Networks	45.0%	27.5%	72.5%	JV → JV
	 Transmission Operations Australia	50.0%	50.0%	100.0%	JV → Subsidiary
Netherlands	 AVR	35.0%	20.0%	55.0%	JV → JV
New Zealand	 Wellington Electricity	50.0%	50.0%	100.0%	JV → Subsidiary
Canada	 Canadian Power	50.0%	50.0%	100.0%	JV → Subsidiary

4

Seek to continue to grow CKI's dividend year-on-year

- CKI has a proven track record in dividend growth – historical DPS grew at c.9.0% and c.10.7% CAGR over 2000-14 and 2010-14 respectively

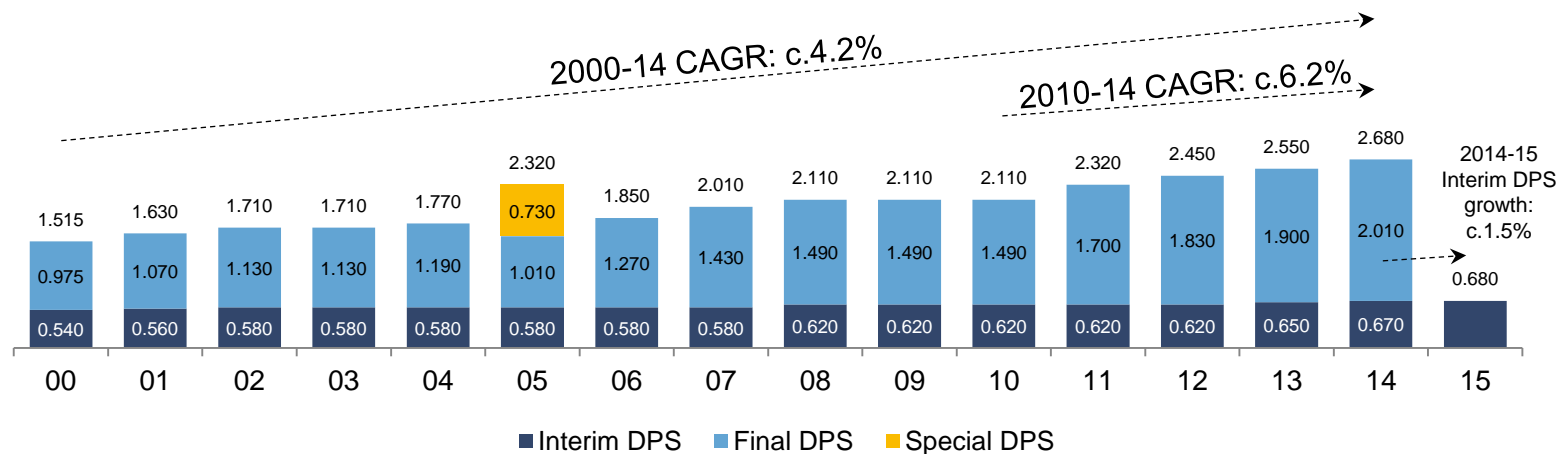
CKI's DPS (since 2000)



**Standard & Poor's
Long term credit rating**
A- ; Stable

**Bank balances and
deposits⁽¹⁾**
HK\$7,753m

PAH's DPS (since 2000)



**Standard & Poor's
Long term credit rating**
A- ; Stable

**Bank deposits and
cash⁽¹⁾**
HK\$67,796m

Source: Company information

Note:

(1) As of 30 June, 2015

Appendix

Proposed Board of CKI

- **Continuity of the current strong boards from CKI and PAH, with extensive experience in power and infrastructure sectors**

Executive CKI Directors

- Mr. Li Tzar Kuoi, Victor (*Chairman*)
- Mr. Kam Hing Lam (*Group Managing Director*)
- Mr. Fok Kin Ning, Canning (*Deputy Chairman*)
- Mr. Ip Tak Chuen, Edmond (*Deputy Chairman*)
- Mr. Andrew John Hunter (*Deputy Managing Director*)
- Mr. Chan Loi Shun (*Chief Financial Officer*)
- Mrs. Chow Woo Mo Fong, Susan
- Mr. Neil Douglas McGee
- Mr. Frank John Sixt
- Mr. Wan Chi Tin
- Mr. Tsai Chao Chung, Charles

Non-executive CKI Directors

- Mr. George Colin Magnus
- Mrs. Lee Pui Ling, Angelina

Independent Non-executive CKI Directors

- Mrs. Sng Sow-mei alias Poon Sow Mei
- Mr. Ralph Raymond Shea
- Mr. Cheong Ying Chew, Henry
- Mrs. Kwok Eva Lee
- Mr. Lan Hong Tsung, David
- Mr. Colin Stevens Russel
- Mr. Wong Chung Hin
- Mr. Barrie Cook
- Mr. Wu Ting Yuk, Anthony
- Mr. Ip Yuk-keung, Albert

Alternate CKI Directors

- Mr. Man Ka Keung, Simon (alternate to Mr. Ip Tak Chuen, Edmond)
- Ms. Eirene Yeung (alternate to Mr. Kam Hing Lam)

Calculations of key historical financial metrics

CKI

<i>(In HK\$ million, unless otherwise stated)</i>	1H 2015	FY 2014	1H 2014	LTM ⁽¹⁾	FY 2013	FY 2012	FY 2011	FY 2010	2010-13 CAGR	2010-14 CAGR
Profits attributable to shareholders	5,253	31,782	24,119		11,639	9,427	7,745	5,028		
(-) Gain on disposal of an associate	-	(12)	(12)		-	-	(145)	-		
(-) Gain on disposal of a joint venture	(34)	-	-		(111)	(2)	-	-		
(-) Gain on disposal of a subsidiary	-	(2,236)	-		-	-	(96)	-		
(-) One-off gain to CKI from PAH's spin-off of Hong Kong electricity business	-	(19,557)	(19,557)		-	-	-	-		
Normalised profits attributable to shareholders	5,219	9,977	4,550	10,646	11,528	9,425	7,504	5,028	31.9%	18.7%
Total dividend declared	1,512	4,997	1,281	5,228	4,538	4,050	3,578⁽²⁾	2,998		

PAH

<i>(In HK\$ million, unless otherwise stated)</i>	1H 2015	FY 2014	1H 2014	LTM ⁽¹⁾	FY 2013	FY 2012	FY 2011	FY 2010	2010-13 CAGR	2010-14 CAGR
Profits attributable to shareholders	3,237	61,005	56,544		11,165	9,729	9,075	7,194		
(-) Gain on disposal of a subsidiary	-	(52,928)	(52,928)		-	-	-	-		
Normalised profits attributable to shareholders	3,237	8,077	3,616	7,698	11,165	9,729	9,075	7,194	15.8%	2.9%
Total dividend declared	1,451	5,720	1,430	5,741	5,442	5,228	4,951	4,503		

Source: Company annual and interim reports, company announcement

Notes:

(1) LTM figures ended 30 June 2015 are calculated as follows: 2015 1H figures + FY 2014 figures – 2014 1H figures

(2) CKI's total dividend paid in 2011 was HK\$3,638m due to share placement announced on 15 March 2012 which increased the final dividend paid to HK\$2,784m

Disclaimer

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

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

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In particular, this presentation is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The CKI Shares, which will be issued in connection with the Proposal, if made, have not been, and will not be, registered under the U.S. Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the CKI Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The CKI Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act or an exemption from registration. It is expected that the CKI Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. CKI does not intend to make any public offering of securities in the United States.

Under applicable U.S. securities laws, PAH Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be "affiliates" of CKI or PAH prior to, or of CKI after, the Scheme Effective Date will be subject to certain transfer restrictions relating to the CKI Shares received in connection with the Scheme.

Notice to CKI Shareholders and PAH Shareholders in the United States: The Proposal relates to the shares of Hong Kong or Bermuda companies and is proposed to be made by a scheme of arrangement provided for under the laws of Hong Kong. The Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement, which differ from the disclosure and other requirements of the U.S. securities laws. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in Hong Kong that may not be comparable to the financial statements of U.S. companies.

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This presentation contains or incorporates by reference "forward-looking statements" regarding the belief or current expectations of CKI, the Offeror, PAH, and their respective boards of directors regarding the transaction described in this presentation. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of CKI, the Offeror and PAH and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties, include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which the CKI Group and the PAH Group operate, and other factors affecting the levels of the businesses of the CKI Group and the PAH Group, respectively, and the costs and availability of financing for the activities of the CKI Group and the PAH Group, respectively.

Any forward-looking statement contained in this presentation based on past or current trends and/or activities of the CKI Group or the PAH Group, respectively, should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of CKI or PAH for the current year or future years will necessarily match or exceed the historical or published earnings of CKI or PAH. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of CKI, the Offeror or PAH assumes any obligation to correct or update the forward-looking statements or opinions contained in this announcement.

Percentages in this presentation are approximations.