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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

## **CONTINUING CONNECTED TRANSACTION**

### **EXTENSION OF THE TERM OF THE CONTRACT BETWEEN OUTRAM LIMITED AND CHEUNG KONG CHINA INFRASTRUCTURE LIMITED**

The board of directors of the Company wishes to announce that on 29 September 2017, Outram has issued the Notice to CKCI.

CKCI is an indirect wholly owned subsidiary of CKI and is a connected person of the Company under the Listing Rules by reason of CKI being a substantial shareholder of the Company. The extension of the Term of the Contract set out in the Notice therefore constitutes a continuing connected transaction for the Company under the Listing Rules.

As one of the applicable percentage ratios in respect of the maximum annual aggregate fee payable to CKCI is more than 0.1% but less than 5%, the issue of the Notice to CKCI is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules. The Company will continue to comply with the annual review requirements under the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 30 September 2014 in respect of the extension of the term of the Contract between Outram and CKCI for a period of three continuous years from 2 April 2015 to 1 April 2018 (both dates inclusive) which had constituted a continuing connected transaction for the Company under the Listing Rules. The Contract will expire on 1 April 2018. Pursuant to the provisions under the Contract, Outram may extend the Term of the Contract for a further period of three continuous years on the same terms contained in the Contract (unless otherwise agreed) by giving notice to CKCI at least six months prior to the scheduled expiry of the Term of the Contract. On 29 September 2017, Outram has issued the Notice to CKCI to extend the Term of the Contract.

## **EXTENSION OF THE TERM OF THE CONTRACT**

Pursuant to the Notice, the Term of the Contract was extended for a further period of three continuous years from 2 April 2018 to 1 April 2021 (both dates inclusive) on the same terms contained in the Contract, save that the maximum annual aggregate fee payable to CKCI for the services in 2018, 2019 and 2020 shall be HK\$33,000,000, HK\$25,000,000 and HK\$20,000,000 respectively (or a pro rata amount if the relevant period is less than a full calendar year). CKCI has confirmed its acceptance of the Notice on these terms.

Pursuant to the Contract, CKCI will provide Outram with services in relation to the operation and management of Outram's power plant investments in mainland China. The Term of the Contract may, at Outram's option, be renewed for further term(s) of three years each on the same terms contained in the Contract (unless otherwise agreed) subject to compliance with any relevant requirements under the Listing Rules. The fees for the services provided under the Contract will be equivalent to CKCI's costs for provision of such services and will be paid in cash on a monthly basis. The abovementioned maximum annual aggregate fee for the services of each of 2018, 2019 and 2020 payable to CKCI has been determined by reference to the estimated amount of services to be provided by CKCI under the Contract and CKCI's historical actual costs (management, operation and supporting staff), administrative expenses and out of pocket disbursements for providing such services (incorporating an appropriate margin catering for costs inflation).

## **REASONS FOR THE TRANSACTION**

In accordance with the Contract, CKCI has provided services in respect of the operation and management of Outram's power plant investments in mainland China since the completion of the acquisition of the entire interest in Outram from CKI on 2 April 2009, and the Company is satisfied with the services provided by CKCI. The directors of the Company consider that the experience of CKI and CKCI and their relationship with the parties holding the other 55% equity interest in the JVs in respect of the management of the JVs will continue to contribute to the smooth operation of the power plants owned by the JVs.

The directors (including the independent non-executive directors) of the Company consider that the Notice was issued in the ordinary and usual course of business of Outram, and that the terms of the Contract are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

CKCI is an indirect wholly owned subsidiary of CKI and is a connected person of the Company under the Listing Rules by reason of CKI being a substantial shareholder of the Company. The extension of the Term of the Contract set out in the Notice therefore constitutes a continuing connected transaction for the Company under the Listing Rules.

As one of the applicable percentage ratios in respect of the maximum annual aggregate fee payable to CKCI calculated pursuant to Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the issue of the Notice to CKCI is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules. The Company will continue to comply with the annual review requirements under Rules 14A.55 to 14A.59 of the Listing Rules.

None of the directors of the Company has any material interest in the Contract and the extension of the Term of the Contract, and no director was required to abstain from voting on the board resolutions for the transaction.

## **INFORMATION ON THE COMPANY, OUTRAM AND CKCI**

The principal activities of the Company and its subsidiaries are investment in energy and utility-related businesses in the United Kingdom, Hong Kong, Australia, New Zealand, mainland China, Thailand, the Netherlands, Portugal and Canada. Outram is an indirect wholly owned subsidiary of the Company and its principal business is the investment of a 45% equity interest in the JVs which own and operate two power plants in Zhuhai city in Guangdong Province and a power plant in Siping city in Jilin Province in mainland China.

CKCI is an indirect wholly owned subsidiary of CKI and its principal activities are investment holding and investment in infrastructure projects in mainland China.

## **DEFINITIONS**

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

“CKCI”	Cheung Kong China Infrastructure Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of CKI
“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 of Hong Kong Limited (Stock Code: 1038)
“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 of Hong Kong Limited (Stock Code: 6)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Contract”	the contract dated 2 April 2009 entered into between Outram and CKCI in respect of the operation and management of Outram, its subsidiaries and the JVs (as supplemented by (i) a notice issued by Outram to CKCI on 30 September 2011 to extend its initial term to the period from 2 April 2012 to 1 April 2015 (both dates inclusive), and (ii) a notice issued by Outram to CKCI on 30 September 2014 to extend its term to the period from 2 April 2015 to 1 April 2018 (both dates inclusive))

“JVs”	certain joint venture companies established under the laws of mainland China in each of which Outram indirectly holds a 45% interest
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice”	a notice issued by Outram to CKCI on 29 September 2017 to extend the Term of the Contract for a further period of three continuous years from 2 April 2018 to 1 April 2021 (both dates inclusive)
“Outram”	Outram Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Term of the Contract”	the period from 2 April 2015 to 1 April 2018 (both dates inclusive)

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

Hong Kong, 29 September 2017

*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*