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Cheung Kong Infrastructure Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

INSIDE INFORMATION

PROPOSED SPIN-OFF BY POWER ASSETS HOLDINGS LIMITED OF ITS HONG KONG ELECTRICITY BUSINESS

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

PAH'S PROPOSED SPIN-OFF OF ITS HONG KONG ELECTRICITY BUSINESS

Reference is made to:

- (a) the announcement by PAH dated 27 September 2013 in relation to its proposal to spin-off and separately list its Hong Kong electricity business operated by HEC, by way of a listing of the Share Stapled Units to be jointly issued by HK Electric Investments and HKEIL on the Main Board of the Stock Exchange; and
- (b) the announcement by the Company dated 27 September 2013 in relation to inside information regarding the Proposed Spin-off.

The Board notes the issuance by PAH of the PAH Circular and the PAH Announcement dated 16 December 2013, both of which contain further details of the Proposed Spin-off. Certain information contained in the PAH Circular and the PAH Announcement, including information which is or may constitute inside information of the Company, is extracted in this announcement for information of shareholders and holders of other securities of the Company and potential investors.

The attention of shareholders and holders of other securities of the Company and potential investors is drawn to further information in relation to the Proposed Spin-off, the Share Stapled Units, HK Electric Investments and HKEIL, as contained in the PAH Circular and the PAH Announcement, copies of which may be found on the websites of PAH at www.powerassets.com and of the Stock Exchange at www.hkexnews.hk.

The PAH Circular and the PAH Announcement mention that the implementation of the Proposed Spin-off is subject to, among other things, the approval of the shareholders of PAH at a general meeting, the approval of the Stock Exchange, the final decision of the board of directors of PAH and of the respective boards of directors of the Trustee-Manager and HKEIL, market conditions and other considerations, and that there is no certainty as to whether, and if so when, the Proposed Spin-off will take place. Accordingly, shareholders and holders of other securities of the Company and potential investors should exercise caution when dealing in or investing in the shares or other securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

PAH'S PROPOSED SPIN-OFF OF ITS HONG KONG ELECTRICITY BUSINESS

Reference is made to:

- (a) the announcement by PAH dated 27 September 2013 in relation to its proposal to spin-off and separately list its Hong Kong electricity business by way of a listing of the Share Stapled Units to be jointly issued by HK Electric Investments and HKEIL on the Main Board of the Stock Exchange; and
- (b) the September Announcement.

The Board notes the issuance by PAH of the PAH Circular and the PAH Announcement dated 16 December 2013, both of which contain further details of the Proposed Spin-off.

As mentioned in the September Announcement, the PAH Circular and the PAH Announcement, amongst other things, the Proposed Spin-off, if it proceeds, will constitute a very substantial disposal for PAH under Chapter 14 of the Listing Rules; and that PAH intends to have an interest in not more than 49.9% and not less than 30% of the Share Stapled Units in issue immediately following the completion of the Proposed Spin-off.

The Reorganisation and the consideration for the Disposal

It is mentioned in the PAH Circular and the PAH Announcement that, in connection with the Proposed Spin-off, a reorganisation (the “**Reorganisation**”) will be implemented by the PAH Group pursuant to which, among other things, (i) Quickview will transfer one Ordinary HKEIL Share held by it to the Trustee-Manager (in its capacity as trustee-manager of HK Electric Investments) in consideration for HK\$0.0005 which will be satisfied by HK Electric

Investments issuing to Quickview one Unit linked to that Ordinary HKEIL Share held by the Trustee-Manager and stapled to the one Preference HKEIL Share held by Quickview to form one Share Stapled Unit in accordance with the Trust Deed and (ii) the entire shareholding interest in HEC, which directly owns the Hong Kong electricity business, will be disposed of by PAH to Treasure Business, an indirect wholly-owned subsidiary of HKEIL. The PAH Circular and the PAH Announcement also mention that the Disposal Consideration, which will reflect the value of HEC implied by the Offer Price, will be an amount equal to:

A – B

where:

(1) “A” is the sum of:

- (i) the net proceeds from the issue of the Offer Share Stapled Units pursuant to the Global Offering (being the gross proceeds less underwriting commissions and any incentive fees payable to the underwriters of the Global Offering pursuant to the underwriting agreements to be entered into in connection with the Global Offering) (for the avoidance of doubt, excluding any exercise of the Over-allotment Option);
- (ii) the value (at the Offer Price) of the Consideration Share Stapled Units to be issued to Quickview (at the direction of PAH); and
- (iii) HK\$8,700.0 million, being a sum equal to the gross amount to be drawn down by HKEIL under the HKEIL Loan Facility or, where US\$ are drawn, its HK\$ equivalent at an exchange rate agreed by PAH, Treasure Business, HKEIL and the Trustee-Manager, and

(2) “B” is the sum of:

- (i) HK\$78.3 million, being an amount equal to the front end fee to be paid by HKEIL in respect of the HKEIL Loan Facility or, where US\$ are paid, its HK\$ equivalent at an exchange rate agreed by PAH, Treasure Business, HKEIL and the Trustee-Manager;
- (ii) HK\$109.1 million, being the amount agreed as the costs and expenses of the Global Offering (excluding underwriting commissions and any incentive fees payable to the underwriters of the Global Offering under the underwriting agreements to be entered into in connection with the Global Offering); and
- (iii) HK\$10.0 million, being an amount set aside and retained by HKEIL as working capital of HKEIL,

each of the amounts in (ii) and (iii) of “B” being an agreed amount for the purposes of the calculation of the Disposal Consideration.

Minimum Trust Group Market Capitalisation and estimated unaudited gain on disposal of the Disposal Group by PAH

It is also mentioned in the PAH Circular and the PAH Announcement that, for the purpose of the shareholders' approval requirement under Chapter 14 of the Listing Rules and PN15, the shareholders of PAH will be requested at the PAH EGM to approve the Proposed Spin-off, which would proceed only if the Minimum Trust Group Market Capitalisation of HK\$48 billion is achieved. The PAH Circular and the PAH Announcement state that, based on the Minimum Trust Group Market Capitalisation of HK\$48 billion, the Disposal Consideration is expected to be of a minimum amount of approximately HK\$55.7 billion, and that on such basis the PAH Group will record an estimated unaudited gain of at least approximately HK\$53 billion from the Disposal (representing the difference between the estimated Disposal Consideration and the consolidated net asset value of the Disposal Group as at 30 June 2013, adjusted to take into account the repayment of loan capital and the distribution of revenue reserves by HEC to PAH and the estimated transaction costs and stamp duty).

The PAH Circular further mentions, in the unaudited pro forma financial information section, that: (i) assuming PAH will have an interest in 30% of the Share Stapled Units in issue immediately following the completion of the Proposed Spin-off, PAH's estimated pro forma gain on disposal of the Disposal Group would be HK\$53,024 million; and (ii) assuming PAH will have an interest in 49.9% of the Share Stapled Units in issue immediately following the completion of the Proposed Spin-off, PAH's estimated pro forma gain on disposal of the Disposal Group would be HK\$53,263 million.

The attention of shareholders and holders of other securities of the Company and potential investors is drawn to the basis on which and the context in which such financial information is set out, as contained in the PAH Circular.

In view of the Group's shareholding interest of approximately 38.87% in PAH, the results of PAH are equity-accounted for by the Group. Accordingly, the Group is expected to share in 38.87% of the gain to be derived by PAH as a result of the disposal of the Disposal Group. However, the final amount of the Disposal Consideration can only be determined following the determination of the Offer Price. The amount of actual gain that the PAH Group is able to realise from the Disposal will depend on the final amount of the Disposal Consideration which can only be determined following the determination of the Offer Price and the actual carrying amounts of the assets and liabilities of the Disposal Group on Completion.

ESTIMATED DISTRIBUTIONS OF THE TRUST GROUP

Trust Distributable Income

It is also mentioned in the PAH Circular and the PAH Announcement that, it is proposed that the Trustee-Manager (on behalf of HK Electric Investments) will distribute 100% of the dividends, distributions and other amounts received by the Trustee-Manager in respect of the Ordinary HKEIL Shares from HKEIL, after deduction of all amounts permitted to be deducted or paid under the Trust Deed (such as operating expenses of HK Electric Investments) (the "**Trust Distributable Income**").

Group Distributable Income

The PAH Circular and the PAH Announcement state that the distributions received by the Trustee-Manager from HKEIL will be derived from the audited consolidated profit attributable to the holders of Share Stapled Units for the relevant financial year or the relevant distribution period, after adjustments (the “**Group Distributable Income**”), the details of which are set out in the PAH Circular and the PAH Announcement.

Expected distributions for the period from the Listing Date to 31 December 2014

It is also mentioned in the PAH Circular and the PAH Announcement that, the directors of HKEIL and of the Trustee-Manager expect that, based on certain assumptions stated in the PAH Circular and in the absence of unforeseen circumstances, the total distributions to be declared and paid to the holders of Share Stapled Units for the period from the Listing Date to 31 December 2014 will not be less than HK\$3,217.7 million. Such distributions are calculated based on (a) the expected Group Distributable Income for the period from the Listing Date to 31 December 2014, which is calculated from the 2014 Profit Projection and (b) the assumption that the anticipated Listing Date will be 29 January 2014, and such distributions will vary if the actual Listing Date is different.

The PAH Circular and the PAH Announcement also mention that, considering the prevailing market conditions, the board of directors of PAH currently expects that, if the Proposed Spin-off proceeds, the Trust Group Market Capitalisation will be in the range of HK\$48 billion to approximately HK\$63.4 billion and that, based on the above expected distributions to holders of Share Stapled Units for the period from the Listing Date to 31 December 2014 and assuming that the anticipated Listing Date will be 29 January 2014, the annualised distribution yield for investors acquiring the Share Stapled Units at the Global Offering will be in the range of approximately 5.5% to 7.26%. It is also mentioned in the PAH Circular and the PAH Announcement that, for the avoidance of doubt, even if the Minimum Trust Group Market Capitalisation is achieved and whether or not the annualised distribution yield of the Share Stapled Units is within the above range, the decision whether to proceed with the Proposed Spin-off will be at the discretion of the board of directors of PAH, and, when doing so, the directors of PAH will take into account whether in their view the expected benefits to PAH and its shareholders will be maximised.

PROPOSED PREFERENTIAL OFFERING TO QUALIFYING PAH SHAREHOLDERS

The Assured Entitlement and its basis

It is mentioned in the PAH Circular and the PAH Announcement that, in order to enable the shareholders of PAH to participate in the Global Offering on a preferential basis as to allocation only, if the Proposed Spin-off is approved and the Global Offering proceeds, and subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the Share Stapled Units on the Main Board of the Stock Exchange and such approval not having been withdrawn and the Global Offering becoming unconditional, Qualifying PAH Shareholders (including the Group) will be invited to apply for the Reserved Share Stapled Units in the Preferential Offering. According to the PAH Circular and the PAH Announcement, it is expected that not less than 10% of the Share Stapled Units to be initially available under the Global Offering (prior to any exercise of the Over-allotment Option in connection with the International Offering) will be offered to the Qualifying PAH Shareholders, as an Assured Entitlement. Details of the number of Reserved Share Stapled Units to be made available for subscription by the Qualifying PAH Shareholders in the Preferential Offering will be set out in the Prospectus and further announcement of PAH, if the Global Offering proceeds.

The PAH Circular and the PAH Announcement also mention that the Assured Entitlement of Qualifying PAH Shareholders to Reserved Share Stapled Units will not be transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

2013 PROFIT FORECAST AND 2014 PROFIT PROJECTION

2013 Profit Forecast of HEC

It is also stated in the PAH Circular and the PAH Announcement that on the bases and assumptions set out therein and in the absence of unforeseen circumstances, the 2013 Profit Forecast is as follows:

Forecast consolidated profit attributable to the equity
shareholders of HEC for the financial year ending
31 December 2013..... Not less than HK\$5,180.0 million

2014 Profit Projection of the Trust Group

The PAH Circular and the PAH Announcement also state that, on the bases and assumptions set out therein and in the absence of unforeseen circumstances, the 2014 Profit Projection is as follows:

Projected consolidated profit attributable to the holders of Share
Stapled Units for period from the Listing Date to
31 December 2014 Not less than HK\$2,765.8 million

Bases and Assumptions for determining the 2013 Profit Forecast and the 2014 Profit Projection

The PAH Circular and the PAH Announcement also contain further details relating to the bases and assumptions on which each of the 2013 Profit Forecast and the 2014 Profit Projection was prepared.

For further information in relation to the 2013 Profit Forecast and 2014 Profit Projection, please refer to the PAH Circular and the PAH Announcement. Attention is also drawn to the letter from the reporting accountants of PAH and the financial advisor of PAH relating to the 2013 Profit Forecast and 2014 Profit Projection, as contained in the PAH Circular.

PROPOSED ARRANGEMENT RELATING TO FUTURE INVESTMENT OPPORTUNITIES IN POWER PROJECTS

The Group currently holds a 38.87% shareholding interest in PAH. The Company is an infrastructure company with diversified investments globally in energy infrastructure, transportation infrastructure (highway, bridges and toll roads), water infrastructure, waste management, and infrastructure related businesses (such as cement, concrete and aggregates).

As mentioned in the September Announcement, if the Global Offering proceeds, following the completion of the Proposed Spin-off, it is intended that PAH and the Company will continue to leverage their respective areas of expertise, with PAH focusing on investments in power projects and the Company focusing on non-power projects.

To facilitate the Proposed Spin-off and enhance this delineation between the future business focuses of PAH and the Company, it is proposed that if the Proposed Spin-off proceeds, with effect from the Listing Date:

- (i) The Company will undertake that if it is offered an opportunity to invest in any power projects (for this purpose, including gas projects), it will inform PAH and refer such investment opportunity to PAH for evaluation. Subject to paragraph (ii) below, the Company may only invest in any power project if PAH (with the endorsement of the independent non-executive directors of PAH (the “**PAH INEDs**”) or a committee of the PAH INEDs):
 - (1) declines to invest in the power project; or
 - (2) elects to invite the Company to participate as a co-investor in the power project.
- (ii) For any investment opportunity in respect of a power project where the interest available for investment or acquisition is of an enterprise value (as determined by PAH) not exceeding HK\$4 billion (or equivalent) (the “**Relevant Enterprise Value Threshold**”), PAH will not invite the Company to participate as a co-investor in the power project. PAH may (through the procedure involving the PAH INEDs as mentioned in the immediately preceding paragraph (i) above) elect to invite the Company to participate as a co-investor in a power project only if the interest available for investment or acquisition is of an enterprise value exceeding the Relevant Enterprise Value Threshold.
- (iii) The undertaking from the Company will terminate on the earlier of (1) the date on which the Company ceases to own at least a 30% shareholding interest in PAH and (2) the date on which PAH’s shares cease to be listed on the Stock Exchange.
- (iv) Any future co-investment by PAH and the Company in power projects will also be subject to compliance with the applicable requirements of the Listing Rules, including independent shareholders’ approval (if required).

Under the above proposed arrangement, investment opportunities in respect of any power project where the interest available for investment or acquisition is of an enterprise value not exceeding the Relevant Enterprise Value Threshold will be evaluated and decided on by PAH alone and (if successfully acquired or invested in) PAH will participate in the operation and management of the investment alone. It is only when an investment opportunity is pursued as a co-investment by PAH and the Company (in accordance with the threshold and procedures described above) that such investment opportunity will be evaluated and decided on by PAH and the Company together; and in such case, if the acquisition or investment is successfully made, representatives from each of PAH and the Company will participate in the operation and management of the investment.

Further, under the proposed arrangement, if, in compliance with connected transaction requirements under the Listing Rules, any proposed investment by PAH in a particular power project with the Company is required to be approved by the independent shareholders of PAH, the Company will not be prohibited from participating in the power project if the independent shareholders of PAH do not approve PAH's proposed investment.

FUTURE CLASSIFICATION OF CERTAIN OVERSEAS ASSOCIATES AS JOINT VENTURES

It is mentioned in the PAH Circular and the PAH Announcement that, after the completion of the Proposed Spin-off, if it proceeds, the Hong Kong electricity business will be carried on by the HKEIL Group and the remaining businesses of the PAH Group (namely, the power businesses outside Hong Kong) will principally be held and operated through joint ventures and associates, some of which are controlled together with the Group. The PAH Circular and the announcement of PAH dated 27 September 2013 contain information relating to the Major JVs which will hold and operate such remaining businesses after completion of the Proposed Spin-off. Some of the Major JVs are joint ventures in which the Group also has an interest and certain information of which is summarised below (together with the Group's percentage interest in each):

Location	Name of joint venture (and the Group's % effective interest)	Principal activities of the joint venture
United Kingdom	UK Power Networks Holdings Limited (40%) ⁽¹⁾	Owning, operating and managing three regulated distribution networks in the United Kingdom that cover London, South East England and East England; operating certain non-regulated electricity distribution businesses in the United Kingdom, which consist predominantly of commercial contracts to distribute electricity to a number of privately owned sites, including certain major airports and railway systems
	Northern Gas Networks Holdings Limited (47.06%) ⁽²⁾	Owning Northern Gas Networks Limited, which operates the Northern Gas Networks in the north of England
	West Gas Networks Limited and Western Gas Networks Limited (30%) ⁽³⁾	Engaging in the management of gas transportation assets and gas distribution in Wales and the southwest of England

New Zealand	Wellington Electricity Distribution Network Holdings Limited (50%) ⁽⁴⁾	Owning Wellington Electricity Distribution Network Limited, which supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand
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Notes:

- (1) The remaining interest in UK Power Networks Holdings Limited is held as to 40% by PAH Group and as to 20% in aggregate by Li Ka Shing Foundation Limited (“**LKS Foundation**”) and Li Ka Shing (Overseas) Foundation and their respective subsidiaries.
- (2) The remaining interest in Northern Gas Networks Holdings Limited is held as to 41.29% by PAH Group and as to 11.65% by an independent third party.
- (3) The remaining interest in each of West Gas Networks Limited and Western Gas Networks Limited is held as to 30% by PAH Group, as to 30% by Cheung Kong (Holdings) Limited and its subsidiaries (“**CKH Group**”) and as to 10% by LKS Foundation and its subsidiaries.
- (4) The remaining 50% interest in Wellington Electricity Distribution Network Holdings Limited is held by PAH Group.

As a shareholder or joint venture partner, the Group nominates directors on the respective boards of the above four Major JVs. The nominated directors, together with other directors nominated by other joint venture party or parties sharing control of the above four Major JVs, can act collectively to direct the activities that significantly affect the returns of the joint arrangement (i.e. the relevant activities). The above four Major JVs, which have in the past been classified by the Company as associates, should be classified by the Company as joint ventures while remain to be accounted for in the Group’s financial statements using the equity method of accounting.

EGM OF PAH

It is mentioned in the PAH Circular and the PAH Announcement that the PAH EGM will be convened at 10:30 a.m. on Monday, 6 January 2014 for the purpose of allowing the shareholders of PAH to consider and, if thought fit, approve the Proposed Spin-off.

The PAH Circular and the PAH Announcement also state that even if approval of the shareholders of PAH is obtained at the PAH EGM and the Minimum Trust Group Market Capitalisation is achieved, the decision of whether to proceed with the Proposed Spin-off will be at the discretion of the directors of PAH and, when doing so, they will take into account all factors and other considerations they consider relevant, including prevailing market conditions, the Offer Price that can be achieved and whether PAH’s expected gain from the Disposal will, in their view, maximize the benefits to PAH and its shareholders.

INDEPENDENT BOARD COMMITTEE OF PAH AND INDEPENDENT FINANCIAL ADVISER THERETO

The PAH Circular and the PAH Announcement state that, in accordance with the requirements of paragraph 3(e)(4) of PN15:

- (a) an Independent Board Committee of PAH has been established by PAH to consider the Proposed Spin-off, and to advise the shareholders of PAH as to whether the terms of the Proposed Spin-off are fair and reasonable and whether the Proposed Spin-off is in the interests of PAH and its shareholders as a whole and to advise the shareholders of PAH on how to vote at the PAH EGM in respect of the ordinary resolution to approve the Proposed Spin-off, taking into account the recommendation of the Independent Financial Adviser in that regard; and
- (b) Somerley Limited has been appointed as an Independent Financial Adviser to make recommendations to the Independent Board Committee of PAH and the shareholders of PAH as to whether the terms of the Proposed Spin-off are fair and reasonable so far as the shareholders of PAH are concerned and whether the Proposed Spin-off is in the interests of PAH and its shareholders as a whole and to advise the shareholders of PAH on how to vote at the PAH EGM in respect of the ordinary resolution to approve the Proposed Spin-off.

For further information in relation to the recommendations of the Independent Board Committee and the Independent Financial Adviser, please refer to the PAH Circular.

The Group has a shareholding interest of approximately 38.87% in PAH, and will be entitled to vote at the PAH EGM. The Group will cast all its votes in favour of the proposed ordinary resolution for approving the Proposed Spin-off and the related transactions, the full text of which is set out in the notice of the PAH EGM.

GENERAL

The attention of shareholders and holders of other securities of the Company and potential investors is drawn to further information in relation to the Proposed Spin-off, the Share Stapled Units, HK Electric Investments and HKEIL as contained in the PAH Circular and the PAH Announcement, copies of which may be found on the websites of PAH at www.powerassets.com and of the Stock Exchange at www.hkexnews.hk.

The PAH Circular and the PAH Announcement mention that the implementation of the Proposed Spin-off is subject to, among other things, the approval of the shareholders of PAH at a general meeting, the approval of the Stock Exchange, the final decision of the board of directors of PAH and of the respective boards of directors of the Trustee-Manager and HKEIL, market conditions and other considerations, and that there is no certainty as to whether, and if so when, the Proposed Spin-off will take place. Accordingly, shareholders and holders of other securities of the Company and potential investors should exercise caution when dealing in or investing in the shares or other securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings set out below in this announcement:

“2013 Profit Forecast”	the forecast consolidated profit attributable to the equity shareholders of HEC for the financial year ending 31 December 2013
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“2014 Profit Projection”	the projected consolidated profit attributable to the holders of Share Stapled Units for the period from the Listing Date to 31 December 2014
“Assured Entitlement”	the entitlement of the Qualifying PAH Shareholders to apply for the Reserved Share Stapled Units on an assured basis pursuant to the Preferential Offering determined on the basis of their respective shareholdings in PAH on the Record Date
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Cheung Kong Infrastructure Holdings Limited (stock code: 1038), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Consideration Share Stapled Units”	the Share Stapled Units to be issued to Quickview (at the direction of PAH) as partial settlement of the Disposal Consideration, which is expected to represent 30% to 49.9% of the total Share Stapled Units in issue immediately after the Global Offering (regardless of whether the Over-allotment Option is exercised or not)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire issued share capital in HEC by PAH to Treasure Business
“Disposal Consideration”	the consideration for the Disposal
“Disposal Group”	HEC and its wholly-owned subsidiary, Hongkong Electric Finance Limited
“Global Offering”	the Hong Kong Public Offering and the International Offering (including the Preferential Offering)
“Group”	the Company and its subsidiaries from time to time
“HEC”	The Hongkong Electric Company, Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of PAH

“HK Electric Investments”	HK Electric Investments, a fixed single investment trust which is proposed to be constituted pursuant to the Trust Deed if the Proposed Spin-off proceeds, the trustee-manager of which will be the Trustee-Manager
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEIL”	HK Electric Investments Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 23 September 2013, which is currently a wholly-owned subsidiary of PAH
“HKEIL Group”	HKEIL and its subsidiaries, as if the Reorganisation (as defined in this announcement above) had been completed
“HKEIL Loan Facility”	a term loan facility in an aggregate principal amount equivalent to approximately HK\$8.7 billion proposed to be made available to HKEIL by a syndicate of lenders, which is expected to be available partly in HK\$ and partly in US\$, in the proportions to be agreed between HKEIL and the lenders
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Offer Share Stapled Units”	the Share Stapled Units proposed to be initially offered jointly by HK Electric Investments and HKEIL pursuant to the Hong Kong Public Offering (subject to reallocation)
“Hong Kong Public Offering”	the proposed offer of the Hong Kong Offer Share Stapled Units to the public in Hong Kong for subscription at the Offer Price
“Independent Board Committee”	the independent committee of the board of directors of PAH established by PAH to consider the Proposed Spin-off and advise its shareholders on the Proposed Spin-off
“Independent Financial Adviser”	Somerley 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 the independent financial adviser to the Independent Board Committee and the shareholders of PAH in connection with the Proposed Spin-off
“International Offer Share Stapled Units”	the Share Stapled Units proposed to be offered jointly by HK Electric Investments and HKEIL pursuant to the International Offering (subject to reallocation) together with, where relevant, additional Share Stapled Units which may be sold by Quickview pursuant to any exercise of the Over-allotment Option

“International Offering”	the proposed offer of the International Offer Share Stapled Units (i) in the United States solely to QIBs pursuant to an exemption from registration under the U.S. Securities Act and (ii) outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act, for subscription or purchase (as the case may be) at the Offer Price (including the Preferential Offering), in each case on and subject to the terms and conditions of the relevant underwriting agreement
“Joint Global Coordinators”	Goldman Sachs (Asia) L.L.C. and The Hongkong and Shanghai Banking Corporation Limited
“Linked”	the matching and linking of each Unit with and to a specifically identified Ordinary HKEIL Share held by the Trustee-Manager (in its capacity as trustee-manager of HK Electric Investments), so that the registered holder of a Unit has a beneficial interest in the specifically identified Ordinary HKEIL Share and any transfer of the Unit also transfers the beneficial interest in the Ordinary HKEIL Share, in accordance with the Trust Deed
“Listing Date”	the date on which the Share Stapled Units are first listed and from which dealings in the Share Stapled Units are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Major JVs”	certain joint ventures, as detailed in the PAH Circular and the PAH Announcement
“Minimum Trust Group Market Capitalisation”	the minimum Trust Group Market Capitalisation required to be achieved, being HK\$48 billion, and if this cannot be achieved, the Proposed Spin-off will not proceed (unless further approved by the shareholders of PAH)
“Non-Qualifying PAH Shareholders”	shareholders of PAH whose names appear in the register of members of PAH on the Record Date and whose addresses as shown in such register are in any of the Specified Territories and any shareholders of PAH or PAH Beneficial Shareholders at that time who are otherwise known by PAH to be resident in any of the Specified Territories
“Offer Price”	the final offer price per Offer Share Stapled Unit (exclusive of brokerage of 1.0%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%), at which the Share Stapled Units are to be issued or sold pursuant to the Global Offering

“Offer Share Stapled Units”	the Hong Kong Offer Share Stapled Units, the Reserved Share Stapled Units and the International Offer Share Stapled Units, together with, where relevant, any additional Share Stapled Units which may be sold by Quickview pursuant to any exercise of the Over-allotment Option
“Ordinary HKEIL Share(s)”	ordinary share(s) with a nominal value of HK\$0.0005 each in the share capital of HKEIL conferring the rights set out in the amended and restated articles of association of HKEIL proposed to be adopted by HKEIL, as amended from time to time
“Over-allotment Option”	the option expected to be granted by Quickview to the underwriters of the International Offering, exercisable by the Joint Global Coordinators (on behalf of such underwriters), pursuant to which Quickview may be required to sell additional Share Stapled Units (representing not more than approximately 15% of the number of Offer Share Stapled Units initially being offered under the Global Offering) at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any
“PAH”	Power Assets Holdings Limited (stock code: 0006), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“PAH Announcement”	the announcement issued by PAH dated 16 December 2013 in relation to, amongst other things, the Proposed Spin-off
“PAH Beneficial Shareholder”	any beneficial owner of PAH Shares whose PAH Shares are registered, as shown in the register of members of PAH, in the name of a registered shareholder of PAH on the Record Date
“PAH Circular”	the circular issued by PAH dated 16 December 2013 in relation to the Proposed Spin-off, which contains a notice of the PAH EGM
“PAH EGM”	the extraordinary general meeting of PAH to be held on Monday, 6 January 2014 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the Proposed Spin-off and matters incidental thereto
“PAH Group”	PAH and its subsidiaries, joint ventures and associates from time to time
“PAH Shares”	ordinary shares of HK\$1.00 each in the capital of PAH
“PN15”	Practice Note 15 of the Listing Rules

“Preference HKEIL Share(s)”	the preference share(s) with a nominal value of HK\$0.0005 each in the share capital of HKEIL conferring the rights set out in the amended and restated articles of association of HKEIL proposed to be adopted by HKEIL, as amended from time to time
“Preferential Offering”	the preferential offering to the Qualifying PAH Shareholders of Reserved Share Stapled Units as an Assured Entitlement and to satisfy applications for excess Reserved Share Stapled Units, out of the Share Stapled Units being offered under the International Offering at the Offer Price, on and subject to the terms and conditions to be set out in the Prospectus and in the relevant application form for the Reserved Share Stapled Units
“Proposed Spin-off”	PAH’s proposed spin-off of its group’s Hong Kong electricity business operated by HEC and separate listing of the Share Stapled Units on the Main Board of the Stock Exchange
“Prospectus”	the prospectus to be jointly issued by HK Electric Investments and HKEIL in connection with the Global Offering
“QIB”	a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
“Qualifying PAH Shareholder(s)”	shareholder(s) of PAH, other than Non-Qualifying PAH Shareholders, whose names appear in the register of members of PAH on the Record Date
“Quickview”	Quickview Limited, a company incorporated in the BVI with limited liability on 5 September 2013 and a wholly-owned subsidiary of PAH
“Record Date”	Friday, 10 January 2014 (or such later date as may be determined and announced by PAH), being the record date for determining the Assured Entitlement of the Qualifying PAH Shareholders to the Reserved Share Stapled Units
“Reserved Share Stapled Units”	the Share Stapled Units proposed to be offered jointly by HK Electric Investments and HKEIL to Qualifying PAH Shareholders pursuant to the Preferential Offering as an Assured Entitlement, which are to be allocated out of the Share Stapled Units to be offered under the International Offering
“September Announcement”	the announcement by the Company dated 27 September 2013 in relation to inside information regarding the Proposed Spin-off

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Stapled Units”	<p>a combination of the following securities or interests in securities which, subject to the provisions of the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <p>(i) a Unit;</p> <p>(ii) a beneficial interest in a specifically identified Ordinary HKEIL Share which is Linked to the Unit and held by the Trustee-Manager as legal owner (in its capacity as trustee-manager of HK Electric Investments); and</p> <p>(iii) a specifically identified Preference HKEIL Share which is Stapled to the Unit</p>
“Specified Territories”	Australia, Germany, Indonesia, Ireland, Malaysia, Malta, the Netherlands, New Zealand, Pakistan, Panama, Portugal, Singapore, Thailand, the United Kingdom and the United States and such other non-Hong Kong territories which in the view of the directors of PAH, the Trustee-Manager and HKEIL should be regarded as “Specified Territories” for the purpose of the Preferential Offering on the basis permitted under Rule 13.36(2) of the Listing Rules
“Stapled”	the means by which each Unit is attached to a specifically identified Preference HKEIL Share so that one may not be dealt with without the other, in accordance with the Trust Deed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Business”	Treasure Business Limited, a company incorporated in the BVI with limited liability on 10 July 2013 and a wholly-owned subsidiary of Century Rank Limited which is in turn a wholly-owned subsidiary of HKEIL
“Trust Deed”	the trust deed to be entered into between the Trustee-Manager and HKEIL to constitute HK Electric Investments, if the Proposed Spin-off proceeds
“Trust Group”	HK Electric Investments and HKEIL Group
“Trust Group Market Capitalisation”	the market capitalisation of the Trust Group immediately upon completion of the Global Offering, calculated by multiplying (i) the total number of Share Stapled Units in issue immediately upon completion of the Global Offering by (ii) the Offer Price

“Trustee-Manager”	HK Electric Investments Manager Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of PAH
“Unit”	an undivided interest in HK Electric Investments, which confers the rights stated in the Trust Deed as being conferred by a Unit (whether in its own right or as a component of a Share Stapled Unit)
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

By Order of the Board
CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED
Eirene Yeung
Company Secretary

Hong Kong, 16 December 2013

As at the date hereof, the Executive Directors of the Company are Mr. LI Tzar Kuoi, Victor (Chairman) Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Andrew John HUNTER (Deputy Managing Director), Mr. CHAN Loi Shun (Chief Financial Officer), Mrs. CHOW WOO Mo Fong, Susan (also Alternate Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT) and Mr. Frank John SIXT; the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-mei alias POON Sow Mei (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mr. Barrie COOK (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina, Mr. George Colin MAGNUS and Mr. TSO Kai Sum; and the Alternate Directors are Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene YEUNG (Alternate Director to Mr. KAM Hing Lam).