# CK Infrastructure

## Capital Markets Day

September 2024

CK Infrastructure Holdings Limited

# Agenda

| | Presenter |
|---|---|
| **Introduction to the attendees** | Yue Seng CHIU |
| **Company snapshot** | Andy HUNTER |
| **Creating value for shareholders** | Andy HUNTER |
| **Capturing growth opportunities** | Andy HUNTER |
| **M&A growth opportunities ahead** | Yue Seng CHIU |
| **Our sustainability approach** | Chris CHAN |
| **How CKI delivers financially** | Dominic CHAN |
| **Closing remarks** | Andy HUNTER |

# Introduction to the attendees

**Andy HUNTER**

Deputy Managing Director
and Executive Director

**Dominic CHAN**

Chief Financial Officer
and Executive Director

**Yue Seng CHIU**

Head of Corporate Finance

**Ivan CHAN**

Chief Planning
and Investment Officer

**Chris CHAN**

Group Sustainability Officer

# Our key messages for today

**One of the largest diversified global infrastructure** companies with stable and recurring cash flows – all major portfolio businesses **controlled** by CK Group

**>70%** of profit contribution from **regulated utilities** with inherent CAPEX-driven growth and **contracted infrastructure** businesses underpinned by stable contracted cashflow with growth

**>30 value-accretive acquisitions** at both CKI and portfolio company level **with** strong support from **key partners to jointly pursue sizable acquisitions**

Proven track record of **driving efficiency and improving performance** across the portfolio

**27 consecutive years of dividend growth** since HK IPO with a CAGR of **10.8%**

Solid financial position with **"A" credit rating and single-digit gearing** – all major portfolio businesses are **self-funded with solid IG ratings**

# Company snapshot

## Andy HUNTER

Deputy Managing Director
and Executive Director

CK Infrastructure
Holdings Limited

# A portfolio diversified across geographic regions and business segments

## 2023 profit contribution[1]

| By Region | HKDm | % |
|---|---|---|
| United Kingdom | 3,050 | 35.7% |
| Australia | 1,855 | 21.7% |
| New Zealand | 168 | 2.0% |
| Continental Europe | 535 | 6.3% |
| Canada | 648 | 7.6% |
| Hong Kong and Mainland China | 117 | 1.4% |
| Power Assets | 2,162 | 25.3% |
| **Total** | **8,535** | **100.0%** |

| By Segment | HKDm | % |
|---|---|---|
| Regulated Utilities | 4,373 | 51.3% |
| *Electricity Distribution* | *3,004* | *35.2%* |
| *Other Regulated Utilities* | *1,369* | *16.1%* |
| Contracted Infrastructure | 1,819 | 21.3% |
| Other Businesses | 181 | 2.1% |
| Power Assets | 2,162 | 25.3% |
| **Total** | **8,535** | **100.0%** |

Note:
1. Profit contribution represents profit attributable to shareholders of the Company before unallocated items

# One of the largest diversified global infrastructure companies

## Portfolio businesses across geographies and asset classes

CK Infrastructure Holdings Limited

~36.0% owned

### United Kingdom

**Power distribution**

UK Power Networks

**Gas distribution**

Northern Gas Networks
Wales&West Utilities
Phoenix Energy

**Water supply and sewerage services**

Northumbrian Water – living water

**Power generation**

Seabank Power

**Rolling stock leasing**

Eversholt Rail Group

**32 UK onshore wind farms[1]**

### Canada

**Household infrastructure**

Reliance home comfort

**Power generation**

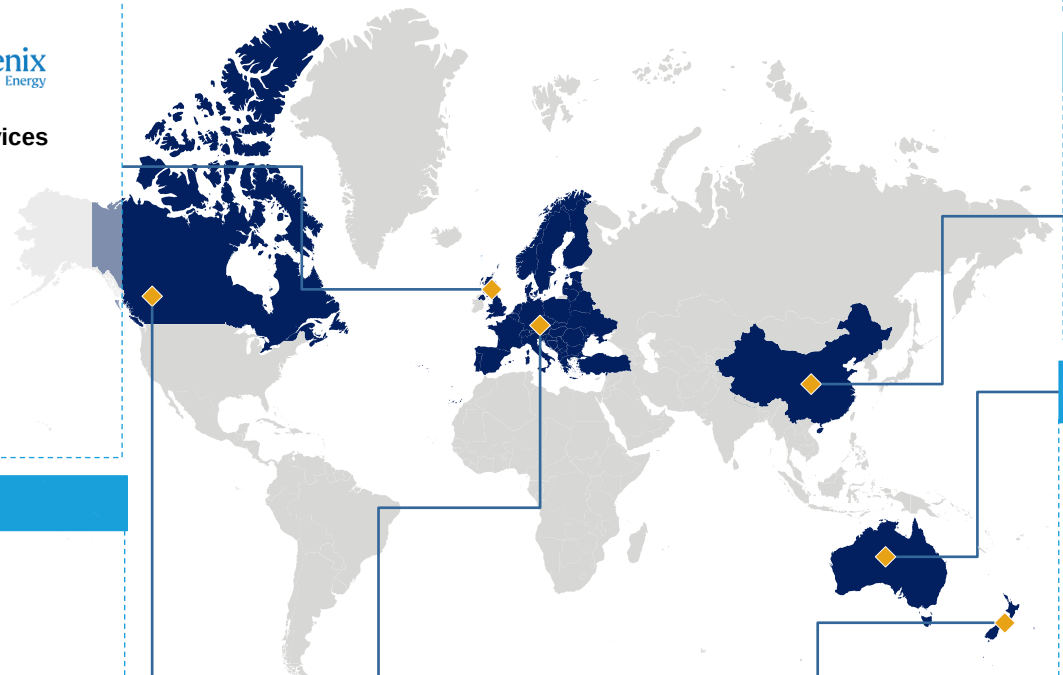
Canadian Power

**Oil & gas midstream assets[2]**

Husky Midstream

**Off-airport parking facilities**

Park'n Fly



### Continental Europe

**Energy-from-waste**

Dutch Enviro Energy[3] / AVR.

**Sub-metering**

ista

### New Zealand

**Power distribution**

Wellington Electricity / we

**Waste management**

Enviro NZ

### Power Assets

**Global infrastructure investment**

Power Assets 電能

### HK and Mainland China

**Cement production**

Green Island Cement

**Concrete and aggregate production**

Alliance 友盟

**Toll roads and bridges**

### Australia

**Power distribution & transmission**

SA Power Networks
Victoria Power Networks[4] / CitiPower
Powercor Australia
united energy
Australian Energy Operations

**Gas distribution**

Australian Gas Networks
Multinet Gas Networks

**Gas transmission**

Dampier Bunbury Pipeline

**Distributed energy and clean energy**

EDL

Notes:
1. Pending completion
2. Also referred to as Canadian Midstream Assets
3. Dutch Enviro Energy owns AVR
4. Victoria Power Networks is the holding company of Powercor and CitiPower

# Proven financial track record

## Continuously driving organic growth and delivering shareholder return

### Profit attributable to shareholders

**HKD886m[1]**
*FY1996 (SEHK listing)*

CAGR: 8.5%

**HKD8,027m**
*FY2023*

### Dividend per share

**HKD0.16**
*FY1996 (SEHK listing)*

CAGR: 10.8%

**HKD2.56**
*FY2023*

**CKI delivered an annualised 3-year total shareholder return that is c.4x the MSCI Core Infrastructure Index's[2]**

## Robust M&A track record of accretive acquisitions while maintaining a solid balance sheet

| Since SEHK Listing | YTD 2024[4] | | |
|---|---|---|---|
| **>30 acquisitions** | **3 acquisitions** | **9.8%** | **A / Stable** |
| **>USD60bn** | **>USD1.5bn** | | |
| *Total enterprise value[3]* | *Total enterprise value[3]* | *Net debt to net total capital ratio[5]* | *S&P credit rating* |

Notes:
1. FY1996 profit attributable to shareholders on an as reported basis
2. As of 30 August 2024; Based on Bloomberg; CKI's 3-year annualised net total return was 13.22% (assuming dividends are reinvested) while MSCI Core Infrastructure Index's 3-year annualised net total return was 3.17% (assuming dividends are reinvested)
3. Represents the sum of total enterprise value of targets acquired by CKI and partners
4. Includes UK wind portfolio acquisition which has been announced but not completed
5. As of 30 June 2024

# Driving efficiency and improving performance across the portfolio through proactive asset management

**Best-in-class asset management model**

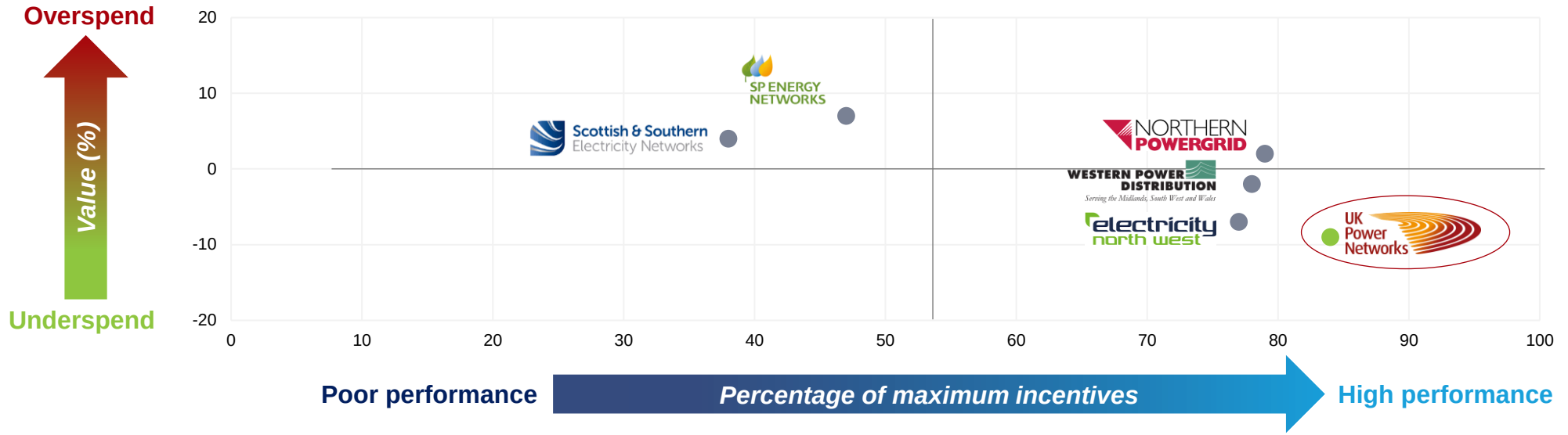
- **Dedicated team of professionals** drive **CKI's culture and strategy at portfolio** business level
- **Specialise in asset management** and implement standards under which local management teams operate **with high levels of accountability**
- Teams attend **regular board and sub-committee meetings** of the portfolio businesses and **lead monthly** operational and financial **performance meetings**
- Facilitate **sharing of best industry practices, expertise and knowledge across portfolio** businesses through **annual conferences and ad-hoc colloquiums**
  - *Regulation / Finance / Sustainability / Public Relations / Health & Safety / Technology / Cyber Security / Legal*
- CKI also facilities **management mobility** – allowing key executives to move between portfolio businesses and countries
- Full senior **management team of portfolio** businesses **gather annually in Hong Kong for the budget process**

**Synergies across portfolio businesses**

- ✓ **Better regulatory insights** due to interactions across multiple jurisdictions and sectors
- ✓ **Broader government relations** due to depth of portfolio and concentration in jurisdictions
- ✓ **Early insight of macroeconomic trends** due to combination of both regulated and non-regulated business exposure
- ✓ **Better health and safety outcomes** through the sharing of information and best practices across businesses
- ✓ Expanding non-regulated businesses adjacent to regulated utilities to **enhance returns leveraging existing expertise**

# Driving efficiency and improving performance across the portfolio through proactive asset management - selected examples

## UKPN: RIIO ED1 performance (2015-2023)[1]




## SAPN: Service performance scheme (SPS) & Grade of Service (GOS)

SA Power Networks

✓ *Incentive / Reward*

○ *Incentive cap reached*

***Regulatory control period***

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|---|---|---|---|---|---|---|---|---|
| **SPS** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **GOS** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Note:
1. Source: UKPN RIIO-ED2 Business Plan 2023 - 2028

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# A commercially focused approach to sustainability

## Energy Transition & Decarbonisation

*Building resilience and enhancing operational efficiency*

## Health & Safety

*Maintaining a healthy and safe environment for all*

## Human Capital

*Empowering and motivating employees, driving retention*

## Governance & Reporting

*Upholding business ethics, integrity and transparency*

# Creating value for shareholders

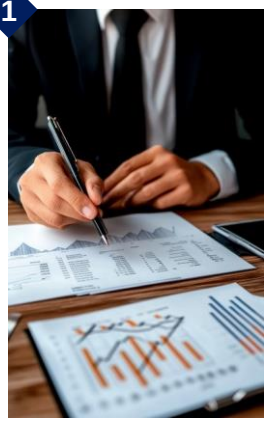
**Andy HUNTER**

Deputy Managing Director
and Executive Director

CK Infrastructure Holdings Limited

# Solid foundations for delivering outstanding performance

1



### Business diversification

Resilient portfolio consisting of various infrastructure and infrastructure-like investments

2

### Geographical diversification

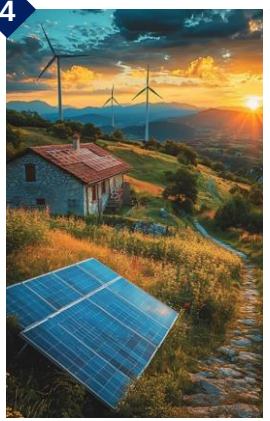
Business presence primarily across the UK, Australia, New Zealand, Continental Europe, Canada, Mainland China and Hong Kong

3

### Acquisitions and disposals

>30 acquisitions with a total enterprise value of >USD60bn[1] since CKI's listing on SEHK and various disposals including a full sale, minority disposal and IPO, all achieving substantial gains

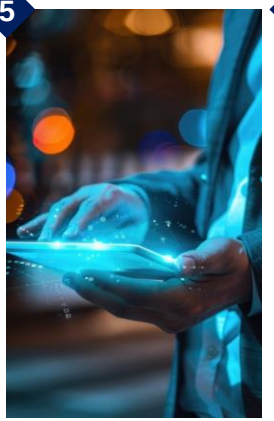
4



### Energy transition

Strategically positioned to capitalise on energy transition opportunities such as renewable power generation, carbon credits, smart metering, etc.

5



### Technological innovations

In-house innovations designed to streamline operations, reduce costs and improve performance

6

### Partners' support

Leverage key partners' strong financial resources to pursue and win large acquisitions

7

### Management model

Seamless cooperation between local management and head office

Note:
1. Represents the sum of total enterprise value of targets acquired by CKI and partners

# 1 Resilient and diversified portfolio of businesses delivering recurring cash flow

| Segments | 2023A EBITDA | % of 2023A EBITDA | Characteristics | Businesses included |
|---|---|---|---|---|
| **Regulated Utilities** | **HKD14.6bn** | **52.6%** | ✓ Subject to regulatory price controls under **defined tariff mechanisms** that are established, and periodically renewed, by the relevant authorities<br>✓ Tariffs received are normally **indexed to inflation and interest rates**<br>✓ As **essential services,** regulated utilities have relatively **low business disruption risks** in macro events like COVID-19 | ◆ Power distribution<br>◆ Gas transmission and distribution<br>◆ Water supply and sewerage services |
| **Contracted Infrastructure** | **HKD6.4bn** | **23.1%** | ✓ **Predictable cash flow** underpinned by<br>• **Long-term contracts** / Power Purchase Agreements (PPAs)<br>• Prominent market positions with **high barriers to entry**<br>• Loyal customer bases with **low churn rates**<br>✓ Unlike regulated utilities, many contracted infrastructure businesses have the **freedom to increase prices to generate growth at above inflation** | ◆ Power generation and production<br>◆ Distributed energy and clean energy<br>◆ Rolling stock leasing<br>◆ Energy-from-waste production<br>◆ Waste management<br>◆ Sub-metering and related services<br>◆ Oil and gas midstream assets<br>◆ Residential home services |
| **Other businesses** | **HKD0.5bn** | **1.7%** | ✓ **Infrastructure or infrastructure-related businesses** with solid market positions | ◆ Toll roads and bridges<br>◆ Off-airport parking facilities<br>◆ Cement production<br>◆ Concrete and aggregate production |
| **Power Assets Holdings** | **HKD6.3bn** | **22.6%** | ✓ Combination of **regulated utilities and contracted infrastructure**<br>✓ **Steady dividend contribution** from Power Assets to CKI | ◆ ~36.0% stake in SEHK-listed Power Assets, with a market cap of HKD115bn[1] |

## Total 2023A EBITDA: HKD27.8bn

Note:
1. Based on closing price on SEHK as of 19 September 2024

# 1 Resilient and diversified portfolio of businesses delivering recurring cash flow (cont'd)

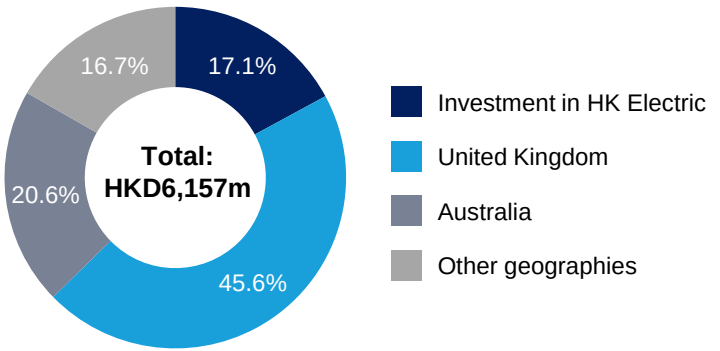
## Power Assets

Power Assets 電能

### Overview

- Listed on SEHK (**market cap: HKD115bn**[1])
- A **global investor** in power generation, transmission and distribution, gas transmission and distribution, as well as oil storage and transmission
- Businesses across **9 markets**, namely, the **UK, Australia, Hong Kong, Mainland China, the Netherlands, New Zealand, Thailand, Canada and the US**
- Portfolio comprises:
  - **Co-investments with CKI in energy and utility-related business**
  - **~33.4% stake** in SEHK-listed **HK Electric**, which generates, transmits, and is the sole distributor of electricity to Hong Kong Island and Lamma Island (**3,403 MW** total installed capacity[2])
  - Stake in various **power plants and wind farms** in Mainland China and Thailand
- As of 31 December 2023, Power Assets was in a **net cash** position of **HKD1.1bn**

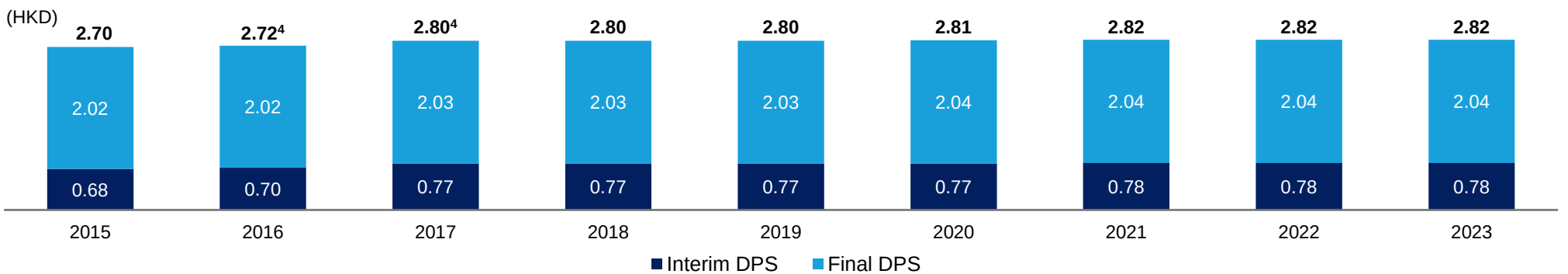
### 2023 profit contribution[3]




***Dividend received from Power Assets by CKI in 2023: ~HKD2.2bn***

### Steady dividend per share

- Steady cash flow contribution from Power Assets to CKI with at least **HKD2.70** in DPS from 2015 to 2023, with additional special dividends of **HKD5.00** per share and **HKD13.50** per share for the years of 2016 and 2017 respectively




Notes:
1. Based on closing price on SEHK as of 19 September 2024
2. As of 31 December 2023
3. Profit contribution represents profit attributable to shareholders of Power Assets before other activities
4. Excluding the special dividends of HKD5.00 per share and HKD13.50 per share in 2016 and 2017 respectively



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# 1 Resilient and diversified portfolio of businesses delivering recurring cash flow (cont'd)

## CKI together with its key partners control most of the portfolio businesses

| | | Economic interest[1] | | | |
|---|---|---|---|---|---|
| | | CKI[2] | Power Assets | Total CKH Group & CK Asset[3] | Key minority partners |
| | Power Assets 電能 | 36.0% | n/a | **n/a** | **n/a** |
| Electricity Distribution | UK Power Networks | 40.0% | 40.0% | **100.0%** | – |
| Electricity Distribution | SA Power Networks Empowering South Australia | 23.1% | 27.9% | **51.0%** | spark infrastructure[4] **49.0%** |
| Electricity Distribution | Victoria Power Networks[5] CitiPower Powercor | 23.1% | 27.9% | **51.0%** | spark infrastructure[4] **49.0%** |
| Electricity Distribution | united energy | 26.4% | 13.2% | **66.0%** | SGSP[6] **34.0%** |
| Electricity Distribution | wellington electricity we | 50.0% | 50.0% | **100.0%** | – |
| Other Regulated Utilities | Northern Gas Networks | 47.1% | 41.3% | **88.4%** | STATE SUPER **11.6%** |
| Other Regulated Utilities | WALES&WEST UTILITIES | 39.0% | 36.0% | **100.0%** | – |
| Other Regulated Utilities | NORTHUMBRIAN WATER living water | 39.0% | 6.0% | **75.0%** | KKR **25.0%** |

| | | Economic interest[1] | | | |
|---|---|---|---|---|---|
| | | CKI[2] | Power Assets | Total CKH Group & CK Asset[3] | Key minority partners |
| Other Regulated Utilities | Phoenix Energy | 40.0% | 20.0% | **100.0%** | – |
| Other Regulated Utilities | Australian Gas Networks | 53.2% | 33.0% | **100.0%** | – |
| Other Regulated Utilities | Multinet Gas Networks | 40.0% | 20.0% | **100.0%** | – |
| Other Regulated Utilities | Dampier Bunbury Pipeline | 40.0% | 20.0% | **100.0%** | – |
| Contracted Infrastructure | EVERSHOLT RAIL GROUP | 65.0% | 10.0% | **100.0%** | – |
| Contracted Infrastructure | SEABANK POWER **Seabank Power** | 25.0% | 25.0% | **50.0%** | sse **50.0%** |
| Contracted Infrastructure | EDL | 40.0% | 20.0% | **100.0%** | – |
| Contracted Infrastructure | ENVIRO NZ | 100.0% | – | **100.0%** | – |

| | | Economic interest[1] | | | |
|---|---|---|---|---|---|
| | | CKI[2] | Power Assets | Total CKH Group & CK Asset[3] | Key minority partners |
| Contracted Infrastructure | **Dutch Enviro Energy** AVR.[7] | 45.5% | 27.0% | **100.0%** | – |
| Contracted Infrastructure | ista | 35.0% | – | **100.0%** | – |
| Contracted Infrastructure | CANADIAN POWER | 50.0% | 50.0% | **100.0%** | – |
| Contracted Infrastructure | Husky Midstream[8] | 16.25% | 48.75% | **65.0%** | cenovus energy **35.0%** |
| Contracted Infrastructure | Reliance home comfort | 25.0% | – | **100.0%** | – |
| Other Businesses | PARK'N FLY | 65.0% | 10.0% | **100.0%** | – |
| Other Businesses | **Toll roads and bridges** | 30.0-40.0% | – | **30.0-40.0%** | **Local partners 60.0-70.0%** |
| Other Businesses | Green Island Cement 青洲英坭 | 100.0% | – | **100.0%** | – |
| Other Businesses | Alliance 友盟 | 50.0% | – | **50.0%** | Heidelberg Materials **50.0%** |

Notes:
1. For Northumbrian Water, Australian Gas Networks and Park'N Fly, this represents the split of economic interests arising from the respective economic benefits agreements entered into by the respective subsidiaries of CKI, Power Assets, CK Asset and CK Hutchison in August 2018
2. Excludes economic interests owned by Power Assets
3. Including economic interests owned by CKI, Power Assets, CK Hutchison and CK Asset
4. Spark Infrastructure is owned by KKR, Ontario Teachers' Pension Plan, Public Sector Pension Investments
5. Victoria Power Networks is the holding company for Powercor and CitiPower
6. SGSP (Australia) Assets is owned by State Grid Corp of China and Singapore Power. Trades as Jemena.
7. Dutch Enviro Energy owns AVR
8. Also referred to as Canadian Midstream Assets

## 2 Almost all profit contribution from countries / regions with AA or above credit rating and transparent and enforceable legal regimes

| | 2023 profit contribution %[1] | | Credit rating by S&P | Next 5-year GDP CAGR |
|---|---|---|---|---|
| | CKI | Power Assets | | |
| United Kingdom | 35.7% | 45.6% | AA | 1.5% |
| Australia | 21.7% | 20.6% | AAA | 1.9% |
| New Zealand | 2.0% | 16.7%[2] | AA+ | 2.5% |
| Continental Europe | 6.3% | | AAA / AAA<br>*Germany / Netherlands* | 3.5% / 4.1%<br>*Germany / Netherlands* |
| Canada | 7.6% | | AAA | 1.8% |
| Hong Kong and Mainland China | 1.4% | 17.1%[3] | AA+ / A+<br>*Hong Kong / Mainland China* | 2.3% / 3.9%<br>*Hong Kong / Mainland China* |

Source: EIU
Notes:
1. For CKI, profit contribution represents profit attributable to shareholders before unallocated items; for Power Assets, profit contribution represents profit attributable to shareholders before other activities
2. Includes profit contribution from the Netherlands, New Zealand, Thailand, Canada and the US
3. Represents profit contribution from Power Assets ~33.4% investment in HK Electric

# 3 Successful track record of capturing new investment opportunities through acquisitions and achieving value realisation through selective disposals

**>30 acquisitions**

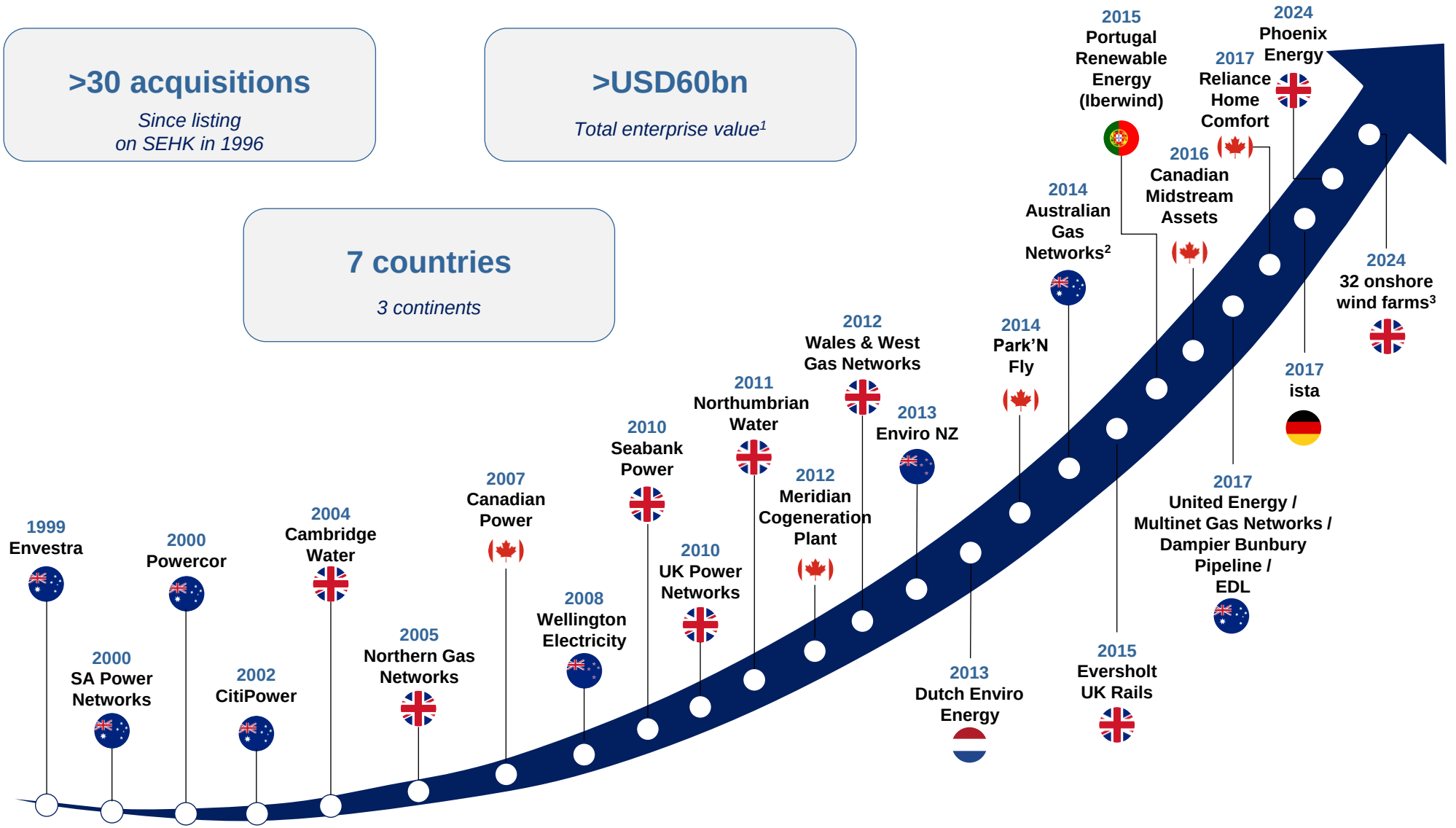
*Since listing on SEHK in 1996*

**>USD60bn**

*Total enterprise value[1]*

**7 countries**

*3 continents*




Notes:
1. Represents the sum of total enterprise value of targets acquired by CKI and partners
2. Formerly named Envestra Limited
3. Pending completion



CK Infrastructure Holdings Limited

# 3 Successful track record of capturing new investment opportunities through acquisitions and achieving value realisation through selective disposals (cont'd)

## Selected bolt-on acquisitions

**UU Solar (UK renewable portfolio)**
**2024**
**Enterprise Value**
**~ GBP0.1bn**
Acquirer: UK Power Networks

OKANAGAN WIND
**2021**
**Enterprise Value**
**~ CAD0.1bn**
Acquirer: CANADIAN POWER

**Bolt-on acquisitions**
**Since 2017**
**Enterprise Value**
**~ CAD390m**
Acquirer: Reliance home comfort

## Selected divestments and spin-offs

*CKI Gain: HKD592m[1]*
NORTHUMBRIAN WATER living water
*(25% stake)*
**2022**
**Net Consideration**
**~ GBP0.9bn**
Divestors:
13%[3] 1%[3] 9%[3] 2%[3]

*CKI Gain: HKD1.1bn[1]*
Iberwind
**2020**
**Net Consideration**
**~ EUR0.6bn**
Divestors:
50% 50%

*CKI Gain: HKD19.6bn[1]*
港燈 HK Electric
*(Spin-off)*
**2014**
**Net Consideration**
**~ HKD56bn**
Divestor:
50.1%[4]

*CKI Gain: HKD3.7bn[2]*
spark infrastructure
*(Spin-off)*
**2005**
**Net Consideration**
**~ AUD2.1bn**
Divestors:
49%

Notes:
1. Includes share of gain on disposal from CKI's stake in Power Assets
2. Includes share of gain on disposal for CKI only
3. Representing the economic interest divested by the respective shareholder in Northumbrian Water
4. Represents the change of Power Assets' shareholding in HK Electric from 100% to 49.9% post spin-off listing

# 4 Long-term growth through energy transition focus in portfolio – examples across segments

## Positioned for growth on multiple fronts of the energy transition

- Global shift into renewables
- Electrification of industry and transportation
- Grid modernisation and energy storage
- Growing green credit markets
- Emphasis on energy consumption monitoring and reporting

### Power distribution

UK Power Networks – Delivering your electricity

| 7.4GW | 450k |
|---|---|
| Renewables connected | EVs charged from the grid |

SA Power Networks

| 71% | c.350,000 |
|---|---|
| Powered by renewables | Solar PV system enabled |

CitiPower / Powercor Australia

| 2.6GW | 11% |
|---|---|
| Renewables connected | CAGR of renewables uptake in last 5 years |

### Hydrogen

Australian Gas Infrastructure Group

| | |
|---|---|
| >10% | Renewable gas across its distribution networks by 2030 |
| 100% | Renewable gas across its distribution networks by 2050 |

Hydrogen Park South Australia

| | |
|---|---|
| First | First renewable hydrogen gas production in Australia |

### Renewable power generation

OKANAGAN WIND

*Acquired in 2021 by Canadian Power*

| 100% | 30MW |
|---|---|
| Wind power generation | Total installed capacity |

**UU Solar**

*Acquired in 2024 by UKPN*

| 100% | 68.7MW |
|---|---|
| Renewable power generation | Total installed capacity |

### Green credit

EDL

EDL is **one of the largest producers of Australian carbon credit units (ACCUs)** in 2023

**Renewables in portfolio**

Solar | Wind | Battery

Electricity produced by waste gases from landfills & coal mines

RNG converted from landfill gas

### Resource management services

ista

| | |
|---|---|
| >60m | Connected devices in over 20 countries |
| 73% | Electricity consumption from renewable energy |

Note:
1. $CO_2$ equivalent

# 5 Pioneering technological innovations to accelerate and sustain business growth

*CKDelta, owned by CKI parent, builds intelligent applications designed to provide enhanced insight into business performance by creating efficiencies, increasing revenue through innovation, enhancing safety and improving sustainability*

## *Case studies*

| | UK Power Networks | Northern Gas Networks | Northumbrian Water | ista |
|---|---|---|---|---|
| **Problem** | ➢ **E-mails are main channel customers interact** with UKPN (customer care team 20 FTE)<br>➢ **Slow response times** due to manual processes resulting in **low customer satisfaction** and **risk of regulatory fines** | **Network safety challenges**:<br>➢ **Predicting the volume of gas escapes** on its network<br>➢ Optimising its operational workforce to **meet regulatory compliance and performance targets** set by Ofgem | ➢ **Manual review** of inbound contacts results in **inefficient approach to customer care**<br>➢ **Low customer satisfaction** (CMEX) impacts how Northumbrian Water is evaluated and **reduces financial rewards** | ➢ Required **accurate method to forecast optimal locations** for installing EV chargers |
| **Solution** | ▲ Intelligent application developed to accelerate review and response to customer emails | ▲ Artificial Intelligence ("AI") driven model to detect critical network risks and anticipate potential events | ▲ Early Warning System powered by AI generating prioritised list of high-risk customers | ▲ Predictive AI model to analyse and identify optimal EV charger locations |
| **Value Generated** | ➢ **5-10 seconds** to process an email (vs 1.5 days)<br>– *Higher customer satisfaction*<br>➢ **+19% improvement** in identifying the most urgent emails (98% vs 79%)<br>– *Significantly reducing risk of regulatory fines*<br>➢ **2.5 hours saved per day** on categorising emails<br>– *Improved productivity* | ➢ **100% improvement** vs current detection process<br>– *Provides 10 day forecast of network health*<br>➢ **22% increase in accuracy** of daily gas escape estimations<br>– *Reducing risk of regulatory penalties*<br>➢ **>10k FTE hours**' worth of risk mitigated (~£250k/year)<br>➢ >**11k FTE hours** saved (~£260k/year)<br>➢ **Reduced severe understaffing** days from 26 to 2 days in one year | ➢ **Project was recognised by** OFWAT including a financial reward<br>➢ **Ranked highest in CMEX** in the UK water sector<br>– *Highest customer satisfaction*<br>➢ **Minimised errors** and improved efficiency by<br>– *Ability to proactively address customer concerns*<br>➢ **86% improvement vs BAU** | ➢ **100% visibility** for EV charge points<br>– *Higher customer satisfaction and increasing EV adoption*<br>➢ **90% increase in accuracy** of EV charger ROI forecasts<br>– *Maximise ROI for commercial property clients*<br>➢ **10x $CO_2$ saved** vs Grid |

# 6 Support of the CKH Group and other key partners

## CKH Group and key partners

**CK Hutchison** (1-HK) (Market cap: ~ HKD164bn) — 6

~75.7%

**CKI** (1038-HK; CKI-GB) (Market cap: ~ HKD143bn)

~ 36.0%

**Power Assets** (6-HK) (Market cap: ~ HKD115bn) — 20

**CK Asset** (1113-HK) (Market cap: ~ HKD114bn) — 14

Number of investments held jointly with CKI

## Capability of pursuing sizable acquisitions with partners

**DUET GROUP**

**2017**

**~ AUD12.7bn**

Acquirers:

40% | 20% | 40%

**ista**

**2017**

**~ EUR6bn**

Acquirers:

35% | 65%

**Provides CKI with access to a much larger combined pool of affiliate capital**

## Background of CK Hutchison[1] and CK Asset[1]

**Revenue: HKD275.6bn**
**Assets: HKD1,138.5bn**
**Credit Rating: A / A2 / A-**

- **Operations across four core businesses – ports and related services, retail, infrastructure and telecommunications**

**Revenue: HKD47.2bn**
**Assets: HKD504.5bn**
**Credit Rating: A / A2 / -**

- **Operations across property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operations**

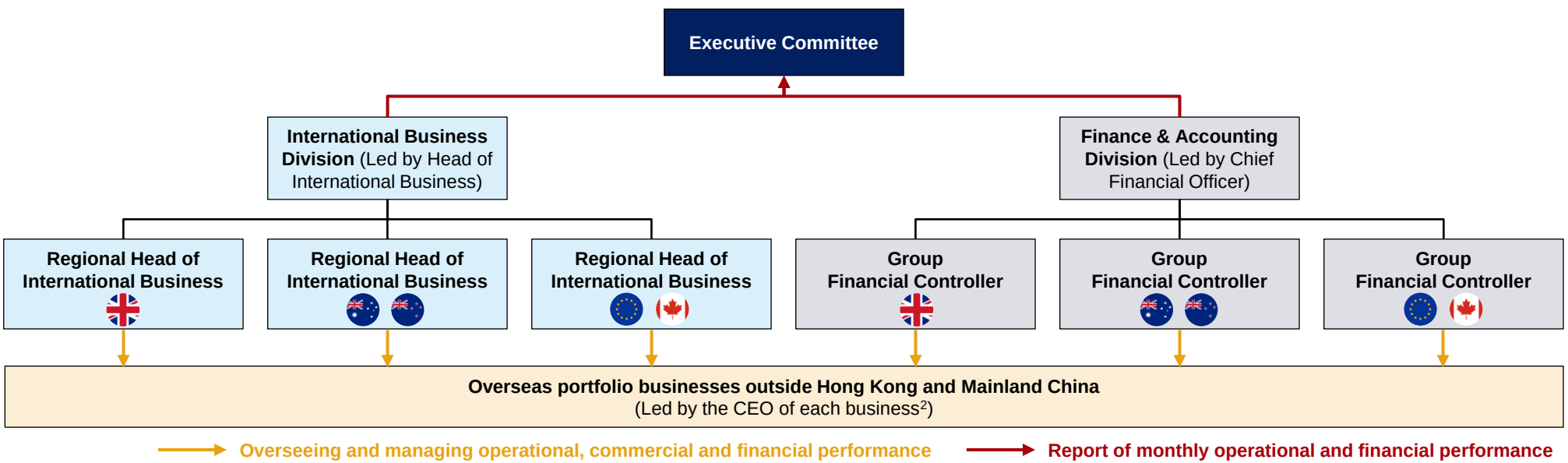
Notes: market cap based on closing prices on SEHK as of 19 September 2024
1. Revenue for the financial year ending 31 December 2023; Total Assets and Credit Rating (S&P / Moody's / Fitch) as at 30 June 2024

# 7 CKI's robust management and governance model

## CKI's management philosophies

1. Empowers overseas businesses' local executive management teams to run day-to-day operations through short-term and long-term incentive plans
2. Maintains close relationship between head office and local executive management teams built on mutual trust, aiming at enhancing the performance of the portfolio businesses by offering support
3. Builds a shared platform for all the portfolio businesses to facilitate their performance towards a common goal, creating synergy among the portfolio businesses

## Management model of CKI's overseas portfolio businesses[1]



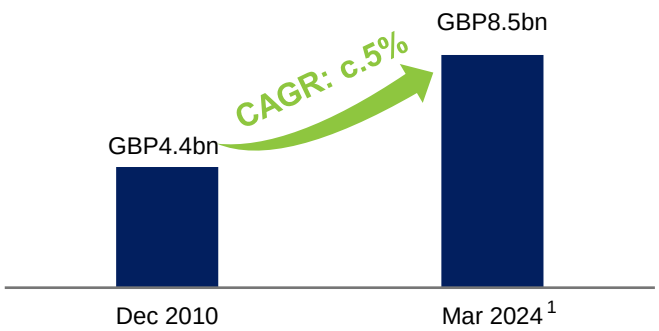

Notes:

1. CKI's businesses in toll roads and bridges in Mainland China are overseen by the Head of China Infrastructure, who reports to the Executive Committee. CKI's construction materials businesses in Hong Kong and Mainland China are overseen by the Chief Executive Officer of CK Infrastructure Materials, who reports to the Executive Committee
2. Such as Basil Scarsella of UK Power Networks, Mark Horsley of Northern Gas Networks, Graham Edwards of Wales and West Gas Networks, Heidi Mottram of Northumbrian Water, Kailash Chada of Phoenix Energy, Mary Kenny of Eversholt UK Rails, Hagen Lessing of ista, etc

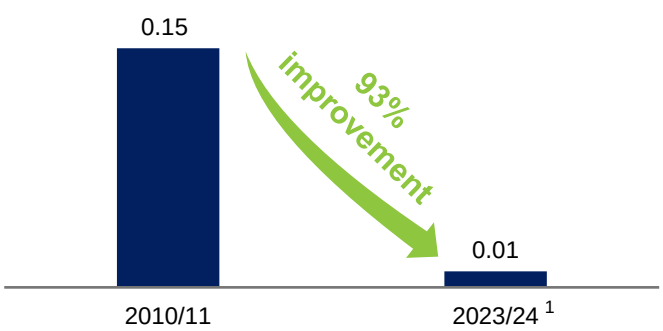
# Case study: UK Power Networks

Delivering steady growth in RAV and significant operational improvement, while strengthening financial position and growing non-regulated businesses through acquisitions

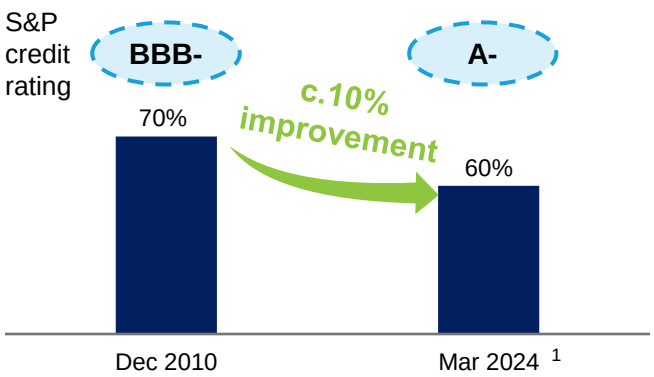
## Stable growth in RAV
(In GBPbn)



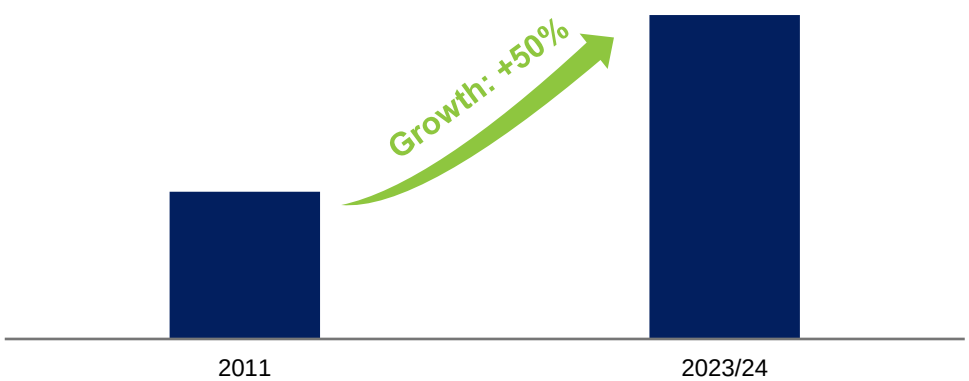

## Improved operational efficiency
(Lost time incident frequency rate[2])




## Stronger financial position
(Net Debt to RAV)




## Increase in distributions




## Ability to grow

**UU Solar**
**(UK renewable portfolio)**

**2024**

**~ GBP0.1bn**

Acquirer:

UK Power Networks

- A 69 MW renewable energy portfolio consisting of 65 solar photovoltaic, 4 onshore wind and 1 hydro power generation assets
- With 90% of the revenue underpinned by a long-term power purchase agreement and renewable subsidies from the UK government
- Acquisition funded by UKPN existing facilities

Notes:
1. 2023/24 figures presented are provisional based on UKPN's regulatory submission at the date the accounts are signed
2. Per 100,000 hours

# Capturing growth opportunities

**Andy HUNTER**

Deputy Managing Director
and Executive Director

CK Infrastructure Holdings Limited

# Regulated Utilities – Electricity Distribution

## Market characteristics

CKI's portfolio companies

### The United Kingdom[1]

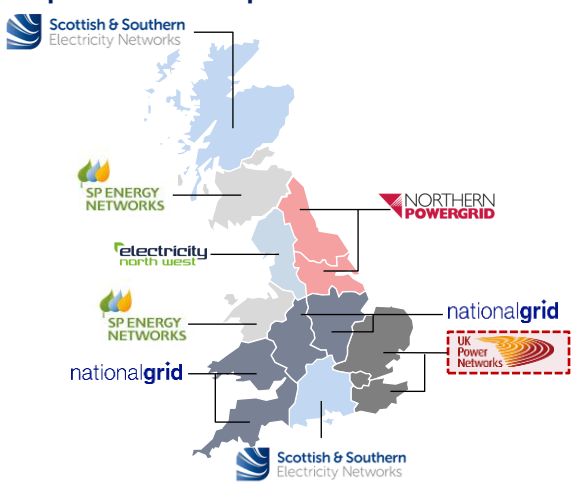
**Regulator:** ofgem

**Current regulatory period:**

RIIO-ED2 (2023-2028)

| | |
|---|---|
| Allowed regulatory return (real return) | 3.90%[4] |
| Tariff & RAV indexed to inflation? | ✓ |
| Est. market size (Total RAV) | c.GBP36bn[5] |

**Competitive landscape:**




### Australia

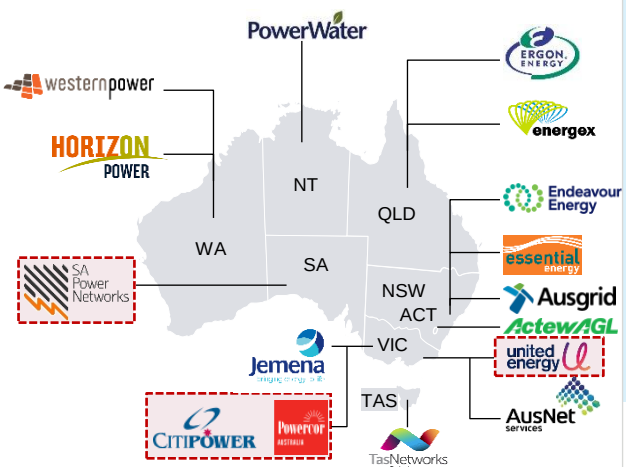
**Regulators[2]:** AER Australian Energy Regulator; Economic Regulation Authority

**Current regulatory period:**

A 5-year period with various starting years in different states and territories

| | |
|---|---|
| Allowed regulatory return (nominal return) | 6.98%[6] |
| Tariff & RAB indexed to inflation? | ✓ |
| Est. market size (Total RAB) | c.AUD93bn[7] |

**Competitive landscape:**




### New Zealand

**Regulators[3]:** Commerce Commission New Zealand; Electricity Authority Te Mana Hiko

**Current regulatory period:**

Default price-quality path (DPP) 3: 2020-2025

| | |
|---|---|
| Allowed regulatory return (nominal return) | 4.57%[8] |
| Tariff & RAB indexed to inflation? | ✓ |
| Est. market size (Total RAB) | c.NZD16bn[9] |

**Competitive landscape:**

**29**

Power distributors in New Zealand

vector, POWERco, Orion, unison, wellington electricity

Notes:

1. Not applicable to Northern Ireland
2. Australian Energy Regulator (AER) oversees all Australian states and territories except for Western Australia while Economic Regulation Authority (ERA) oversees Western Australia
3. Commerce Commission is the economic regulator while Electricity Authority operates and oversees the electricity market
4. Vanilla WACC (real return; frequent debt issuers) for RIIO-ED2
5. Total RAV of electricity distributors in Great Britain as of 31 Mar 2023
6. Vanilla WACC (nominal return) as per update in Dec 2023
7. Total RAB of electricity distributors as of 30 Jun 2022 (excl. Horizon Power)
8. Vanilla WACC (nominal return) for DPP3 (2020-2025)
9. Total RAB of electricity distributors based on data updated as of 27 Mar 2024

# Regulated Utilities – Electricity Distribution

## Framework under which we operate

| Electricity Distribution | Country | Regulator | Most recent reset | Next reset | Latest RAV / RAB | RAV / RAB CAGR | Credit rating |
|---|---|---|---|---|---|---|---|
| UK Power Networks | | ofgem | April 2023 | April 2028 | GBP8,520m[2] | +6.7%[8] | S&P: A-/Stable |
| SA Power Networks – Empowering South Australia | | AER Australian Energy Regulator | July 2020 | July 2025 | AUD4,942m[3] | +3.7%[9] | S&P: A-/Stable |
| Victoria Power Networks[1] – CitiPower, Powercor | | AER Australian Energy Regulator | July 2021 | July 2026 | Powercor: AUD5,300m[4]<br>CitiPower: AUD2,095m[5] | +5.5%[10]<br>+1.4%[10] | S&P: A-/Stable |
| united energy | | AER Australian Energy Regulator | July 2021 | July 2026 | AUD2,693m[6] | +2.4%[10] | S&P: A-/Stable |
| wellington electricity | | Commerce Commission New Zealand | April 2020 | April 2025 | NZD847m[7] | +6.1%[8] | – |

Notes:
1. Is the holding company for Powercor and CitiPower
2. As of 31 March 2024; according to UK Power Networks' annual report for the year ended 31 March 2024 (provisional at the date the accounts were signed)
3. As of 30 June 2023; according to SA Power Network's Regulatory Information Notice published by AER
4. As of 30 June 2023; according to Powercor's Regulatory Information Notice published by AER
5. As of 30 June 2023; according to CitiPower's Regulatory Information Notice published by AER
6. As of 30 June 2023; according to United Energy's Regulatory Information Notice published by AER
7. As of 31 March 2024; according to Wellington's Electricity Distribution Information Disclosure Determination
8. Since 31 March 2019
9. Since 30 June 2018
10. Since 31 December 2018

# Regulated Utilities – Electricity Distribution

## Opportunities

**Significant capital deployment opportunities within the existing portfolio**

| UK Power Networks | SA Power Networks | CITIPOWER | Powercor Australia | united energy | wellington electricity |
|---|---|---|---|---|---|
| **Target CAPEX:** **GBP2.3bn** Apr 2023 – Mar 2028 | **Target CAPEX:** **AUD1.6bn** Jul 2020 – Jun 2025 | **Target CAPEX:** **AUD634m** Jul 2021 – Jun 2026 | **Target CAPEX:** **AUD1.8bn** Jul 2021 – Jun 2026 | **Target CAPEX:** **AUD967m** Jul 2021 – Jun 2026 | **Target CAPEX:** **NZD204m** Apr 2020 – Mar 2025 |

**Key growth drivers / initiatives of the sector**

- **Growth in distributed renewable power generation**
- **Smart grid upgrade**
- **Expansion of EV charging infrastructure network**
- **Opportunities to implement energy efficiency programs**

# Regulated Utilities – Other Regulated Utilities

## Market characteristics

CKI's portfolio companies

### Regulated gas distribution in the UK[1]

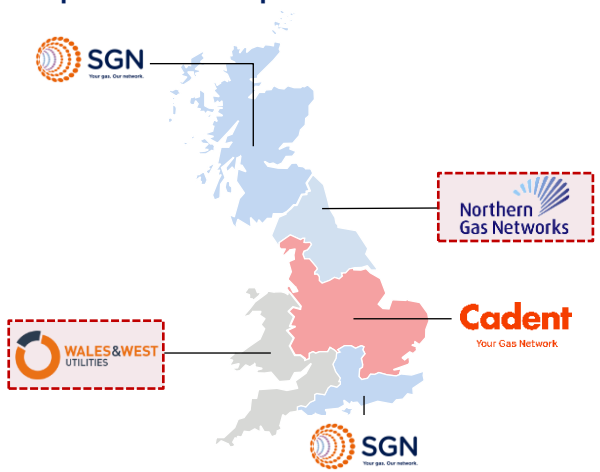
**Regulator:** ofgem

**Current regulatory period:**

RIIO-GD2 (2021-2026)

| | |
|---|---|
| Allowed regulatory return (real return) | 2.91%[3] |
| Tariff & RAV indexed to inflation? | ✓ |
| Est. market size (Total RAV) | c.GBP25bn[4] |

**Competitive landscape:**




### Regulated water in the UK[1]

**Regulator:** Ofwat

**Current regulatory period:**

Asset Management Plan (AMP) 7: 2020-2025

| | |
|---|---|
| Allowed regulatory return (real return) | 3.20%[5] |
| Tariff & RCV indexed to inflation? | ✓ |
| Est. market size (Total RCV) | c.GBP94bn[6] |

**Competitive landscape:**

**11** Regional water and sewerage undertakers

*Including:* NORTHUMBRIAN WATER living water

**5** Regional water only undertakers

**11** Small water and sewerage undertakers

### Regulated gas T&D in Australia

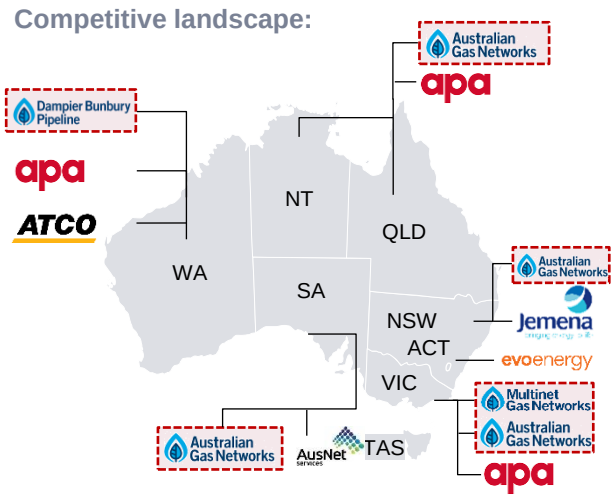
**Regulators[2]:** AER Australian Energy Regulator; Economic Regulation Authority

**Current regulatory period:**

A 5-year period with various starting years in different states and territories

| | |
|---|---|
| Allowed regulatory return (nominal return) | 6.98%[7] |
| Tariff & RAB indexed to inflation? | ✓ |
| Est. market size (Total RAB) | c.AUD17bn[8] |

**Competitive landscape:**




Notes:
1. Not applicable to Northern Ireland
2. Australian Energy Regulator (AER) oversees all Australian states and territories except for Western Australia while Economic Regulation Authority (ERA) oversees Western Australia
3. Vanilla WACC (real return; frequent debt issuers) for RIIO-GD2
4. Total RAV of gas distributors as of 31 Mar 2023
5. Vanilla WACC (CPIH-real return) secured by Northumbrian Water, Anglian Water, Bristol Water and Yorkshire Water in its appeal to Competition and Markets Authority for PR19 price control determination
6. Total RCV of regulated water companies as of 31 Mar 2023
7. Vanilla WACC (nominal return) as per update in Dec 2023
8. Sum of total capital base of regulated gas pipelines not in Western Australia as of 30 Jun 2022 and total projected capital base of regulated gas pipelines in Western Australia as of 31 Dec 2022

# Regulated Utilities – Other Regulated Utilities

## Framework under which we operate

| | Country | Sector | Regulator | Most recent reset | Next reset | Latest RAV / RCV / RAB | RAV / RCV / RAB CAGR | Credit rating |
|---|---|---|---|---|---|---|---|---|
| **Other Regulated Utilities** | | | | | | | | |
| Northern Gas Networks | | Gas distribution | ofgem | April 2021 | April 2026 | GBP2,801m[1] | +5.7%[8] | S&P: BBB+/Stable<br>Moody's: Baa1/Stable |
| WALES&WEST UTILITIES | | Gas distribution | ofgem | April 2021 | April 2026 | GBP2,760m[2] | +5.3%[8] | Fitch: BBB |
| NORTHUMBRIAN WATER living water | | Water supply and sewerage services | Ofwat | April 2020 | April 2025 | GBP5,443m[3] | +5.0%[9] | Moody's: Baa1/Stable<br>Fitch: BBB+/Stable |
| Phoenix Energy | | Gas distribution | Utility Regulator | January 2023 | January 2029 | – | – | Moody's: Baa2/Stable<br>Fitch: BBB/Stable |
| Australian Gas Networks | | Gas distribution | AER Australian Energy Regulator | South Australia: July 2021 | South Australia: July 2026 | South Australia: AUD1,902m[4] | +4.4%[10] | S&P: A-/Stable<br>Moody's: A3/Stable |
| | | | | Victoria and Albury: July 2023 | Victoria and Albury: July 2028 | Victoria and Albury: AUD1,953m[5] | +4.4%[11] | |
| Multinet Gas Networks | | Gas distribution | AER Australian Energy Regulator | July 2023 | July 2028 | AUD1,416m[6] | +2.8%[11] | S&P: A-/Stable<br>Moody's: A3/Stable |
| Dampier Bunbury Pipeline | | Gas transmission | Economic Regulation Authority | January 2021 | January 2026 | AUD3,370m[7] | – | Moody's: A3/Stable |

Notes:
1. As of 31 March 2023; according to Northern Gas Networks' regulatory financial performance report
2. As of 31 March 2023; according to Wales & West Gas Networks' regulatory financial performance report
3. As of 31 March 2024; according to Northumbrian Water's annual report for the year ended 31 March 2024
4. As of 30 June 2023; according to Australian Gas Networks (South Australia)'s Regulatory Information Notice published by the AER
5. As of 1 July 2023; according to AER's Final Decision on Australian Gas Networks (Victoria & Albury)'s 2023–2028 gas distribution access arrangement
6. As of 1 July 2023; according to AER's Final Decision on Multinet Gas Networks' 2023–2028 gas distribution access arrangement
7. As of 1 January 2021; according to the access arrangement information for the Dampier to Bunbury Natural Gas Pipeline — 2021 to 2025 as approved by the ERA
8. Since 31 March 2018
9. Since 31 March 2019
10. Since 30 June 2018
11. Since 31 December 2018

# Regulated Utilities – Other Regulated Utilities

## Opportunities

**Significant capital deployment opportunities within the existing portfolio**

| Northern Gas Networks | Wales&West Utilities | Northumbrian Water | Phoenix Energy | Australian Gas Networks | Multinet Gas Networks | Dampier Bunbury Pipeline |
|---|---|---|---|---|---|---|
| **Target CAPEX + REPEX[1]:** **GBP804m** Apr 2021 – Mar 2026 | **Target CAPEX + REPEX[1]:** **GBP687m** Apr 2021 – Mar 2026 | **Target CAPEX:** **GBP4.1bn** Apr 2025 – Mar 2030 | **Target CAPEX:** **GBP113m** Jan 2023 – Dec 2028 | **South Australia:** **Target CAPEX:** **AUD512m** Jul 2021– Jun 2026 **Victoria & Albury:** **Target CAPEX:** **AUD434m** Jul 2023 – Jun 2028 | **Target CAPEX:** **AUD740m** Jul 2023 – Jun 2028 | **Target CAPEX:** **AUD166m** Jan 2021 – Dec 2025 |

**Key growth drivers / initiatives of the sector**

- **Use of hydrogen and biogas in existing gas networks**
- **Advanced monitoring technologies in gas T&D**
- **Replacement of old gas pipelines**
- **Investment in water and wastewater system to improve resilience**

Note:
1. REPEX: Replacement expenditure (associated with expenditure of old metallic pipes replacement)

# Contracted Infrastructure

## Overview

| | Country | Sector | Credit rating | Predictable and stable cash flow underpinned by |
|---|---|---|---|---|
| Contracted infrastructure | | Power generation | – | ◆ Power purchase agreement with Shell<br>◆ SSE is a JV partner (50.0% stake) |
| | | Rolling stock leasing | Moody's: Baa2/Stable<br>Fitch: BBB/Stable | ◆ Long-term contracts with customers who are ultimately backed by the UK government (i.e. Northern Rail; Scotrail) |
| | | Distributed energy and clean energy | S&P: BBB-/Stable | ◆ Long-term power purchase agreements with customers including leading mining companies (88 power and gas facilities worldwide) |
| | | Waste management | – | ◆ Contracted waste collection with 500k municipalities and commercial customers – covering 40% general waste volumes in Greater Auckland<br>◆ Largest landfill in New Zealand with decades of capacity |
| | | Energy-from-waste production | – | ◆ Feedstock waste contracts with municipalities and commercial customers combined with long-term steam supply agreements with district heating utilities and industrial customers |
| | | Sub-metering and related services | – | ◆ Rental and service agreements with commercial property managers over the full economic life of its underlying assets<br>◆ 14m+ dwelling served, with ~3% churn rates driving revenue growth CAGR significantly above inflation since acquisition |
| | | Power generation | – | ◆ Long-term power purchase agreements with government-backed customers and large industrial companies |
| | | Oil & gas midstream assets | – | ◆ Long-term take-or-pay agreement with Cenovus, who is a JV partner (35.0% stake), and other oil production companies |
| | | Household infrastructure | S&P: BBB-/Stable | ◆ Rental and service agreements and rolling renewal rates; driving revenue growth significantly above inflation since acquisition |

Notes:
1. Owned by Dutch Enviro Energy
2. Also referred to as Canadian Midstream Assets

# Contracted infrastructure

## Key growth drivers

### Renewable power generation

- **Global theme of energy transition** increases demand for renewable power
- **Electrification trend** boosts power demand globally
- **Advancements in solar panel and wind turbine technologies** effectively improves renewable's competitiveness
- **Grid modernisation** allows better integration of renewable energy sources and distributed generation

### Smart metering

- Accelerating smart meter installation is a critical part of **government's net zero plan** globally
- **Growth of data analytics and IoT applications** enabling better energy management
- **Growing energy consumption** necessitating improved monitoring solutions to ensure grid stability
- **Rising consumer interest in real-time consumption data** drives demand

### Rolling stock

- Rail is **the most eco-friendly option** to move people and goods within a country / region, best aligned with energy transition trend
- A vital component of the inter-modal supply chain supporting **a very resilient freight sector**
- **Urbanisation** leads to increasing demand for rail, especially in densely populated areas
- **Automation** improves rail operators' profitability and in turn elevates demand for rolling stock

# M&A growth opportunities ahead

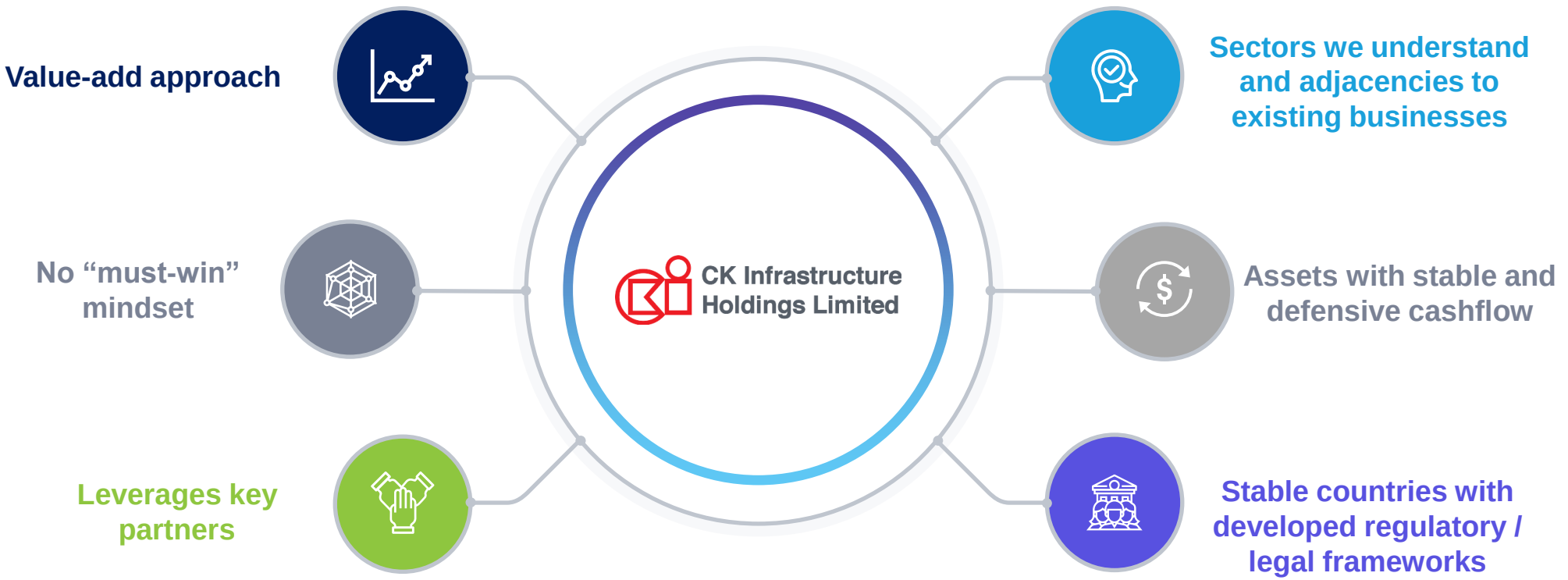
**Yue Seng CHIU**

Head of Corporate Finance

CK Infrastructure Holdings Limited

# Acquisition approach and criteria

- We have dedicated team of 12 individuals focused on infrastructure M&A at CKI and our partner Power Assets
- Our team has deep domain knowledge and expertise, and a proven track record in originating and executing value accretive investments



# M&A outlook

## Large M&A pipeline as investors seek to monetise for various reasons

- Pension and sovereign funds looking to **rebalance portfolio** given asset allocation considerations and changes in financial profile for certain asset classes
- Infrastructure funds **under pressure to return capital to LPs**
- Strategic investors continue to engage in **asset recycling** to fund organic capex given energy transition
- Abundant **take private** opportunities available in the market
  - Total enterprise value of take private transactions in global utilities sector announced YTD[1] has reached >USD25bn

## More rational competitive landscape

- **Equity hurdle rates have adjusted upwards** given the interest rate environment
- Investors are more **conservative on leverage** given cost and availability
- **Moderated views on growth** given macro environment and supply chain issues
- **Capital raised by infrastructure funds hit a five-year low**

## CKI is well positioned to take advantage of a "buyer's market"

- We see opportunities to acquire **quality assets at reasonable valuations**
- We have a strong balance sheet **– "ready to fund" with bids "not subject to financing"**
- We will, however, maintain our investment discipline and **not have a "must-win" attitude**

Note:
1. Updated as of 13 Sep 2024

# Key business updates and recent developments

## Highlights on acquisitions announced in 2024 YTD

**Phoenix Energy**

**Apr 2024**
**Enterprise Value**
**~ GBP0.8bn**
Acquirers:

40% 20% 40%

- The largest of three gas distribution networks in Northern Ireland
- Covers c.48% of Northern Ireland's population including Greater Belfast, accounting for c.78% of the gas connections in Northern Ireland
- Regulatory regime similar to Northern Gas Networks / Wales and West Gas Networks, with a regulatory reset every 6 years and revenue certainty to year-end 2028 given the current regulatory period

**UU Solar**
**(UK renewable portfolio)**

**May 2024**
**Enterprise Value**
**~ GBP0.1bn**
Acquirer:

UK Power Networks

- A 69 MW renewable energy portfolio consisting of 65 solar photovoltaic, 4 onshore wind and 1 hydro power generation assets in the United Kingdom
- With 90% of the revenue underpinned by a long-term power purchase agreement and renewable subsidies from the UK government, it is poised to generate recurrent and stable returns and cashflows

**UK wind portfolio**

**Aug 2024[1]**
**Enterprise Value**
**~ GBP0.3bn**
Acquirers:

40% 20% 40%

- Portfolio comprises 32 wind farms located in England, Scotland and Wales, totaling 175 MW in installed capacity and 137 MW in net attributable capacity
- Revenues are generated from (i) government subsidies, which are inflation-linked; and (ii) power revenue, including from PPAs as well as from selling power to the market

Note:
1. Transaction announcement date

# Case study: Iberwind

## Divestment of selective assets to align with CKI's strategy and risk appetite

### Acquisition of Iberwind 2015

Iberwind

**2015**

**Enterprise Value**

**~ EUR1.0bn**

Acquirers:

50% 50%

- In 2015, CKI and Power Assets partnered to acquire Iberwind, a Portuguese wind energy company
- Iberwind's output was governed by a **regulated tariff regime** that was supported by the Portuguese government, providing **immediate and stable returns** to CKI upon completion

**Key figures at acquisition**

| 31 | 300+ | c.700 MW | c.15% | c.3% |
|---|---|---|---|---|
| installed wind farms | installed wind turbines | installed capacity | of wind power produced electricity in Portugal | of electricity consumed in Portugal |

### Divestment of Iberwind 2020

Iberwind

**2020**

**Enterprise Value**

**~ EUR1.1bn**

Divestors:

50% 50%

- In 2020, CKI and Power Assets divested Iberwind to Ventient Energy due to change in tariff regime
- The disposal resulted in a **gain of c.HKD1.1bn** for CKI (including its share of Power Assets)
- CKI and Power Assets realised a highly attractive equity return and money multiple on the transaction, given strong cash flow generation and debt paydown over the holding period

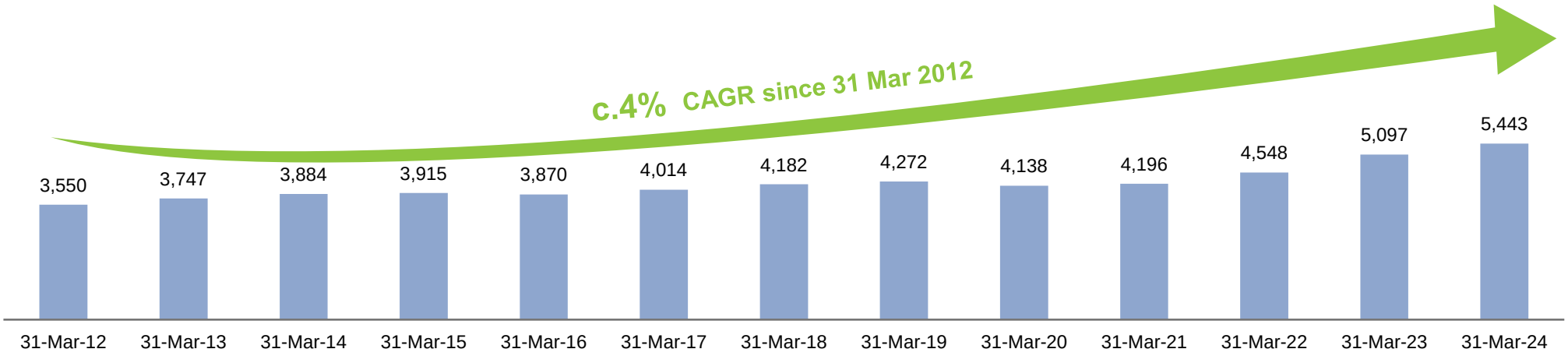
**Rationale for disposal**

1. Transition out of the high fixed tariff phase into a cap and floor price protection phase in 2020, with merchant pool pricing phase starting in 2027, resulting in a **change in business model** and a **higher risk profile**

# Case study: Northumbrian Water

## Delivering stable growth in RCV, with a partial disposal in 2022 to realise value

### Stable growth in RCV since acquisition in 2011




### Partial divestment of Northumbrian Water in 2022

NORTHUMBRIAN WATER living water

(25% stake)

**2022**

**Net Consideration**

**~ GBP0.9bn**

Divestors:

13%[3] 1%[3] 2%[3] 9%[3]

- In 2022, CKI, CK Hutchison and CK Asset divested 25% stake in Northumbrian Water to KKR at c.**1.6x EV / RCV**[1]
- CKI's economic interest[2] in Northumbrian Water decreased from 52% to 39% post transaction
- The disposal resulted in a **gain of HKD592m** for CKI

### Rationale for disposal

1. Realise a portion of the shareholding in Northumbrian Water at attractive valuation
2. CK Group remains as the majority shareholder with 75% stake in the company while maintaining day-to-day management control

Notes:
1. Calculated based on RCV as of 31 March 2022
2. Excluding CKI's share of Power Assets' economic interest
3. Representing the economic interest divested by the respective shareholder in Northumbrian Water

# Case study: Spin-off IPOs of Spark Infrastructure (2005) and HK Electric (2014)

## Realising the underlying value of prime assets through spin-off IPOs

### Spin-off IPO of Spark Infrastructure (2005)

#### Transaction overview

In Dec 2005, CKI and HEH[1] completed the spin-off IPO of its Australian power distribution business on ASX, in the form of an infrastructure fund

| | |
|---|---|
| **Listing date** | 22 Dec 2005 |
| **Gross proceeds** | ~ AUD1.8bn |
| **Use of proceeds** | Settlement of the consideration for the acquisition of 49% stake in ETSA[2], Powercor, and CitiPower from CKI |
| **Fund Manager** | Spark Infrastructure Management Limited (50% owned by CKI) |
| **Post-transaction stake of CKI / HEH** | ◆ CKI / HEH retained 23.1% / 27.9% stake in ETSA, Powercor and CitiPower<br>◆ CKI also subscribed for 9.9% stake in Spark Infrastructure at listing |

#### Transaction rationale

*In August 2021, a takeover bid from KKR, Ontario Teachers' Pension Plan and Public Sector Pension Investment Board was accepted by the board of directors*

1. Enables CKI to re-allocate capital and to pursue new and larger acquisitions in the global utility and infrastructure markets
2. Allows HEH to re-allocate its capital which will provide capital for further developments and investments
3. Enhances the potential growth of CKI through its interest in another publicly listed group in Australia

### Spin-off IPO of HK Electric (2014)

#### Transaction overview

In Jan 2014, Power Assets completed the spin-off IPO of its Hong Kong electricity business on SEHK

| | |
|---|---|
| **Listing date** | 29 Jan 2014 |
| **Gross proceeds** | ~ HKD24.1bn |
| **Use of proceeds** | Settlement of the consideration for the acquisition of Hong Kong electricity business from Power Assets |
| **Cornerstone investors** | State Grid Corporation of China, Oman Investment Fund |
| **Post-transaction stake of Power Assets** | ◆ Power Assets retained 49.9% stake in HK Electric post listing<br>◆ Power Assets subsequently disposed of 16.5% stake in HK Electric to Qatar Investment Authority in Jun 2015, resulting in a remaining 33.4% stake |

#### Transaction rationale

1. Significant HKD59bn[3] total proceeds to Power Assets to position it for international expansion
2. More defined focus and efficient resource allocation for Power Assets to focus on international expansion
3. Unlock value via establishing fair value for HKEI and crystalise value of international businesses through enhanced visibility

Notes:
1. Hongkong Electric Holdings, later renamed Power Assets
2. ETSA Utilities, later renamed SA Power Networks
3. Funded by HK Electric through net proceeds from the IPO and loan facilities

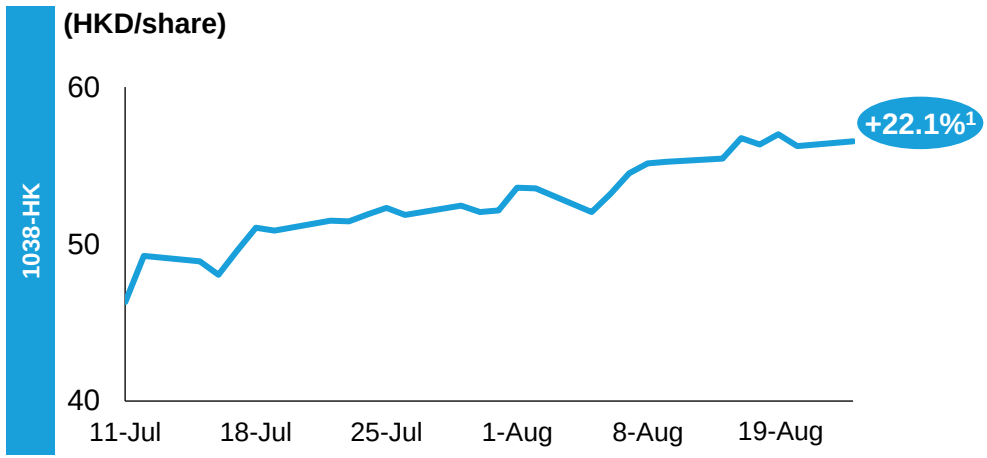
# CK Infrastructure's secondary listing on the LSE

First new entrant to the Equity Shares (International Commercial Companies Secondary Listing) category following implementation of the new FCA rules on 29 July 2024

## Listing overview

| | |
|---|---|
| **Issuer** | ▪ CK Infrastructure Holdings Limited |
| **Transaction type** | ▪ Listing by introduction – no offering of shares |
| **Admission & trading** | ▪ 19 August 2024 |
| **Listing** | ▪ London Stock Exchange – Main Market<br>▪ FCA Official List – Equity Shares (International Commercial Companies Secondary Listing) category |
| **Use of proceeds** | ▪ No fundraising at the time of listing |
| **Offer structure** | ▪ In order for shares to be traded on the LSE, CREST depositary interests representing the underlying shares will be issued by Computershare Investor Services PLC (in its capacity as the Depositary) (on a one-for-one basis) to persons who wish to transact in the shares of CKI in electronic form within the CREST system |
| **Share capital** | ▪ Shares admitted to trading are the 2,519,610,945 issued ordinary shares with a nominal value of HKD1.00 each |
| **Lock-up** | ▪ No company or shareholder lock-ups or other specific contractual or regulatory restrictions on future sale of shares |
| **Listing agent** | ▪ HSBC |

## Share price from voluntary announcement to admission




## Key benefits of the secondary listing on LSE

1. **Benefits CKI's geographically diverse shareholder base**
2. **Assists in building CKI's profile**
3. **Provides a greater market for trading in CKI's shares**
4. **Enables the option to raise capital either on the SEHK or LSE in the future, depending on investor demand**

Note:
1. Representing the change in share price of CKI on SEHK (1038-HK) as of 19 Aug 2024, compared to the closing price on 11 Jul 2024 immediately before the voluntary announcement



CK Infrastructure Holdings Limited

# Our sustainability approach

**Chris CHAN**

Group Sustainability Officer

CK Infrastructure Holdings Limited

# CKI delivering a comprehensive approach to sustainability

## Energy Transition

*Building resilience for a low carbon economy*

- 2035 phase out of coal-fired power generation
- Investing in a low carbon future e.g. renewable energy, grid connectivity, CCUS, etc.

## Decarbonisation

*Enhancing operational efficiency*

- 50% Reduction of scope 1 & 2 emissions by 2035[1] – 10% reduction achieved in 2023 (vs. 2020)
- Pursuit of net zero by 2050

## Health & Safety

*Maintaining a healthy and safe environment for all*

- Health and safety policy with regular reviews and internal audits
- Decreasing lost time injury rate

## Human Capital

*Empowering and motivating employees, driving retention*

- Promoting diversity and equal opportunities
- Regular training & development opportunities

## Governance & Reporting

*Upholding business ethics and integrity*

- Sustainability Committee reporting to the Board
- Annual Sustainability Reporting
- TCFD-aligned disclosure

Note:
1. 2020 baseline

# CKI plays a critical role in energy transition, delivering low-carbon solutions

| | | |
|---|---|---|
| 1 | **Modernising electricity networks** | Decoupling demand from emissions, 100% of power distribution businesses to invest in smart energy solutions |
| 2 | **Innovative diversified portfolio** | Green and transition technologies implemented across business units as part of individual decarbonisation plans |
| 3 | **Operating gas networks and advocating green hydrogen and biomethane application** | A critical transition fuel in the Australian and UK net zero plans[1] as the lowest emission hydrocarbon |
| 4 | **Ensuring high asset integrity** | Strengthening asset resilience against future climate risks with a proven system reliability and safety record |
| 5 | **Supporting a just transition** | Dedicated to improving social wellbeing throughout value chain through initiatives include fundings for vulnerable customers, innovation projects to identify those in needs and educational programmes on energy savings |

Note:

1. As set out in Australia's Future Gas Strategy (May 2024), gas will support the economy's transition to net zero. In the UK, its Energy Security Plan (April 2023) denotes that natural gas will continue to play a critical but different role in our energy system for decades to come.

# Well-positioned to deliver the transition to a low-carbon economy

## Select case studies

### Leading hydrogen economy

Australian Gas Networks

Hydrogen Park South Australia

- Hydrogen Park South Australia is the first Australian project to blend renewable hydrogen gas in the existing network
- 21,347kg of CO2 emissions avoided since commencement of park in May 2021

### Low carbon solutions

UK Power Networks

- Reducing sulfur hexafluoride (SF6), a potent GHG, through replacement of switchgears
- First “clean air” Gas Insulated Switchgear (GIS) operating at 132,000 volts for a more sustainable electric grid

### Clean energy facilities

eDL

- One of the largest landfill gas operators in the US
- Total generating capacity has increased by 27% to 1.2GWe plus green project growth of 39% since acquisition

### Robust gas portfolio for future gas supply

**Newly acquired in April 2024**

Phoenix Energy

- Largest natural gas distribution network in Northern Ireland – a country that still relies heavily on fuel oil for heating
- Supporting renewable gas solutions, such as hydrogen and biomethane

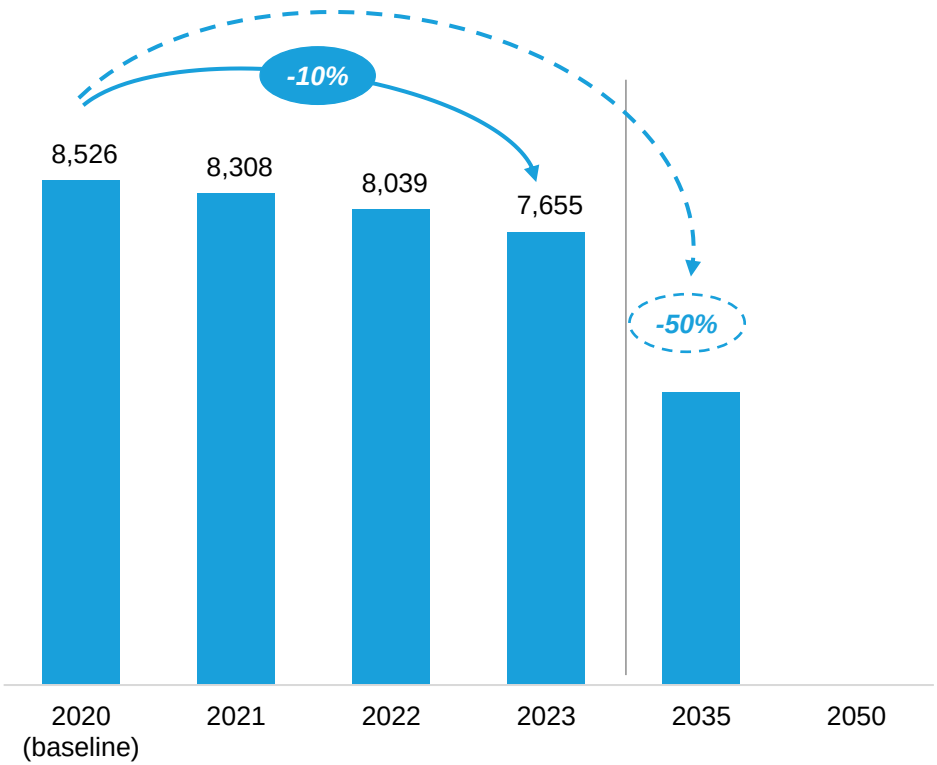
# Clear decarbonisation plan and significant reduction achieved to date

## Decarbonisation commitments

1. Phase out coal-fired generation by 2035
2. 50% reduction in Scope 1 and 2 GHG emissions by 2035 vs 2020 baseline
3. Net zero by 2050 (Scope 1 and 2)

## Decoupling growth from emissions…

**Scope 1+2 GHG absolute emission** *(thousand tonnes CO2e)*




## …enabled by decarbonisation initiatives

**£925 million[1] total spending on sustainable activities in 2023**

HK Electric

- Coal-to-gas transition
- £2 billion[1] CAPEX budgeted for 2024-28 climate plan

UK Power Networks

- 12.2 GW connected renewable energy sources on UKPN's network by 2030
- >11,000 MWh in line loss reduction in 2023

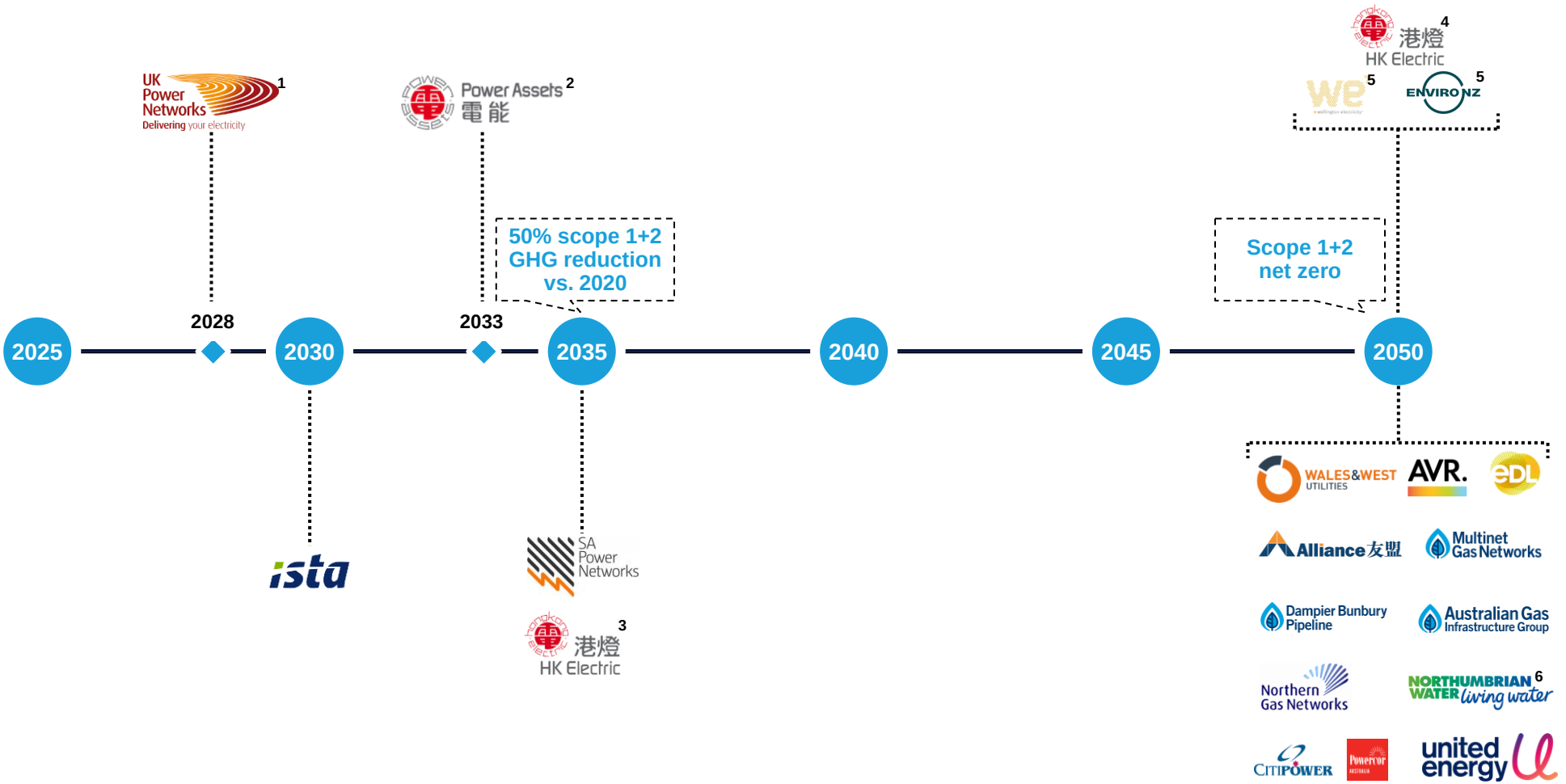
ENVIRONZ

- Capturing landfill gas to generate electricity

Note:
1. Conversion from HKD to GBP as of 16 August 2024

# Clear net-zero pathway

## Each business unit has a tailored net zero plan, contributing to the Group's 2050 net zero target




Notes:

1. UKPN's controllable business carbon footprint (BCF)
2. Phasing out gas-fired generation with Power Purchase Agreement expiry in 2033 at Ratchaburi Power
3. Phasing out coal-fired generation
4. Supporting the HKSAR government to achieve carbon neutrality goal before 2050
5. Supporting the New Zealand Government's Zero Carbon Act to reach net zero by 2050
6. Net zero (including scope 3)

# Modernised infrastructure with increased operational efficiency

## Modernising assets with innovative technology

**Digitialised and upgraded electricity networks**

**Energy management upgrades**

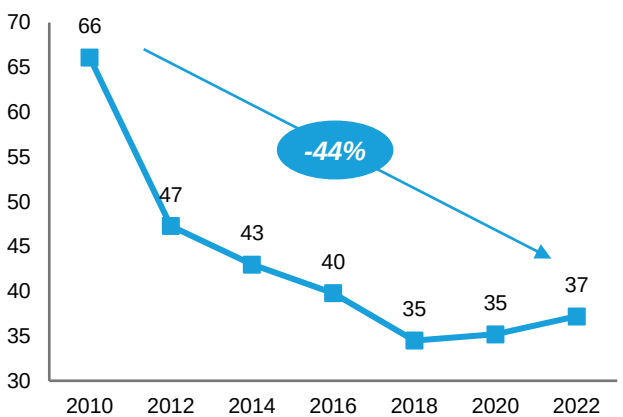
**EV infrastructure**

### #1 smart grid in the UK

UK Power Networks

- Ensuring demand in peak time

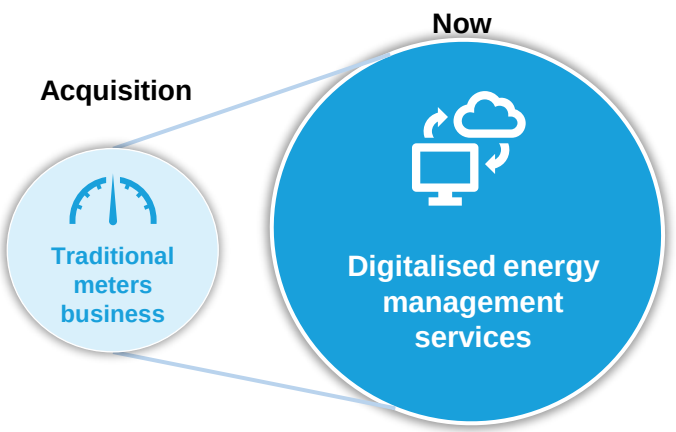
**Power cut frequency as of 2010 acquisition[1]**




### Enhance energy optimisation

ista

- Just transition through introducing energy-efficient products and green home services




### Unlock urban mobility

CITIPOWER Powercor AUSTRALIA ista[2]

- EV charging facilities with battery storage connecting to solar installations

Notes:
1. Power cut frequency in terms of customer interruptions per 100 customers
2. Post acquisition of Frankfurt based EV charge points B2B provider Chargemaker GmbH

# Fostering a safe, engaged and motivated taskforce

**Range of initiatives and systems to ensure health and safety, welfare and development of employees & contractors**

## Health & safety

- Regular internal and external health & safety risk assessment
- 51% employees covered by OHSAS 18001 / ISO 45001 H&S Management System
- Health and safety training for employees and contractors

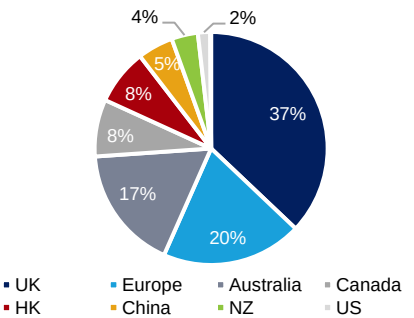
**11%**

Reduction in LTIR in 2023 (vs.2022)

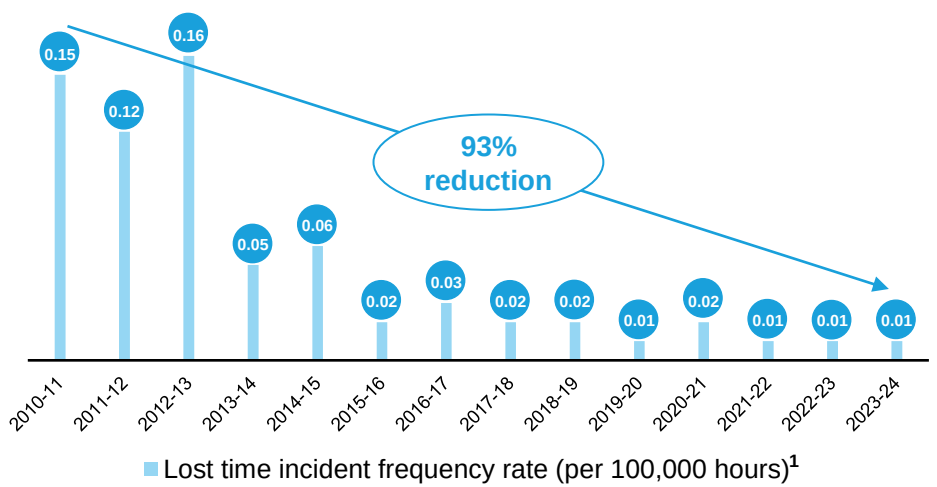
## Human capital

- Strict guidelines on diversity & equity
- 25% full-time women employees
- Two-way feedback process
- 93% of FTEs received training
- Flexible working provisions
- Facilities management mobility

Diverse Talent Pool at CKI




### Exceptional improvement in UKPN's LTIFR



Source: RIIO-ED1 Business Plan Commitments Report 2022/23, CKI Sustainability Report 2023

1. 2023/24 figures presented are provisional based on UKPN's regulatory submission at the date the accounts are signed

# How CKI delivers financially

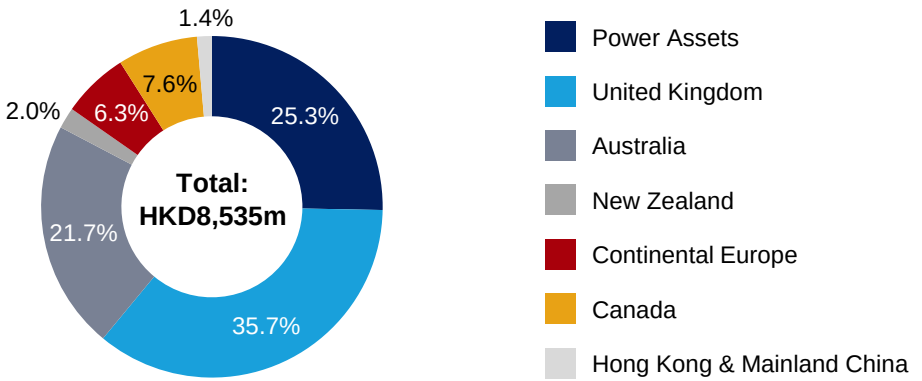
**Dominic CHAN**

Chief Financial Officer
and Executive Director

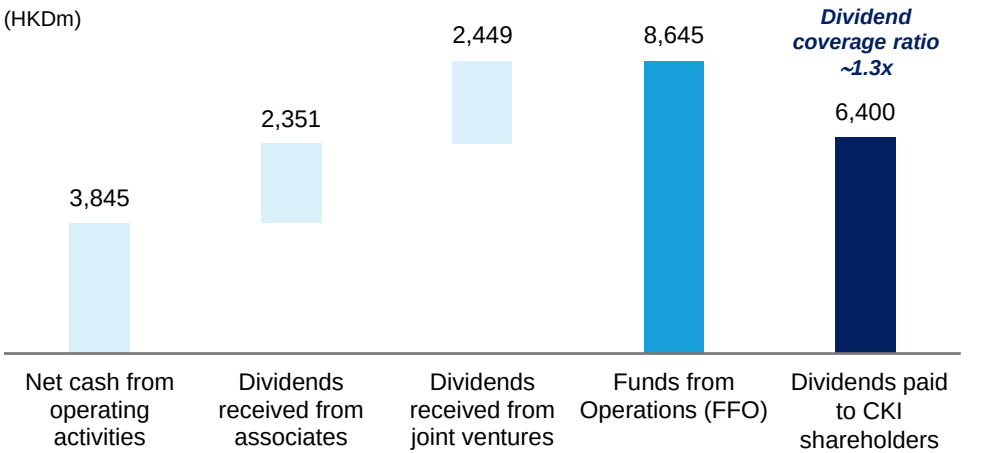
CK Infrastructure Holdings Limited

# Sustainable and diversified earnings

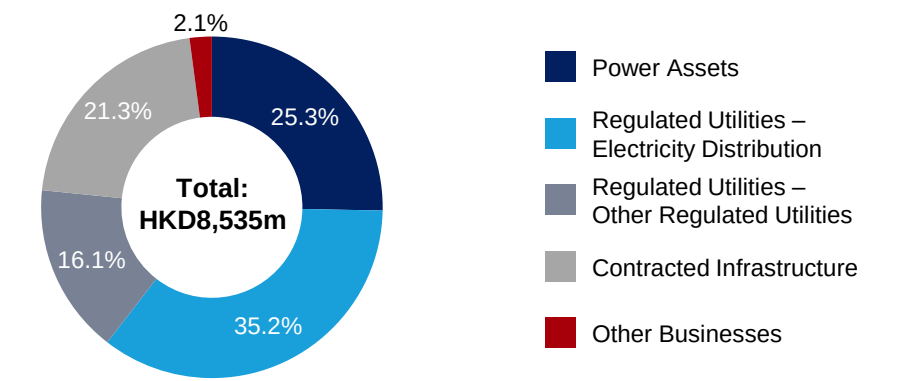
## Profit contribution[1] by geographic region (2023)




## A balanced cash flow portfolio (2023)

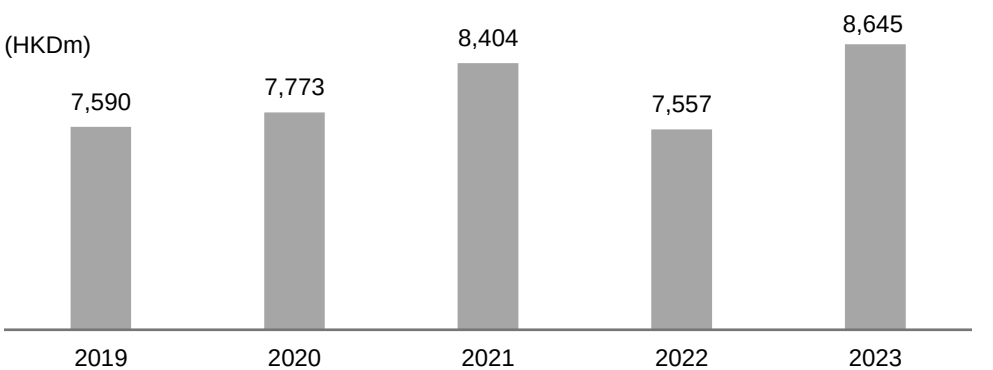



## Profit contribution[1] by business segment (2023)




## FFO trend from 2019 to 2023

**Record high FFO of HKD8.6bn reported in 2023**




Note:
1. Profit contribution represents profit attributable to shareholders of the Company before unallocated items



CK Infrastructure Holdings Limited

# Solid balance sheet

**Credit rating:**

# A / Stable

*by S&P*

**Key strengths:**

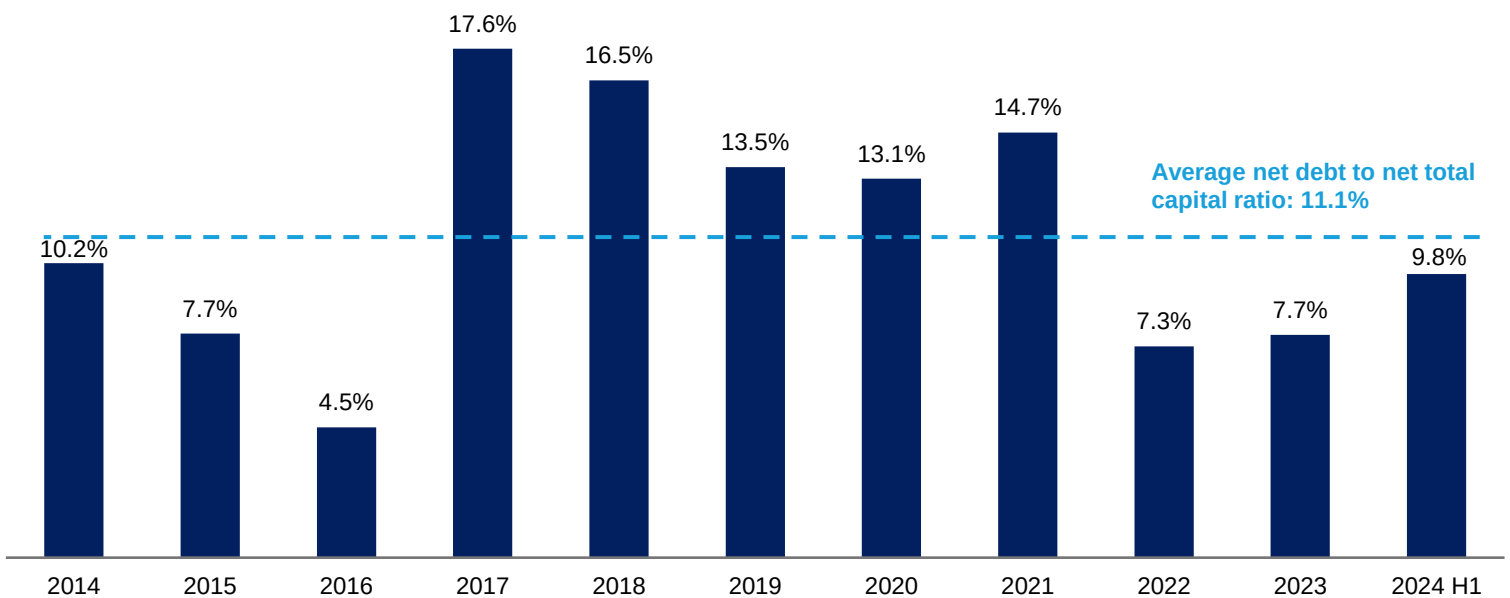
- ✓ **Geographically diversified** utility and infrastructure assets primarily in several **developed markets**
- ✓ **Stable and predictable income** under a transparent regulatory framework shielding the company from high interest rates and inflation
- ✓ Affiliates are **leaders in the regulated utilities industry**
- ✓ The company's **healthy balance sheets and access to ample capital resources from the wider group** can provide them edge against players with higher leverage

## Latest financial metrics

**HKD9.2bn**
**Cash and cash equivalents**
*As of June 30, 2024*

**9.8%**
**Net debt to net total capital ratio**
*As of June 30, 2024*

## Disciplined leverage management






CK Infrastructure Holdings Limited

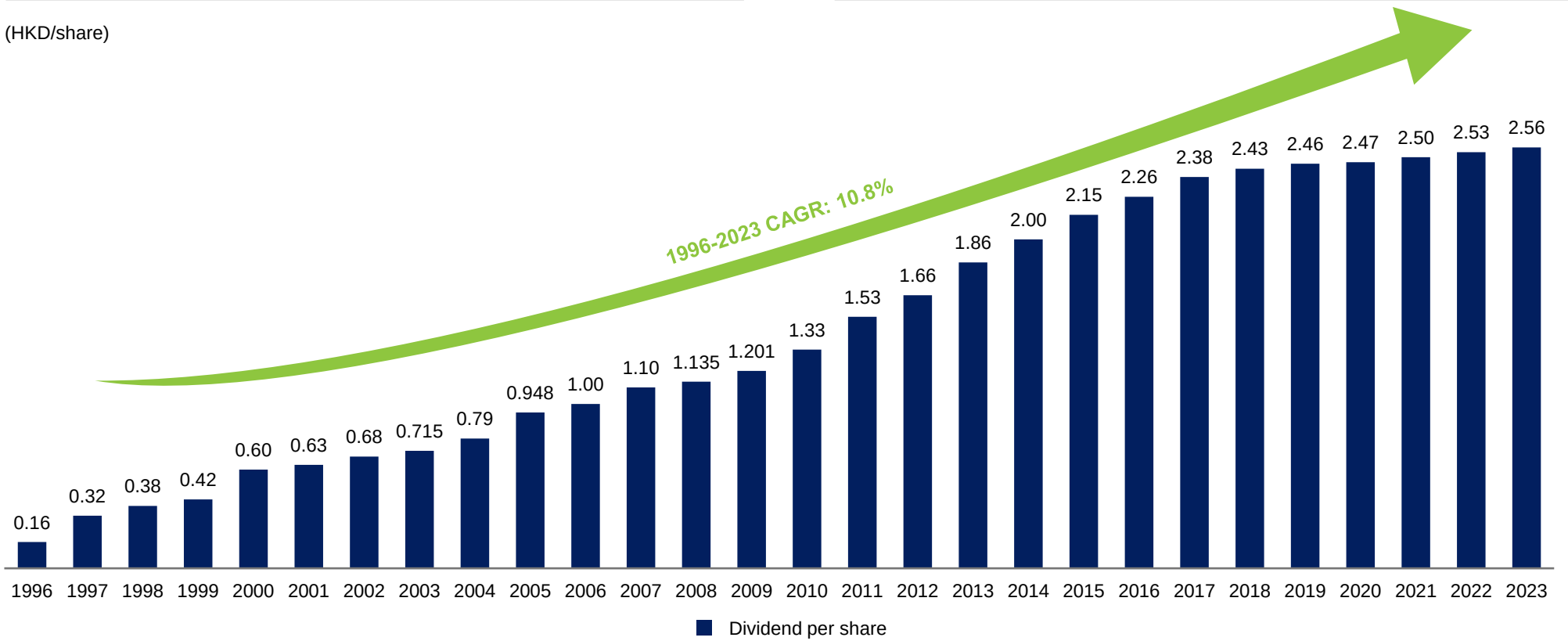
# Growing and sustainable cash returns to shareholders

**CKI has grown its dividends in each of the past 27 years since it was initially listed on the Hong Kong Stock Exchange**

**~9.5%**
**Total annualised return since IPO[1]**

**~1.3x**
**Dividend coverage ratio in 2023[2]**

(HKD/share)




Notes:
1. Bloomberg
2. Calculated as profit attributable to CKI shareholders (HKD8,027m) / dividends paid to CKI shareholders (HKD6,400m)



CK Infrastructure Holdings Limited

# Funding strategy

## Strong banking relationships

- Able to attract a broad range of funding and is well-supported by CKI's lending banks
- Able to raise a significant amount of capital when required

**Loan facilities** of up to **AUD1.55b** arranged for acquisition of DUET in 2017

## Diversified sources of funding

- Cash on hand
- Notes
- Perpetual bonds
- Project loans
- Bank loans
- Term bonds
- Share placement

## Financially independent international businesses

- Strong stand-alone credit profiles and access to financing in various markets
- Not heavily reliant on CKI for funding or financial guarantees
- Well-supported by lending banks
- In 2024 YTD, over USD2.3bn equivalent (2023 FY: USD2.9bn) financing transactions conducted by international businesses
- Able to raise a significant amount of capital when required

**CAD400m** senior secured notes issued in May 2024

**AUD495m** green bond issued in May 2024

**GBP350m** notes issued in Apr 2024

**AUD450m** bond issued in Mar 2024

**GBP350m** green bond issued in Feb 2024

**~CAD1.3bn** unsecured bank debt with a group of 11 banks committed in Sept 2024

# Our financial model

**Remarkable net profit growth since initial listing**

**>8% CAGR**

**Strong commitment to shareholders via continuous dividend growth**

**Dividend increase in each of the past 27 years**

**Ambition**

**Stable cash flow profile with annual FFO of**

**Over HKD7.5bn over the last 5 years**

**Significant book value enhancement boosted by steady organic growth and quality acquisitions**

**Double digit CAGR since initial listing**

**Strong credit rating maintained**

**A rated by S&P**

**Healthy net debt to net total capital ratio**

**9.8% (as of 30 Jun 2024)**

**Discipline**

**Stable annual dividend payout ratio**

**80-84% over the last 3 years**

**Stable annual return on equity**

**c.6.5% for each of the last 3 years**

# Closing remarks

**Andy HUNTER**

Deputy Managing Director
and Executive Director

CK Infrastructure
Holdings Limited

# Closing remarks

## Ambition and excitement for future growth and disciplined financial management

CK Infrastructure Holdings Limited

### Unparalleled scale

**One of the world's largest global infrastructure companies**

### Resilient portfolio

**>70%** of profit generated from **regulated utilities and contracted infrastructure businesses** with predictable and recurring cash flows

### Track record of value accretive acquisitions

**>30 acquisitions** completed with **a total enterprise value of >USD60bn** since CKI's listing on SEHK

### Asset management

Proven track record of **driving efficiency** and **improving performance** across the portfolio

### Sustainable dividend growth

Growth of dividend for **27 consecutive years**

### Solid balance sheet

As proven by **"A" credit rating** and **single-digit gearing ratio**

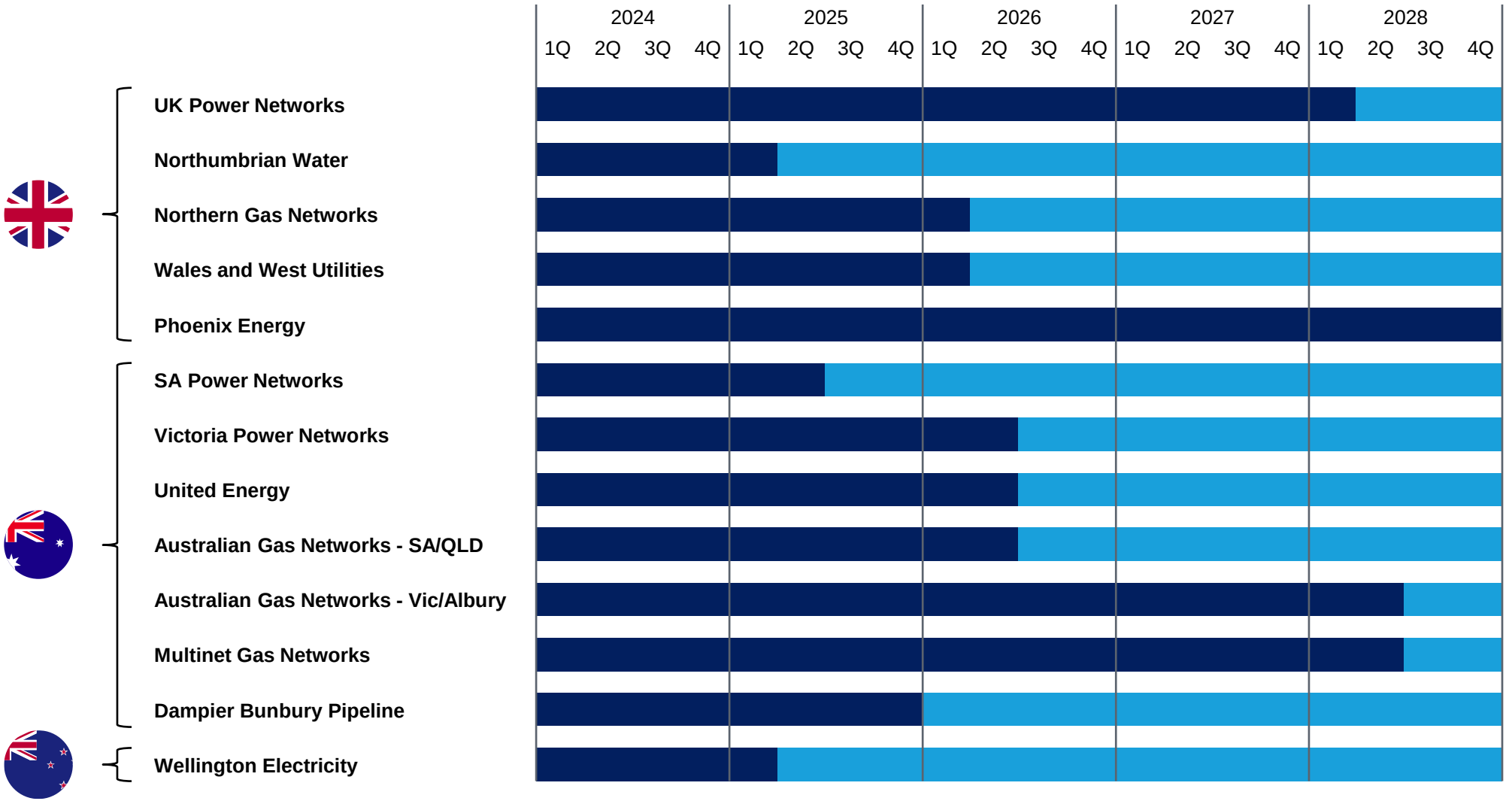


CK Infrastructure Holdings Limited

# Appendix
# Profiles of portfolio businesses

CK Infrastructure Holdings Limited

# Summary of regulatory resets timetable




CK Infrastructure Holdings Limited

# Overview of Regulated Utilities – Electricity Distribution

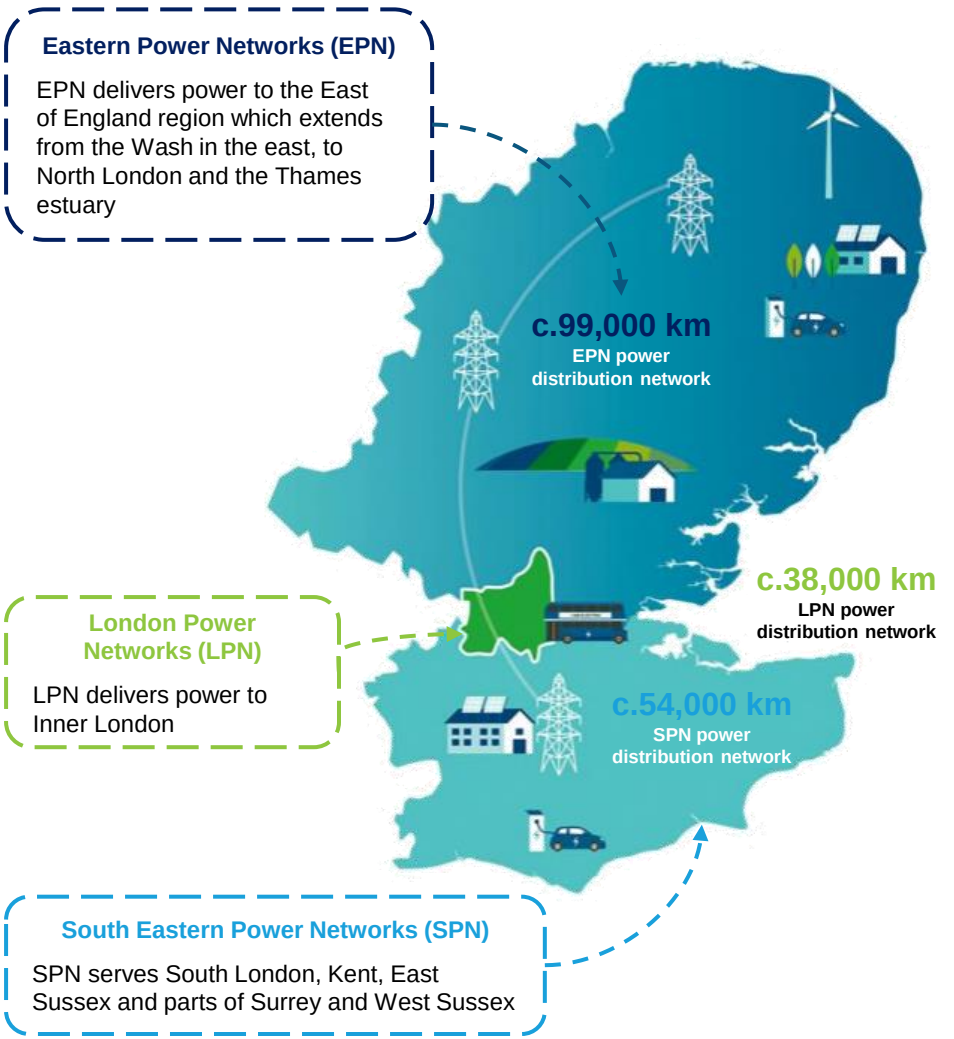
## UK Power Networks

### Overview

- One of the largest power distribution network operators in the United Kingdom. It owns, operates and manages three regulated power distribution networks across London, the Southeast and the East of England
- UK Power Networks also has a commercial arm that is not regulated by Ofgem, which manages private energy networks and develops, delivers and manages high-voltage electrical and multiutility networks for owners of major infrastructure
- In May 2024, it acquired SEEIT SOL Limited (commonly known as UU Solar and renamed Powerlink Renewable Assets), a UK-based renewable portfolio supplying renewable electricity as the latest addition to its non-regulated portfolio
- Major private networks clients:

Heathrow – Making every journey better; London Gatwick; MAG London Stansted Airport; hs1 high speed one; Ministry of Defence

| | | |
|---|---|---|
| **29,000 km²** service area across the UK | **28%** of total power distributed in the UK | **8.5m+** connected customers served |
| **19m** population served | **GBP8,520m** RAV as of 31 March 2024[1] | **~GBP5.8bn** entry enterprise value in 2010 |




Note:
1. According to UK Power Networks' annual report for the year ended 31 March 2024 (provisional at the date the accounts were signed)

# Overview of Regulated Utilities – Electricity Distribution (cont'd)

## SA Power Networks and Victoria Power Networks

### Overview of SA Power Networks

- SA Power Networks is engaged in building, extending, maintaining and upgrading the South Australian power distribution network

| | | |
|---|---|---|
| **900,000+** | **AUD4,942m** | **~AUD3.4bn** |
| **residential and business customers** | **RAB as of 30 June 2023[1]** | **entry enterprise value in 2000** |

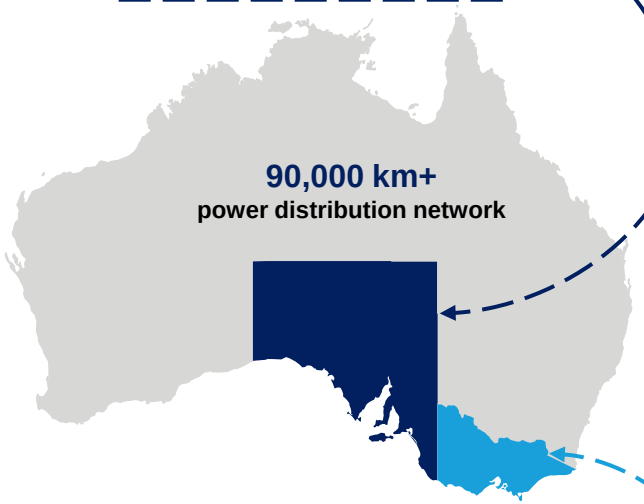
### Overview of Victoria Power Networks

- Victoria Power Networks is the holding company of Powercor and CitiPower which own and operate power distribution networks in the state of Victoria
- Victoria Power Networks also operates a range of non-regulated services including under the trading name of Beon Energy Solutions, a leader in the design, construction and maintenance of large-scale renewable energy and infrastructure projects in Australia and New Zealand

| | | |
|---|---|---|
| **900,000** | **350,000** | **AUD5,300m** |
| **customers served by Powercor** | **customers served by CitiPower** | **RAB of Powercor as of 30 June 2023[2]** |
| **AUD2,095m** | **~AUD2.3bn** | **~AUD1.4bn** |
| **RAB of CitiPower as of 30 June 2023[3]** | **entry enterprise value of Powercor in 2000** | **entry enterprise value of CitiPower in 2002** |

**SA Power Networks**

SA Power Networks distributes electricity in South Australia



**90,000 km+**
**power distribution network**

**77,000 km** **Powercor power distribution network** + **4,600 km** **CitiPower power distribution network**

**Victoria Power Networks**

**Powercor** supplies electricity to regional and rural centres in central and western Victoria, and western suburbs of Melbourne

**CitiPower** supplies electricity to Melbourne's central business district and inner suburbs

Notes:
1. According to SA Power Network's Regulatory Information Notice published by AER
2. According to Powercor's Regulatory Information Notice published by AER
3. According to CitiPower's Regulatory Information Notice published by AER

# Overview of Regulated Utilities – Electricity Distribution (cont'd)

## United Energy and Wellington Electricity

### Overview of United Energy

- United Energy is one of the major power distribution networks in Victoria
- United Energy was 66.0% owned by ASX-listed DUET Group before the privatisation by CK Group in 2017. DUET Group also owns 100.0% shareholding in Multinet Gas Networks, 100.0% shareholding in Dampier Bunbury Pipeline and 100.0% shareholding in EDL[1]

| | |
|---|---|
| **715,000** customers in the state of Victoria | **1,500 km²** service area in the state of Victoria |
| **AUD2,693m** RAB as of 30 June 2023[2] | **~AUD12.7bn** entry enterprise value of DUET Group in 2017 |

**United Energy**

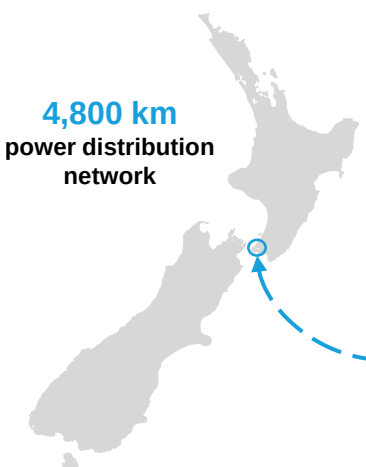
United Energy distributes electricity to east and southeast Melbourne and the Mornington Peninsula

**13,000 km** power distribution network

### Overview of Wellington Electricity

- Wellington Electricity owns and manages a power distribution network which serves Wellington, the capital of New Zealand and its surrounding area

| | |
|---|---|
| **176,000** customers in Wellington and surrounding area | **4,700 km²** service area in Wellington and surrounding area |
| **NZD847m** RAB as of 31 March 2024[3] | **~NZD785m** entry enterprise value in 2008 |



**4,800 km** power distribution network

**Wellington Electricity**

Wellington Electricity serves Wellington as well as Porirua and the Hutt Valley regions of New Zealand

Notes:
1. Refer to p.65 and p.67 for further details on Multinet Gas Networks, Dampier Bunbury Pipeline and EDL
2. According to United Energy's Regulatory Information Notice published by AER
3. According to Wellington's Electricity Distribution Information Disclosure Determination

# Overview of Regulated Utilities – Other Regulated Utilities

## Northern Gas Networks and Wales & West Gas Networks

### Overview of Northern Gas Networks

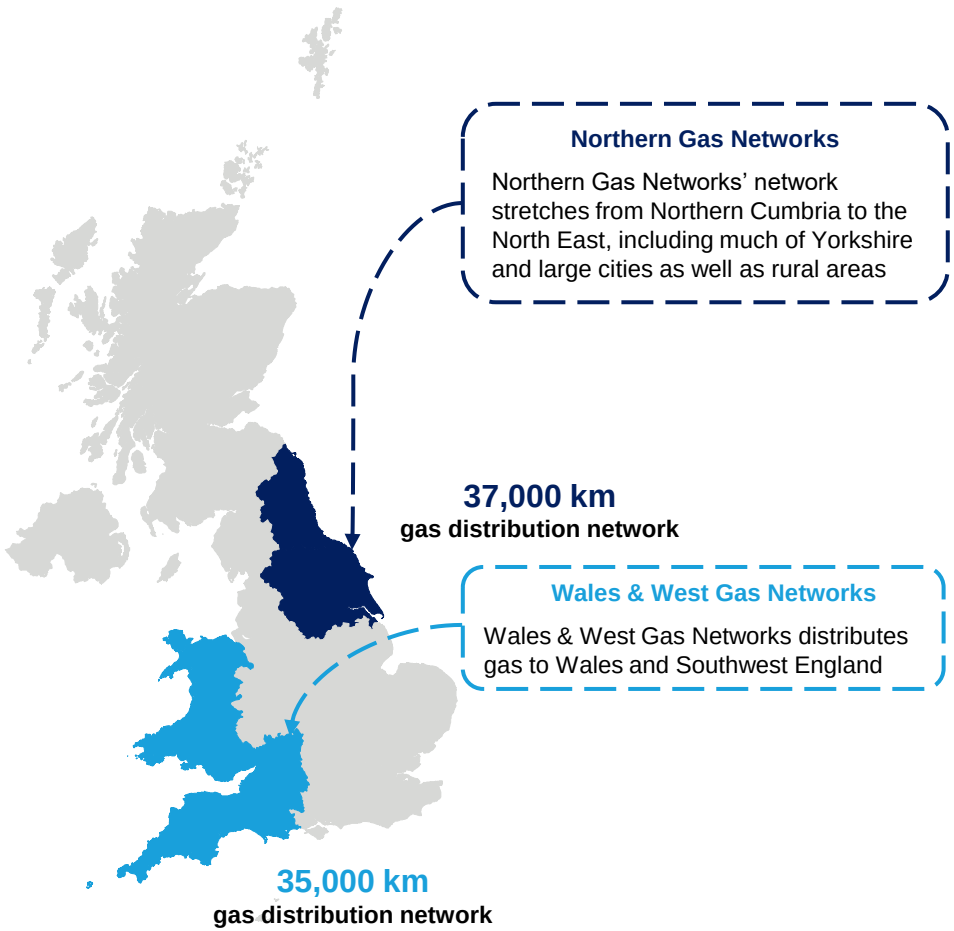
- Northern Gas Networks operates, maintains, repairs and develops the North of England gas distribution network in the United Kingdom. It is one of the eight gas distribution networks in Great Britain

| | | |
|---|---|---|
| **25,000 km²** service area | **13%** of the UK's gas transported | **2.7m** homes and businesses served |
| **6.7m** population served | **GBP2,801m** RAV as of 31 Mar 2023[1] | **~GBP1.4bn** entry enterprise value in 2005 |

### Overview of Wales & West Gas Networks

- Wales & West Gas Networks is the holding company of Wales & West Utilities, one of the eight gas distribution networks in Great Britain. It services Wales and Southwest England

| | | |
|---|---|---|
| **42,000 km²** service area | **2.6m** supply points | **2.5m** homes and businesses served |
| **7.5m** population served | **GBP2,760m** RAV as of 31 Mar 2023[2] | **~GBP2.0bn** entry enterprise value in 2012 |




Notes:
1. According to Norther Gas Networks' regulatory financial performance report
2. According to Wales & West Gas Networks' regulatory financial performance report

# Overview of Regulated Utilities – Other Regulated Utilities (cont'd)

## Northumbrian Water and Phoenix Energy

### Overview of Northumbrian Water

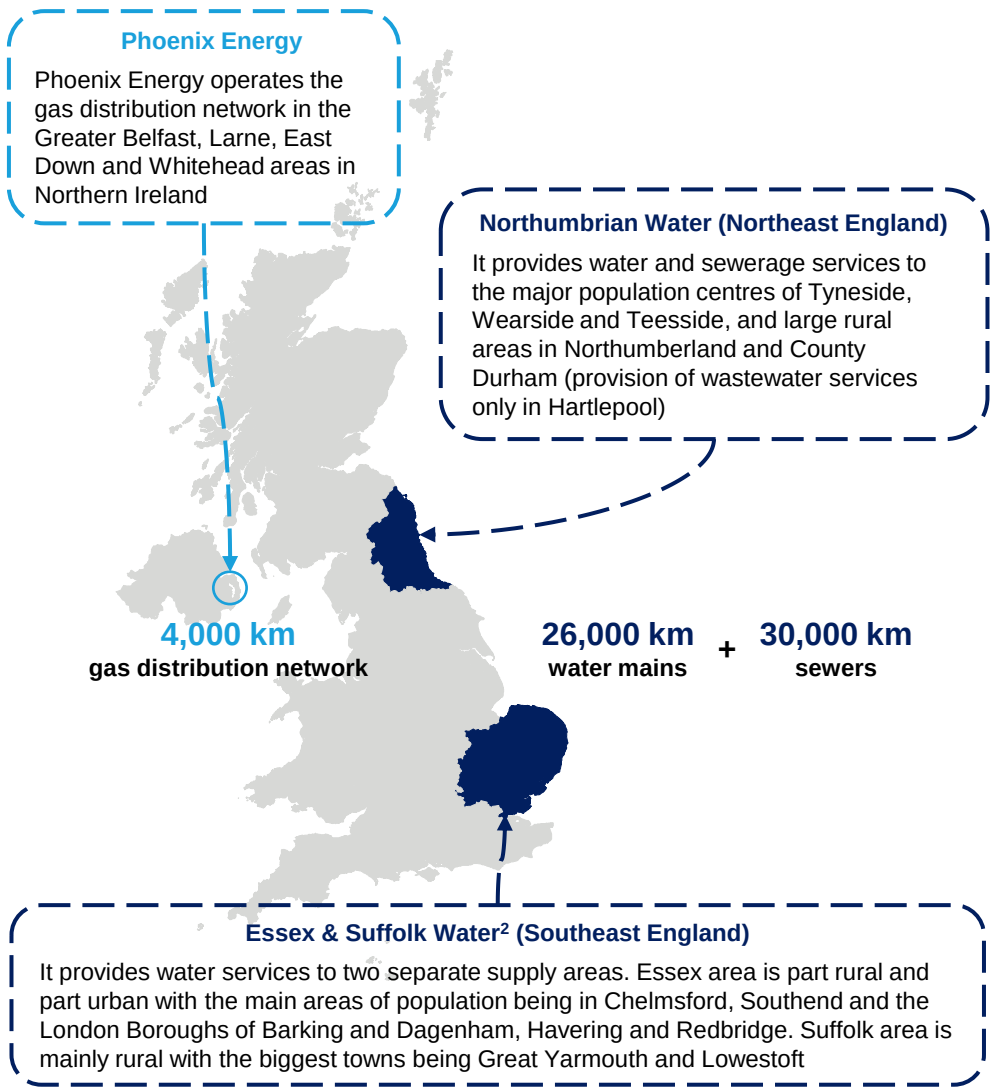
- Northumbrian Water is one of ten regulated water and sewerage companies in England and Wales, which operates water supply, sewerage and wastewater services in England
- In November 2021, regulators in the UK announced investigations into all water and wastewater companies in England and Wales, including Northumbrian Water regarding the improper release of sewage discharges into rivers and watercourses
  - In August 2024, as part of its proposed decision, Ofwat proposed a fine of GBP17.0m for Northumbrian Water
  - Ofwat is now consulting on the proposed fine and proposed enforcement orders, which may require Northumbrian Water to take additional action to ensure it is compliant with the legal and regulatory obligations that Ofwat has outlined

| | | |
|---|---|---|
| **1.3m+** properties covered in Northeast England | **2.7m** population covered in Northeast England | **794,000+** properties covered in Southeast England |
| **2.4m** population covered in Southeast England | **GBP5,443m** RCV as of 31 March 2024[1] | **~GBP4.8bn** entry enterprise value in 2011 |

### Overview of Phoenix Energy

- Phoenix Energy was established in 1996 and is the largest of three gas distribution network operators licensed to operate in Northern Ireland

| | | |
|---|---|---|
| **250,000+** properties covered | **650,000** population covered | **~GBP0.8bn** entry enterprise value in 2024 |




Notes:
1. According to Northumbrian Water's annual report for the year ended 31 March 2024
2. Essex & Suffolk Water is the trading name of Northumbrian Water in Southeast England

# Overview of Regulated Utilities – Other Regulated Utilities (cont'd)

## Australian Gas Networks, Multinet Gas Networks and Dampier Bunbury Pipeline

### Overview of Australian Gas Networks

- Australian Gas Networks is one of the largest natural gas distribution companies in Australia, serving 1.4m customers across 5 states in Australia
- CK Group completed the takeover of Envestra Limited in 2014, which was renamed Australian Gas Networks

| AUD1,902m | AUD1,953m | ~AUD4.6bn |
|---|---|---|
| RAB as of 30 June 2023[1] (South Australia) | RAB as of 1 July 2023[2] (Victoria & Albury) | entry enterprise value in 2014 |

### Overview of Multinet Gas Networks

- As part of the DUET Group acquired in 2017, Multinet Gas Networks operates a regulated gas distribution network in the state of Victoria

| 720,000 | 1,860 km$^2$ | AUD1,416m |
|---|---|---|
| customers in the state of Victoria | service area in the state of Victoria | RAB as of 1 July 2023[3] |

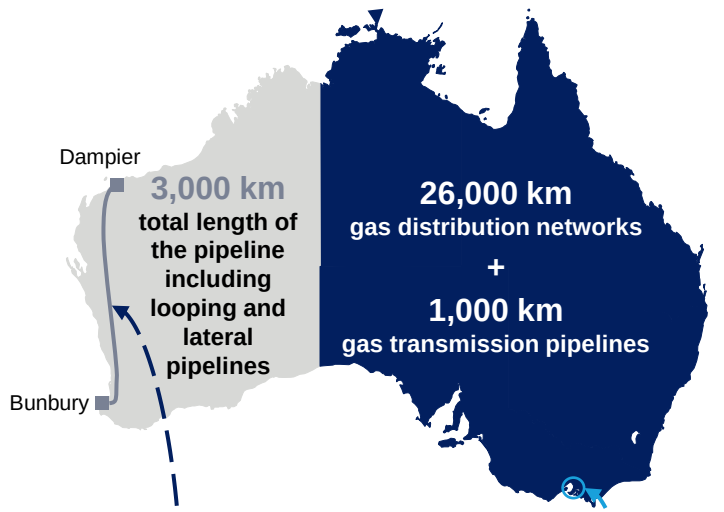
### Overview of Dampier Bunbury Pipeline

- As part of the DUET Group acquired in 2017, Dampier Bunbury Pipeline is a gas transmission pipeline connecting the Carnarvon/Browse Basins with Perth

| 1 PJ+ | 10 | AUD3,370m |
|---|---|---|
| of energy delivered per day | compressor station sites | RAB as of 1 Jan 2021[4] |

**Australian Gas Networks**

Australian Gas Networks serves customers across South Australia, Victoria, Queensland, New South Wales, and Northern Territory




**10,000 km**
**gas distribution networks**

**Dampier Bunbury Pipeline**

Dampier Bunbury Pipeline links the gas fields in the Carnavon Basin off the Pilbara coast and the Perth Basin to mining, industrial and commercial customers as well as to residential customers

**Multinet Gas Networks**

Multinet Gas Networks distributes gas to eastern and southeastern suburbs of Melbourne, the Yarra Ranges and South Gippsland

Notes:
1. According to Australian Gas Networks (South Australia)'s Regulatory Information Notice published by the AER
2. According to AER's Final Decision on Australian Gas Networks (Victoria & Albury)'s 2023–2028 gas distribution access arrangement
3. According to AER's Final Decision on Multinet Gas Networks' 2023–2028 gas distribution access arrangement
4. According to the access arrangement information for the Dampier to Bunbury Natural Gas Pipeline — 2021 to 2025 as approved by the ERA

# Overview of Contracted Infrastructure

## Eversholt UK Rails and Seabank Power

### Overview of Seabank Power

- Seabank Power is an electricity-generating company located near Bristol. It owns and operates Seabank Power Station
- The electricity is sold under long-term contracts to SSE plc

| | | |
|---|---|---|
| **2** combined cycle gas turbine generation units | **1,140 MW** aggregate capacity | **~GBP424m** entry enterprise value in 2010 |

Seabank Power Station

### Overview of Eversholt UK Rails

- Eversholt UK Rails is one of the three major rolling stock owning companies that were established at the time of privatisation of the UK rail industry
- Eversholt UK Rails leases mostly regional, commuter and high-speed passenger trains as well as a few freight locomotives, on long-term contracts to train and freight operating companies

| | | |
|---|---|---|
| **19** fleets of passenger trains | **2,700+** passenger vehicles | **83** freight locomotives |
| **2** depots leased | **12** train and freight operators customers | **~GBP2.5bn** entry enterprise value in 2015 |

Class 168 (Diesel multiple units)

Class 395 (Electric multiple units )

Class 66 (Freight)

Class 91 (Intercity and coaching stock)

# Overview of Contracted Infrastructure (cont'd)

## EDL and Enviro NZ

### Overview of EDL

- As part of the DUET Group acquired in 2017, EDL is a leading global producer of sustainable distributed energy, owning and operating a global portfolio of power and gas facilities
- It specialises in helping customers decarbonise their businesses by providing innovative and reliable energy solutions including:
  - in remote and off-grid areas, with an increasing focus on hybrid renewable power stations that use a mix of wind, solar and battery
  - taking waste gases from landfills and underground coal mines to produce electricity
  - producing renewable natural gas from landfills

| 88 | 970 MW+ | 1.1m |
|---|---|---|
| power and gas facilities worldwide | installed generating capacity | ACCUs issued by the CER from June 2023-2024 |

### Overview of Enviro NZ

- Enviro NZ is a diversified, vertically integrated waste management business that has national coverage in New Zealand
- It is one of the largest vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to commercial and residential customers

| 0.5m | 40% | ~NZD0.5bn |
|---|---|---|
| commercial and residential customers | general waste volumes in Greater Auckland covered by the Hampton Downs facility | entry enterprise value in 2013 |

**A global portfolio of power stations**

**Nationwide coverage across New Zealand**

**18** locations of collection facilities

**26** transfer stations

**8** landfills

**588+** vehicles fleet

# Overview of Contracted Infrastructure (cont'd)

## Dutch Enviro Energy, ista and Reliance Home Comfort

### Overview of Dutch Enviro Energy

- Dutch Enviro Energy owns AVR, one of the largest energy-from-waste players in the Netherlands
- AVR is principally engaged in the business of waste processing and the production and supply of sustainable energy from the incineration of waste in the Netherlands, operating 5 waste treatment plants in Rozenburg and Duiven
- In September 2023, AVR had a major fire at its waste-to-energy plant in Rozenburg. The damage caused by the fire is expected to be largely covered by insurance, and its boilers are expected to start ramping up operations from Q4 2024

**2,300 kton**
**energy-from-waste capacity per year**

**2,109 kton**
**total residual waste processed in 2022**

**7.8 PJ**
**total energy output in 2022**

**~EUR940m**
**entry enterprise value in 2013**

### Overview of ista

- ista is a leading global provider of fully integrated sub-metering services for heat and water. ista's major markets are Germany, France, the Netherlands and Denmark
- ista's product offerings comprise:
  - **Energy efficiency (sub-metering)**: range from hardware development, manufacturing, installation and maintenance to meter reading, individual billing, data collection and processing, as well as energy data management
  - **Other building services**: provision of smoke alarms, humidity sensors, EV charge points, drinking water analyses, leakage detection and energy performance certificates

**20+**
**countries with presence**

**14m+**
**dwellings served**

**60m+**
**installed measuring devices**

**~EUR6.0bn**
**entry enterprise value in 2017**

### Overview of Reliance Home Comfort

- Reliance Home Comfort business principally engages in the building equipment service sector, offering the sale and rental of water heaters, HVAC (Heating, Ventilation, and Air Conditioning) equipment, water purification services, heat pumps and EV chargers
- In addition, Reliance also provides plumbing and electrical services, smart home solutions, and comfort protection plans to customers
- Reliance Home Comfort has operations in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia in Canada as well as Georgia and Florida in the U.S:

**2.0m+**
**customers served**

**7**
**Canadian provinces and US states with presence**

**CAD390m**
**add-on acquisitions executed**

**~CAD4.6bn**
**entry enterprise value in 2017**

# Overview of Contracted Infrastructure (cont'd)

## Canadian Power and Canadian Midstream Assets

### Overview of Canadian Power

- Canadian Power owns the below power generation assets across Canada:
  - 49.99% interest in TransAlta Cogeneration, L.P., which has ownership stakes in 4 electricity generation plants with a total capacity of approximately 1,064 MW
  - 100% interest in the Meridian Cogeneration Plant with an installed capacity of 220 MW (under a long-term power purchase agreement with Saskatchewan Power Corporation and a long-term steam supply contract with Cenovus Energy Inc., both lasting until 2025)
  - 100% interest in Okanagan Wind with a capacity of approximately 30 MW (under a power purchase agreement with the British Columbia Hydro and Power Authority till 2057)

| 5 | 2 | ~CAD630m |
|---|---|---|
| **power plants across Canada** | **wind farms in British Columbia** | **entry enterprise value in 2007** |

### Canadian Power's facilities

| Facility | Canadian Power's stake | Province | Installed Capacity |
|---|---|---|---|
| Sheerness Generating Station | 25% | Alberta | 800 MW |
| Fort Saskatchewan Cogeneration Plant | 30% | Alberta | 118 MW |
| Ottawa Cogeneration Plant | 50% | Ontario | 74 MW |
| Windsor Cogeneration Plant | 50% | Ontario | 72 MW |
| Meridian Cogeneration Plant | 100% | Saskatchewan | 220 MW |
| Okanagan Wind | 100% | British Columbia | 30 MW |

### Overview of Canadian Midstream Assets

- Canadian Midstream Assets is a portfolio of crude oil pipelines, crude oil storage facilities, as well as natural gas infrastructure assets in Canada
- Under the relevant arrangements, CKI and Power Assets are entitled to certain preferential rights in relation to the distributions from the business

| 409,000 barrels | 12 | ~CAD2.3bn |
|---|---|---|
| **daily pipeline gathering system capacity** | **customers served by its crude oil pipeline** | **entry enterprise value in 2016** |

**Canadian Midstream Assets**

It owns oil pipelines and storage facilities, and natural gas infrastructure assets in Alberta and Saskatchewan

**2,300 km**
**crude oil pipelines**
**+**
**6m**
**barrels of oil storage capacity across 2 terminals**

CK Infrastructure Holdings Limited

# Overview of Other Businesses

## Park'N Fly and Toll Roads

### Overview of Park'N Fly

- Park'N Fly is Canada's leading off-airport car park company with operations in 7 Canadian cities – Vancouver, Edmonton, Winnipeg, Ottawa, Toronto, Montreal, and Halifax
- Park'N Fly provides either a self-park or valet option or both, plus a host of vehicle-related services such as detailing and oil change services

| 7 | 13 | ~CAD381m |
|---|---|---|
| **Canadian cities with operations** | **parking facilities across Canada** | **entry enterprise value in 2014** |

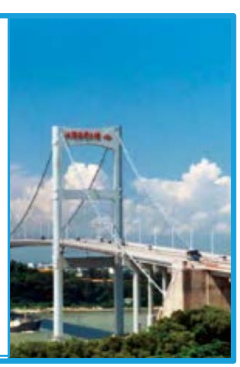
### Overview of CKI's toll road business in Mainland China

#### Shen-Shan Highway (Eastern Section)

**CKI's interest[1]:** 33.5%
**Road type:** expressway
**Length:** 140 km
**Commencement date of operation:** Nov 1996
**Expiration date**: 2028

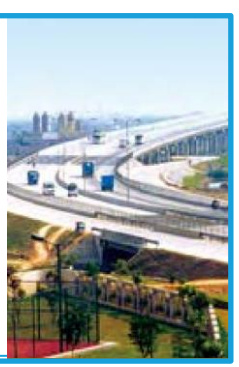
#### Shantou Bay Bridge

**CKI's interest[1]:** 30.0%
**Road type:** bridge
**Length:** 2.5 km[2]
**Commencement date of operation:** Dec 1995
**Expiration date**: 2028



#### Panyu Beidou Bridge

**CKI's interest[1]:** 40.0%
**Road type:** bridge
**Length:** 1.5 km[3]
**Commencement date of operation:** Jan 2001
**Expiration date**: 2024



Notes:
1. This represents the Group's contribution to the total investment of each project in the form of registered capital contribution and shareholders' loans
2. The toll bridge including the approach roads is approximately 6.5 km in length
3. The toll bridge including the approach roads is approximately 2.6 km in length

# Overview of Other Businesses (cont'd)

## Infrastructure-related business

### Overview of Green Island Cement

**Green Island Cement**

**Location:** Hong Kong

**Business:** the only fully integrated cement producer in Hong Kong

**CKI's interest:** 100%

**Capacity:** Clinker – 1.5m tonnes per year; Cement grinding – 2.5m tonnes per year

**Green Island Cement (Yunfu)**

**Location:** Yunfu, Guangdong, China

**Business:** cement production

**CKI's interest:** 100%

**Capacity:** Clinker – 2m tonnes per year; Cement grinding – 1.5m tonnes per year; waste heat regeneration system – 9 MW

**Guangdong Gitic Green Island Cement**

**Location:** Yunfu, Guangdong, China

**Business:** cement production

**CKI's interest:** 67%

**Capacity:** Clinker – 1m tonnes per year; Cement grinding – 1.5m tonnes per year

**Yunfu Xiangli Cement**

**Location:** Yunfu, Guangdong, China

**Business:** cement production, jetty

**CKI's interest:** 100%

**Capacity:** Cement grinding – 1m tonnes per year; Jetty – 3 berths with an annual throughput capacity reaching 3m tonnes

### Overview of Alliance Construction Materials

- Alliance (50%-owned by CKI) is Hong Kong's largest producer of concrete and aggregates and account for approximately 25% of the concrete market share and 50% of the aggregates market share

**4m cubic metres**
**annual production capacity of concrete**

**7m tonnes**
**annual production capacity of aggregates**

### Overview of Anderson Asphalt

- Anderson (100%-owned by CKI) is one of Hong Kong's market leaders in the production and laying of asphalt

**0.5m+ tonnes**
**annual production capacity of asphalt**

**0.15m tonnes**
**annual recycling capacity of asphalt**

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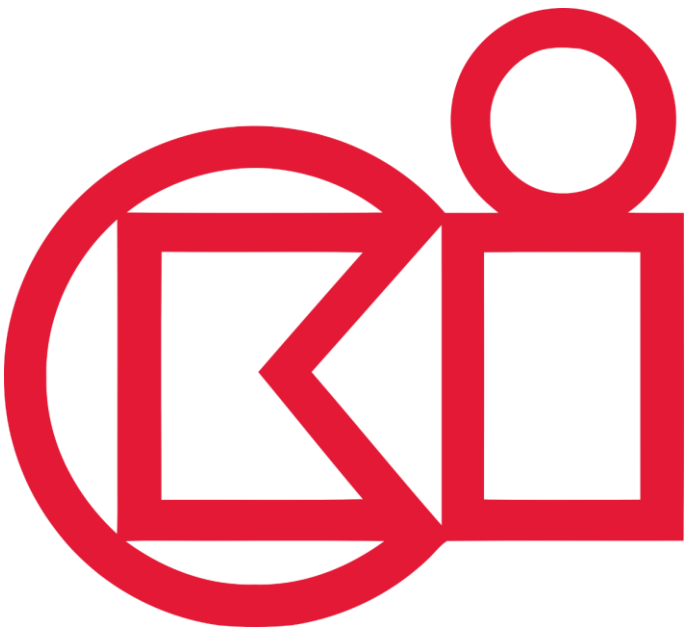
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