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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Power Assets Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES AND DIRECTORS PROPOSED TO BE RE-ELECTED

NOTICE OF ANNUAL GENERAL MEETING

AGM notice: The notice convening the annual general meeting (“AGM”) to be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on **Wednesday, 10 May 2017** at 12:15 p.m. (*or in the event that 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 that day, at the same time and place on Monday, 15 May 2017*) to consider and approve the proposed resolutions therein is set out on pages 12 to 16 of this circular.

Transportation guide: A transportation guide to Harbour Grand Kowloon is despatched to shareholders together with this circular. Shareholders may also access the Company’s website at www.powerassets.com under ‘What’s New’ > ‘Notice of 2017 Annual General Meeting’ to view the transportation guide.

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

31 March 2017

This circular has been posted in both the English and Chinese languages on the Company's website at www.powerassets.com. If, for any reason, shareholders who have chosen (or are deemed to have consented) to receive corporate communications through the Company's website have difficulty in gaining access to this circular, they may request that a printed copy of this circular be sent to them free of charge by mail.

Shareholders may at any time choose to receive all future corporate communications either in printed form or through the Company's website, by writing to the Company at Rooms 1913-1914, 19th Floor, Hutchison House, 10 Harcourt Road, Hong Kong or to the share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by emailing to the Company's email address at mail@powerassets.com.

LETTER FROM THE BOARD



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

Executive Directors:

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

Registered Office:

Rooms 1913-1914,
19th Floor, Hutchison House,
10 Harcourt Road,
Hong Kong

Non-executive Director:

LI Tzar Kuoi, Victor

Independent Non-executive Directors:

IP Yuk-keung, Albert
Ralph Raymond SHEA
WONG Chung Hin
WU Ting Yuk, Anthony

31 March 2017

To the Shareholders,

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES AND
DIRECTORS PROPOSED TO BE RE-ELECTED**

NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the general mandates to issue shares and to repurchase shares which are proposed to be granted to the Directors and the proposed re-election of the Directors who are due to retire, and to give you notice of the annual general meeting of the Company convened for 10 May 2017 (“AGM”) at which resolutions for, among other things, these matters will be proposed.

LETTER FROM THE BOARD

PROPOSED GENERAL MANDATES FOR ISSUE OF NEW SHARES AND SHARE REPURCHASE

On 12 May 2016, a general mandate was given to the Directors to issue and dispose of additional shares of the Company. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval at the AGM of an ordinary resolution granting the Directors a general mandate to issue and dispose of during the Relevant Period (as defined below) additional shares representing not more than 20% of the total number of shares of the Company in issue at the date of passing the resolution. Relevant Period means the period from the passing of the resolution until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting. There are no immediate plans to issue any new shares of the Company. The general mandate is being sought from shareholders in compliance with the requirements under the Companies Ordinance and the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

On the same date, a general mandate was also given to the Directors to exercise the powers of the Company to repurchase shares of the Company. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval at the AGM of an ordinary resolution granting the Directors a general mandate to repurchase during the Relevant Period (as defined above) shares representing not more than 10% of the total number of shares of the Company in issue at the date of passing the resolution (“Repurchase Mandate”). In accordance with the relevant rules set out in the Listing Rules regulating the repurchase by companies of their own securities on the Stock Exchange, the Company is required to send shareholders an explanatory statement containing information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares. This explanatory statement is set out in **Appendix I** to this circular.

An ordinary resolution will also be proposed at the AGM to approve the addition of the repurchased shares (up to a maximum of 10% of the total number of shares of the Company in issue as at the date of passing of such resolution) to the 20% general mandate to issue new shares.

DIRECTORS PROPOSED TO BE RE-ELECTED

In accordance with Article 118 of the Company’s articles of association, Mr. Fok Kin Ning, Canning, Mr. Andrew John Hunter, Mr. Ip Yuk-keung, Albert, Mr. Li Tzar Kuoi, Victor and Mr. Tsai Chao Chung, Charles will retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

LETTER FROM THE BOARD

The Board is of the view that Mr. Ip meets the independence factors set out in Rule 3.13 of the Listing Rules and is independent in accordance with the guidelines. Mr. Ip has provided the Company with his annual confirmation of independence as required under the said Rule.

The particulars of these five Directors which are required to be disclosed under the Listing Rules are set out in **Appendix II** to this circular.

ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM are set out in full in the Notice of Annual General Meeting on pages 12 to 16 of this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at the address stated above no later than 48 hours before the time for holding the AGM. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will exercise his power under Article 81 of the Company's articles of association to put each of the resolutions set out in the Notice of Annual General Meeting to vote by way of a poll.

RECOMMENDATION

The Directors believe that the resolutions set out in the Notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of such resolutions at the AGM.

Yours faithfully,
FOK Kin Ning, Canning
Chairman

The following is the explanatory statement required to be sent to shareholders under the Listing Rules and also constitutes the memorandum required under Section 239 of the Companies Ordinance.

SHARE CAPITAL

As at 27 March 2017 (the latest practicable date prior to the printing of this circular), the total number of ordinary shares of the Company in issue was 2,134,261,654 shares.

Exercise in full of the Repurchase Mandate (being 10% of the total number of shares of the Company in issue), on the basis that no further shares are issued prior to the date of the AGM, could accordingly result in up to 213,426,165 shares being repurchased by the Company during the course of the period ending on the earlier of the date of the annual general meeting in 2018, and the date upon which such authority is revoked or varied.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and its shareholders to seek a general authority from shareholders to enable the Directors to purchase shares of the Company in the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share. The Directors are seeking a general mandate to repurchase shares to give the Company the flexibility to do so if and when appropriate. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

FUNDING OF REPURCHASE

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association and the Companies Ordinance. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There could be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31 December 2016) in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the shares of the Company have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular and during the period from 1 March 2017 to 27 March 2017 (the latest practicable date prior to the printing of this circular) were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2016	74.324*	69.042*
April 2016	75.727*	68.808*
May 2016	72.828*	67.593*
June 2016	72.922*	62.778*
July 2016	71.005*	64.975*
August 2016	72.875*	69.369*
September 2016	72.408*	69.416*
October 2016	71.800*	66.518*
November 2016	69.883*	66.939*
December 2016	69.650*	63.199*
January 2017	70.117*	63.900*
February 2017	71.847*	69.000
1 March 2017 to 27 March 2017	70.000	66.800

* Adjusted for the declaration of a one-off special interim dividend of HK\$5 per share by the Company with ex-dividend date on 14 February 2017

DISCLOSURE OF INTERESTS

The Directors have given an undertaking to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make all repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates have any present intention to sell any shares to the Company if the Repurchase Mandate is approved and exercised. No other core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved and exercised.

As at 27 March 2017 (the latest practicable date prior to the printing of this circular), Cheung Kong Infrastructure Holdings Limited (“CKI”) and its subsidiary Hyford Limited held through certain subsidiaries of Hyford Limited (including Monitor Equities S.A. and Univest Equity S.A.) a total of 829,599,612 shares, representing approximately 38.87% of the total number of shares of the Company in issue. By virtue of their direct and/or indirect shareholdings in CKI, Hutchison Whampoa Limited and its subsidiaries, Hutchison International Limited and Hutchison Infrastructure Holdings Limited, and CK Hutchison Holdings Limited and its subsidiaries, Cheung Kong (Holdings) Limited and CK Hutchison Global Investments Limited (collectively the “Substantial Shareholders”) were each deemed to hold these same 829,599,612 shares.

In the event that the Directors exercise in full the power to repurchase shares which is proposed to be granted pursuant to the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the shareholding of CKI in the Company would be increased to approximately 43.19% of the total number of shares of the Company in issue and similarly, so would the deemed shareholdings of each of the Substantial Shareholders be increased. In the opinion of the Directors such increase may give rise to an obligation to make a mandatory offer under Rule 26.1 of the Code on Takeovers and Mergers.

SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

The following is the information required to be disclosed by the Listing Rules on the Directors proposed to be re-elected at the AGM.

Mr. FOK Kin Ning, Canning, *Chairman*, aged 65, has been an Executive Director of the Company since February 1985, was appointed Deputy Chairman in August 1993 and became Chairman in November 2005. He is a Director of certain subsidiaries of the Company. He is also the Chairman of HK Electric Investments Manager Limited (“HKEIML”) which is the trustee-manager of HK Electric Investments (“HKEI”), HK Electric Investments Limited (“HKEIL”) and its wholly-owned subsidiary, The Hongkong Electric Company, Limited (“HK Electric”). Mr. Fok has been a Non-executive Director of CK Hutchison Holdings Limited (“CKH Holdings”) (*a company listed on the Stock Exchange and replaced the listing status of Cheung Kong (Holdings) Limited (“Cheung Kong”) since 18 March 2015*) since 9 January 2015 and has been re-designated as an Executive Director and Group Co-Managing Director of CKH Holdings since 3 June 2015. He is also a Director (*re-designated from a Non-executive Director to a Director since 3 June 2015*) of Cheung Kong, a Director (*re-designated from an Executive Director and the Group Managing Director to a Director on 8 June 2015*) of Hutchison Whampoa Limited (“HWL”) (*which was privatised by way of a scheme of arrangement on 3 June 2015*), and the Deputy Chairman of Cheung Kong Infrastructure Holdings Limited (“CKI”). Mr. Fok is the Chairman of Hutchison Telecommunications (Australia) Limited (“HTAL”), Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”) and Hutchison Port Holdings Management Pte. Limited (“HPHMPL”) which is the trustee-manager of Hutchison Port Holdings Trust (“HPH Trust”), and the Co-Chairman of Husky Energy Inc. (“Husky Energy”). Mr. Fok was previously the Chairman and an Executive Director of Hutchison Harbour Ring Limited (now known as China Oceanwide Holdings Limited) (*resigned on 19 December 2014*) and an Alternate Director of HTHKH (*ceased on 1 August 2016*). All the companies mentioned above, except HKEIML, HK Electric, Cheung Kong, HWL and HPHMPL, are listed companies, and HPH Trust and HKEI are listed business trusts. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

Mr. Fok acts as a Director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), and a Director of certain companies controlled by certain substantial shareholders of the Company. Save as disclosed above, Mr. Fok does not have any relationship with any other director, senior management or substantial or controlling shareholders of the Company. As at 27 March 2017 (the latest practicable date prior to the printing of this circular), he did not have any interest in the shares of the Company, and had a corporate interest in 2,000,000 Share Stapled Units representing approximately 0.02% of the total number of Share Stapled Units in issue of HKEI and HKEIL, the Company’s associated corporation, within the meaning of Part XV of the SFO. There is a letter of appointment between the Company and Mr. Fok appointing him as the Chairman and an Executive Director of the Company for an initial term up to 31 December 2012 which automatically renews for successive 12-month periods, subject to retirement and re-election every three years in accordance with the Company’s articles of association. He is entitled to a Chairman’s salary per annum (2016: HK\$50,000) and a Director’s fee per annum (2016: HK\$70,000).

Mr. Fok previously held directorship in Peregrine Investments Holdings Limited (“Peregrine”) (*resigned on 12 January 1998*), a company incorporated in Bermuda and registered under Part XI of the former Companies Ordinance, which was an investment bank. Peregrine commenced compulsory liquidation on 18 March 1998. The liquidation of Peregrine is still in progress and the total claim amounts admitted by the liquidators of Peregrine amounts to HK\$15,278 million.

Save as disclosed above, Mr. Fok does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters of significance concerning the Director that need to be brought to the attention of shareholders.

Mr. Andrew John HUNTER, aged 58, has been an Executive Director of the Company since January 1999, prior to which he was Finance Director of the Hutchison Property Group. Mr. Hunter was Group Finance Director from 1999 to January 2006, and is a Director of certain joint ventures of the Company. Mr. Hunter is currently Deputy Managing Director of CKI, a listed company and a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Hunter also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He is a Director of Australian Gas Networks Limited (formerly known as Envestra Limited), which was a listed company before its delisting on 17 October 2014. Mr. Hunter holds a Master of Arts degree and a Master’s degree in Business Administration and is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. He has over 34 years of experience in accounting and financial management.

Save as disclosed above, Mr. Hunter does not have any relationship with any other director, senior management or substantial or controlling shareholders of the Company. He does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is a letter of appointment between the Company and Mr. Hunter appointing him as an Executive Director of the Company for an initial term up to 31 December 2012 which automatically renews for successive 12-month periods, subject to retirement and re-election every three years in accordance with the Company’s articles of association. He is entitled to a Director’s fee per annum (2016: HK\$70,000).

Save as disclosed above, Mr. Hunter does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters of significance concerning the Director that need to be brought to the attention of shareholders.

Mr. IP Yuk-keung, Albert, aged 64, has been an Independent Non-executive Director of the Company since January 2014. Mr. Ip is an international banking and real estate professional with over 30 years of banking experience in United States, Asia and Hong Kong. He was formerly Managing Director of Citigroup and Managing Director of Investments at Merrill Lynch (Asia Pacific). Mr. Ip is Adjunct Professor of and advisor to a number of universities in Hong Kong, United States and Macau. He is a Council Member of The Hong Kong University of Science and Technology, an Honorary Professor of Business at Lingnan University, a Research Fellow of the Institute for Financial Economics at Singapore Management University, an Honorary Fellow of Vocational Training Council, a Beta Gamma Sigma Honoree at City University of Hong Kong and an Executive Fellow in Asia of Washington University in St. Louis. Mr. Ip has been the Executive Director and Chief Executive Officer of LHIL Manager Limited which is the trustee-manager of Langham Hospitality Investments, and Langham Hospitality Investments Limited since 9 June 2014. He has been an Independent Non-executive Director of Eagle Asset Management (CP) Limited which is the manager of Champion Real Estate Investment Trust since 2011 and has been re-designated as a Non-executive Director of such company since 9 June 2014. Mr. Ip has also been an Independent Non-executive Director of Hopewell Highway Infrastructure Limited, Hopewell Holdings Limited (*appointed on 10 April 2015*), TOM Group Limited and Lifestyle International Holdings Limited (*appointed on 22 April 2014*). Mr. Ip was formerly an Independent Non-executive Director of AEON Credit Service (Asia) Company Limited (*resigned on 1 October 2016*) and New World China Land Limited (*ceased on 1 September 2016 following the withdrawal of listing status of such company with effect from 4 August 2016*). All the companies mentioned above except for LHIL Manager Limited, Eagle Asset Management (CP) Limited and New World China Land Limited, are listed companies, and Langham Hospitality Investments is a listed fixed single investment trust and Champion Real Estate Investment Trust is a listed real estate investment trust. Mr. Ip holds a Bachelor of Science degree in Applied Mathematics and Computer Science, a Master of Science in Applied Mathematics and a Master of Science in Accounting and Finance.

Mr. Ip does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. He does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is a letter of appointment between the Company and Mr. Ip appointing him as an Independent Non-executive Director of the Company for an initial term up to 31 December 2014 which automatically renews for successive 12-month periods, subject to retirement and re-election every three years in accordance with the Company's articles of association. He is entitled to a Director's fee per annum (2016: HK\$70,000) and a further fee per annum for serving as a member of the audit committee (2016: HK\$70,000).

Save as disclosed above, Mr. Ip does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters of significance concerning the Director that need to be brought to the attention of shareholders.

Mr. LI Tzar Kuoi, Victor, aged 52, has been an Executive Director of the Company since May 1994 and re-designated from an Executive Director to a Non-executive Director in January 2014. He is also a Director of a joint venture of the Company. He has been a Director of CKH Holdings (*a company listed on the Stock Exchange and replaced the listing status of Cheung Kong since 18 March 2015*) since 11 December 2014, and has been designated as an Executive Director, Managing Director and Deputy Chairman of CKH Holdings since 9 January 2015 and re-designated as an Executive Director, Group Co-Managing Director and Deputy Chairman of CKH Holdings since 3 June 2015. Mr. Li has been a Director of Cheung Kong Property Holdings Limited (“CK Property”) since 5 January 2015 and has been designated as an Executive Director, Managing Director and Deputy Chairman of CK Property since 26 February 2015. He has been the Chairman of the Executive Committee of CK Property since 3 June 2015. He is also a Director (*re-designated from an Executive Director, Managing Director, Deputy Chairman and the Chairman of Executive Committee to a Director since 3 June 2015*) of Cheung Kong and a Director (*re-designated from an Executive Director and Deputy Chairman to a Director on 8 June 2015*) of HWL (*which was privatised by way of a scheme of arrangement on 3 June 2015*). Mr. Li is the Chairman of CKI and CK Life Sciences Int’l., (Holdings) Inc. and the Co-Chairman of Husky Energy. Mr. Li is also a Non-executive Director of HKEIML which is the trustee-manager of HKEI, a Non-executive Director and the Deputy Chairman of HKEIL and a Director of HK Electric. All the companies mentioned above, except Cheung Kong, HWL, HKEIML and HK Electric, are listed companies, and HKEI is a listed business trust. He is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People’s Political Consultative Conference of the People’s Republic of China. He is a member of the Commission on Strategic Development of the Hong Kong Special Administrative Region (“HKSAR”) and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Li is also the Honorary Consul of Barbados in Hong Kong. He was previously a member of the Council for Sustainable Development of HKSAR. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.).

Mr. Li acts as a Director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a Director of certain companies controlled by certain substantial shareholders of the Company. Save as disclosed above, Mr. Li does not have any relationship with any other director, senior management or substantial or controlling shareholders of the Company. As at 27 March 2017 (the latest practicable date prior to the printing of this circular), he did not have any interest in the shares of the Company, and had a corporate interest in 7,870,000 Share Stapled Units representing approximately 0.08% of the total number of Share Stapled Units in issue of HKEI and HKEIL, the Company’s associated corporation, within the meaning of Part XV of the SFO. There is a letter of appointment between the Company and Mr. Li appointing him as a Non-executive Director of the Company for an initial term up to 31 December 2014 which automatically renews for successive 12-month periods, subject to retirement and re-election every three years in accordance with the Company’s articles of association. He is entitled to a Director’s fee per annum (2016: HK\$70,000).

Mr. Li previously held directorship in Star River Investment Limited (“Star River”) (*ceased to act as Director on 4 June 2005*), a company owned as to 50% by Cheung Kong with its place of incorporation in Hong Kong and active in acquiring property for development. Star River commenced creditors’ voluntary winding up on 28 September 2004, with a wholly-owned subsidiary of Cheung Kong being the petitioning creditor. The amount involved in the winding up was HK\$17,259,710.34 and Star River was dissolved on 4 June 2005.

Save as disclosed above, Mr. Li does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters of significance concerning the Director that need to be brought to the attention of shareholders.

Mr. TSAI Chao Chung, Charles, *Chief Executive Officer*, aged 59, has been an Executive Director and Chief Executive Officer of the Company since January 2014. He has been with the Group since June 1987. Mr. Tsai is the General Manager of Power Assets Investments Limited, a wholly-owned subsidiary of the Company. He is also a Director or Alternate Director of most of the subsidiaries and certain joint ventures of the Company. Mr. Tsai has been responsible for the Group’s investments outside Hong Kong since 1997. He holds a Bachelor of Applied Science Degree in Mechanical Engineering, and is a Registered Professional Engineer and a Chartered Engineer.

Mr. Tsai has not held in the last three years and is not holding any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at 27 March 2017 (the latest practicable date prior to the printing of this circular), he had a personal interest of 4,022 shares of the Company and a personal interest in 880 Share Stapled Units of HKEI and HKEIL, the Company’s associated corporation, within the meaning of Part XV of the SFO. According to Mr. Tsai’s service contract with the Company, he is entitled to an annual remuneration including benefits of approximately HK\$3.63 million and a discretionary bonus for each financial year to be approved by the Remuneration Committee. The emoluments were determined with reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. There is also a letter of appointment between the Company and Mr. Tsai appointing him as an Executive Director of the Company for an initial term up to 31 December 2014 which automatically renews for successive 12-month periods, subject to retirement and re-election every three years in accordance with the Company’s articles of association. He is entitled to a Director’s fee per annum (2016: HK\$70,000).

Save as disclosed above, Mr. Tsai does not have any information to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters of significance concerning the Director that need to be brought to the attention of shareholders.

NOTICE OF ANNUAL GENERAL MEETING



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of 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, 10 May 2017** at 12:15 p.m. *(or in the event that 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 that day, at the same time and place on Monday, 15 May 2017)* for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2016.
2. To declare a final dividend.
3. To re-elect retiring Directors.
4. To appoint Auditor and authorise the Directors to fix the Auditor's remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

“THAT:

- (a) a general mandate be and is hereby unconditionally given to the Directors during the Relevant Period to issue and dispose of additional shares of the Company not exceeding 20% of the total number of shares of the Company in issue as at the date of passing this resolution (such total number of shares to be subject to adjustment in the case of any subdivision or consolidation of shares of the Company after the date of passing this resolution), such mandate to include the granting of offers or options (including bonds and debentures convertible into shares of the Company) which might be exercisable or convertible during or after the Relevant Period; and

NOTICE OF ANNUAL GENERAL MEETING

(b) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

“**THAT**:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of this resolution (such total number of shares to be subject to adjustment in the case of any subdivision or consolidation of shares of the Company after the date of passing this resolution); and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

“**THAT** the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Resolution 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of the number of shares of the Company repurchased by the Company under the authority granted pursuant to Resolution 6 set out in the notice convening this meeting, provided that such number of shares shall not exceed 10% of the total number of shares of the Company in issue as at the date of the said resolution (such total number of shares to be subject to adjustment in the case of any subdivision or consolidation of shares of the Company after the date of passing this resolution).”

By Order of the Board
Alex Ng
Company Secretary

Hong Kong, 31 March 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) *At the Annual General Meeting, the Chairman of the Meeting will exercise his power under article 81 of the Company's articles of association to put each of the above resolutions to the vote by way of a poll. The poll results will be published on the website of the Company at www.powerassets.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk as soon as possible in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").*
- (2) ***A member of the Company is entitled to appoint another person (whether a member or not) as a proxy to exercise all or any of the member's rights to attend and to speak and vote at the Meeting, and may appoint separate proxies to represent respectively the number of shares held by the member that is specified in their instruments of appointment. To be valid, all proxies must be completed in accordance with the instructions printed thereon and deposited at the registered office of the Company, Rooms 1913-1914, 19th Floor, Hutchison House, 10 Harcourt Road, Hong Kong, not later than 48 hours before the time for holding the Meeting. Completion and return of a proxy will not preclude a member from attending and voting in person at the Meeting or at any adjourned meeting thereof should the member so wish.***
- (3) *For the purpose of ascertaining members who are entitled to attend and vote at the Annual General Meeting (or any adjournment thereof), the register of members of the Company will be closed from Friday, 5 May 2017 to Wednesday, 10 May 2017, both days inclusive. In order to qualify for the right to attend and vote at the Meeting (or any adjournment thereof), all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 4 May 2017.*

The record date for determination of entitlement to the final dividend will be on Tuesday, 16 May 2017. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates should be lodged with Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Tuesday, 16 May 2017.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (4) *Regarding Resolution 3 above, particulars of the Directors proposed to be re-elected, as required to be disclosed by the Listing Rules, are set out in Appendix II to the circular mentioned in Note (8) below.*
- (5) *With reference to Resolution 5 above, approval is being sought from members for a general mandate to be granted to the Directors to issue and dispose of shares of the Company. The Directors wish to state that they have no immediate plans to issue any new shares in the Company. The general mandate is being sought from members in compliance with the requirements under the Companies Ordinance and the Listing Rules.*
- (6) *With reference to Resolution 6 above, approval is being sought from members for a general mandate to be granted to the Directors to repurchase shares issued by the Company. The Directors wish to state that they will exercise the powers conferred thereby in circumstances which they deem appropriate for the benefit of the members. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix I to the circular mentioned in Note (8) below.*
- (7) *With reference to Resolution 7 above, approval is being sought from members for the general mandate to be granted to the Directors under Resolution 5 above be extended by adding to it the number of shares repurchased under the authority to be granted pursuant to Resolution 6 above (subject to adjustment provided thereunder).*
- (8) *A circular containing the information regarding, inter alia, the Directors proposed to be re-elected at the Meeting and the general mandates to issue shares and repurchase shares of the Company will be despatched to members together with the 2016 annual report.*

NOTICE OF ANNUAL GENERAL MEETING

- (9) *If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at 9:00 a.m. on Wednesday, 10 May 2017, the Annual General Meeting will not be held on that day but will automatically be postponed and, by virtue of this notice, be held at the same time and place on Monday, 15 May 2017. Members may call the Company at (852) 2122 9122 during business hours from 9:00 a.m. to 5:00 p.m. on Monday to Friday, excluding public holidays or visit the website of the Company at www.powerassets.com for details of alternative meeting arrangements. The Annual General Meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force.*

Members of the Company should make their own decision as to whether they would attend the Annual General Meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

- (10) *In the case of inconsistency between the Chinese translation and the English text of this notice of Annual General Meeting, the English text will prevail.*