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

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CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(formerly known as “Cheung Kong Property Holdings Limited 長江實業地產有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE IN CONNECTION WITH THE PROPOSED ACQUISITION OF ALL OF THE SHARES AND PREFERRED EQUITY CERTIFICATES IN ISSUE OF THE TARGET AND THE PROPOSED ACQUISITION

Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

A letter from the Board is set out on pages 8 to 26 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of the Joint Venture Transaction is set out on pages 27 and 28 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Joint Venture Transaction is set out on pages 29 to 48 of this circular.

A notice convening the EGM to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 11 October 2017 at 11:30 a.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Thursday, 12 October 2017) is set out on pages 57 and 58 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM or any adjournment thereof in person, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish.

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

20 September 2017

CONTENTS

| | <i>Page</i> |
|---|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 8 |
| 1. Introduction | 8 |
| 2. Joint Venture Transaction | 9 |
| 3. Sale and Purchase Agreement | 16 |
| 4. Information on the Target Group | 19 |
| 5. Information on the Group | 20 |
| 6. Information on the CKI Group | 20 |
| 7. Reasons for, and Benefits of, the Joint Venture Transaction and the Acquisition | 21 |
| 8. Implications under the Listing Rules | 22 |
| 9. EGM and Voting | 23 |
| 10. Recommendations | 24 |
| 11. Further Information | 26 |
| LETTER FROM THE INDEPENDENT BOARD COMMITTEE | 27 |
| LETTER FROM THE INDEPENDENT FINANCIAL ADVISER | 29 |
| APPENDIX – GENERAL INFORMATION | 49 |
| NOTICE OF EXTRAORDINARY GENERAL MEETING | 57 |

DEFINITIONS

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

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| “Acquisition” | the proposed acquisition of all of the Target Shares and the Target PECs in issue from the Seller pursuant to the Sale and Purchase Agreement |
| “Announcement” | the joint announcement of the Company, CKHH and CKI dated 27 July 2017 in relation to the Joint Venture Transaction and the Acquisition |
| “associate” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “CKHH” | CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1) |
| “CKI” | CK Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038) |
| “CKI Group” | CKI and its subsidiaries |
| “CKI Independent Shareholders’ Approval” | the approval of the shareholders of CKI (excluding any shareholders of CKI with a material interest in the Joint Venture Transaction) as required under the Listing Rules for authorising the Joint Venture Transaction by the CKI Group |
| “Closing” | completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement |
| “Company” | CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113) |
| “connected person” | has the meaning ascribed to such term in the Listing Rules |
| “Consortium Members” | the Company and CKI, and “Consortium Member” shall be construed accordingly |

DEFINITIONS

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| “Consortium Midcos” | Midco 1, Midco 2, Midco 3 and Midco 5, and “Consortium Midco” shall be construed accordingly |
| “Director(s)” | the director(s) of the Company |
| “Drop Dead Date” | the date falling seven months after the date of the Sale and Purchase Agreement |
| “DT1” | The Li Ka-Shing Unity Discretionary Trust, of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is TDT1 |
| “DT2” | a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is TDT2 |
| “DT3” | a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is TDT3 |
| “DT4” | a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard are discretionary beneficiaries, and the trustee of which is TDT4 |
| “EGM” | the extraordinary general meeting of the Company to be held on Wednesday, 11 October 2017 at 11:30 a.m. at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving, the Joint Venture Transaction |
| “Equity Commitment Letter” | the equity commitment letter dated 27 July 2017 which was entered into among the Company, the Seller and the Purchaser with respect to the commitments to be provided by the Company |
| “EUR” | Euro, the lawful currency of the European Union |

DEFINITIONS

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| “Existing Financing Arrangements” | certain outstanding financing arrangements in relation to the Target Group to which the Target and/or a member of the Target Group is a party, including the facilities under the Senior Facilities Agreements and the Notes, as defined under the Sale and Purchase Agreement |
| “Facilities Repayment Amount” | the sum of (a) all amounts outstanding under the Existing Financing Arrangements; and (b) any amounts of cash cover required to be provided for any guarantees or letters of credit issued under the Existing Financing Arrangements upon a prepayment resulting from the transactions contemplated under the Sale and Purchase Agreement (including any interests, commitment fees, break or make whole costs or fees, and other fees and costs accruing thereon) as at the Scheduled Closing Date. For the avoidance of doubt, such Facilities Repayment Amount excludes the principal amount and any interests, commitment fees, break or make whole costs or fees, and other fees and costs accruing under the Notes |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | the independent board committee of the Board established to advise the Independent Shareholders on the Joint Venture Transaction, comprising Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being independent non-executive Directors |
| “Independent Financial Adviser” or “Anglo Chinese” | Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, and which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Joint Venture Transaction |
| “Independent Shareholders” | Shareholders other than those who have a material interest in the Joint Venture Transaction |

DEFINITIONS

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| “Independent Shareholders’ Approval” | the approval of the Independent Shareholders as required under the Listing Rules for authorising the Joint Venture Transaction by the Group |
| “Joint Venture Formation Agreement” | the joint venture formation agreement dated 27 July 2017 which was entered into among the Company, CKI and Midco 5 with respect to the direct or indirect participation of the Consortium Members in JV Co and governing the funding and operation of JV Co and the Purchaser |
| “Joint Venture Transaction” | the transactions contemplated under the Joint Venture Formation Agreement and the Shareholders’ Agreement |
| “JV Co” | Sarvana S.à r.l., a direct holding company of the Purchaser and a company incorporated under the laws of Luxembourg with limited liability |
| “JV Co Board” | the board of managers of JV Co |
| “JV Co Director(s)” | manager(s) of JV Co |
| “Latest Practicable Date” | 15 September 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time) |
| “Longstop Date” | the date falling eight months from the date of the Joint Venture Formation Agreement or such later date as the parties may agree pursuant to the Joint Venture Formation Agreement |
| “Main Board” | the Main Board of the Stock Exchange |
| “Maximum Financial Commitment” | in relation to a Consortium Member and its subsidiaries, the maximum financial commitment of such Consortium Member and its subsidiaries under the Joint Venture Transaction, as more particularly described under the section headed “2. Joint Venture Transaction – 2.1.3 Maximum Financial Commitment” in the “Letter from the Board” in this circular |

DEFINITIONS

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| “Midco 1” | Splendour Success Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company and will indirectly hold 65% of the equity interest in JV Co before the closing of the Joint Venture Transaction |
| “Midco 2” | Admiral King Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company and will directly hold 65% of the equity interest in JV Co before the closing of the Joint Venture Transaction |
| “Midco 3” | Swift Returns Global Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company and will directly hold 35% of the equity interest in JV Co before the closing of the Joint Venture Transaction |
| “Midco 4” | European Household Infrastructure Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of CKI |
| “Midco 5” | Sky Master Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company and will indirectly hold 35% of the equity interest in JV Co before the closing of the Joint Venture Transaction |
| “Notes” | collectively, the 5% senior secured notes due 2020 in an aggregate principal amount of EUR350 million (equivalent to approximately HK\$3,220 million) issued by Trionista HoldCo, and the 6.875% senior subordinated notes due 2021 in an aggregate principal amount of EUR525 million (equivalent to approximately HK\$4,830 million) issued by Trionista TopCo |
| “percentage ratios” | has the meaning ascribed to such term in Chapter 14 of the Listing Rules |
| “Purchaser” | Lamarillo S.à r.l., a direct wholly-owned subsidiary of JV Co and a company incorporated under the laws of Luxembourg with limited liability |

DEFINITIONS

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| “Respective Proportion(s)” | means: (a) in relation to the Company, 65%; and (b) in relation to CKI, 35% |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 27 July 2017 which was entered into between the Seller and the Purchaser with respect to the Acquisition |
| “Scheduled Closing Date” | the later of (i) the first business day after the lapse of a period of 30 calendar days after the issuance of redemption notice by the issuers of both series of the Notes in accordance with the Sale and Purchase Agreement, and (ii) the tenth business day after the day on which the last of the conditions precedent to the Sale and Purchase Agreement have been satisfied or waived (or such other date as agreed in writing by the Seller and the Purchaser) |
| “Senior Facilities Agreements” | certain existing commercial banking facilities agreements entered into by the Target and certain members of the Target Group as borrowers and/or guarantors |
| “Seller” | Trius Holdings S.C.A., a <i>société en commandite par actions</i> organised under the laws of Luxembourg |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time) |
| “Shareholder(s)” | the holder(s) of Shares |
| “Shareholders’ Agreement” | the shareholders’ agreement to be entered into between the Consortium Members, JV Co, Midco 2 and Midco 3 to govern the parties’ ongoing investment in the Target Group through JV Co |
| “Shares” | ordinary shares in the capital of the Company with a nominal value of HK\$1.00 each |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target” | ista Luxemburg GmbH, a <i>société à responsabilité limitée</i> organised under the laws of Luxembourg |
| “Target Group” | the Target and its subsidiaries |

DEFINITIONS

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| “Target PECs” | means 55,000,000,000 preferred equity certificates with a par value of EUR0.01 each in an aggregated principal amount of EUR550,000,000 issued by the Target |
| “Target Shares” | means the 100,000,000 shares with a nominal value of EUR0.01 each of the share capital in the aggregate amount of EUR1,000,000 of the Target |
| “TDT1” | Li Ka-Shing Unity Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT1 |
| “TDT2” | Li Ka-Shing Unity Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT2 |
| “TDT3” | Li Ka-Shing Castle Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT3 |
| “TDT4” | Li Ka-Shing Castle Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT4 |
| “Total Purchase Price” | means the total purchase price payable to the Seller in accordance with the terms and conditions of the Sale and Purchase Agreement |
| “Trionista Holdco” | Trionista HoldCo GmbH, a wholly-owned subsidiary of the Target Group and an issuer of one series of the Notes |
| “Trionista TopCo” | Trionista TopCo GmbH, a wholly-owned subsidiary of the Target Group and an issuer of one series of the Notes |
| “Trust” | DT1, DT2, DT3, DT4, UT1 and UT3, and where the context requires, any of them |
| “UT1” | The Li Ka-Shing Unity Trust |
| “UT3” | The Li Ka-Shing Castle Trust |
| “%” | per cent |

Note: The figures in “EUR” are converted into HK\$ at a rate of EUR1.00 : HK\$9.20 (being the exchange rate used in the Announcement) throughout this circular for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

LETTER FROM THE BOARD



CK ASSET HOLDINGS LIMITED 長江實業集團有限公司

(formerly known as “Cheung Kong Property Holdings Limited 長江實業地產有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

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

Board of Directors

Executive Directors

LI Ka-shing *Chairman*

LI Tzar Kuoi, Victor *Managing Director and Deputy Chairman*

KAM Hing Lam *Deputy Managing Director*

IP Tak Chuen, Edmond *Deputy Managing Director*

CHUNG Sun Keung, Davy

CHIU Kwok Hung, Justin

CHOW Wai Kam

PAU Yee Wan, Ezra

WOO Chia Ching, Grace

Independent Non-executive Directors

CHEONG Ying Chew, Henry

CHOW Nin Mow, Albert

HUNG Siu-lin, Katherine

YEH Yuan Chang, Anthony

Colin Stevens RUSSEL

Donald Jeffrey ROBERTS

Company Secretary

Eirene YEUNG

20 September 2017

Dear Shareholder(s),

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE IN CONNECTION WITH THE PROPOSED ACQUISITION OF ALL OF THE SHARES AND PREFERRED EQUITY CERTIFICATES IN ISSUE OF THE TARGET AND THE PROPOSED ACQUISITION

1. INTRODUCTION

Reference is made to the Announcement of the Company, CKHH and CKI on 27 July 2017 in relation to the Joint Venture Transaction and the Acquisition. As disclosed in the Announcement, on 27 July 2017, the Company, CKI and Midco 5 entered into the Joint Venture Formation Agreement, pursuant to which, the Consortium Members will, among other things, indirectly own the shares in JV Co and partly fund the Acquisition according to the Respective Proportions and enter into the Shareholders’ Agreement.

In addition, in connection with the Acquisition, the Seller and the Purchaser have entered into the Sale and Purchase Agreement on 27 July 2017.

LETTER FROM THE BOARD

The Independent Shareholders' Approval (as to the Company's participation in the Joint Venture Transaction with CKI) and the CKI Independent Shareholders' Approval (as to CKI's participation in the Joint Venture Transaction with the Company), and all closing conditions under the Sale and Purchase Agreement (as described in paragraph 3.5 under the section headed "*3. Sale and Purchase Agreement*" below) being satisfied or waived in accordance with the terms of that agreement are pre-conditions to the closing of the Joint Venture Transaction.

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

2. JOINT VENTURE TRANSACTION

2.1 The Joint Venture Formation Agreement

On 27 July 2017, the Company, CKI and Midco 5 entered into the Joint Venture Formation Agreement in relation to the participation of the Consortium Members in JV Co and governing the funding and operation of JV Co and the Purchaser.

As at the Latest Practicable Date, each Consortium Midco is wholly owned by the Company, and each of JV Co and the Purchaser is indirectly wholly owned by the Company.

The principal terms of the Joint Venture Formation Agreement and the arrangements relating to the transactions under it are as follows:

2.1.1 Closing conditions

Closing of the Joint Venture Transaction is subject to the following conditions being satisfied or waived:

- (a) all closing conditions under the Sale and Purchase Agreement (as described in paragraph 3.5 under the section headed "*3. Sale and Purchase Agreement*" below) being satisfied or waived in accordance with the terms of that agreement; and
- (b) obtaining of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval at the respective shareholders' meetings of the Company and CKI.

LETTER FROM THE BOARD

2.1.2 Participation of the Consortium Members

Between the date of the Joint Venture Formation Agreement and the closing of the Joint Venture Transaction, Midco 2 will hold 65% equity interest and Midco 3 will hold 35% equity interest in JV Co.

(a) If the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are sought on or prior to the Scheduled Closing Date

It is currently expected that the respective meetings of the shareholders of each of the Company and CKI for obtaining the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval will be held in advance of the Scheduled Closing Date.

If, on or prior to the Scheduled Closing Date, both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are obtained, Midco 4 (which is directly wholly owned by CKI) will purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested in 35% of JV Co. After the completion of such purchase, in preparation for completion of the Acquisition, each of Midco 2 and Midco 3 (which will be indirectly wholly owned by the Company and CKI, respectively) will contribute its Respective Proportion of funding to JV Co, by subscribing for additional shares in, and/or providing shareholder loans to, JV Co and/or the Purchaser.

(b) If the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are sought after the Scheduled Closing Date

If the shareholders' meeting of either of the Company or CKI for considering the Joint Venture Transaction is not held on or prior to the Scheduled Closing Date, the Acquisition will proceed with the Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

If both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are not obtained in time and closing of the Joint Venture Transaction has not taken place on or prior to the Scheduled Closing Date, Midco 4 will, after both such approvals have been obtained and the first business day after the completion of the Acquisition (whichever is later), purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested as to 35% in JV Co (and, through JV Co, the Purchaser).

LETTER FROM THE BOARD

Upon obtaining the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval and the purchase of the entire issued share capital of Midco 3 by Midco 4 in accordance with the above:

- (i) JV Co will be indirectly held by the Consortium Members through Midco 2 and Midco 3 in the Respective Proportions; and
- (ii) the Consortium Members, Midco 2, Midco 3 and JV Co will enter into the Shareholders' Agreement, the principal terms of which are summarised under the section headed "2. *Joint Venture Transaction* – 2.2 *The Shareholders' Agreement*" below.

2.1.3 Maximum Financial Commitment

If both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are obtained, the Target will upon closing of the Joint Venture Transaction and the Acquisition be indirectly held by the Company and CKI as to 65% and 35%, respectively, and the Maximum Financial Commitment of the Company and CKI will be EUR2,925 million (equivalent to approximately HK\$26,910 million) for the Company and EUR1,575 million (equivalent to approximately HK\$14,490 million) for CKI, respectively. The aggregate Maximum Financial Commitment of the Company and CKI in the sum of EUR4,500 million (equivalent to approximately HK\$41,400 million) (the "**Total JV Commitment**") is determined with reference to the funding required for the Acquisition.

Each of the Company and CKI intends to finance its relevant portion of the Maximum Financial Commitment from its internal resources and/or external borrowings.

If either or both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are not obtained, the Joint Venture Transaction will not proceed. However, the obligations of the Purchaser under the Sale and Purchase Agreement will remain unaffected and the Acquisition will proceed if the conditions precedent for the Acquisition have been fulfilled, with the Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

If all the conditions for the Joint Venture Transaction (as set out in paragraph 2.1.1 above) are satisfied or waived (as the case may be), CKI shall indemnify and hold harmless the Company for any obligations and liabilities under the Equity Commitment Letter pro rata to its Respective Proportion, provided that CKI's aggregate liability shall in no event exceed the Maximum Financial Commitment of CKI. If any of the conditions for the Joint Venture Transaction is not satisfied or waived (as the case may be),

LETTER FROM THE BOARD

CKI's indemnity to the Company for any obligations and liabilities under the Equity Commitment Letter shall be limited to EUR105 million (equivalent to approximately HK\$966 million).

Further, any costs reasonably incurred by the Group or the CKI Group in connection with the Acquisition are to be borne by JV Co. However, (i) to the extent any such costs are borne by the parties (or any of their subsidiaries other than JV Co or the Purchaser) and it is not feasible to charge such costs to JV Co or the Purchaser or (ii) if the Acquisition is not completed, any such costs shall be shared by the Company and CKI in their Respective Proportions.

2.1.4 Termination

The Joint Venture Formation Agreement can be terminated by each of the Company and CKI if, among other things:

- (a) the conditions for the Joint Venture Transaction (as set out in paragraph 2.1.1) are not satisfied or waived (as the case may be) on or before the Longstop Date; or
- (b) the Sale and Purchase Agreement is terminated in accordance with its terms.

If both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are obtained and the conditions for the Joint Venture Transaction are satisfied, completion of the Joint Venture Transaction will take place and JV Co will be accounted for as a joint venture in the respective consolidated financial statements of the Company and CKI.

2.2 The Shareholders' Agreement

Pursuant to the Joint Venture Formation Agreement and upon completion of the Joint Venture Transaction, the Consortium Members, JV Co, Midco 2 and Midco 3 will enter into the Shareholders' Agreement, under which the parties will agree on the rights and obligations in respect of their ongoing investment in the Target Group through JV Co.

The principal terms of the Shareholders' Agreement are as follows:

2.2.1 Board role and composition

The business of JV Co shall be managed by the JV Co Board, who may exercise all the powers of JV Co subject to the terms and provisions of the Shareholders' Agreement, the articles of association or applicable laws.

LETTER FROM THE BOARD

Each Consortium Member shall have the right to nominate one JV Co Director for appointment on the JV Co Board in respect of each complete ten per cent (10%) of the shares in JV Co it owns (either directly or through its subsidiaries). The Company shall be entitled to nominate one of its nominated JV Co Directors to be the chairman of the JV Co Board.

2.2.2 Quorum

The quorum for the transaction of business at any meeting of the JV Co Board shall be at least one JV Co Director appointed by each Consortium Member (unless a Consortium Member waives the quorum requirement to the extent that it relates to its appointed JV Co Director(s)), provided that if a quorum is not present (or ceases to be present) at a JV Co Board meeting, the meeting shall be adjourned. The quorum at the adjourned meeting shall be any two JV Co Directors present.

2.2.3 Board voting

Except for reserved matters, all resolutions of the JV Co Board are made by simple majority of the JV Co Directors present and entitled to vote on the resolution.

A small number of matters of the JV Co Board require a special majority, being a resolution which is approved by the JV Co Board by affirmative votes of more than 85% of the votes of the JV Co Directors at a meeting of the JV Co Board, including:

- (a) any change to the dividend and distribution policy of JV Co that would result in the distribution of less than 50% of the free cash flows of JV Co and its subsidiaries;
- (b) any purchase by JV Co of its own shares;
- (c) the acquisition of any assets or business which are not related to the operation of the business of JV Co and its subsidiaries where the assets or business to be acquired have a value in excess of 2% of the Total JV Commitment or the disposal of any assets or part of the business of JV Co and its subsidiaries which is likely to prejudice the operation of such business;
- (d) entering into any contract, whether for the provision of services or for the acquisition or disposal of any assets or otherwise, involving payments by or to JV Co or any its subsidiaries or the assumption by JV Co or any its subsidiaries of liabilities in excess of 2% of the Total JV Commitment in aggregate;

LETTER FROM THE BOARD

- (e) JV Co or any its subsidiaries borrowing money in excess of 2% of the Total JV Commitment per annum in aggregate (acknowledging that any such borrowing may only be made to the extent permitted by banking covenants and required for the ordinary course of the business of JV Co and any of its subsidiaries);
- (f) the creation of any material mortgage, charge, lien or encumbrance on any assets; and
- (g) the settlement or compromise of any legal dispute or proceedings involving the payment or receipt of 2% of the Total JV Commitment or more in aggregate in any one year.

2.2.4 Shareholder Reserved Matters

Each of the Consortium Members shall exercise its rights and powers (whether held directly or indirectly through its subsidiaries) in respect of JV Co, the Purchaser and each member of the Target Group (and procure that each of the JV Co Directors which it nominates to the JV Co Board and to the boards of the Purchaser and each member of the Target Group, shall exercise his rights and powers) so as to procure that neither JV Co, the Purchaser, nor any member of the Target Group shall, subject to the applicable laws, transact any of the business set out below without the prior written approval of the Consortium Members controlling (directly or indirectly through its subsidiaries) more than 85% of the votes able to be cast at a meeting of the shareholders of JV Co called to consider the matter, namely:

- (a) the amendment of the articles and other constitutional documents of JV Co;
- (b) the creation or issue of any shares to any person (other than a subsidiary of JV Co) or the grant of any option over any shares, unless otherwise permitted by the Shareholders' Agreement;
- (c) the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve or the redemption of any shares of JV Co or any other reorganisation of its share capital;
- (d) the making of any petition or passing of any resolution for winding-up or liquidation or the making of an application for an administration order;
- (e) the approval of the annual business plan and/or annual budget of JV Co and of its subsidiaries or any amendments thereto from time to time;
- (f) the approval of any financing arrangement or plan to change the gearing ratio of JV Co and its subsidiaries, which could reasonably result in the lowering of their credit rating;

LETTER FROM THE BOARD

- (g) the approval of the appointment of the chief executive officer and the chief financial officer of JV Co and its subsidiaries;
- (h) the amendment of the dividend and distribution policy that would result in the distribution of less than 50% of the free cash flows of JV Co and its subsidiaries, or the declaration of a dividend that distributes less than 50% of the free cash flows of JV Co and its subsidiaries; and
- (i) the expansion of or change in the nature of the business of JV Co and its subsidiaries to any new business or new jurisdiction in which the business is to be carried on by JV Co and its subsidiaries (but only if such business involves investment by JV Co and its subsidiaries exceeding the value of 2% of the Total JV Commitment).

2.2.5 Pre-emption rights

Unless a Consortium Member is transferring some or all of its equity interest in JV Co held by it or its direct or indirect subsidiaries to a member of its group as permitted under the Shareholders' Agreement (the "**Sale Shares**"), a Consortium Member must first offer these Sale Shares to the other shareholder of JV Co on a pro rata basis. If the Sale Shares are not fully taken up by the aforesaid shareholder of JV Co, the selling Consortium Member will be entitled to sell all of (and not some of) the unsold Sale Shares within three months of completion of the pre-emption process.

2.2.6 Dealings with and transfer of shares of JV Co

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

- (a) mortgage, pledge or otherwise encumber its interest in the whole or any of its equity interest or shares in JV Co;
- (b) sell, transfer or otherwise dispose of all or any of its shares of JV Co or any interest therein or assign or otherwise purport to deal therewith or with any interest therein;
- (c) enter into any agreement with respect to the voting rights attached to all or any of its shares in JV Co; or
- (d) agree, whether conditionally or otherwise, to do any of the foregoing.

LETTER FROM THE BOARD

3. SALE AND PURCHASE AGREEMENT

On 27 July 2017, the Seller and the Purchaser entered into the Sale and Purchase Agreement in connection with the Acquisition. The Acquisition is not conditional on the completion of the Joint Venture Transaction but is conditional upon the fulfilment of certain conditions as set out in paragraph 3.5 below.

The principal terms of the Sale and Purchase Agreement are as follows:

3.1 *Date*

27 July 2017

3.2 *Parties*

- (a) the Seller; and
- (b) the Purchaser.

3.3 *Assets to be acquired*

Pursuant to the Sale and Purchase Agreement, the Seller has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Target Shares, and (ii) the Target PECs.

3.4 *Payment by the Purchaser*

On the Scheduled Closing Date, the Purchaser shall pay:

- (a) to the Seller the Total Purchase Price for the sale and purchase of the Target Shares and the Target PECs of (aa) a base purchase price of approximately EUR3,709 million (equivalent to approximately HK\$34,122.8 million) and (bb) certain adjustment sums reflecting aggregate amount of daily cash amounts and deductions of the upstream loans drawn by the Seller (including accrued and capitalised interest thereon) and the leakage amounts notified by the Seller to the Purchaser in writing no later than five business days prior to the Scheduled Closing Date; and
- (b) to the relevant members of the Target Group the Facilities Repayment Amount.

The Total Purchase Price was determined based on arm's length negotiations between the Seller and the Purchaser after taking into account the valuation of the Target.

LETTER FROM THE BOARD

3.5 *Conditions Precedent*

Closing of the Acquisition is conditional upon satisfaction of the following conditions:

- (a) the merger control approvals or clearances required under the European (and/or in case of a full or partial referral, German) and Russian merger control laws having been obtained or are deemed, by applicable laws, having been obtained (the “**Antitrust Clearance**”); and
- (b) the German Federal Ministry of Economics and Energy (aa) having issued a clearance certificate pursuant to Section 58(1) Sentence 1 of Foreign Trade Regulation (AWV) in relation to the acquisition of the Target Shares pursuant to the Sale and Purchase Agreement (the “**Clearance Certificate**”); or (bb) within two months after receipt of a due application for the Clearance Certificate, not having issued the Clearance Certificate nor initiated a formal investigation pursuant to Section 55(1) of Foreign Trade Regulation (AWV) in relation to the acquisition of the Target Shares pursuant to the Sale and Purchase Agreement; or (cc) in the event of the aforesaid formal investigation, having failed to prohibit the acquisition of the Target Shares by the Purchaser pursuant to the Sale and Purchase Agreement within the four months’ period specified in Section 59(1) of Foreign Trade Regulation (AWV) (the “**AWV Clearance**”, together with Antitrust Clearance, the “**Clearances**”).

The above conditions precedent (except the Antitrust Clearance condition in relation to Russia) can only be waived jointly by the Seller and the Purchaser, and the Antitrust Clearance condition in relation to Russia can be waived by either party after satisfaction of all other conditions precedent to the Sale and Purchase Agreement. In the event of such waiver of the Antitrust Clearance condition in relation to Russia, the Russian business of the Target Group will be carved out and held separately from the Target Group until such clearance has been obtained.

As of the Latest Practicable Date, the Antitrust Clearance required under the Russian merger control laws has been obtained.

In the event that the conditions precedent to the Sale and Purchase Agreement are not satisfied or waived by the Drop Dead Date, the Seller or the Purchaser (if the Seller is entitled to withdraw from the Sale and Purchase Agreement and does not declare its withdrawal within 20 business days after receipt of a written withdrawal request from the Purchaser) shall be entitled to withdraw from the Sale and Purchase Agreement. In the event of a withdrawal of either party, the parties shall cease to have any obligations provided that the obligation of the Purchaser to pay the Break Fee (as mentioned in paragraph 3.7 below) and the obligation of a party to pay further damages for breach of the Sale and Purchase Agreement prior to the date of withdrawal, if any, shall in each case survive.

LETTER FROM THE BOARD

3.6 Equity commitment letter and impact of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval

On the same date on which the Sale and Purchase Agreement is executed, the Company provided an equity commitment in respect of the Purchaser under the Sale and Purchase Agreement (including the payment of the Total Purchase Price).

The Purchaser also intends to make use of external banking facilities made available to the Purchaser to refinance all or part of the Existing Financing Arrangements.

Pursuant to the Equity Commitment Letter, the Company irrevocably commits to the Seller that the equity commitment in the amount of up to EUR4,430 million (equivalent to approximately HK\$40,756 million) shall be provided to the Purchaser in cash in immediately available funds no later than on the Scheduled Closing Date.

In addition, pursuant to the Equity Commitment Letter, if (i) the conditions precedent to the Sale and Purchase Agreement are not fulfilled on or prior to the Drop Dead Date or (ii) the Purchaser has failed to perform the Closing events as set out in the Sale and Purchase Agreement (including, without limitation, payment of the Total Purchase Price) on the Scheduled Closing Date (the “**SPA Breaches**”), the Company commits:

- (a) to provide to the Purchaser or otherwise cause the Purchaser to receive within five business days upon written request of the Seller in cash in immediately available funds an amount equal to the damages that are, in respect of any SPA Breaches by the Purchaser, (aa) judicially determined by the relevant court or arbitral tribunal in favor of the Seller or (bb) agreed upon between the Purchaser and the Seller in writing;
- (b) to provide to the Purchaser or otherwise cause the Purchaser to receive within five business days upon written request of the Seller in immediately available funds an amount equal to the Break Fee (as defined below), provided that the Seller has terminated the Sale and Purchase Agreement and the Purchaser is obliged to pay the Break Fee pursuant to the Sale and Purchase Agreement; and
- (c) to procure that any funds provided under sub-paragraphs (a) and/or (b) above are not directly or indirectly extracted, withdrawn from, redeemed or repaid by, or on behalf of, the Purchaser before any portion thereof is utilised to fulfil the Purchaser's obligation to pay such damages or the Break Fee (as the case may be) to the Seller in accordance with the Sale and Purchase Agreement.

For the avoidance of doubt, the equity commitment obligation of the Company under the Equity Commitment Letter is not subject to the obtaining of the Independent Shareholders' Approval.

LETTER FROM THE BOARD

3.7 Break fees

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to pay to the Seller a break fee of EUR200 million (equivalent to approximately HK\$1,840 million) (the “**Break Fee**”) if either the Seller or the Purchaser has withdrawn from the Sale and Purchase Agreement because:

- (a) any of the Clearances has not been obtained or waived prior to or on the Drop Dead Date; or
- (b) the Purchaser has not fulfilled any of the Closing events as specified in the Sale and Purchase Agreement, provided that the Seller is at the same time not in breach of fulfilling its obligations under the Sale and Purchase Agreement and the Purchaser’s breach has not been remedied by the Purchaser within three business days.

Such Break Fee shall not prejudice the Seller from claiming the Purchaser any further damages of any kind incurred as a result of the Purchaser’s breach of the terms and conditions of the Sale and Purchase Agreement.

4. INFORMATION ON THE TARGET GROUP

The Target is one of the world’s leading fully integrated energy management services providers with strong market positions in Europe (including Germany, Denmark, the Netherlands, France, Italy and Spain). The Target Group generates value across all stages of the sub-metering value chain from hardware development, manufacturing, installation and maintenance to meter reading, data collection and processing, billing, energy data management and customer and after-sales services. The Target Group has made substantial investment in creating its sub-metering platform, enabling its further efficiency gains through standardisation, digitalisation, automation and centralisation and expansion into accelerating growth countries and new higher value-added services in a cost-efficient manner.

According to the audited consolidated financial statements of the Target Group for the financial years ended 31 December 2015 and 2016 and unaudited consolidated financial statements of the Target Group for the six months ended 30 June 2017 prepared in accordance with the International Financial Reporting Standards (IFRS), the audited consolidated profit/loss before and after taxation of the Target Group for the financial years ended 31 December 2015 and 2016 and the unaudited consolidated profit before and after taxation of the Target Group for the six months ended 30 June 2017 are set out below:

LETTER FROM THE BOARD

| | Year ended 31 December | | Six months ended |
|---------------------------------------|--|--|--|
| | 2015 | 2016 | 30 June 2017 |
| Profit before taxation | EUR4.94 million (equivalent to approximately HK\$45.45 million) | EUR20.33 million (equivalent to approximately HK\$187.04 million) | EUR44.08 million (equivalent to approximately HK\$405.54 million) |
| Profit / (Loss) after taxation | EUR(18.98 million) (equivalent to approximately HK\$(174.62 million)) | EUR(4.24 million) (equivalent to approximately HK\$(39.01 million)) | EUR23.72 million (equivalent to approximately HK\$218.22 million) |

Note: The losses after taxation of the Target Group for the financial years ended 31 December 2015 and 2016 were impacted by the high interest expenses of EUR163.02 million (equivalent to approximately HK\$1,499.78 million) in 2015 and EUR165.60 million (equivalent to approximately HK\$1,523.52 million) in 2016, respectively arising from external debts and shareholders' loans. A restructuring of the capital structure of the Target Group is expected to take place upon Closing.

According to the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2016 and the unaudited consolidated financial statements of the Target Group for the six months ended 30 June 2017 prepared in accordance with the International Financial Reporting Standards (IFRS), the audited consolidated net asset value of the Target Group as at 31 December 2016 and the unaudited consolidated net asset value of the Target Group as at 30 June 2017 were approximately EUR251.49 million (equivalent to approximately HK\$2,313.71 million) and approximately EUR280.73 million (equivalent to approximately HK\$2,582.72 million), respectively.

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

5. INFORMATION ON THE GROUP

The Group is a leading multinational corporation committed to achieving long-term sustainable growth through continual strengthening of its existing property businesses, and steady enhancement of its recurring income base via prudent investment strategy. The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, and investment in energy and infrastructure assets that are household equipment services related.

6. INFORMATION ON THE CKI GROUP

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

LETTER FROM THE BOARD

7. REASONS FOR, AND BENEFITS OF, THE JOINT VENTURE TRANSACTION AND THE ACQUISITION

The Consortium Members believe that the Target's well established businesses in Europe represent an attractive opportunity for investors with stable cashflows and growth prospects. Among the Consortium Members, the Company is the only bidding party with the size and immediate resources to make an offer to acquire the Target Shares and the Target PECs pursuant to the Sale and Purchase Agreement.

The Joint Venture Transaction and the Acquisition are in accordance with the Company's strategy that, when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. The Company can collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI, with its experience of owning and operating infrastructure business in Europe and in other parts of the world, a suitable joint venture partner. The Joint Venture Transaction will provide synergy effect to both the Company and CKI and allow them to share their management and strategic expertise in the management and operation of the Target Group.

If either or both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval cannot be obtained and the Joint Venture Transaction does not proceed, the Company will, through the Purchaser which will remain as an indirect wholly-owned subsidiary of the Company, proceed with the Acquisition to acquire 100% of the Target. In such case, the Target still represents a quality investment for the Group for the following reasons:

- (a) the Target Group is a well established and sizeable business with over 60 years of business operation in Europe, and will provide the Company with the valuable opportunity to invest in the European sub-metering market, which is consistent with the Company's global diversification strategy;
- (b) the Target Group has shown a stable and consistent growth track record. The Target Group's stable financial performance and growth prospects will help to mitigate the cyclical nature of cash flows associated with property development;
- (c) the Company's investment in the Target meets the investment criteria set out in its annual report; and
- (d) the Company can potentially leverage on the expertise of the existing management team of the Target Group through service agreements with the joint ventures and associates of CKI and/or other professionals to support the management of the Target's business.

The Directors (including the independent non-executive Directors) therefore consider that, subject to completion of the Acquisition, the Company would benefit from the co-operation through the Joint Venture Transaction.

LETTER FROM THE BOARD

For the above reasons, the Directors (other than Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being independent non-executive directors of the Company who are members of the Independent Board Committee established to make recommendations to the Independent Shareholders on the Joint Venture Transaction, and whose views are set out in the “*Letter from the Independent Board Committee*” in this circular, but including Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, the other independent non-executive directors of the Company, each of whom is not appointed as a member of the Independent Board Committee due to each also being an independent non-executive director of CKI) consider that the Joint Venture Transaction is on normal commercial terms and the terms of the Joint Venture Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive directors) are of the opinion that, whether or not the Joint Venture Transaction proceeds, the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

8. IMPLICATIONS UNDER THE LISTING RULES

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

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

LETTER FROM THE BOARD

If both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval in respect of CKI's participation in the Joint Venture Transaction are not obtained, the Joint Venture Transaction will not proceed and the Purchaser will, as an indirect wholly-owned subsidiary of the Company, proceed with the Acquisition. In such case, the Acquisition will constitute a discloseable transaction for the Company as one or more of the applicable percentage ratios of the Company in relation to the Acquisition will exceed 5% but all of the applicable percentage ratios will be less than 25%, and the Acquisition would be subject to the Company's compliance with the announcement and notification requirements, but would not be subject to the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

The Independent Board Committee is required under the Listing Rules to advise the Independent Shareholders in relation to the Joint Venture Transaction. Since Mr. Cheong Ying Chew, Henry and Mr. Colin Stevens Russel, being independent non-executive Directors, are also independent non-executive directors of CKI, they were not appointed as members of the Independent Board Committee. As a result, Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Yeh Yuan Chang, Anthony and Mr. Donald Jeffrey Roberts, being the remaining independent non-executive Directors, have been appointed to and constitute the Independent Board Committee to advise the Independent Shareholders in relation to the Joint Venture Transaction.

9. EGM AND VOTING

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, pass an ordinary resolution to approve the Joint Venture Transaction. A notice convening the EGM to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 11 October 2017 at 11:30 a.m. is set out on pages 57 and 58 of this circular.

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

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

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

LETTER FROM THE BOARD

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

10. RECOMMENDATIONS

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

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

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

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

10.2 Recommendation from the Independent Board Committee

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

LETTER FROM THE BOARD

Your attention is drawn to (i) the “*Letter from the Independent Board Committee*” set out on pages 27 and 28 of this circular which contains its recommendation to the Independent Shareholders on the Joint Venture Transaction; and (ii) the “*Letter from the Independent Financial Adviser*” set out on pages 29 to 48 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Joint Venture Transaction and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

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

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

10.3 Recommendation from the Independent Financial Adviser

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

Your attention is drawn to the “*Letter from the Independent Financial Adviser*” set out on pages 29 to 48 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Joint Venture Transaction and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

Having taken into account the principal factors and reasons therein, the Independent Financial Adviser considers that the terms of the Joint Venture Transaction are fair and reasonable so far as the Independent Shareholders are concerned. In addition, the Independent Financial Adviser considers that the Joint Venture Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Financial Adviser advises

LETTER FROM THE BOARD

the Independent Board Committee to recommend, and it recommends, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Joint Venture Transaction.

11. FURTHER INFORMATION

Your attention is drawn to the “*Letter from the Independent Board Committee*” as set out on pages 27 and 28 of this circular, the “*Letter from the Independent Financial Adviser*” as set out on pages 29 to 48 of this circular, the additional information as set out in the Appendix of this circular and the notice of the EGM as set out on pages 57 and 58 of this circular.

Yours faithfully,

For and on behalf of the Board of

CK ASSET HOLDINGS LIMITED

LI Ka-shing

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(formerly known as “Cheung Kong Property Holdings Limited 長江實業地產有限公司”)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1113)

20 September 2017

To the Independent Shareholders

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE IN CONNECTION WITH THE PROPOSED ACQUISITION OF ALL OF THE SHARES AND PREFERRED EQUITY CERTIFICATES IN ISSUE OF THE TARGET AND THE PROPOSED ACQUISITION

We refer to the circular of CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited) dated 20 September 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context otherwise requires.

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

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

We wish to draw your attention to the “*Letter from the Independent Financial Adviser*” as set out on pages 29 to 48 of the Circular, which contains its advice and recommendation to us and the Independent Shareholders and its recommendation to the Independent Shareholders as to how to vote in respect of the ordinary resolution to be proposed at the EGM to approve the Joint Venture Transaction.

Having considered the reasons for and benefits of the Joint Venture Transaction as set out in the Circular, the terms of the Joint Venture Transaction, the reasons considered by, and the opinion of, the Independent Financial Adviser as stated in its letter of advice, and the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

relevant information contained in the “*Letter from the Board*”, we are of the opinion that the Joint Venture Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, is on terms which are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Joint Venture Transaction.

Yours faithfully,

CHOW Nin Mow, Albert

HUNG Siu-lin, Katherine

YEH Yuan Chang, Anthony

Donald Jeffrey ROBERTS

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

ANGLO CHINESE CORPORATE FINANCE, LIMITED

www.anglochinesegroup.com

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

The Independent Board Committee
and the Independent Shareholders of
CK Asset Holdings Limited
(formerly known as “Cheung Kong Property Holdings Limited”)

20th September, 2017

Dear Sirs,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE IN CONNECTION WITH THE PROPOSED ACQUISITION OF ALL OF THE SHARES AND PREFERRED EQUITY CERTIFICATES IN ISSUE OF THE TARGET AND THE PROPOSED ACQUISITION

I. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders, being those shareholders in the Company other than Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, the Trust and their respective associates as defined by the Listing Rules, who in aggregate hold approximately 31.47% of the issued share capital of the Company as at the Latest Practicable Date, with respect to the formation of a joint venture between the Company, CKI and Midco 5 in relation to the participation of the Consortium Members in JV Co and governing the funding and operation of JV Co and the Purchaser, details of which are set out in the letter from the Board of the circular dated 20th September, 2017 issued by the Company, and in our letter. As the Independent Financial Adviser to the Independent Board Committee we are required by the Listing Rules to state whether the terms of the Joint Venture Transaction are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole, and the Joint Venture Transaction is on normal commercial terms and in the ordinary and usual course of business of the Company and advise whether the Independent Shareholders should vote in favour of the Joint Venture Transaction at the EGM convened to approve it. The terms used in this letter shall have the same meaning as defined in the circular, of which this letter forms part, unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the Maximum Financial Commitment of the Group under the Joint Venture Transaction of some EUR2,925 million, equivalent to approximately HK\$26,910 million, one or more of the applicable percentage ratios for notifiable transaction under the Listing Rules exceeds 5%, but all of the applicable percentage ratios are less than 25%. As a result, the Joint Venture Transaction constitutes a discloseable transaction for the Company and is subject to the Company's compliance with the announcement and notification requirements, but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules. Since the Acquisition is a transaction that the Company can enter into without its Shareholders' approval, in the event that the Joint Venture Transaction does not proceed because the Independent Shareholders, or the CKI Independent Shareholders, do not approve the Joint Venture Transaction, we have not been retained to advise on the Acquisition itself as it is an arm's length transaction with entirely independent third parties.

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

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

In formulating our recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Company. We have also assumed that the information and representations contained or referred to in this circular were true and accurate at the time they were made and continued to be so at the Latest Practicable Date. We have reviewed (i) the Sale and Purchase Agreement; (ii) the Joint Venture Formation Agreement; (iii) the draft form of the Shareholders' Agreement; (iv) the recently published information on the Company and CKI including the annual report for each of the two years ended 31st December, 2015 and 2016, and the 2017 interim report for the six months ended 30th June, 2017 of the Company, as well as the 2017 interim report of CKI; and (v) the published information in relation to the Target and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Acquisition. We have also discussed with the management of the Company, amongst other things, the Company's prospects and the background to and reasons for the Acquisition and the Joint Venture Transaction. We have sought and obtained confirmation from the Company that no material facts have been omitted from the information provided to us. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in this circular and to provide a reasonable basis for our opinion and advice. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have not, however, conducted an independent investigation into the business and affairs of the Group and the Target Group, and, or the associates of either of them, nor have we carried out any independent verification of the information supplied.

Apart from professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associate of any of them. Within the past three years from the Latest Practicable Date, we were previously engaged as an independent financial adviser by CKHH and CKI on two occasions, details of which were set out in the circulars of CKHH and CKI dated 31st March, 2015 and 20th October, 2015, respectively. We were also engaged as an independent financial adviser by the Company in relation to (i) a connected transaction and discloseable transaction, and details of which was set out in the circular of the Company dated 22nd February, 2017; and (ii) a connected and discloseable transaction, and details of which was set out in the circular of the Company dated 8th August, 2017. Given our independent role and normal professional fees received from CKHH, CKI and the Company under these past engagements, we do not consider that they will affect our independence in relation to our present engagement to advise the Independent Board Committee and Independent Shareholders.

II. BACKGROUND

Background of the Acquisition and the Joint Venture Transaction

Reference is made to the Announcement and the letter from the Board in this circular. On 27th July, 2017, the Seller and the Purchaser entered into the Sale and Purchase Agreement in relation to the Acquisition. On the same day, the Company, CKI and Midco 5 entered into the Joint Venture Formation Agreement in relation to the participation of the Consortium Members in JV Co, and governing the funding and operation of JV Co and the Purchaser, subject to, among other things, obtaining the Independent Shareholders' Approvals and CKI Independent Shareholders' Approval.

As at the Latest Practicable Date, each Consortium Midco is wholly-owned by the Company, and each of JV Co and the Purchaser is indirectly wholly-owned by the Company. In essence JV Co and the Purchaser have been established as the vehicles to hold the interests in all of the Target Shares and Target PECs in issue to be acquired from the Seller. At the closing of the Joint Venture Transaction, the Target will be indirectly owned as to 65% by the Company, and the remaining 35% by CKI through

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the JV Co. Please refer to the corporate structures in the section headed “The ownership structure before and after the completion of the Joint Venture Transaction” below for details.

The principal terms of the Joint Venture Formation Agreement and the arrangements contemplated thereunder have been set out in the letter from the Board.

The Joint Venture Formation Agreement

Participation of the Consortium Members

Between the date of the Joint Venture Formation Agreement and the closing of the Joint Venture Transaction, Midco 2 will hold 65% equity interest and Midco 3 will hold 35% equity interest in JV Co, respectively. It is currently expected that the respective meetings of the shareholders of each of the Company and CKI for obtaining the Independent Shareholders’ Approval and CKI Independent Shareholders’ Approval will be held in advance of the Scheduled Closing Date.

In the event that, on or prior to the Scheduled Closing Date, both of the Independent Shareholders’ Approval and CKI Independent Shareholders’ Approval are obtained, Midco 4 will purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested in 35% of JV Co. After the completion of such purchase, in preparation for completion of the Acquisition, each of Midco 2 and Midco 3 (which will be indirectly wholly-owned by the Company and CKI, respectively) will contribute its Respective Proportion of funding to JV Co, by subscribing for additional shares in, and, or providing shareholder loans to, JV Co and, or the Purchaser.

However, in the event that, if the shareholders’ meeting of either of the Company or CKI for considering the Joint Venture Transaction is not held on or prior to the Scheduled Closing Date, the Acquisition will proceed with the Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

And, if both of the Independent Shareholders’ Approval and CKI Independent Shareholders’ Approval are not obtained in time and the closing of the Joint Venture Transaction has not taken place on or prior to the Scheduled Closing Date, Midco 4 will, after both such approvals have been obtained and the first business day after the completion of the Acquisition (whichever is later), purchase the entire issued share capital of Midco 3 from Midco 5, such that CKI will become indirectly interested as to 35% in JV Co (and, through JV Co, the Purchaser).

Upon obtaining the Independent Shareholders’ Approval and CKI Independent Shareholders’ Approval and the purchase of the entire issued share capital of Midco 3 by Midco 4 in accordance with the above:

- (a) JV Co will be indirectly held by the Consortium Members through Midco 2 and Midco 3 in the Respective Proportions; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

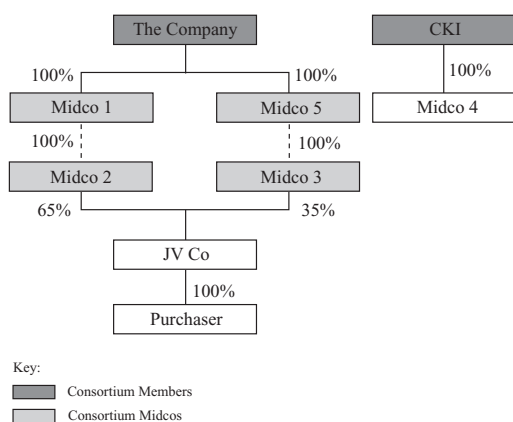
- (b) the Consortium Members, Midco 2, Midco 3 and JV Co will enter into the Shareholders' Agreement, the principal terms of which are summarised in the letter from the Board.

In this regard your attention is drawn to the sections discussing the formation of the joint venture between the Company and CKI in this circular.

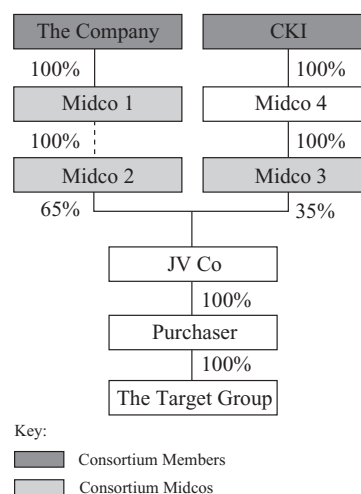
The ownership structure before and after the completion of the Joint Venture Transaction

The diagram below illustrates the summary for (i) the ownership structure of the JV Co and Purchaser, which is held through Consortium Midcos, immediately before the completion of the Joint Venture Transaction and the Acquisition; and (ii) the ownership structure of the JV Co upon the completion of the Joint Venture Transaction and the Acquisition.

(I) The ownership structure of the JV Co and Purchaser immediately before the completion of the Joint Venture Transaction and the Acquisition



(II) The ownership structure of the JV Co upon the completion of the Joint Venture Transaction and the Acquisition



Maximum Financial Commitment

If both of the Independent Shareholders' Approval and CKI Independent Shareholders' Approval are obtained, upon closing of the Joint Venture Transaction and the Acquisition, the Target will be indirectly held by the Company and CKI as to 65% and 35%, respectively, and the Maximum Financial Commitment of the Company and CKI will be EUR2,925 million (equivalent to approximately HK\$26,910 million) for the Company and EUR1,575 million (equivalent to approximately HK\$14,490 million) for CKI, respectively. The Total JV Commitment, which is the aggregate Maximum Financial Commitment of the Company and CKI in the sum of EUR4,500 million (equivalent to approximately HK\$41,400 million), is determined with reference to the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

funding required for the Acquisition. The Company intends to finance its relevant portion of the Maximum Financial Commitment from its internal resources and, or external borrowings.

Participation by both the Company and CKI

If all the conditions for the Joint Venture Transaction are satisfied or waived (as the case may be), CKI shall indemnify and hold harmless the Company for any obligations and liabilities under the Equity Commitment Letter pro rata to its Respective Proportion, provided that CKI's aggregate liability shall in no event exceed the Maximum Financial Commitment of CKI. If any of the conditions for the Joint Venture Transaction is not satisfied or waived (as the case may be), CKI's indemnity to the Company for any obligations and liabilities under the Equity Commitment Letter shall be limited to EUR105 million (equivalent to approximately HK\$966 million).

If both of the Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are obtained and the conditions for the Joint Venture Transaction are satisfied, completion of the Joint Venture Transaction will take place, accordingly, JV Co will be accounted for as a joint venture in the respective consolidated financial statements of the Company and CKI.

Participation by the Company alone

If either or both of the Independent Shareholders' Approval and CKI Independent Shareholders' Approval are not obtained, the Joint Venture Transaction will not proceed. However, the obligations of the Purchaser under the Sale and Purchase Agreement will remain unaffected and the Acquisition will proceed if the conditions precedent for the Acquisition have been fulfilled, with the Group acquiring 100% of the Target via its ownership of the Purchaser through all of the Consortium Midcos and JV Co.

Closing conditions

As stated in the letter from the Board, closing of the Joint Venture Transaction is subject to the following conditions being satisfied or waived:

- (a) all closing conditions under the Sale and Purchase Agreement being satisfied or waived in accordance with the terms of that agreement; and
- (b) obtaining of the Independent Shareholders' Approval and CKI Independent Shareholders' Approval at the respective shareholders' meetings of the Company and CKI.

As at the Latest Practicable Date, none of the above conditions have been satisfied or waived.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Shareholders' Agreement and the Sale and Purchase Agreement

Pursuant to the Joint Venture Formation Agreement and upon completion of the Joint Venture Transaction, the Consortium Members, JV Co, Midco 2 and Midco 3 will enter into the Shareholders' Agreement, under which the parties will agree on the rights and obligations in respect of their ongoing investment in the Target Group through JV Co. And the principal terms of the Shareholders' Agreement are set out in the letter from the Board included in this circular.

As mentioned before, on 27th July, 2017, the Seller and the Purchaser entered into the Sale and Purchase Agreement in connection with the Acquisition, however, such Acquisition is not conditional on the completion of the Joint Venture Transaction. The principal terms of the Sale and Purchase Agreement including conditions precedent, the equity commitment letter, and the break fees payable, are set out in the letter from the Board included in this circular.

Information on the Target Group

The Target is one of the world's leading fully integrated energy management services providers with strong market positions in Europe (including Germany, Denmark, the Netherlands, France, Italy and Spain). The Target Group generates value across all stages of the sub-metering value chain from hardware development, manufacturing, installation and maintenance to meter reading, data collection and processing, billing, energy data management and customer and after-sales services. The Target Group has made substantial investment in creating its sub-metering platform, enabling it to achieve further efficiency gains through standardisation, digitalisation, automation and centralisation and expansion into accelerating growth countries, such as France and Spain, and new higher value-added services in a cost-efficient manner.

According to the audited consolidated financial statements of the Target Group for the financial year ended 31st December, 2016, the audited consolidated net asset value of the Target Group as at 31st December, 2016 was approximately EUR251.5 million (equivalent to approximately HK\$2,313.7 million). According to the unaudited consolidated financial statements of the Target Group for the six months ended 30th June, 2017, the unaudited consolidated net asset value as at 30th June, 2017 was approximately EUR280.7 million (equivalent to approximately HK\$2,582.5 million).

The key financial information of the Target Group for each of the two years ended 31st December, 2015 and 2016, six months ended 30th June, 2017, and the trailing twelve months ended 30th June, 2017 are set out below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| | For the year ended 31st December, | | For the six months ended 30th June, | For the trailing twelve months ended 30th June, |
|--------------------------------------|---|--|--|--|
| | 2015 | 2016 | 2017 | 2017 |
| (In EUR million) | (audited) | (audited) | (unaudited) | |
| Revenue | 810.4 (equivalent to approximately HK\$7,455.7 million) | 850.4 (equivalent to approximately HK\$7,823.7 million) | 462.2 (equivalent to approximately HK\$4,252.2 million) | 881.3 (equivalent to approximately HK\$8,108.0 million) |
| Adjusted EBITDA (note 1) | 340.4 (equivalent to approximately HK\$3,131.7 million) | 370.1 (equivalent to approximately HK\$3,404.9 million) | 208.6 (equivalent to approximately HK\$1,919.2 million) | 381.8 (equivalent to approximately HK\$3,512.6 million) |
| Run Rate adjusted EBITDA (note 2) | 354.8 (equivalent to approximately HK\$3,264.2 million) | 383.5 (equivalent to approximately HK\$3,528.2 million) | 217.8 (equivalent to approximately HK\$2,003.8 million) | 395.0 (equivalent to approximately HK\$3,634.0 million) |
| Profit before taxation | 4.9 (equivalent to approximately HK\$45.5 million) | 20.3 (equivalent to approximately HK\$187.0 million) | 44.1 (equivalent to approximately HK\$405.7 million) | 49.3 (equivalent to approximately HK\$453.6 million) |
| Profit (loss) after taxation | (19.0) (equivalent to approximately HK\$(174.6) million) | (4.2) (equivalent to approximately HK\$(39.0) million) | 23.7 (equivalent to approximately HK\$218.0 million) | 20.0 (equivalent to approximately HK\$183.5 million) |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. The earnings before interest paid, taxation, depreciation and amortisation (the “EBITDA”) has been adjusted to remove all the one-off extraordinary expenses and income, which is considered to be appropriate to indicate the Target’s ability to generate cash and service finance obligations under its normal operation.
2. The Run Rate adjusted EBITDA is adopted by the Target Group for presentation in its financial report. Such Run Rate adjustment presents an annualised run rate for economically secured business at any point in time by showing the contribution of secured revenue at the time contracted and before it becomes visible in its income statement. Due to timing effects inherent in International Financial Reporting Standards, net new contracts won as well as service price increases are not fully recognised during the effective period, but with a delay of approximately six months to when a rental or sub-metering contract begins or twelve months or more from when a service contract begins or a price increase becomes effective. Accordingly, the EBITDA has been adjusted by the Target Group to this Run Rate adjusted EBITDA to reflect the actual picture of the business and its revenue.

As discussed in the 2016 annual report of the Target Group, the revenue of the Target Group for the financial year of 2016 has been increased by approximately EUR40.0 million (equivalent to approximately HK\$368.0 million), or 4.9% when compared to its revenue for the financial year of 2015. In 2016, the revenue from the billing and reading services segment accounted for approximately 50.2% of the total revenue, and the revenue from the hardware sales, maintenance and rental segment accounted for approximately 39.1%, while the remaining revenue belonged to the revenue from the bundled hardware and services segment. Such increase of the total revenue from 2015 to 2016 was mainly attributable to the higher service revenue from the Region Central/Germany as a result of the volume gains in the core sub-metering business of the Target Group as well as growth in adjacent services (including smoke detectors in Germany and Kaltmiete in Austria).

The losses after taxation of the Target Group for the financial years of 2015 and 2016 were impacted by the high interest expenses of EUR163.0 million (equivalent to approximately HK\$1,499.8 million) in 2015 and EUR165.6 million (equivalent to approximately HK\$1,523.5 million) in 2016, respectively arising from external debts and shareholders’ loans. A restructuring of the capital structure of the Target Group is expected to take place upon Closing extinguishing the existing loans and replacing it with a loan that carries a lower level of interest rate due to more conservative financing as well as the Company’s and, or CKI’s superior credit profile.

As discussed in the 2017 interim report of the Target Group, the revenue of the Target Group for the six months ended 30th June, 2017 has been increased by approximately EUR30.9 million (equivalent to approximately HK\$284.3 million), or 7.2% when compared to its revenue for the same period of 2016. Such increase of the total revenue was mainly attributable from an increase in services in Germany by its core sub-metering business, and also an increase in revenue by the hardware business from increased rental volumes and improved sales of smoke detectors. Austria and Switzerland also contributed to the growth of the core sub-metering business and related services. For the six months ended 30th June, 2017, the revenue from hardware sales, maintenance and rental segment, the billing and reading services segment and core sub-metering businesses segment accounted for approximately 33.5%, 56.4% and 10.2%, respectively. During the period, the finance expenses of the Target Group

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

decreased by approximately 11.2% to EUR76.8 million (equivalent to approximately HK\$706.6 million) as compared to the corresponding period in 2016. Such decrease was primarily due to incurring no charges for interest rate swaps ineffectiveness as well as lower cash interest expenses. As a result, the Target Group recorded a net profit of approximately EUR23.7 million (equivalent to approximately HK\$218.0 million) for the six months ended 30th June, 2017 when compared to a net loss of approximately EUR0.5 million (equivalent to approximately HK\$4.6 million) for the same period in 2016.

Information of the Group

The Group is a leading multinational corporation committed to achieving long-term sustainable growth through continual strengthening of its existing property businesses, and steady enhancement of its recurring income base via prudent investment strategy. The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, and investment in energy and infrastructure assets that are household equipment services related.

Information of the CKI Group

The CKI Group

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

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

| | For the year ended 31st December, | | For the six months ended 30th June, | |
|--|--------------------------------------|--------------|--|--------------|
| | 2015 | 2016 | 2016 | 2017 |
| (In HK\$ million) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| Turnover | | | | |
| Sales and interest income from | | | | |
| infrastructure investments | 5,557 | 5,321 | 2,588 | 2,776 |
| – Sales of infrastructure materials | 2,161 | 1,980 | 920 | 954 |
| – Interest income from loans granted to associates | 378 | 364 | 183 | 184 |
| – Interest income from loans granted to joint ventures | 1,714 | 1,631 | 834 | 907 |
| – Sales of waste management services | 1,225 | 1,322 | 627 | 731 |
| – Interest income from investments in securities | 46 | 24 | 24 | – |
| – Sales of water supply | 33 | – | – | – |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| | For the year ended 31st December, | | For the six months ended 30th June, | |
|--|--------------------------------------|---------------|--|---------------|
| | 2015 | 2016 | 2016 | 2017 |
| (In HK\$ million) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| Share of turnover of joint ventures | 22,980 | 22,025 | 11,468 | 11,201 |
| Total turnover | 28,537 | 27,346 | 14,056 | 13,977 |
| Other income | 537 | 580 | 374 | 228 |
| Operating costs | (2,865) | (3,972) | (1,762) | (1,618) |
| Finance costs | (726) | (560) | (278) | (305) |
| Exchange gain (loss) | (326) | (698) | (498) | 213 |
| Gain on disposal of investment in securities | – | 781 | 781 | – |
| Share of results of associates | 3,275 | 2,861 | 1,601 | 1,804 |
| Share of results of joint ventures | 6,198 | 5,887 | 3,004 | 2,847 |
| Profit before taxation | 11,650 | 10,200 | 5,810 | 5,945 |
| Profit for the year | 11,658 | 10,208 | 5,803 | 5,930 |
| attributable to | | | | |
| – shareholders of CKI | 11,162 | 9,636 | 5,511 | 5,657 |
| – owners of perpetual capital securities | 517 | 584 | 308 | 275 |
| – non-controlling interests | (21) | (12) | (16) | (2) |
| Earnings per share (HK\$) | 4.44 | 3.82 | 2.19 | 2.25 |
| Dividends per share (HK\$) | 2.15 | 2.26 | 0.63 | 0.67 |

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

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

In the first half of 2017, CKI acquired indirectly 40% interests in DUET Finance Limited, DUET Finance Trust, DUET Investment Holdings Limited and DUET Company Limited, which were the owners and operators of energy utility assets in Australia, the United States, the United Kingdom and Europe. The Company, CKI and PAH hold respectively through a joint venture company a 40%, 40% and 20% interest in these businesses. Please refer to the circular of the Company dated 22nd February, 2017 for the details of the abovementioned acquisition and joint venture formation. On 31st March, 2017, the Company entered into an agreement to acquire the 100%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

interests in Reliance LP, which is principally engaged in the rental services of water heaters and HVAC (heating, ventilation and air conditioning) equipment in Ontario, Canada. And on 14th July, 2017, a subsidiary of the Company entered into an sale and purchase agreement to sell the 25% of equity interests in Reliance LP to a subsidiary of CKI, and upon closing of the transaction, they will enter into the shareholders' agreement to govern the operation and management of Reliance LP together. Please refer to the circular of the Company dated 8th August, 2017 for the details of the abovementioned transaction.

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

| | <u>As at 31st December,</u> | | <u>As at</u> |
|--------------------------|-----------------------------|------------------|----------------|
| | <u>2015</u> | <u>2016</u> | <u>30th</u> |
| <i>(In HK\$ million)</i> | <i>(Audited)</i> | <i>(Audited)</i> | <i>June,</i> |
| | | | <u>2017</u> |
| Current assets | 9,278 | 13,539 | 5,887 |
| Non-current assets | 122,824 | 114,371 | 132,376 |
| Total assets | 132,102 | 127,910 | 138,263 |
| Current liabilities | 3,681 | 13,837 | 11,454 |
| Non-current liabilities | 17,862 | 7,886 | 18,186 |
| Total liabilities | 21,543 | 21,723 | 29,640 |
| Net assets | 110,559 | 106,187 | 108,623 |

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

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

III. REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE JOINT VENTURE TRANSACTION

As discussed in the 2017 interim results of the Company, the Company has been diversifying its businesses globally since late 2016, and enhancing its earnings base with a higher proportion of stable recurring revenue and resulting in stronger cash flows on a medium to long-term basis. The Target Group is a well-established and sizeable business with over 60 years of business operation in Europe, and will therefore be able to provide the Company with a valuable opportunity to invest in the European sub-metering market, which is consistent with the Company's global diversification strategy. Moreover, the Target Group has shown a stable and consistent growth track record, and such stable financial performance and growth prospects will help to mitigate the cyclical nature of cash flows associated with property development segment of the Group. Therefore, the management of the Company believes that the Acquisition represents a quality investment for the Group with sound long-term prospects.

As further discussed with the management of the Company, the Consortium Members believed that the Target's well-established businesses in Europe represent an attractive opportunity for investors with stable cashflows and growth prospects. However, the Company is the only bidding party with the size and immediate resources to make an offer to acquire the Target Shares and the Target PECs pursuant to the Sale and Purchase Agreement.

The Joint Venture Transaction and the Acquisition are in accordance with the Company's strategy that, when an opportunity arises to extend its reach into a new business area, it should, where appropriate, collaborate with parties that have a proven track record as reputable managers who are able to grow the value of the business over time. The Company can collaborate most effectively with parties with which its management team has a history of working together successfully in the past, and this makes CKI, with its experience of owning and operating infrastructure business in Europe and in other parts of the world, a suitable joint venture partner. The Joint Venture Transaction will allow the Company and CKI to share their management and strategic expertise in the management and operations of the Target Group, and therefore the Company will be able potentially to leverage on the expertise of CKI to support the management of the Target's businesses upon the completion of the Joint Venture Transaction and the Acquisition. As discussed with the management of the Company, they have satisfactory experience when collaborating with CKI as joint venture partner in the management and operation of other businesses, such as the acquisition of DUET as mentioned above in early 2017. Accordingly, they believe that CKI will be a suitable partner in this Joint Venture Transaction.

Taking into account the above reasons, we concur with the view of the Company that it would benefit from the collaboration with CKI through such Joint Venture Transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

In addition to the background to, and the reasons and benefits for the Joint Venture Transaction as discussed above, we have taken into account the following factors and consideration in arriving at our recommendations to the Independent Board Committee and the Independent Shareholders.

The Acquisition

The Sale and Purchase Agreement was entered into by the Purchaser with the Seller, which to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, is a third party independent of the Group and independent of connected persons of the Group under the Listing Rules. The majority of the shareholding of the Target is controlled by the Seller, which in turns is owned by CVC Capital Partners. CVC Capital Partners is a leading private equity firm globally.

The terms of the Sale and Purchase Agreement were therefore negotiated on an arms' length basis between independent parties. Representatives of CKI were closely involved with the negotiation of the terms for it was envisaged from the outset that it would participate in such investment.

The Acquisition under the Sale and Purchase Agreement constitutes a discloseable transaction under the Listing Rules, which would not require the approval of Shareholders. The consideration of the terms of the Acquisition falls beyond the scope of our engagement, which relates only to the Joint Venture Transaction as a connected transaction under the Listing Rules.

The participation of CKI in the Joint Venture Transaction

As stated above the negotiation of the terms of the Sale and Purchase Agreement involved representatives of the Company and CKI, and the commercial basis of the Joint Venture Formation Agreement was for each of the Company and CKI to absorb an agreed percentage of the costs as reflected in each of their respective equity interest in the Acquisition. The consideration payable under the Sale and Purchase Agreement was manifestly determined at arm's length with representatives of the Seller, which is independent of the Group and CKI Group. For these reasons, we do not consider that the consideration payable in respect of the Acquisition forms part of the connected transaction that arises between the Company and CKI on which we have been engaged to provide our advice. The consideration payable under the Sale and Purchase Agreement was not determined by parties who are deemed to be connected but by the Company and CKI on the one hand, and the Seller on the other.

The principal terms of the Joint Venture Formation Agreement are set out in the letter from the Board included in this circular. We have described the proposed outcome in the event that (i) Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are sought on or prior to the Scheduled Closing Date; and (ii)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Independent Shareholders' Approval and the CKI Independent Shareholders' Approval are sought after the Scheduled Closing Date. In either case, subject to the necessary Independent Shareholders' Approval and the CKI Independent Shareholders' Approval, the Target will be indirectly held by the Company and CKI as to 65% and 35% respectively, and the Maximum Financial Commitment of the Company and CKI will be EUR2,925 million (equivalent to approximately HK\$26,910 million) and EUR1,575 million (equivalent to approximately HK\$14,490 million), respectively. The aggregate Maximum Financial Commitment of the Company and CKI in the sum of EUR4,500 million (equivalent to approximately HK\$41,400 million) is determined with reference to the funding required for the Acquisition. Accordingly, if the Joint Venture Transaction proceeds to completion, the Company and CKI will be funding the Acquisition and related costs in direct proportion to their proposed respective equity interests in the Target. Such arrangement is consistent with entering into a joint venture and we therefore consider that the terms of the Joint Venture Transaction are fair and reasonable.

Although our engagement does not require us to provide an opinion on the terms of the Sale and Purchase Agreement, we recognise that its terms are reflected in the Joint Venture Transaction. We have therefore undertaken an analysis of companies and transactions in the following section which we consider have comparable characteristics to the Target and the consideration terms of the Sale and Purchase Agreement.

Trading statistic of comparable listed companies and precedent transactions

Comparable companies

The Target is principally engaged in the provision of sub-metering and associated consumption-based billing services for heat, cold and hot water in Germany, France, Denmark, Austria, Netherlands in addition to other European countries. We have identified five listed companies in Europe and North America, which are primarily engaged in similar metering system and energy management businesses. We consider these companies are comparable with the Target Group and should give an indication of whether the Total Purchase Price under the Sale and Purchase Agreement is fair and reasonable.

As 100% of the Target Group will be controlled jointly by the Company and CKI who together will be able to determine the capital structure and deployment of the cashflow of the Target Group, we believe that the most relevant comparable measure is the enterprise value (the "EV") to the EBITDA ratio. We have therefore assessed the five comparable companies and the Target using an EV/EBITDA multiple. We extracted the figures from the latest published full year, or interim, or quarterly financial statements of the comparable companies, if available, to calculate their respective multiples.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| <u>Ticker</u> | <u>Company</u> | <u>Share price as at the Latest Practicable Date</u> | <u>Market capitalisation as at the Latest Practicable Date</u> ('000) | <u>EV (note 1)</u> ('000) | <u>EBITDA</u> (note 2) ('000) | <u>EV/ EBITDA</u> (x) |
|---------------|----------------------------------|--|---|------------------------------------|--------------------------------------|------------------------------|
| ITRI.NASDAQ | Itron, Inc. | USD72.00 | USD2,786,449 | USD3,002,778 | USD221,302 | 13.6 |
| LAND.SW | Landis+Gyr Group AG | CHF74.10 | CHF2,186,691 Approximately equal to USD 2,264,122 (notes 4 and 5) | USD2,393,553 (notes 4 and 5) | USD212,000 (notes 4 and 5) | 11.3 |
| BMI.NYSE | Badger Meter, Inc. | USD45.55 | USD1,326,103 | USD1,357,813 | USD76,252 | 17.8 |
| MWA.NYSE | Mueller Water Products, Inc. | USD12.16 | USD1,928,432 | USD2,057,532 | USD163,100 | 12.6 |
| SMS.LON | Smart Metering Systems Plc | GBP7.06 | GBP635,113 | GBP757,116 | GBP33,457 | 22.6 |
| | | | | | Average | 15.6 |
| | | | | | Median | 13.6 |
| | | | | | Maximum | 22.6 |
| | | | | | Minimum | 11.3 |
| | The Target Group | N.A. | N.A. | EUR5,775,900 (note3) | EUR381,800 | 15.1 |
| | | N.A. | N.A. | EUR5,775,900 (note3) | EUR395,000 (note 6) | 14.6 |

Notes:

1. EV is the enterprise value of a company or business. It has been calculated by taking the sum of the market capitalisation of the relevant company at the Latest Practicable Date, and non-controlling interests and borrowings, less cash and bank deposits for the trailing twelve months ended 30th June, 2017, extracted from the respective company's latest published full year and, or interim financial statements.
2. EBITDA represents the earnings before interest paid, taxation, depreciation and amortisation, and adjusted for any one-off extraordinary expenses and incomes (if any). It is a measure of gross funds generated by a normal business. Such figure was calculated under the basis of trailing twelve months ended 30th June, 2017.
3. As the Target was a private company, the Total Purchase Price is used to determine its EV, which is the base purchase price, and the adjustment sums reflecting the aggregate amount of daily cash amounts and deductions of the upstream loans drawn by the Seller was yet to be determined as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. For illustrative purpose only, the conversions of CHF into USD are based on the exchange rate of CHF1.00 to USD1.03541 quoted from the Bloomberg as at the Latest Practicable Date.
5. The figures used for calculation of EV and EBITDA were extracted from the supplemental document to the offering and listing memorandum relating to the offering of the offered shares of Landis+Gyr Group AG dated 20th July, 2017.
6. This EBITDA is the Run Rate adjusted EBITDA, which was adopted by the Target Group for presentation in its financial report. Please refer to the footnote no. 2 under the section headed “Information on the Target Group” for detailed explanation.

The valuation of the Target Group falls well within the range of the five comparable companies, and which is close to the median and average values, without taking any account of the premium being paid for the control of the Target Group.

Recent precedent transactions

We have also attempted to identify comparable transactions (the “Comparable Transactions”) that are similar to the acquisition of the Target in core business nature during the past 5 years, and six Comparable Transactions have been selected, to the best of our endeavours, in our research through public information. We have assessed these Comparable Transactions on the basis of their respective EV/EBITDA multiples. We believe this is the most appropriate basis for comparison, particularly in the circumstance when the Target has been owned by private equity investors which would be likely cause it to have a higher level of borrowings than were it to be a listed company or subsidiary of a listed company. Since returns are measured before interest, taxation, amortisation and depreciation, and the entire price value includes borrowings, the comparison effectively eliminates the effect of differing levels of borrowing. Accordingly, we regard it the most appropriate measure to assess the valuation for the acquisition of a company or business. However, no public information was available for the calculation of the EV and EBITDA values for two out of these six Comparable Transactions, and we have discussed these two Comparable Transactions in footnotes nos. 2 and 3 below.

| <u>Date of announcement/ press release</u> | <u>Acquirer</u> | <u>Target company</u> | <u>Size of consideration</u> (‘000) | <u>EV</u> (‘000) | <u>EBITDA</u> (‘000) | <u>EV/ EBITDA</u> (x) |
|--|------------------------------|---|--|---------------------|-------------------------|------------------------------|
| June, 2015 | Investor group | Nuri Telecom Co. Ltd. (KOSDAQ: 040160) | KRW15,000,000 | KRW243,993 | KRW10,759 | 22.7 |
| July, 2015 | Honeywell International Inc. | Elster Group | GBP3,300,000 | GBP3,300,000 | N.A. (note 6) | 14.3 (note 6) |
| April, 2017 | KALORIMETA AG & Co. KG | QUNDIS GmbH | EUR400,000 | EUR400,000 | EUR30,000 | 13.3 |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| <u>Date of announcement/ press release</u> | <u>Acquirer</u> | <u>Target company</u> | <u>Size of consideration</u> ('000) | <u>EV</u> ('000) | <u>EBITDA</u> ('000) | <u>EV/ EBITDA</u> (x) |
|--|---------------------|---|---|--------------------------|--------------------------|--------------------------|
| June, 2017 | Private investor | Nuri Telecom Co. Ltd. (KOSDAQ: 040160) | KRW33,664,972 | KRW108,967 | KRW3,142 | 34.7 |
| | | | | | Average | 21.3 |
| | | | | | Median | 18.5 |
| | | | | | Maximum | 34.7 |
| | | | | | Minimum | 13.3 |
| July, 2017 | The Project Company | The Target Group | EUR3,709,000 | EUR5,775,900 (note 4) | EUR381,800 | 15.1 |
| | | | EUR3,709,000 | EUR5,775,900 (note 4) | EUR395,000 (note 5) | 14.6 |

Notes:

1. The figures used for the Comparable Transactions have been extracted from the relevant press release, or relevant public announcements, or regulatory filings.
2. Back in April, 2013, CVC Capital Partners, acquired a 76% stake in the Target Group from its co-owner at that time. CVC Capital Partners had held a stake in the Target Group since 2003 and then extended its minority stake into majority for EUR3.1 billion as transaction value in 2013. Nevertheless, no public information was available for the calculation of EV and EBITDA values.
3. In December, 2016, KKR & Co. L.P. (NYSE:KKR) acquired a UK-based meter asset provider from Infracapital, the infrastructure equity investment arm of M&G Investments. Calvin Capital finances the provision and installation of electricity and gas metering meters, as well as managing the meter portfolio. Nevertheless, no public information was available for the calculation of EV and EBITDA values, and also the transaction value. Accordingly, no EV/EBITDA multiple could be calculated for comparison.
4. As the Target was a private company, the Total Purchase Price is used to determine its EV, which is the base purchase price, and the adjustment sums reflecting the aggregate amount of daily cash amounts and deductions of the upstream loans drawn by the Seller was yet to be determined as at the Latest Practicable Date.
5. This EBITDA is the Run Rate adjusted EBITDA, which was adopted by the Target for presentation in its financial report. Please refer to the footnote no. 2 under the section headed "Information on the Target Group" for detailed explanation.
6. Such EV/EBITDA ratio was stated in the announcement of Melrose Industries Plc, the seller of Elster Group, dated 28th July, 2015, and no EBITDA figure of Elster Group has been disclosed.

Except for the CVC Capital Partners' acquisition and the KKR & Co. L.P.'s acquisition presented in the footnotes above, the remaining four Comparable Transactions illustrated in the table above are considered suitable for comparison purposes, and as can be seen from the above tabulation, the Acquisition consideration falls well within the range of the four Comparable Transactions in the past 5 years.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assessment of the consideration under the Sale and Purchase Agreement

On the basis of the traded prices of securities in the comparable companies, and the acquisitions of businesses operating in comparable sector to the Target Group, we consider that the Total Purchase Price is fair and reasonable, and a fair and reasonable basis for CKI to participate in the Joint Venture Transaction.

The Shareholders' Agreement

Pursuant to the Joint Venture Formation Agreement and upon completion of the Joint Venture Transaction, the Consortium Members, JV Co, Midco 2 and Midco 3 will enter into the Shareholders' Agreement, under which the parties will agree on the rights and obligations in respect of their ongoing investment in the Target Group through JV Co. The proposed terms of the Shareholders' Agreement relate to the role of the JV Co Board and its composition, the quorum for the transaction of business at any board meeting of JV Co, voting at a meeting of the JV Co Board, shareholder reserved matters, pre-emption rights and dealings with and the transfer of shares in JV Co. The principal terms of the Shareholders' Agreement are set out in the letter from the Board enclosed in this circular.

We consider that the terms of the Shareholders' Agreement are normal and usual in respect of a joint venture and fair and reasonable to the respective parties.

V. RECOMMENDATION

Taking into account the considerations and factors set out above, we are of the opinion that the terms of the Joint Venture Transaction in so far as they affect the Company are fair and reasonable so far as the Independent Shareholders are concerned, the transaction contemplated thereunder is on normal commercial terms and in the ordinary and usual course of the business of the Company. We consider the Joint Venture Transaction is in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of, and we also advise the Independent Shareholders to vote in favour of, the ordinary resolutions to be proposed at the EGM of the Company to approve the Joint Venture Transaction.

Yours faithfully,

For and on behalf of

Anglo Chinese Corporate Finance, Limited

Stephen Clark

Managing Director

Dennis Cassidy

Director – Head of Corporate Finance

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Long Position in Shares

(i) The Company

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

(ii) Associated Corporations

| Name of Company | Name of Director | Capacity | Number of Ordinary Shares | | | | Total | Approximate % of shareholding |
|-------------------------------|----------------------|---------------------------------|---------------------------|-----------------|--------------------|---------------------|---------|-------------------------------|
| | | | Personal interest | Family interest | Corporate interest | Other interest | | |
| Precise Result Global Limited | Li Ka-shing | Founder of discretionary trusts | – | – | – | 15 (Note 4) | 15 | 15% |
| | Li Tzar Kuoi, Victor | Beneficiary of trusts | – | – | – | 15 (Note 4) | 15 | 15% |
| Jabrin Limited | Li Ka-shing | Founder of discretionary trusts | – | – | – | 2,000 (Note 4) | 2,000 | 20% |
| | Li Tzar Kuoi, Victor | Beneficiary of trusts | – | – | – | 2,000 (Note 4) | 2,000 | 20% |
| Mightycity Company Limited | Li Ka-shing | Founder of discretionary trusts | – | – | – | 168,375 (Note 4) | 168,375 | 1.53% |
| | Li Tzar Kuoi, Victor | Beneficiary of trusts | – | – | – | 168,375 (Note 4) | 168,375 | 1.53% |

Notes:

- (1) The 133,150,256 shares of the Company comprise:
- (a) 131,850,256 shares held by certain companies of which Mr. Li Ka-shing is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
 - (b) 1,300,000 shares held by Li Ka Shing Foundation Limited (“**LKSF**”). By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (2) The two references to 1,028,753,254 shares of the Company relate to the same block of shares comprising:
- (a) 936,462,744 shares held by Li Ka-Shing Unity Trustee Company Limited (“**TUT1**”) as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“**TUT1 related companies**”). Mr. Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1 and TDT2 holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“**Unity Holdco**”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as Directors of the Company.

- (b) 7,863,264 shares held by Li Ka-Shing Castle Trustee Company Limited (“TUT3”) as trustee of UT3. Mr. Li Ka-shing is the settlor of each of DT3 and DT4. Each of TDT3 and TDT4 holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited (“Castle Holdco”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 under the SFO as Directors of the Company.

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

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

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

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

(c) Competing Businesses**(i) Principal Business Activities of the Group**

The principal business activities of the Group comprise the following:

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

(ii) Interests in Competing Businesses

As at the Latest Practicable Date, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (the “**Competing Businesses**”), as required to be disclosed pursuant to the Listing Rules, were as follows:

| <u>Name of Director</u> | <u>Name of Company</u> | <u>Nature of Interest</u> | <u>Competing Businesses (Note)</u> |
|-------------------------|-------------------------------|---------------------------|--|
| Li Ka-shing | CK Hutchison Holdings Limited | Chairman | (6) |

| Name of Director | Name of Company | Nature of Interest | Competing Businesses (Note) |
|---------------------------|---|--|--|
| Li Tzar Kuoi, Victor | CK Hutchison Holdings Limited | Group Co-Managing Director and Deputy Chairman | (6) |
| | CK Infrastructure Holdings Limited | Chairman | (5) & (6) |
| | CK Life Sciences Int'l., (Holdings) Inc. | Chairman | (1) |
| | HK Electric Investments and HK Electric Investments Limited | Non-executive Director and Deputy Chairman | (6) |
| | Husky Energy Inc. | Co-Chairman | (6) |
| | Power Assets Holdings Limited | Non-executive Director | (6) |
| Kam Hing Lam | CK Hutchison Holdings Limited | Deputy Managing Director | (6) |
| | CK Infrastructure Holdings Limited | Group Managing Director | (5) & (6) |
| | CK Life Sciences Int'l., (Holdings) Inc. | President and Chief Executive Officer | (1) |
| | Hui Xian Asset Management Limited | Chairman | (1), (2), (3) & (4) |
| Ip Tak Chuen, Edmond | CK Hutchison Holdings Limited | Deputy Managing Director | (6) |
| | CK Infrastructure Holdings Limited | Deputy Chairman | (5) & (6) |
| | CK Life Sciences Int'l., (Holdings) Inc. | Senior Vice President and Chief Investment Officer | (1) |
| | Hui Xian Asset Management Limited | Non-executive Director | (1), (2), (3) & (4) |
| Chiu Kwok Hung, Justin | ARA Asset Management Limited | Director | (3) & (4) |
| | ARA Asset Management (Fortune) Limited | Non-executive Director | (3) & (4) |
| | ARA Asia Dragon Limited | Director | (1) & (3) |
| | ARA Asset Management (Prosperity) Limited | Chairman | (3) & (4) |
| Chow Wai Kam | AVIC International Holding (HK) Limited | Non-executive Director | (1) |

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

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

(d) Common directors

As at the Latest Practicable Date, the following Directors are also directors of certain companies which have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (the “**Relevant Companies**”):

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

3. DIRECTORS’ SERVICE CONTRACTS

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

4. EXPERT**(a) Qualification of expert**

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

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

(b) Interests of expert

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

5. CONSENT

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

6. NO MATERIAL ADVERSE CHANGE

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Clifford Chance at 27th Floor, Jardine House, One Connaught Place, Central, Hong Kong during business hours from 9:30 a.m. to 6:00 p.m. on any weekday, except Saturdays, Sundays and public holidays, during the period of 14 days from the date of this circular:

- (a) the Joint Venture Formation Agreement, including the form of the Shareholders' Agreement;
- (b) the Sale and Purchase Agreement;
- (c) the letter from the Independent Board Committee to the Independent Shareholders dated 20 September 2017, the text of which is set out in "*Letter from the Independent Board Committee*" of this circular;
- (d) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 20 September 2017, the text of which is set out in "*Letter from the Independent Financial Adviser*" of this circular;
- (e) the consent letter referred to in the paragraph headed "*5. Consent*" in this Appendix; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(formerly known as “Cheung Kong Property Holdings Limited 長江實業地產有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited) (the “**Company**”) will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on **Wednesday, 11 October 2017** at 11:30 a.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Thursday, 12 October 2017) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the connected transaction that is contemplated between (i) the Company and its subsidiaries (together, the “**Group**”) and (ii) CK Infrastructure Holdings Limited and its subsidiaries (together, the “**CKI Group**”) pursuant to, or in connection with, the Joint Venture Formation Agreement (as defined and described in the circular of the Company dated 20 September 2017 (the “**Circular**”)) (a copy of the Circular marked “**A**” together with a copy of the Joint Venture Formation Agreement marked “**B**” have been tabled before the Meeting and initialled by the Chairman of the Meeting for the purpose of identification), including, but not limited to, the formation of a joint venture between the Group and the CKI Group in relation to the Joint Venture Transaction (as defined in the Circular), be and is hereby approved; and
- (b) the directors of the Company, acting collectively and individually, be and are hereby authorised to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to the Joint Venture Formation Agreement and all of the transactions contemplated thereunder.”

By Order of the Board

Eirene YEUNG

Company Secretary

Hong Kong, 20 September 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Unless otherwise defined in this notice or the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this notice.
2. At the Meeting, the Chairman of the Meeting will put the above resolution to be voted by way of a poll under Article 81 of the Company's Amended and Restated Articles of Association.
3. Any member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy in accordance with the relevant provisions of the Amended and Restated Articles of Association of the Company to attend and on a poll, vote in his/her stead. A proxy need not be a member of the Company.
4. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the proxy form will not preclude a member from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) should the member so desire and in such event, the proxy form shall be deemed to be revoked.
6. For the purpose of determining the entitlement to attend and vote at the Meeting, the Register of Members of the Company will be closed from Friday, 6 October 2017 to Wednesday, 11 October 2017 (or Thursday, 12 October 2017 in the event that the Meeting is to be held on Thursday, 12 October 2017 because of a black rainstorm warning signal or tropical cyclone warning signal no.8 or above (as detailed in note 7 below)), both days inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 October 2017.
7. The Meeting will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 11 October 2017 at 11:30 a.m. as scheduled regardless of whether or not an amber or red rainstorm warning signal or a tropical cyclone warning signal no. 3 or below is in force in Hong Kong at any time on that day.

However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on Wednesday, 11 October 2017, the Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Thursday, 12 October 2017 instead.

Members who have any queries concerning these arrangements, please call the Company at (852) 2128 8888 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding public holidays.

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

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

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

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

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

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