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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

## **CONNECTED TRANSACTION**

### **SUBSCRIPTION OF SHARES IN A JOINT VENTURE**

On 16 November 2018, each of Goldteam, an indirect wholly-owned subsidiary of the Company, and CKI Subsidiary, an indirect wholly-owned subsidiary of CKI, entered into a Share Subscription Agreement with WEDNHL, pursuant to which each of Goldteam and CKI Subsidiary will on 18 December 2018 subscribe for 117,250,000 new WEDNHL Shares at a subscription price of NZ\$1 (equivalent to approximately HK\$5.34) per new WEDNHL Share, which is the same as the par value of a WEDNHL Share, and WEDNHL will allot and issue 117,250,000 new WEDNHL Shares to each of Goldteam and CKI Subsidiary on the same day.

CKI currently holds approximately 38.01% of the issued shares of the Company. As a substantial shareholder of the Company, CKI is a connected person of the Company under Chapter 14A of the Listing Rules. WEDNHL is indirectly held as to 50% by CKI and is therefore an associate of CKI and a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the Share Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratio in respect of the Share Subscription calculated pursuant to Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, the Share Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement.

### **SHARE SUBSCRIPTION**

On 16 November 2018, each of Goldteam, an indirect wholly-owned subsidiary of the Company, and CKI Subsidiary, an indirect wholly-owned subsidiary of CKI, entered into a Share Subscription Agreement with WEDNHL, pursuant to which each of Goldteam and CKI Subsidiary will on 18 December 2018 subscribe for 117,250,000 new WEDNHL Shares at a subscription price of NZ\$1 (equivalent to approximately HK\$5.34) per new WEDNHL Share, which is the same as the par value of a WEDNHL Share, and WEDNHL will allot and issue 117,250,000 new WEDNHL Shares to each of Goldteam and CKI Subsidiary on the same day.

Pursuant to the Share Subscription, the subscription price payable by each of Goldteam and CKI Subsidiary for the 117,250,000 new WEDNHL Shares it subscribes for will be NZ\$117,250,000 (equivalent to approximately HK\$626,115,000), with an aggregate subscription price of NZ\$234,500,000 (equivalent to approximately HK\$1,252,230,000) to be received by WEDNHL for the Share Subscription. The subscription prices for the Share Subscription will be settled on 18 December 2018 in accordance with the terms and conditions of the Payment Directions Agreement, pursuant to which (i) WEDNL will repay to IISC a loan of NZ\$234,500,000 (equivalent to approximately HK\$1,252,230,000) plus accrued and unpaid interest up to that date; (ii) IISC will apply the principal amount repaid to it to repay to each of PAH IISC Holdco and CKI IISC Holdco a loan of NZ\$117,250,000 (equivalent to approximately HK\$626,115,000), and will pay accrued and unpaid interest up to that date to each of them; (iii) PAH IISC Holdco will apply the principal amount repaid to it by IISC to repay the intercompany advance of NZ\$117,250,000 (equivalent to approximately HK\$626,115,000) from its holding company, a direct wholly-owned subsidiary of the Company, and such amount will be directed to be paid to Goldteam to subscribe for its shares; (iv) CKI IISC Holdco will apply the principal amount repaid to it by IISC to repay the intercompany advance of NZ\$117,250,000 (equivalent to approximately HK\$626,115,000) from its holding company, an indirect wholly-owned subsidiary of CKI, and such amount will (through a series of intermediate steps) be directed to be paid to CKI Subsidiary to subscribe for its shares; (v) each of Goldteam and CKI Subsidiary will apply the sum of NZ\$117,250,000 (equivalent to approximately HK\$626,115,000) so directed to it pursuant to the preceding steps for paying to WEDNHL, in satisfaction of the subscription price for 117,250,000 new WEDNHL Shares under the Share Subscription; and (vi) WEDNHL will apply NZ\$234,500,000 (equivalent to approximately HK\$1,252,230,000) so directed to it for payment to WEDNL to subscribe for its shares. In effect, pursuant to the Payment Directions Agreement, the subscription prices for the Share Subscription will indirectly be satisfied by, and funded through, the aforesaid repayment of the loan to IISC by WEDNL, without the need for any additional resources from either the Group or the CKI Group.

As of the date of this Announcement, the issued share capital of WEDNHL is owned as to 50% by Goldteam and 50% by CKI Subsidiary. After completion of the Share Subscription, the percentage of shareholding of Goldteam and CKI Subsidiary in WEDNHL will remain unchanged, and WEDNHL will continue to be accounted for as a joint venture of the Company.

The new WEDNHL Shares to be issued and subscribed for pursuant to the Share Subscription will rank *pari passu* in all respects among themselves and with all other WEDNHL Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid on or after their allotment. The terms of the Share Subscription (including the subscription price) have been reached between the parties on an arm's length basis by reference to the refinancing requirements of WEDNL and the corresponding financing requirements of its holding company, WEDNHL.

## **IMPLICATIONS UNDER THE LISTING RULES**

CKI currently holds approximately 38.01% of the issued shares of the Company. As a substantial shareholder of the Company, CKI is a connected person of the Company under Chapter 14A of the Listing Rules. WEDNHL is indirectly held as to 50% by CKI and is therefore an associate of CKI and a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the Share Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratio in respect of the Share Subscription calculated pursuant to Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, the Share Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement.

None of the Directors has any material interest in the Share Subscription and the transactions contemplated thereunder requiring the Director to abstain from voting on the board resolutions for such transactions.

## **REASON FOR THE SHARE SUBSCRIPTION**

The Share Subscription is part and parcel of a refinancing exercise for WEDNL to refinance its existing loan through new shareholders' equity capital. Since each of Goldteam and CKI Subsidiary will subscribe for new WEDNHL Shares on a pro-rata basis in accordance with their respective interests in WEDNHL and on the same terms, the Directors (including the independent non-executive Directors) are of the view that the Share Subscription is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole, and that the terms thereunder are fair and reasonable.

## **INFORMATION ON THE PARTIES INVOLVED**

The principal activities of the Group are investment in energy and utility-related businesses in the United Kingdom, Hong Kong, Australia, New Zealand, Mainland China, Thailand, the Netherlands, Portugal, Canada and the United States.

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

WEDNHL is the sole shareholder of WEDNL which through its wholly-owned subsidiary owns and operates an electricity distribution network in Wellington, New Zealand. WEDNHL is held as to 50% each by Goldteam and CKI Subsidiary.

IISC is in the business of provision of financial and management services to related companies, and is held as to 50% each by PAH IISC Holdco and CKI IISC Holdco.

Based on its unaudited financial statements, the net profit or loss of WEDNHL was NZ\$0 for each of the years ended 31 December 2017 and 31 December 2016, and the net assets of WEDNHL as at 31 December 2017 was NZ\$172,221,763 (equivalent to approximately HK\$919,664,214.42).

## DEFINITIONS

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

<b>“associate(s)”</b>	has the meaning ascribed to such term in the Listing Rules
<b>“Board”</b>	the board of Directors of the Company
<b>“CKI”</b>	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)
<b>“CKI Group”</b>	CKI and its subsidiaries
<b>“CKI IISC Holdco”</b>	an indirect wholly-owned subsidiary of CKI which owns 50% of the issued share capital of IISC
<b>“CKI Subsidiary”</b>	an indirect wholly-owned subsidiary of CKI which owns 50% of the issued share capital of WEDNHL
<b>“Company”</b>	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)
<b>“connected person(s)”</b>	has the meaning ascribed to such term in the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Goldteam”</b>	Goldteam Resources Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company which owns 50% of the issued share capital of WEDNHL
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“IISC”</b>	International Infrastructure Services Company Limited, a company incorporated in the British Virgin Islands with limited liability, and held as to 50% by each of PAH IISC Holdco and CKI IISC Holdco
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“PAH IISC Holdco”</b>	an indirect wholly-owned subsidiary of the Company which owns 50% of the issued share capital of IISC

<b>“Payment Directions Agreement”</b>	the payment directions agreement dated 16 November 2018 entered into between WEDNL, WEDNHL, Goldteam, CKI Subsidiary, IISC, PAH IISC Holdco, CKI IISC Holdco and certain other direct or indirect wholly-owned subsidiaries of each of the Company and CKI to effect the payment of the subscription prices for the Share Subscription and other payments, as described under the heading “SHARE SUBSCRIPTION” above
<b>“Share Subscription”</b>	the subscription by each of Goldteam and CKI Subsidiary for, and the issuance by WEDNHL to each of them, 117,250,000 new WEDNHL Shares at a subscription price of NZ\$1 (equivalent to approximately HK\$5.34) per new WEDNHL Share, pursuant to the Share Subscription Agreements
<b>“Share Subscription Agreements”</b>	two agreements both dated 16 November 2018 each entered into by Goldteam and CKI Subsidiary with WEDNHL for the Share Subscription respectively, and each of them a <b>“Share Subscription Agreement”</b>
<b>“substantial shareholder”</b>	has the meaning ascribed to such term in the Listing Rules
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“WEDNHL”</b>	Wellington Electricity Distribution Network Holdings Limited, a company incorporated in the Republic of Bahamas with limited liability, and held as to 50% each by Goldteam and CKI Subsidiary
<b>“WEDNHL Shares”</b>	shares of NZ\$1 each in the share capital of WEDNHL
<b>“WEDNL”</b>	Wellington Electricity Distribution Network Limited, a company incorporated in New Zealand and a wholly-owned subsidiary of WEDNHL
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“NZ\$”</b>	New Zealand dollars, the lawful currency of New Zealand

*Note: The figures in “NZ\$” are converted into HK\$ at the rate of NZ\$1.00 : HK\$5.34 throughout this announcement for indicative purpose 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.*

By Order of the Board  
**Alex Ng**  
Company Secretary

Hong Kong, 16 November 2018

*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 director : Mr. LI Tzar Kuoi, Victor*

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