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Power Assets Holdings Ltd.
電能實業有限公司

於香港註冊成立的有限公司
Incorporated in Hong Kong with limited liability
股份代號 Stock Code: 6

DISCLOSEABLE TRANSACTION
DISPOSAL OF SALE SHARE STAPLED UNITS
AND
INSIDE INFORMATION

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board announces that on 9 June 2015, the Company disposed of a 16.53% stake in the Trust and HKEIL to the Purchaser for an aggregate consideration of HK\$7,681,354,641.32. Following completion of the Transaction, the Company holds an approximately 33.37% stake in the Trust and HKEIL and remains as the controlling holder of the Share Stapled Units.

As one or more of the applicable percentage ratios in respect of the Transaction exceeds 5% but all are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

INTRODUCTION

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board announces that, after trading hours in the morning session of 9 June 2015, the Company and the Purchaser entered into the Agreement relating to the sale by the Company of the Sale Share Stapled Units. The Transaction was completed immediately following the signing of the Agreement.

AGREEMENT

Set out below is a summary of the Agreement:

Date : 9 June 2015 (after trading hours in the morning session)

Parties : Company
Purchaser

Subject of the Transaction

Pursuant to the Agreement, the Company agreed to sell, or procure the sale of, and the Purchaser agreed to purchase, the Sale Share Stapled Units (representing approximately 16.53% of the total number of Share Stapled Units in issue) free from encumbrances and together with all rights and advantages attaching to them as at the completion of the Transaction (including the right to receive all dividends or distribution declared, made or paid on or after the date of the Agreement). The Transaction was completed immediately following the signing of the Agreement.

Consideration

The Consideration for the Sale Share Stapled Units was HK\$7,681,354,641.32 (that is, HK\$5.26 per Sale Share Stapled Unit), and was satisfied on completion of the Transaction in cash in Hong Kong dollars.

The Consideration took into account the market price of the Shares Stapled Units, and was determined after arm's length negotiations between the parties on normal commercial terms.

Post-Closing Undertakings

Pursuant to the Agreement, the Company has undertaken to exercise, or procure the exercise of, the voting rights attached to or associated with all Share Stapled Units that are controlled directly or indirectly by it in favour of any proposed resolution at the next general meeting of the Trust and HKEIL to approve the appointment of Mr. Fahad Hamad A H Al-Mohannadi and Mr. Deven Arvind Karnik as non-executive directors of each of the Trustee-Manager and HKEIL.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

The Board considers that the Transaction represents a good opportunity for the Company to dispose of part of its stake in the Trust and HKEIL through a sale to a strategic investor whilst retaining a significant investment holding. Following completion of the Transaction, the Company holds an approximately 33.37% stake in the Trust and HKEIL and remains as the controlling holder of Share Stapled Units, and the Trust and HKEIL continue to be accounted for as principal associates of the Company.

The net proceeds from the Transaction will further strengthen the liquidity position of the Company. The proceeds will enable the Company to continue to pursue new acquisitions in the global energy industry, whilst maintaining a strong financial profile.

As a result of the Transaction, a loss of approximately HK\$455 million will be recorded in the Company's consolidated statement of profit or loss for the year ending 31 December 2015, representing the difference between the net proceeds of the Transaction and the carrying value of the Sale Share Stapled Units. Such carrying value has been stated at, for each Sale Share Stapled Unit, its listing price at HK\$5.45 plus its share of post-listing profit and less distribution received. In respect of the Sale Share Stapled Units, the Company had already recognised a profit based on the listing price of HK\$5.45 per Share Stapled Unit in its consolidated statement of profit or loss for the year ended 31 December 2014 upon the spin-off of its electricity business in Hong Kong and the listing of the Trust and HKEIL on the Main Board of the Stock Exchange on 29 January 2014.

The Directors consider that the terms of the Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Transaction exceeds 5% but all are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

INFORMATION RELATING TO THE TRUST AND HKEIL

The Trust was constituted as a trust on 1 January 2014 pursuant to the Trust Deed and is a fixed single investment trust, with HK Electric Investments Manager Limited being its trustee-manager and its activities being limited to investing in securities and other interests in HKEIL. The principal activities of HKEIL is investment holding whilst the principal activities of the subsidiaries of HKEIL are the generation and supply of electricity to Hong Kong Island and Lamma Island.

Based on the audited accounts of the Company, the book value of the Sale Share Stapled Units as at 31 December 2014 was approximately HK\$8,241 million. The net profits (after scheme of control transfers) of the Trust and HKEIL for the year ended 31 December 2014 attributable to the Sale Shares Stapled Units before and after taxation were approximately HK\$646 million and HK\$529 million respectively. No Sale Share Stapled Units were in issue in the financial year ended 2013, prior to the listing of the Trust and HKEIL on the Main Board of the Stock Exchange on 29 January 2014.

INFORMATION RELATING TO THE GROUP

The principal activities of the Company and its subsidiaries are investment in energy businesses in Hong Kong and overseas.

INFORMATION RELATING TO THE PURCHASER

The Purchaser is an investment holding company wholly-owned by Qatar Investment Authority, a global investment institution with key investments including Canary Wharf Group, Heathrow Airport Holdings Ltd, Iberdrola SA, Ooredoo, Qatar Electricity and Water Company, Qatar National Bank and Volkswagen AG.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 9 June 2015 entered into between the Company and the Purchaser in relation to the Transaction
“Board”	the board of Directors

“Company”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEIL”	HK Electric Investments Limited (港燈電力投資有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability, which together with the Trust are listed on the Main Board of the Stock Exchange (Stock Code: 2638)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Qatar Holding LLC, a limited liability company incorporated in the Qatar Financial Centre (QFC) which is licensed by the QFC Authority
“Sale Share Stapled Units”	1,460,333,582 Share Stapled Units, representing approximately 16.53% of the total number of Share Stapled Units in issue as at completion of the Transaction
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Stapled Unit(s)”	share stapled unit(s) jointly issued by the Trust and HKEIL, with each share stapled unit being the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others: <ul style="list-style-type: none"> (a) a unit in the Trust; (b) the beneficial interest in a specifically identified ordinary share of HKEIL linked to the unit and held by the Trustee-Manager as legal owner (in its capacity as trustee-manager of the Trust); and (c) a specifically identified preference share of HKEIL stapled to the unit.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transaction”	the sale and purchase of the Sale Share Stapled Units contemplated under the Agreement
“Trust”	HK Electric Investments (港燈電力投資), as constituted pursuant to the Trust Deed under the laws of Hong Kong
“Trust Deed”	the trust deed dated 1 January 2014 constituting the Trust, entered into between the Trustee-Manager and HKEIL
“Trustee-Manager”	HK Electric Investments Manager Limited (港燈電力投資管理人有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, in its capacity as the trustee-manager of the Trust

By Order of the Board
Alex Ng
Company Secretary

Hong Kong, 9 June 2015

As at the date of this announcement, the directors of the Company are:

Executive directors : Mr. FOK Kin Ning, Canning (Chairman), Mr. TSAI Chao Chung, Charles (Chief Executive Officer), Mr. CHAN Loi Shun, Mr. Andrew John HUNTER, Mr. Neil Douglas MCGEE and Mr. WAN Chi Tin

Non-executive directors : Mr. LI Tzar Kuoi, Victor and Mr. Frank John SIXT

Independent non-executive directors : Mr. IP Yuk-keung, Albert, Mr. Ralph Raymond SHEA, Mr. WONG Chung Hin and Mr. WU Ting Yuk, Anthony