
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in CK Asset Holdings Limited, you should at once hand this circular and the form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CK ASSET HOLDINGS LIMITED 長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

DISPOSAL OF UK POWER NETWORKS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders**

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

A letter from the Board to the Shareholders is set out on pages 13 to 27 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of CKA Sub's Disposal is set out on pages 28 and 29 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and Independent Shareholders in respect of CKA Sub's Disposal is set out on pages 30 to 54 of this circular.

The notice convening the forthcoming EGM of the Company to be held as a hybrid meeting at 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 12:30 p.m. (or (i) as the Directors may, in their absolute discretion in accordance with the Company's Articles of Association, change the place of the EGM at the same time and on the same date by way of an announcement without the need to give a new notice of the EGM or (ii) in the event that a Bad Weather Signal is in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Tuesday, 28 April 2026) is set out on pages N-1 to N-3 of this circular.

A proxy form for use at the EGM can be downloaded from the website of the Company at <https://www.ckah.com> and the HKEXnews Website at <https://www.hkexnews.hk>. Whether the Independent Shareholders are able to attend the EGM physically or online via the online platform, they are encouraged to exercise their rights to attend and vote at the EGM or to appoint the Chairman of the EGM as their proxy by completing, signing and: (i) sending a legible image of the signed proxy form to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by email at cka.eproxy@computershare.com.hk; or (ii) returning the proxy form to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong; or (iii) depositing the completed and signed proxy form at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as possible and in any event no less than 48 hours before the time for holding the EGM (or any adjournment or postponement thereof). **Completion and return of the proxy form will not preclude Shareholders from attending and voting at the EGM (or at any adjournment or postponement thereof) in person or via the online platform provided for the EGM should they subsequently so wish, and, in such event, the proxy form shall be deemed to be revoked. For the EGM convened to be held on Monday, 27 April 2026 at 12:30 p.m., the deadline to submit completed proxy forms is Saturday, 25 April 2026 at 12:30 p.m.**

Capitalised terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this circular unless the context otherwise requires.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

8 April 2026

CONTENTS

	<i>Page</i>
GUIDANCE FOR THE EXTRAORDINARY GENERAL MEETING	2
DEFINITIONS	6
LETTER FROM THE BOARD	13
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	28
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	30
APPENDIX – GENERAL INFORMATION	55
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1

GUIDANCE FOR THE EXTRAORDINARY GENERAL MEETING

The EGM will be held as a hybrid meeting. In addition to the traditional physical attendance at the EGM, Shareholders have the option of attending, participating, raising questions and voting at the EGM through online access by visiting the website at <https://meetings.lumiconnect.com> (the “**Online Platform**”). Shareholders participating in the EGM via the Online Platform will be deemed present at, and will be counted towards the quorum of, the EGM and they will be able to cast their votes and submit questions via the Online Platform.

No refreshments or drinks will be provided to attendees at the EGM.

ATTENDING THE EGM VIA ONLINE PLATFORM

The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM (i.e. from 12:00 noon on Monday, 27 April 2026) and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the EGM at <https://www.ckah.com/shareholders-information> for assistance.

Login details for registered Shareholders

Details regarding the EGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”).

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend, participate and vote at the EGM via the Online Platform should (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their Shares are held (together, “**Intermediary**”) to appoint themselves as proxies or corporate representatives to attend the EGM and (2) provide their email addresses to their Intermediary before the time limit required by the relevant Intermediary. Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, to the email addresses of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 4:00 p.m. Hong Kong time on Friday, 24 April 2026 should reach out to the Hong Kong Share Registrar for assistance. Without the login details, non-registered Shareholders will not be able to attend, participate and vote at the EGM via the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

GUIDANCE FOR THE EXTRAORDINARY GENERAL MEETING

Login details for duly appointed proxies or corporate representatives

Login details to access the Online Platform will be sent by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, to the email addresses of the proxies provided in the relevant proxy forms.

For corporate Shareholders which wish to appoint representatives to attend, participate and vote at the EGM on their behalf via the Online Platform, please call the Hong Kong Share Registrar, at (852) 2862 8558 for the necessary arrangements.

Any proxy or corporate representative who has not received the login details by email by 4:00 p.m. on Friday, 24 April 2026 should reach out to the Hong Kong Share Registrar for assistance.

Login details required for submission of votes and questions

All votes and questions must be submitted via the Online Platform at the EGM regardless of whether the attendance is in person at the EGM venue or not. Accordingly, registered and non-registered Shareholders (including their respective proxies or corporate representatives) attending the EGM in person are reminded to bring their smart phones, tablet devices or computers, as well as the Shareholder Notifications or notifications from the Hong Kong Share Registrar (containing personalised login details), to the EGM venue. Only one device is allowed per login. Login details must be kept in safe custody for use at the EGM and must not be disclosed to any third parties. Neither the Company nor its agent will assume any obligation or liability whatsoever in connection with the transmission of the login details or the use of the login details for voting or otherwise.

The votes submitted via the Online Platform using the login details provided to the registered or non-registered Shareholders will be conclusive evidence that such votes were validly cast by such registered Shareholders or non-registered Shareholders.

The Company is not required to, and will not, independently verify the accuracy of the email addresses or other information provided by the registered or non-registered Shareholders. The Company and its agents take no responsibility for any loss or other consequence caused by or resulting from any inaccuracy and/or deficiency in the information provided or any unauthorised use of the login details.

GUIDANCE FOR THE EXTRAORDINARY GENERAL MEETING

Voting via the Online Platform

The Online Platform permits a “split vote” on a resolution. Registered and non-registered Shareholders who wish to cast their votes via the Online Platform should note that the Online Platform permits them to submit their votes in respect of part or all of the Shares held by them or in respect of which they have been appointed as proxies or corporate representatives. In the case of a proxy or corporate representative, he/she can vote such number of shares in respect of which he/she has been appointed as a proxy or corporate representative.

Votes cast via the Online Platform are irrevocable once the voting session at the EGM ends. Further, once the online voting has closed, the votes which a registered Shareholder has submitted via the Online Platform will supersede any votes which may be cast by his/her proxy (if any) at the EGM.

QUESTIONS AT AND PRIOR TO THE EGM

Shareholders attending the EGM via the Online Platform will be able to submit questions relevant to the proposed resolution via the Online Platform during the EGM. Shareholders can also send their questions by email from Friday, 17 April 2026 (9:00 a.m.) to Thursday, 23 April 2026 (5:00 p.m.) to EGM2026@ckah.com. For registered Shareholders, please state the 10-digit shareholder reference number starting with “C” (SRN) which is printed on the top right corner of the Shareholder Notification.

Whilst the Company will endeavour to respond to as many questions as possible at the EGM, due to time constraints, the Company may respond to any unanswered questions after the EGM as appropriate.

VOTING BY PROXY IN ADVANCE OF THE EGM

Shareholders are encouraged to submit their completed proxy forms well in advance of the EGM. Return of a completed proxy form will not preclude Shareholders from attending and voting at the EGM (or any adjournment or postponement thereof) in person or via the Online Platform should they subsequently so wish.

Submission of proxy forms for registered Shareholders

A proxy form for use at the EGM can be downloaded from the website of the Company at <https://www.ckah.com/shareholders-information> and the HKEXnews Website at <https://www.hkexnews.hk>.

GUIDANCE FOR THE EXTRAORDINARY GENERAL MEETING

The deadline to submit completed proxy forms is Saturday, 25 April 2026 at 12:30 p.m. Completed proxy forms must be (i) sent in a legible image to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by email at cka.eproxy@computershare.com.hk; or (ii) returned to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong; or (iii) deposited at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong before the above deadline.

Appointment of proxy for non-registered Shareholders

Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

In case the Company needs to change the EGM arrangements at short notice, the Board may, in its absolute discretion in accordance with the Company's Articles of Association, change the place of the EGM at the same time and on the same date by way of an announcement without the need to give a new notice of the EGM. Shareholders should check the Company's website at <https://www.ckah.com> or the Company's EGM website at <https://www.ckah.com/EGM> for future announcements and updates on the EGM arrangements.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong Share Registrar, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone: (852) 2862 8558
Facsimile: (852) 2865 0990
Website: <https://www.computershare.com/hk/contact>

DEFINITIONS

In this circular, the following expressions have the following meanings unless otherwise defined or the context otherwise requires:

“Announcement”	the announcement of the Company dated 26 February 2026 in relation to, among other things, CKA Sub’s Disposal
“Apex Harmony”	Apex Harmony Group Limited, an indirect wholly-owned subsidiary of the Company which is incorporated under the laws of the British Virgin Islands, being CKA Sub’s relevant Shareholder Debt Instrument Holder
“Articles of Association”	the Company’s Amended and Restated Articles of Association
“associate”	has the meaning ascribed to such term in the Listing Rules
“Bad Weather Signal”	a tropical cyclone warning signal no. 8 or above, a black rainstorm warning signal and/or “extreme conditions” as announced by the Hong Kong Government. The Hong Kong Government may issue an announcement on “extreme conditions” in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“Base CKA Consideration”	GBP2,109,600,000 (equivalent to approximately HK\$22,150,800,000), being the base consideration of the sale and purchase of CKA Sub’s Sale Shares and CKA Sub’s Shareholder Debt Instruments
“Board”	the board of Directors
“CKA Consideration”	the total consideration for the sale and purchase of CKA Sub’s Sale Shares and CKA Sub’s Shareholder Debt Instruments pursuant to the Share Purchase Agreement
“CKA Dividend Amount”	any dividend or distribution (whether in cash or in specie), declared, paid or made by any member of the Target Group to CKA Sub or any affiliate of CKA Sub (other than any member of the Target Group) from (and excluding) 31 March 2025 to (and including) 30 June 2026
“CKA Permitted Leakage Reimbursement Amount”	an amount equal to the sum of: (i) an amount equal to the interest that would have accrued if it had been charged at a rate of 4% per annum on the Known CKA Permitted Leakage Amount from (and excluding) 31 March 2025 up to (and including) the Closing Date, if such interest had accrued daily; minus (ii) an amount equal to the interest that would have accrued if it had been charged at a rate of 4% per annum on the Known CKA Permitted Leakage Amount from (and excluding) 31 March 2025 up to (and including) 30 June 2026, if such interest had accrued daily

DEFINITIONS

“CKA Shareholder Debt Interest Payment Amount”	the interest, fees and any other amounts paid pursuant to, and in accordance with, the terms of any Shareholder Debt Instrument (including any additional amounts that are required to be paid on account of the imposition of any withholding tax with respect to the payment of any such amounts) by or on behalf of any member of the Target Group to CKA Sub or any affiliate of CKA Sub (other than any member of the Target Group) from (and excluding) 31 March 2025 to (and including) 30 June 2026
“CKA Sub”	Eagle Insight International Limited, an indirect wholly-owned subsidiary of the Company which is incorporated under the laws of the British Virgin Islands
“CKA Sub’s Sale Shares”	the 122,000,000 Sale Shares owned by CKA Sub as at the date of the Share Purchase Agreement
“CKHH”	CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1)
“CKI”	CK Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038) and on the Main Market of the London Stock Exchange
“CKI Group”	CKI and its subsidiaries
“CKI Sub”	CKI Number 1 Limited, an indirect wholly-owned subsidiary of CKI which is incorporated under the laws of England and Wales
“Closing”	the completion of the sale of the Sale Shares and the Shareholder Debt Instruments
“Closing Date”	the date on which Closing takes place
“Company”	CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113)
“Condition(s)”	the condition(s) to which Closing is subject
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and Shareholder Debt Instruments by and to be procured by the Sellers pursuant to the terms and subject to the conditions under the Share Purchase Agreement, and references to each Seller’s Disposal shall be construed as referring to its disposal of its Sale Shares and its (or, as the case may be, its relevant Shareholder Debt Instrument Holder’s disposal of its) Shareholder Debt Instruments accordingly

DEFINITIONS

“DT1”	The Li Ka-Shing Unity Discretionary Trust, of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT1
“DT2”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT2
“DT3”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT3
“DT4”	a discretionary trust of which Mr. Li Ka-shing is the settlor and, among others, Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is TDT4
“EGM”	the extraordinary general meeting of the Company to be held as a hybrid meeting on Monday, 27 April 2026 at 12:30 p.m. at 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online, or any adjournment or postponement thereof, for the purpose of considering and, if thought fit, passing an ordinary resolution to approve CKA Sub’s Disposal
“Engie”	ENGIE S.A., a <i>société anonyme</i> organised under the laws of France and listed on the Euronext with stock code: ENGI
“Express Train”	Express Train Limited, an indirect wholly-owned subsidiary of CKI which is incorporated under the laws of the British Virgin Islands, being CKI Sub’s relevant Shareholder Debt Instrument Holder
“GBP”	British pounds, the lawful currency of the United Kingdom
“GFSC”	Guernsey Financial Services Commission
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEXnews Website”	https://www.hkexnews.hk , a dedicated website for the dissemination of information, including issuer information, established by Hong Kong Exchanges and Clearing Limited (or any other website maintained and announced by Hong Kong Exchanges and Clearing Limited at the relevant time for a similar purpose)
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong share registrar of the Company
“Independent Board Committee”	the independent board committee of the Board established to advise the Independent Shareholders on CKA Sub’s Disposal, comprising Mr. Donald Jeffrey Roberts (Chairman of the Independent Board Committee), Ms. Hung Siu-lin, Katherine, Mr. Lam Siu Hong, Donny, Ms. Lee Wai Mun, Rose and Dr. Wong Yick-ming, Rosanna, being independent non-executive Directors
“Independent Financial Adviser”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to CKA Sub’s Disposal
“Independent Shareholders”	Shareholders other than those who have a material interest (which is different from that of the other Shareholders) in CKA Sub’s Disposal
“Known CKA Leakage Amount”	the aggregate amount of all such leakage to CKA Sub or any affiliate of CKA Sub (other than any member of the Target Group): (i) occurring from (and excluding) 31 March 2025 up to (and including) Closing Date to the extent known to the Sellers; and (ii) that comes to the attention of the Purchaser and is notified by the Purchaser to the Sellers’ representative (if any), subject to the agreement of the Sellers’ representative and the Purchaser pursuant to the terms of the Share Purchase Agreement
“Known CKA Permitted Leakage Amount”	an amount equal to the aggregate of the CKA Dividend Amount and the CKA Shareholder Debt Interest Payment Amount paid, made or declared (as applicable) to CKA Sub or any affiliate of CKA Sub (other than any member of the Target Group) from (and excluding) 31 March 2025 to (and including) 30 June 2026
“Latest Practicable Date”	27 March 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Letter from the Board”	the letter from the Board contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 June 2026 or such other date as the Sellers and the Purchaser may agree in writing
“Notice of EGM”	the notice convening the EGM, as set out on pages N-1 to N-3 of this circular

DEFINITIONS

“PAH”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6)
“PAH Group”	PAH and its subsidiaries
“PAH Sub”	Devin International Limited, an indirect wholly-owned subsidiary of PAH which is incorporated under the laws of the British Virgin Islands
“percentage ratios”	have the meanings ascribed to such term in Chapter 14 of the Listing Rules
“Purchaser”	Engie UK 2026 Limited, a company incorporated under the laws of England and Wales
“Purchaser’s Guarantor”	Engie Group Participations SA, a <i>société anonyme</i> organised under the laws of France
“Purchaser Parent Guarantee”	the guarantee agreement dated 25 February 2026 entered into by Engie and the Sellers in relation to the guarantee by Engie of the payment of the purchase price by the Purchaser under the Share Purchase Agreement
“Reimbursement Amount”	an amount equal to the interest that would have accrued if it had been charged at a rate of 4% per annum on any relevant leakage from (and excluding) the date on which the leakage occurred up to (and including) the Closing Date, if such interest had accrued daily
“Sale Shares”	the total of 610,000,000 ordinary shares of GBP1 nominal value each in the Target, being 100% of the issued ordinary share capital of the Target, which are owned by CKA Sub as to 20%, CKI Sub as to 40% and PAH Sub as to 40% as at the date of the Share Purchase Agreement, and references to each Seller’s Sale Shares shall be construed accordingly
“Secretary of State”	the Secretary of State for Business, Energy and Industrial Strategy or Digital, Culture, Media & Sport under section 42(2) of the Enterprise Act 2002 of the United Kingdom
“Sellers”	CKA Sub, CKI Sub and PAH Sub
“Sellers’ Shareholder Conditions”	the Conditions set out under paragraphs (i) to (iv) under the section headed “2. Share Purchase Agreement – Conditions” in the Letter from the Board
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of HK\$1.00 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Purchase Agreement”	the share purchase agreement dated 25 February 2026 entered into among the Sellers, the Purchaser and the Purchaser’s Guarantor in relation to the sale and purchase of the Sale Shares and the Shareholder Debt Instruments
“Shareholder Debt Instruments”	<p>(i) the GBP689,180,000 8.125% loan notes due on 30 June 2051 issued by the Target under the respective UKPN Note Purchase Agreement and registered to each of: (a) Apex Harmony, in the amount of GBP137,836,000, the sale of which shall be procured by CKA Sub; (b) PAH Sub, in the amount of GBP275,672,000; and (c) Express Train, in the amount of GBP275,672,000, the sale of which shall be procured by CKI Sub, as at the date of the Share Purchase Agreement; and</p> <p>(ii) the GBP85,000,000 8.125% loan notes due on 30 June 2051 issued by UKPN Services under the respective UKPN Services Note Purchase Agreement and registered to each of: (a) Apex Harmony, in the amount of GBP17,000,000, the sale of which shall be procured by CKA Sub; (b) PAH Sub, in the amount of GBP34,000,000; and (c) Express Train, in the amount of GBP34,000,000, the sale of which shall be procured by CKI Sub, as at the date of the Share Purchase Agreement,</p> <p>in each case, along with the related UKPN Note Purchase Agreements and the related UKPN Services Note Purchase Agreements, the UKPN Facility Agreements, and the UKPN Services Facility Agreements, and references to each Seller’s Shareholder Debt Instruments shall be construed accordingly</p>
“Shareholder Debt Instrument Holder(s)”	Apex Harmony, Express Train and PAH Sub
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to such term in the Listing Rules
“Target”	UK Power Networks Holdings Limited, a company incorporated under the laws of England and Wales
“Target Group”	the Target and its subsidiaries
“TDT1”	Li Ka-Shing Unity Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT1

DEFINITIONS

“TDT2”	Li Ka-Shing Unity Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT2
“TDT3”	Li Ka-Shing Castle Trustee Corporation Limited, a company incorporated in the Cayman Islands, which is the trustee of DT3
“TDT4”	Li Ka-Shing Castle Trustcorp Limited, a company incorporated in the Cayman Islands, which is the trustee of DT4
“Trust”	DT1, DT2, DT3, DT4, UT1 and UT3, and where the context requires, any of them
“UKPN Facility Agreements”	the GBP500,000,000 facility agreements dated 29 October 2024 between the Target and each of Apex Harmony, Express Train and PAH Sub
“UKPN Insurance”	UK Power Networks Insurance Limited, a wholly-owned subsidiary of the Target which is incorporated under the laws of the Island of Guernsey
“UKPN Note Purchase Agreements”	the note purchase agreements dated 29 October 2024 in relation to the issuance of GBP689,180,000 8.125% loan notes between the Target and each of Apex Harmony, Express Train and PAH Sub (as amended and/or restated from time to time)
“UKPN Services”	UK Power Networks Services Holdings Limited, a wholly-owned subsidiary of the Target which is incorporated under the laws of England and Wales
“UKPN Services Facility Agreements”	the GBP500,000,000 facility agreements dated 29 October 2024 between UKPN Services and each of Apex Harmony, Express Train and PAH Sub
“UKPN Services Note Purchase Agreements”	the note purchase agreements dated 29 October 2024 in relation to the issuance of GBP85,000,000 8.125% loan notes between UKPN Services and each of Apex Harmony, Express Train and PAH Sub (as amended and/or restated from time to time)
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UT1”	The Li Ka-Shing Unity Trust
“UT3”	The Li Ka-Shing Castle Trust
“%”	per cent

Notes: The figures in GBP are converted into HK\$ at the rate of GBP1.00: HK\$10.50 (being the exchange rate used in the Announcement) throughout this circular for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

Certain amounts and percentage figures in this circular have been subject to rounding adjustments.

All references to time and date in this circular are to Hong Kong time and date (unless otherwise stated).

LETTER FROM THE BOARD



CK ASSET HOLDINGS LIMITED 長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

Registered Office: PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

Principal Place of Business: 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong

Board of Directors

Executive Directors

LI Tzar Kuoi, Victor *Chairman and Managing Director*

KAM Hing Lam *Deputy Managing Director*

IP Tak Chuen, Edmond *Deputy Chairman*

CHUNG Sun Keung, Davy

CHIU Kwok Hung, Justin

CHOW Wai Kam, Raymond

PAU Yee Wan, Ezra

Independent Non-executive Directors

CHEONG Ying Chew, Henry

HUNG Siu-lin, Katherine

Donald Jeffrey ROBERTS

Stephen Edward BRADLEY

KWOK Eva Lee

SNG Sow-mei alias Poon Sow Mei

LAM Siu Hong, Donny

LEE Wai Mun, Rose

WONG Yick-ming, Rosanna

Company Secretary

Eirene YEUNG

8 April 2026

Dear Shareholder(s),

**CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION
DISPOSAL OF UK POWER NETWORKS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcement of the Company on 26 February 2026 in relation to, among other things, the Disposal by CKA Sub (an indirect wholly-owned subsidiary of the Company). As disclosed in the Announcement, after trading hours on 25 February 2026 and before trading hours on 26 February 2026 in Hong Kong, London and Paris, CKA Sub, CKI Sub (an indirect wholly-owned subsidiary of CKI), PAH Sub (an indirect wholly-owned subsidiary of PAH), the Purchaser and the Purchaser's Guarantor entered into the Share Purchase Agreement in relation to the Disposal.

LETTER FROM THE BOARD

The purpose of this circular is to provide Shareholders with, among other things, (i) further details of CKA Sub's Disposal; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to CKA Sub's Disposal; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to CKA Sub's Disposal; (iv) the Notice of EGM; and (v) such information as required under the Listing Rules.

2. SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date

25 February 2026

Parties

- (i) CKA Sub as a seller;
- (ii) CKI Sub as a seller;
- (iii) PAH Sub as a seller;
- (iv) the Purchaser as the purchaser; and
- (v) the Purchaser's Guarantor as the Purchaser's guarantor.

CKA Sub is an indirect wholly-owned subsidiary of the Company. CKI Sub is an indirect wholly-owned subsidiary of CKI, and is an indirect non-wholly owned subsidiary of CKHH. PAH Sub is an indirect wholly-owned subsidiary of PAH. The rights and obligations of each of CKA Sub, CKI Sub and PAH Sub under the Share Purchase Agreement are on a several basis, and each of CKA Sub, CKI Sub and PAH Sub will only have rights and obligations to the extent they relate to the Sale Shares or the Shareholder Debt Instruments it agrees to sell, or procure to sell, under the Share Purchase Agreement.

The Disposal

As at the Latest Practicable Date, the issued share capital of the Target is owned as to 20%, 40% and 40% by CKA Sub, CKI Sub and PAH Sub, respectively.

Each Seller has agreed to severally sell its respective Sale Shares, and the Purchaser has agreed to purchase such Sale Shares from that Seller. The Sale Shares together represent 100% of the issued share capital of the Target.

LETTER FROM THE BOARD

Each Seller has also agreed to sell, or procure the sale of, each Shareholder Debt Instrument registered in the name of the relevant Shareholder Debt Instrument Holder, and the Purchaser has agreed to purchase each such Shareholder Debt Instrument from that relevant Shareholder Debt Instrument Holder.

Guarantees

The Purchaser's Guarantor has agreed to guarantee the performance and observance of the obligations of the Purchaser under the Share Purchase Agreement. Engie has entered into the Purchaser Parent Guarantee, under which Engie will guarantee the payment of the purchase price by the Purchaser under the Share Purchase Agreement.

Each of the Company, CKI and PAH has entered into separate guarantee letters on 25 February 2026 (London time) addressed to the Purchaser, under which the Company, CKI and PAH guarantee the performance and observance of the obligations of CKA Sub, CKI Sub and PAH Sub under the Share Purchase Agreement, respectively.

CKA Consideration

The CKA Consideration for CKA Sub's Sale Shares and CKA Sub's Shareholder Debt Instruments shall be an amount in cash equal to the sum of:

- (i) the Base CKA Consideration, being GBP2,109,600,000 (equivalent to approximately HK\$22,150,800,000); plus
- (ii) an amount equal to the interest that would have accrued if interest had been charged at a rate of 4% per annum on the Base CKA Consideration from (and excluding) 31 March 2025 up to (and including) the Closing Date, accruing daily; less
- (iii) the Known CKA Permitted Leakage Amount; less
- (iv) to the extent not deducted from the Base CKA Consideration under paragraph (iii) above, an amount equal to: (a) the Known CKA Leakage Amount (if any); plus (b) the Reimbursement Amount in respect of such Known CKA Leakage Amount; less
- (v) where Closing occurs on or after 1 July 2026 solely due to one (or more) of the Sellers failing to convene the relevant extraordinary or special general meetings of the Company, CKHH, CKI, and PAH to approve the relevant resolution(s) in connection with the Disposal on or before 30 June 2026 (other than where the failure to do so was a direct result of a breach by the Purchaser of its obligations to provide information, documentation and other assistance in accordance with the Share Purchase Agreement), an amount equal to the CKA Permitted Leakage Reimbursement Amount.

LETTER FROM THE BOARD

Please note that, if Closing occurs on or before 30 June 2026, the Known CKA Permitted Leakage Amount (which consists of distributions made by the Target Group to the Group in 2025, and to be made by the Target Group to the Group before 30 June 2026, if any) will be deducted from the Base CKA Consideration, and no interest will be charged on that amount and deducted from the Base CKA Consideration. However, if Closing takes place on or after 1 July 2026 for any of the reasons described in adjustment item (v) above, then a 4% per annum interest will be charged on the Known CKA Permitted Leakage Amount from 1 July 2026 up to (and including) the Closing Date and deducted from the Base CKA Consideration. In addition, any Known CKA Leakage Amount in excess of the Known CKA Permitted Leakage Amount will also be charged with a 4% per annum interest from the date on which the leakage occurred up to the Closing Date and deducted from the Base CKA Consideration.

The amount of the CKA Consideration allocated to each CKA Sub's Shareholder Debt Instrument shall be an amount equal to the aggregate of all principal, interest, fees and other amounts outstanding in relation to that Shareholder Debt Instrument as at Closing.

The amount of the CKA Consideration allocated to CKA Sub's Sale Shares shall be an amount equal to the CKA Consideration less the amount of the CKA Consideration allocated to all of CKA Sub's Shareholder Debt Instruments. The CKA Consideration is payable by the Purchaser to CKA Sub in full in cash at Closing pursuant to the Share Purchase Agreement.

The CKA Consideration for CKA Sub's Disposal was determined based on arm's length negotiations between CKA Sub and the Purchaser and after taking into account factors including: (i) the prevailing market prices of similar assets; (ii) the performance of the business conducted by the Target Group, including the information set out under the section headed "*3. Information on the Target Group*" below; and (iii) the information set out under the section headed "*5. Reasons for and Benefits of CKA Sub's Disposal*" below.

In determining the CKA Consideration, consideration was given to the valuation levels of precedent transactions in the electricity distribution sector in the United Kingdom over the past five years, as well as the trading levels of publicly listed comparable companies in the United Kingdom.

Iberdrola, S.A.'s acquisition of Electricity North West ("**ENW**") in August 2024 and National Grid plc's ("**National Grid**") acquisition of Western Power Distribution ("**WPD**") in March 2021 were considered to be the most relevant transactions for comparison purposes. Based on public information, ENW was transacted at an Enterprise Value ("**EV**")/**Regulated Asset Value ("**RAV**")** multiple of approximately 1.56x, while WPD was transacted at an EV/**RAV** multiple of approximately 1.67x. The implied EV/**RAV** multiple for the Target Group is approximately 1.73x, which is on the high end of the range of the identified transactions.

LETTER FROM THE BOARD

In relation to publicly listed comparable companies, two companies that shared certain similarities with the Target Group were identified, namely National Grid and SSE plc (“SSE”). Both National Grid and SSE are owners of electricity distribution networks in the United Kingdom. However, they also own significant businesses outside of the electricity distribution sector in the United Kingdom. Accordingly, the trading multiples for both National Grid and SSE are considered to be of limited relevance to the valuation of the Target Group, given that they are diversified utilities with interests in other businesses and/or geographies.

Additionally, the implied cash yield of the Target Group at the proposed valuation was benchmarked against the current yields of risk-free benchmarks, including long-term United Kingdom government bonds. The valuation of the Target Group is favourable in comparison on this metric, as recent shareholder distributions of the Target Group suggest an implied cash yield of the Target Group at approximately 3%, which is lower than the prevailing yield on the 20-year United Kingdom government gilts of approximately 5.2% on or around the Latest Practicable Date, suggesting that the ongoing cash yield from the Company’s investment in the Target Group is modest relative to the prevailing risk-free rates of return.

Conditions

The sale and purchase of the Sale Shares and the Shareholder Debt Instruments is conditional upon satisfaction of the following Conditions, or their satisfaction subject only to Closing:

- (i) approval by the Shareholders of all resolution(s) relating to the transactions to be performed by CKA Sub under the Share Purchase Agreement as may be required under the Listing Rules or otherwise required by the Stock Exchange, or the grant by the Stock Exchange of a waiver from the need to obtain such approval;
- (ii) approval by the shareholders of CKI of all resolution(s) relating to the transactions to be performed by CKI Sub under the Share Purchase Agreement as may be required under the Listing Rules or otherwise required by the Stock Exchange, or the grant by the Stock Exchange of a waiver from the need to obtain such approval;
- (iii) approval by the shareholders of PAH of all resolution(s) relating to the transactions to be performed by PAH Sub under the Share Purchase Agreement as may be required under the Listing Rules or otherwise required by the Stock Exchange, or the grant by the Stock Exchange of a waiver from the need to obtain such approval;
- (iv) approval by the shareholders of CKHH of all resolution(s) relating to the transactions to be performed by CKI Sub under the Share Purchase Agreement as may be required under the Listing Rules or otherwise required by the Stock Exchange, or the grant by the Stock Exchange of a waiver from the need to obtain such approval;

LETTER FROM THE BOARD

- (v) a notification under the National Security and Investment Act 2021 of the United Kingdom having been accepted and (a) the Secretary of State confirming before the end of the review period that no further action will be taken in relation to the Disposal; or (b) if the Secretary of State issues a call-in notice in relation to the Disposal, the relevant parties (or any party) to the Share Purchase Agreement receiving confirmation that the Secretary of State will take no further action in relation to the call-in notice and the Disposal under the National Security and Investment Act 2021; or (c) the Secretary of State making a final order in relation to the Disposal (and, to the extent relevant, all conditions or obligations contained in such an order necessary for Closing having been satisfied or complied with or any restriction preventing Closing having been lifted or released); and
- (vi) (a) the GFSC giving notice in writing that it approves or has no objection to the acquisition of UKPN Insurance by the Purchaser and all other persons who would at Closing become a shareholder controller of UKPN Insurance; or (b) (1) the surrendering of the authorisation or licence of UKPN Insurance to carry on insurance business under the relevant laws in the Island of Guernsey; and (2) the discontinuance and winding-up of the insurance business of UKPN Insurance, such that the no objection of the GFSC is not required in connection with the Disposal.

None of the Conditions may be waived by any party to the Share Purchase Agreement.

As at the Latest Practicable Date, save for the Condition set out under paragraph (vi) above which had been satisfied, none of the Conditions had been satisfied.

If (a) the GFSC objects in writing to any person becoming a shareholder controller of UKPN Insurance following the Disposal within 90 days of the date of the Share Purchase Agreement; or (b) the GFSC does not provide written confirmation of no objection to satisfy the Condition set out under paragraph (vi) above within 90 days of the date of the Share Purchase Agreement (or such other date as may be agreed in writing between the parties to the Share Purchase Agreement), then the parties agree that the Longstop Date shall be automatically extended by a period of three months in accordance with the following paragraph.

Subject to the preceding paragraph, if any of the Conditions is not satisfied on or before 5:00 p.m. (London time) on the Longstop Date, either the Sellers (acting jointly) (by notice to the Purchaser) or the Purchaser (by notice to the Sellers' representative) may extend the Longstop Date by a period of three months.

If (i) the Purchaser or the Sellers have not extended the Longstop Date pursuant to the preceding paragraph and any Condition is not satisfied on or before 5:00 p.m. (London time) on the Longstop Date; or (ii) the Purchaser or the Sellers have extended the Longstop Date pursuant to the preceding paragraph or the Longstop Date has been automatically extended as set out above and any Condition is not satisfied on or before 5:00 p.m. (London time) on the extended Longstop Date, the Purchaser or the Sellers (acting jointly) may in their sole discretion terminate the Share Purchase Agreement in accordance with its terms.

LETTER FROM THE BOARD

Closing

Closing shall take place on the tenth business day following (but excluding) the date on which the fulfilment of the last Condition is notified by the relevant party to the other parties to the Share Purchase Agreement, or at such other time or date as may be agreed between the Purchaser and the Sellers' representative in writing.

At Closing, each of the Sellers and the Purchaser shall comply with their respective closing obligations under the Share Purchase Agreement, including the delivery by each of the Sellers and the Purchaser to each other of various closing deliverables, and the payment of the total consideration (including the CKA Consideration) for the relevant Disposal by the Purchaser to the respective Sellers.

Upon Closing, the Company will no longer hold any equity interests in the Target.

Exclusivity

During the Exclusivity Period, each Seller undertakes that it shall not, and shall procure that its respective affiliates shall not, discuss, negotiate or solicit or accept any offer from any other third party for an acquisition (whether direct or indirect) of any of the issued share capital of the Target or any other material member of the Target Group, or of any assets, business or undertakings which are material in the context of the business of the Target Group taken as a whole.

“**Exclusivity Period**” means: (i) if Closing occurs under the Share Purchase Agreement, the period from the date of the Share Purchase Agreement until Closing; (ii) if Closing does not occur under the Share Purchase Agreement solely due to one (or more) of the Sellers' Shareholder Conditions not being satisfied (other than where the failure to do so was a direct result of a breach by the Purchaser of its obligations to provide information, documentation and other assistance in accordance with the Share Purchase Agreement), the period of 18 months from the date of the Share Purchase Agreement; and (iii) if Closing does not occur under the Share Purchase Agreement for any other reason, the period from the date of the Share Purchase Agreement until termination of the Share Purchase Agreement.

3. INFORMATION ON THE TARGET GROUP

The principal business of the Target Group is the distribution of electricity across London, the South East and the East of England. The Target Group owns and maintains electricity networks across London, the South East and the East of England. The Target Group's network is approximately 192,000 kilometres in length and covers an area of over 29,000 square kilometres, serving 8.5 million homes and businesses. The Target Group also has a non-regulated business – UK Power Networks Services – which designs, builds, owns and operates private networks for both public and private sector clients.

LETTER FROM THE BOARD

According to the audited consolidated financial statements of the Target Group for the financial years ended 31 March 2024 and 31 March 2025 prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, the audited consolidated profits before and after taxation of the Target Group were, respectively, approximately GBP466.9 million (equivalent to approximately HK\$4,902.5 million) and GBP312.4 million (equivalent to approximately HK\$3,280.2 million) for the financial year ended 31 March 2024, and approximately GBP1,149.3 million (equivalent to approximately HK\$12,067.7 million) and GBP852.9 million (equivalent to approximately HK\$8,955.5 million) for the financial year ended 31 March 2025. The audited consolidated net asset value of the Target Group as at 31 March 2025 was approximately GBP5,583.5 million (equivalent to approximately HK\$58,626.8 million).

The significant increase in financial performance in the financial year ended 31 March 2025 was due to an increase in revenues collected in the period. This was mainly attributable to the recovery of additional amounts relating to higher inflation, which was under-recovered in previous financial periods owing to actual rates of inflation being much higher than those assumed when revenue tariffs were set. Under the regulatory framework of the RIIO-ED1 and RIIO-ED2 price controls, there is an inflation adjustment which has a significant lag owing to the need to set tariffs between 15 and 27 months in advance of their implementation date in accordance with the regulatory parameters¹. The exceptionally high inflation that occurred in the United Kingdom over the period of March 2022 to September 2023 was only reflected in the Target Group's revenues in the financial year ended 31 March 2025, resulting in an increase in revenues of the Target Group compared to the preceding financial year. In addition, the revenues of the Target Group in the financial year ended 31 March 2025 include higher incentives relating to the RIIO-ED1 price control, which are collected on a two-year lag. Under the RIIO-ED1 price control, electricity distribution network operators such as the Target Group were eligible to earn financial incentives linked to operational performance, including reliability, customer service, connections performance and stakeholder engagement. These incentives were calculated by the Office of Gas and Electricity Markets of the United Kingdom ("**Ofgem**") based on actual performance in a given regulatory year, but were not recovered through customer tariffs immediately. The incentive income was incorporated into allowed revenues approximately two years later.

Under the regulatory framework of UK electricity distribution networks, a revenue true-up mechanism applies whereby tariffs are adjusted for actual inflation on a delayed basis.

¹ RIIO-ED1 refers to the first RIIO price control period for electricity distribution networks in Great Britain, introduced by Ofgem commencing from 1 April 2015 and ending on 31 March 2023. RIIO-ED2 refers to the second RIIO price control period for electricity distribution networks in Great Britain, introduced by Ofgem commencing from 1 April 2023 and ending on 31 March 2028. RIIO is an acronym for "Revenue = Incentives, Innovation and Outputs". ED1 means Electricity Distribution period 1. ED2 means Electricity Distribution period 2.

LETTER FROM THE BOARD

Based on the unaudited financial information provided by the Target Group, the non-IFRS financial measures of the Target Group are as follows: (a) the EBITDA of the Target Group, which is defined as the operating profit before net interest, taxation, depreciation and amortisation, for the year ended 31 December 2025 was approximately GBP1.3 billion (equivalent to approximately HK\$13,650 million); (b) the net debt of the Target Group, which represents the total external borrowings net of cash and cash equivalent, as at 31 December 2025 was approximately GBP5.9 billion (equivalent to approximately HK\$61,950 million); and (c) the total amount of distributions, which represents dividends received and interests received under the Shareholder Debt Instruments, from the Target Group to the Sellers and/or the Shareholder Debt Instrument Holders for the year ended 31 December 2025 was approximately GBP340 million (equivalent to approximately HK\$3,570 million).

4. FINANCIAL EFFECTS OF CKA SUB'S DISPOSAL AND USE OF PROCEEDS

Prior to the Disposal, the Group's interest in the Target Group is accounted for using the equity method and, together with the related CKA Sub's Shareholder Debt Instruments (which are carried at cost), was presented under "Joint Ventures" in the consolidated statement of financial position. At Closing, CKA Sub will receive the proceeds from the Disposal in cash. Upon Closing, the Group will derecognise its interest in the Target Group and the related CKA Sub's Shareholder Debt Instruments from its consolidated financial statements.

Subject to Closing and based on the information currently available, the Group expects to report a gain of approximately HK\$8.4 billion arising from CKA Sub's Disposal. The estimated gain on CKA Sub's Disposal is based on the currently available information, including estimates and assumptions regarding: (i) the value of the consideration as determined by the terms of the CKA Sub's Disposal; (ii) the carrying amount of the Group's interests in the Target Group and the related CKA Sub's Shareholder Debt Instruments to be derecognised; (iii) the amount to be reclassified from reserves to profit or loss (primarily foreign exchange gains and losses previously recognised in other comprehensive income and accumulated in reserves); (iv) the transaction costs; and (v) the exchange rate as set out in the section headed "Definitions" in this circular. As the actual amounts of the items described above may differ from those used in the current calculation at the time of Closing, the final gain recognised may vary from the amount presented herein.

The net proceeds to be received by the Group from CKA Sub's Disposal are intended to be used by the Group to pursue new investment or acquisition opportunities and for general working capital. The Group will continue to identify and pursue investment opportunities that can generate stable returns and recurrent income enabling the Group to deliver long-term shareholder value and sustainable growth.

LETTER FROM THE BOARD

5. REASONS FOR AND BENEFITS OF CKA SUB'S DISPOSAL

The management of the Company has considered that CKA Sub's Disposal is underpinned by an attractive valuation that realises significant accounting gain and cash proceeds that the Company may deploy in future investments. Completion of CKA Sub's Disposal is in line with the Company's corporate strategy to stand ready for quality diversified investment opportunities to enhance shareholder value. The management of the Company is of the view that CKA Sub's Disposal is in the interests of the Company and the Shareholders as a whole.

For the above reasons, the Directors (including the Directors who are members of the Independent Board Committee, who have taken into account the advice of the Independent Financial Adviser) consider that the terms of CKA Sub's Disposal are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the transaction herein except by virtue of being a director of and/or through shareholding in the Company (or any of its subsidiaries or substantial shareholders) or the Sellers (or any of their respective subsidiaries or holding companies), and no Directors were required to abstain from voting on the board resolutions of the Company passed in connection with CKA Sub's Disposal.

6. INFORMATION ON THE GROUP AND OTHER PARTIES

6.1 The Group

The Group is a leading multinational conglomerate that has diverse capabilities with business activities presently encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation.

CKA Sub is an indirect wholly-owned subsidiary of the Company. CKA Sub is an investment holding company.

6.2 The CKI Group

The CKI Group is a global infrastructure company whose principal activities are development, investment and operation of infrastructure businesses in Hong Kong, Chinese Mainland, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI Sub is an indirect wholly-owned subsidiary of CKI. CKI Sub is an investment holding company.

LETTER FROM THE BOARD

6.3 The PAH Group

The principal activities of the PAH Group are investment in energy and utility-related businesses in the United Kingdom, Hong Kong, Australia, New Zealand, Chinese Mainland, Thailand, the Netherlands, Canada and the United States. Wholly-owned subsidiaries of CKI held approximately 36.01% of the issued shares of PAH as at the Latest Practicable Date.

PAH Sub is an indirect wholly-owned subsidiary of PAH. PAH Sub is an investment holding company.

6.4 The Purchaser, the Purchaser's Guarantor and Engie

Each of the Purchaser and the Purchaser's Guarantor is directly or indirectly ultimately fully-owned by Engie. Each of the Purchaser and the Purchaser's Guarantor is a holding company.

Engie is a major player in the energy transition, whose purpose is to accelerate the transition towards a carbon-neutral economy. With more than 90,000 employees in 30 countries, the Engie group covers the entire energy value chain, from production to infrastructures and sales. Engie combines complementary activities: renewable electricity and green gas production, flexibility assets (notably batteries), gas and electricity transmission and distribution networks, local energy infrastructures (heating and cooling networks) and the supply of energy to individuals, local authorities and businesses.

Save as disclosed in the section headed "7. *Implications under the Listing Rules*" below, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Purchaser, the Purchaser's Guarantor, Engie and their respective ultimate beneficial owner are third parties independent of the Company and its connected persons under the Listing Rules.

7. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios of the Company in respect of CKA Sub's Disposal exceed 5% but all of the applicable percentage ratios are less than 25%, CKA Sub's Disposal constitutes a discloseable transaction of the Company and is subject to the announcement and notification requirements but is not subject to the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

CKHH has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules. As wholly-owned subsidiaries of CKHH held approximately 75.67% of the issued share capital of CKI as at the Latest Practicable Date, CKI may also be regarded as a connected person of the Company by virtue of it being a subsidiary of CKHH.

LETTER FROM THE BOARD

CKA Sub's Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. On this basis, as one or more of the applicable percentage ratios of the Company in respect of CKA Sub's Disposal exceed 5%, CKA Sub's Disposal will be subject to the Company's compliance with the announcement, reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

8. EGM AND VOTING

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, pass an ordinary resolution to approve CKA Sub's Disposal.

A notice convening the EGM to be held as a hybrid meeting at 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 12:30 p.m. is set out on pages N-1 to N-3 of this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the forthcoming EGM will therefore put the ordinary resolution to be proposed at the EGM to be voted by way of a poll pursuant to Article 81 of the Articles of Association. If there are any procedural or administrative matters to be dealt with at the EGM, any resolution relating to such matters will also be taken by poll.

All Shareholders who have a material interest (which is different from that of the other Shareholders) in CKA Sub's Disposal will be required to abstain from voting on the ordinary resolution to be proposed to approve CKA Sub's Disposal at the EGM. As at the Latest Practicable Date, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor (who is a Director) and the Trust had or were deemed to have an interest in an aggregate of approximately 48.87% of the issued share capital of the Company, and also had or were deemed to have an interest in an aggregate of approximately 30.44% of the issued share capital of CKHH. Accordingly, each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and the relevant entities under the Trust will, and will procure their respective associates to, abstain from voting on the ordinary resolution to be proposed to approve CKA Sub's Disposal at the EGM.

A proxy form for use at the EGM can be downloaded from the website of the Company at <https://www.ckah.com> and the HKEXnews Website at <https://www.hkexnews.hk>. Whether the Independent Shareholders are able to attend the EGM physically or online via the Online Platform, they are encouraged to exercise their rights to attend and vote at the EGM or to appoint the Chairman of the EGM as their proxy by completing, signing and: (i) sending a legible image of the signed proxy form to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by email at cka.eproxy@computershare.com.hk; or (ii) returning the proxy form to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong; or (iii) depositing the completed and signed proxy form at the Company's principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as possible and in any event no less than

LETTER FROM THE BOARD

48 hours before the time for holding the EGM (or any adjournment or postponement thereof). Completion and return of the proxy form will not preclude Shareholders from attending and voting at the EGM (or any adjournment or postponement thereof) in person or via the Online Platform for the EGM should they subsequently so wish and, in such event, the proxy form shall be deemed to be revoked.

Shareholders can also attend and participate in the EGM and vote via the Online Platform. Please see “Guidance for the Extraordinary General Meeting” on pages 2 to 5 of this circular.

9. RECOMMENDATIONS

9.1 Recommendation from the Directors (other than the members of the Independent Board Committee)

Having taken into account the reasons for and benefits of CKA Sub’s Disposal as set out in the section headed “5. *Reasons for and Benefits of CKA Sub’s Disposal*” above, the Directors (other than the members of the Independent Board Committee, whose view is set out in the letter from the Independent Board Committee as contained in this circular and summarised in section 9.2 below) consider that the terms of CKA Sub’s Disposal are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (other than the members of the Independent Board Committee, whose view is set out in the letter from the Independent Board Committee as contained in this circular and summarised in section 9.2 below) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve CKA Sub’s Disposal.

9.2 Recommendation from the Independent Board Committee

The Independent Board Committee (Mr. Donald Jeffrey Roberts (Chairman of the Independent Board Committee), Ms. Hung Siu-lin, Katherine, Mr. Lam Siu Hong, Donny, Ms. Lee Wai Mun, Rose and Dr. Wong Yick-ming, Rosanna, being independent non-executive Directors of the Company) has been formed to advise and provide recommendation to the Independent Shareholders in respect of CKA Sub’s Disposal after taking into account the advice from the Independent Financial Adviser. Since (i) Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee and Mrs. Sng Sow-mei alias Poon Sow Mei, being independent non-executive Directors of the Company, are also independent non-executive directors of CKI; and (ii) Mr. Stephen Edward Bradley, being an independent non-executive Director of the Company, is also an independent non-executive director of PAH, they were not appointed as members of the Independent Board Committee.

LETTER FROM THE BOARD

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 28 and 29 of this circular which contains its recommendation to the Independent Shareholders on CKA Sub's Disposal; and (ii) the letter from the Independent Financial Adviser set out on pages 30 to 54 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to CKA Sub's Disposal and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

The Independent Board Committee, having considered the reasons for and benefits of CKA Sub's Disposal as set out above and the terms of CKA Sub's Disposal and having taken into account the advice from the Independent Financial Adviser, and in particular, the factors, reasons and recommendations set out in the letter from the Independent Financial Adviser as contained in this circular, considers that CKA Sub's Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of CKA Sub's Disposal are fair and reasonable so far as the Independent Shareholders are concerned and CKA Sub's Disposal is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve CKA Sub's Disposal.

9.3 Recommendation from the Independent Financial Adviser

Anglo Chinese Corporate Finance, Limited has been engaged as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of CKA Sub's Disposal, and whether it is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 30 to 54 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to CKA Sub's Disposal and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

Having taken into account the principal factors and reasons contained in the letter from the Independent Financial Adviser, the Independent Financial Adviser considers that the terms of CKA Sub's Disposal are fair and reasonable so far as the Independent Shareholders are concerned. In addition, the Independent Financial Adviser considers that CKA Sub's Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as

LETTER FROM THE BOARD

a whole. Accordingly, the Independent Financial Adviser advises the Independent Board Committee to recommend, and it recommends, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve CKA Sub's Disposal.

10. FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 28 and 29 of this circular, the letter from the Independent Financial Adviser as set out on pages 30 to 54 of this circular, the additional information as set out in the Appendix to this circular, and the Notice of EGM as set out on pages N-1 to N-3 of this circular.

As completion of the Disposal is subject to the fulfilment of certain terms and conditions under the Share Purchase Agreement, there remains the possibility that the Disposal may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and other securities of the Company.

Yours faithfully,

For and on behalf of the Board of

CK ASSET HOLDINGS LIMITED

Victor T K Li

Chairman and Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of CKA Sub's Disposal.



CK ASSET HOLDINGS LIMITED
長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

8 April 2026

To the Independent Shareholders

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION DISPOSAL OF UK POWER NETWORKS

We refer to the circular of CK Asset Holdings Limited dated 8 April 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to advise you in connection with CKA Sub's Disposal, details of which are set out in the “Letter from the Board” as contained in the Circular.

Anglo Chinese Corporate Finance, Limited has been engaged to act as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of CKA Sub's Disposal, and whether it is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 30 to 54 of the Circular, which contains its advice and recommendation to us and the Independent Shareholders and its recommendation to Independent Shareholders as to how to vote in respect of the ordinary resolution to be proposed at the EGM to approve CKA Sub's Disposal.

Having considered the reasons for and benefits of CKA Sub's Disposal as set out in the Circular, the terms of CKA Sub's Disposal, the reasons considered by, and the advice and recommendation of, the Independent Financial Adviser as stated in its letter of advice, and the relevant information contained in the Letter from the Board, we are of the opinion that CKA Sub's Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group, is on terms which are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that you vote in favour of the ordinary resolution to be proposed at the EGM to approve CKA Sub's Disposal.

Yours faithfully,

Donald Jeffrey ROBERTS
(Chairman of Independent Board Committee)

HUNG Siu-lin, Katherine

LAM Siu Hong, Donny

LEE Wai Mun, Rose

WONG Yick-ming, Rosanna

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
www.anglochinesegroup.com

英高
財務顧問有限公司

Set out below is the letter of advice from Anglo Chinese Corporate Finance, Limited, the Independent Financial Adviser, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the CKA Sub's Disposal, which has been prepared for the purpose of inclusion in this circular.

The Independent Board Committee and
the Independent Shareholders of
CK Asset Holdings Limited

8 April 2026

Dear Sirs,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

DISPOSAL OF UK POWER NETWORKS

I. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to CKA Sub's Disposal. The terms used in this letter shall have the same meaning as defined in the circular, of which this letter forms part, unless the context requires otherwise.

As at the Latest Practicable Date, the issued share capital of the Target is owned as to 20%, 40% and 40% by CKA Sub, CKI Sub and PAH Sub, respectively.

Pursuant to the Share Purchase Agreement, each of the Sellers has agreed severally to sell its respective Sale Shares, and the Purchaser has agreed to purchase such Sale Shares from each of the Sellers. The Sale Shares together represent 100% of the issued share capital of the Target.

Each of the Sellers has also agreed to sell, or procure the sale of, each Shareholder Debt Instrument registered in the name of the relevant Shareholder Debt Instrument Holder, and the Purchaser has agreed to purchase each such Shareholder Debt Instrument from that relevant Shareholder Debt Instrument Holder.

As one or more of the applicable percentage ratios of the Company in respect of CKA Sub's Disposal exceed 5% but all of the applicable percentage ratios are less than 25%, CKA Sub's Disposal constitutes a discloseable transaction of the Company and is subject to the announcement and notification requirements but is not subject to the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CKHH has been deemed by the Stock Exchange to be a connected person of the Company under the Listing Rules. As wholly-owned subsidiaries of CKHH held approximately 75.67% of the issued share capital of CKI as at the Latest Practicable Date, CKI may also be regarded as a connected person of the Company by virtue of it being a subsidiary of CKHH. Accordingly, CKA Sub's Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. On this basis, as one or more of the applicable percentage ratios of the Company in respect of CKA Sub's Disposal exceed 5%, CKA Sub's Disposal will be subject to the Company's compliance with the announcement, reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The independent board committee of the Company, comprising all independent non-executive directors of the Company, save for (i) Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee and Mrs. Sng Sow-mei alias Poon Sow Mei, who are also independent non-executive directors of CKI; and (ii) Mr. Stephen Edward Bradley who is also an independent non-executive director of PAH, has been formed to advise the independent shareholders of the Company on CKA Sub's Disposal on whether the terms of CKA Sub's Disposal are on normal commercial terms, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, and how they are recommended to vote on the relevant resolution to be proposed at the forthcoming EGM convened to approve CKA Sub's Disposal. We have been appointed to advise the Independent Board Committee and the Independent Shareholders accordingly.

In formulating our recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Company. We have also discussed with the management of the Company, among other things, the Company's prospects and the background to, and reasons for, and benefits of, the CKA Sub's Disposal. We have also assumed that the information and representations contained or referred to in this letter were true and accurate at the time they were made and continued to be so at the date of this letter. We have reviewed, amongst other things, (i) published information on the Target Group, including its audited annual financial statements for the three financial years, the last of which ended on 31 March 2025 and the interim results of three of its subsidiaries, being London Power Networks PLC, South Eastern Power Networks PLC and Southern Power Networks PLC, for the six months ended 30 September 2025; (ii) the disclosed historical financials of the Target Group for the year ended 31 December 2025 in the section headed "*3. Information of the Target Group*" in the Letter from the Board; (iii) the published financial statements of the Group; (iv) the information in the Announcement; and (v) the precedent transactions involving licensed electricity Distribution Network Operators ("**DNO(s)**") in the United Kingdom (the "**UK**"). We have sought and obtained confirmation from the Company that no material facts have been omitted from the information provided to us. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in this circular and to provide a reasonable basis for our opinion and advice. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have not, however, conducted an independent investigation into the business and affairs of the Group and the Target Group, and, or the associates of either of them, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Apart from professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associate of any of them. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Save for this engagement in relation to CKA Sub's Disposal, there had been no other engagements between the Company and us during the two years prior to the Latest Practicable Date. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

II. BACKGROUND

(i) Background of the Disposal

After trading hours on 25 February 2026 and before trading hours on 26 February 2026 in Hong Kong, London and Paris, the Board announced that CKA Sub (an indirect wholly-owned subsidiary of the Company), CKI Sub (an indirect wholly-owned subsidiary of CKI), PAH Sub (an indirect wholly-owned subsidiary of PAH), the Purchaser and the Purchaser's Guarantor entered into the Share Purchase Agreement in relation to the Disposal.

(ii) Information of the Group

The Group is a leading multinational conglomerate that has diverse capabilities with business activities presently encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operations and investment in infrastructure and utility asset operations.

CKA Sub is an indirect wholly-owned subsidiary of the Company. CKA Sub is an investment holding company.

(iii) The Purchaser, the Purchaser's Guarantor and Engie

Each of the Purchaser and the Purchaser's Guarantor is directly or indirectly ultimately fully-owned by Engie. Each of the Purchaser and the Purchaser's Guarantor is a holding company.

Engie is a major participant in the energy transition sector, whose purpose is to accelerate the transition towards a carbon-neutral economy. With more than 90,000 employees in 30 countries, the Engie group covers the entire energy value chain, from production to infrastructures and sales. Engie combines complementary activities: renewable electricity

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and green gas production, flexibility assets (notably batteries), gas and electricity transmission and distribution networks, local energy infrastructures (heating and cooling networks) and the supply of energy to individuals, local authorities and businesses.

Save as disclosed in the section headed “7. Implications under the Listing Rules” in the Letter from the Board, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Purchaser, the Purchaser’s Guarantor, Engie and their respective ultimate beneficial owner are third parties independent of the Company and its connected persons under the Listing Rules.

(iv) Information of the Target Group

Background

The principal business of the Target Group is the distribution of electricity across London, the South East and the East of England. The Target Group owns and maintains electricity networks across London, the South East and the East of England. The Target Group’s network is approximately 192,000 kilometres in length and covers an area of over 29,000 square kilometres, serving 8.5 million homes and businesses. The Target Group also has a non-regulated business – UK Power Networks Services, which designs, builds, owns and operates private networks for both public and private sector clients.

Set forth below is the breakdown of the Target Group’s revenue and earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) for the three financial years ended 31 March 2025 based on the audited annual reports of the Target Group:

<i>(GBP million)</i>	For the financial year ended 31 March		
	2023	2024	2025
Revenue	2,194	1,825	2,463
EBITDA	1,410	1,170	1,819

Sources: Annual reports of the Target Group for the financial years ended 31 March 2024 and 2025

The Target Group operates within a regulated environment with the majority of its revenue being set as part of a price control review by the industry regulator, the Office of Gas and Electricity Markets (“**Ofgem**”). Ofgem, as the regulator of the Target Group, sets a cap on the revenues that a license distributor is permitted to collect over a multi-year “price control period” (“**Allowed Revenues**”) under a performance based regulatory framework known as “Revenue = Incentives + Innovation + Outputs” (“**RIIO**”), which determines the Allowed Revenues, investment parameters, and performance targets

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

for monopoly energy network operators in the UK over a specified regulatory period. Allowed Revenues comprises baseline revenue and certain annual adjustment factors. The baseline revenue is established at the start of the price control period using prevailing macroeconomic inflation forecasts, and determined by reference to a number of factors including the capital expenditure plans of the business (the extent to which the capital expenditure is added to the regulatory asset value (“RAV”)¹ is governed by Ofgem), an efficient level of operating costs, the cost of financing the business and a return on the RAV. The annual adjustment factors primarily comprise a true-up mechanism to adjust for actual inflation on a delayed basis, an additional incentive-based revenue for strong operational performance and a correction factor to reconcile any over or under recovery of Allowed Revenues from prior periods. The performance of the regulated networks businesses is benchmarked against other licensed DNOs, with the most efficient networks establishing an “efficient frontier” or standard against which the other DNOs are evaluated. Ofgem sets allowances and a regime of potential incentives and penalties based on the detailed assessment of business plans submitted by the DNOs.

For the financial year ended 31 March 2025, the Target Group recorded a revenue of approximately GBP2,463 million and an EBITDA of approximately GBP1,819 million, representing a significant increase of approximately 35.0% and 55.5%, respectively, as compared to the previous financial year. Such increase in financial performance in the financial year ended 31 March 2025 was due in large measure to an increase in revenues collected in the period primarily attributable to the delayed collection of under-recovered inflation allowances.

The first RIIO price control period for electricity distribution networks in the UK, introduced by Ofgem (“RIIO-ED1”)², ran from 1 April 2015 to 31 March 2023, and the Target Group is currently operating under the second RIIO price control period (“RIIO-ED2”)³, which runs from 1 April 2023 to 31 March 2028. During the bulk of the RIIO-ED1 period from 2015 to 2021, the UK Retail Price Index (“RPI”), the inflation index referenced by Ofgem to set Allowed Revenues, was relatively stable and predictable,

1 In the UK’s regulated electricity distribution sector, RAV is a regulatory measure of the asset base recognised by Ofgem that a regulated network company uses to provide its regulated services, for determining the return which the operator is permitted to earn and the capital which it is permitted to recover over time, and is therefore distinct from the statutory total assets or net asset value shown in the financial statements.

Under the RAV regulated framework, Ofgem determines, for each relevant price control period, the applicable capitalisation rates and regulatory methods under the relevant price control framework, which in turn govern the extent to which expenditure in relation to assets required to deliver the licensed services (in this case for electricity distribution), depreciation and inflation adjustments have on the RAV and the basis on which such RAV is recovered over time through Allowed Revenue, which in turn underpins a substantial part of the DNO’s accounting revenue from its regulated business.

Accordingly, the RAV represents a key factor in determining the future Allowed Revenue of the regulated business and, in turn, its earnings and cash flows, and may therefore be considered a more meaningful reference measure in the sector than statutory total assets.

2 ED1 means Electricity Distribution period 1.

3 ED2 means Electricity Distribution period 2.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ranging from approximately 1.0% to approximately 4.1% annually. In 2022 and 2023, however, RPI rose sharply to approximately 11.6% and approximately 9.7% respectively, and peaking at approximately 14.2% in October 2022, driven in part by COVID-19 disruptions and surging energy prices caused by geopolitical instability, and in particular, the war in Ukraine. Because actual inflation exceeded Ofgem’s initial forecasts, the resulting two-year lagged true-up mechanism triggered a much larger than normal revenue recovery during the financial year ended 31 March 2025.

For context, Ofgem has switched its reference inflation index to the UK Consumer Prices Index including owner occupiers’ housing costs (“CPIH”), for the price control period of RIIO-ED2. The CPIH followed the same trend as the RPI, recording high inflation of approximately 7.9% and approximately 6.8% respectively in 2022 and 2023, and spiking at approximately 9.6% in October 2022, as compared to around approximately 0.4% to approximately 2.5% on an annual basis from 2015 to 2021.

To illustrate the effects of delayed inflation and incentive true-up recovery on the March 2025 figures, based on relevant disclosures in the Letter from the Board, the unaudited EBITDA of the Target Group for the year ended 31 December 2025 is normalised to approximately GBP1.3 billion. This figure is approximately 28.5% lower than the EBITDA for the financial year ended 31 March 2025, though it still represents an increase of approximately 11.2% as compared to, the corresponding figures for the financial year ended 31 March 2024.

It should be noted that regulated utilities in the UK are generally impacted by the true-up recoveries but to differing degrees. Accordingly, this factor should be borne in mind when comparing relative performance.

For the financial year ended 31 March 2024, the Target Group recorded a revenue of approximately GBP1,825 million and an EBITDA of approximately GBP1,170 million, representing a decrease of approximately 16.8% and approximately 17.1%, respectively, as compared to the previous financial year. Such decrease was mainly attributable to (a) decrease in turnover due to (i) the reduction in revenue relating to the supplier of last resort scheme operated by Ofgem and (ii) the impact of the new regulatory price control arrangements, including the profiling of revenue and lower permitted rates of return, and (b) higher inflationary and expenditure costs.

Set forth below illustrates the key financial information of the Target Group as at 31 March 2023, 2024 and 2025:

<i>(GBP million)</i>	For the financial year ended 31 March		
	2023	2024	2025
Total assets	16,491	16,966	18,121
Total liabilities	11,472	12,026	12,537
Net asset value	5,018	4,940	5,584
RAV <small>(note 1)</small>	8,127	8,568	9,176
			<small>(note 2)</small>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Sources: Annual reports of the Target Group for the financial years ended 31 March 2024 and 2025

Notes:

- 1. RAV is the value ascribed by the relevant regulator to the capital employed in the company's regulated business (i.e. the regulated asset base).*
- 2. The latest available RAV of the Target Group amounts to GBP9,492 million as at 30 September 2025, being the sum of the RAV published by each of the Target's underlying DNOs in their interim financial statements for the six months ended 30 September 2025.*
- 3. Due to rounding, numbers presented may not add up, or subtract from, precisely to the totals indicated.*

The total assets of the Target Group has shown an increasing trend in the past three financial years of which a significant portion of the assets comprised property, plant and equipment, in addition to goodwill and intangible assets, which together contributed approximately 92.4%, 94.2%, and 93.6% of the total assets as at 31 March 2023, 2024 and 2025, respectively.

The total liabilities of the Target Group also has shown an increasing trend in the past three financial years, of which a significant portion of the liabilities comprised external borrowings (excluding shareholder loans), accruals, and deferred income, which together contributed to about 78.3%, 79.1%, and 79.1% of the total liabilities as at 31 March 2023, 2024 and 2025, respectively.

The RAV is the net value of the capital invested in regulated assets by a utility company, less the accumulated depreciation of such assets allowed by Ofgem. It is an actuarial value calculated by Ofgem and is used to determine the prices that the utility companies can charge their customers. The RAV of the Target Group was approximately GBP4.4 billion as at 31 December 2010 and has increased to approximately GBP9.2 billion as at 31 March 2025, which represents a compound annual growth rate (CAGR) of approximately 5.3%.

III. PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

The principal terms and conditions of the Share Purchase Agreement are summarised below. Please refer to the Letter from the Board set out in the circular for further details.

Subject matter

The Share Purchase Agreement dated 25 February 2026 involves, CKA Sub (an indirect wholly-owned subsidiary of the Company), CKI Sub (an indirect wholly-owned subsidiary of CKI and an indirect non-wholly owned subsidiary of CKHH), PAH Sub (an indirect wholly-owned subsidiary of PAH), each as Sellers, and the Purchaser and the Purchaser's Guarantor entered into the Share Purchase Agreement in relation to the Disposal of the Sale Shares and Shareholder Debt Instruments in relation to the Target. As at the date of the Announcement, the Target is owned as to 20%, 40% and 40% by CKA Sub, CKI Sub and PAH Sub, respectively. Each Seller has agreed severally to sell its respective Sale Shares, which together represent 100% of the issued share capital of the Target.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CKA Consideration

The CKA Consideration for CKA Sub's Sale Shares and CKA Sub's Shareholder Debt Instruments shall be an amount in cash equal to the sum of:

- (i) Base CKA Consideration, being GBP2,109,600,000 (equivalent to approximately HK\$22,150,800,000); *plus*
- (ii) an amount equal to the interest that would have accrued if interest had been charged at a rate of 4% per annum on the Base CKA Consideration from (and excluding) 31 March 2025 up to (and including) the Closing Date, accruing daily; *less*
- (iii) the Known CKA Permitted Leakage Amount; *less*
- (iv) to the extent not deducted from the Base CKA Consideration under paragraph (iii) above, an amount equal to: (a) the Known CKA Leakage Amount (if any); plus (b) the Reimbursement in respect of such Known CKA Leakage Amount; *less*
- (v) where Closing occurs on or after 1 July 2026 solely due to one (or more) of the Seller failing to convene the relevant extraordinary or special general meetings of the Company, CKHH, PAH and CKI to approve the relevant resolution(s) in connection with the Disposal on or before 30 June 2026 (other than where the failure to do so was a direct result of a breach by the Purchaser of its obligations to provide information, documentation and other assistance in accordance with the Share Purchase Agreement), an amount equal to the CKA Permitted Leakage Reimbursement Amount.

If Closing occurs on or before 30 June 2026, the Known CKA Permitted Leakage Amount (which consists of distributions made by the Target Group to the Group in 2025, and to be made by the Target Group to the Group before 30 June 2026, if any) will be deducted from the Base CKA Consideration, and no interest will be charged on that amount and deducted from the Base CKA Consideration. However, if Closing takes place on or after 1 July 2026 for any of the reasons described in adjustment item (v) above, then a 4% per annum interest will be charged on the Known CKA Permitted Leakage Amount from 1 July 2026 up to (and including) the Closing Date and deducted from the Base CKA Consideration. In addition, any Known CKA Leakage Amount in excess of the Known CKA Permitted Leakage Amount will also be charged with a 4% per annum interest from the date on which the leakage occurred up to the Closing Date and deducted from the Base CKA Consideration.

The amount of the CKA Consideration allocated to each CKA Sub's Shareholder Debt Instrument shall be an amount equal to the aggregate of all principal, interest, fees and other amounts outstanding in relation to that Shareholder Debt Instrument as at Closing.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The amount of the CKA Consideration allocated to CKA Sub's Sale Shares shall be an amount equal to the CKA Consideration less the amount of the CKA Consideration allocated to all of CKA Sub's Shareholder Debt Instruments. The CKA Consideration is payable by the Purchaser to CKA Sub in cash at Closing pursuant to the Share Purchase Agreement.

We note that the disposal adopts a "locked box mechanism", under which the purchase price is fixed with reference to the financial position of the Target Group as at 31 March 2025 (the "**Locked Box Date**"). Item (ii) adds interest at 4% per annum on the Base CKA Consideration from (and excluding) the Locked Box Date up to (and including) the Closing Date, compensating CKA Sub for the time value of the consideration during this interim period. Items (iii) and (iv) deduct any value already extracted from the Target Group by or for the benefit of CKA Sub after the Locked Box Date, such as dividends or other distributions, so that CKA Sub does not receive the same economic benefit twice. Item (v) is a deduction that applies to a scenario where Closing is delayed to on or after 1 July 2026 because the Sellers have not convened the necessary shareholder meetings on time. In such case, the Sellers would bear the financial cost of the delay by way of a reduction to the CKA Consideration.

We consider the interest accrual under item (ii) protects CKA Sub from the time cost of a delayed Closing, while the leakage deductions under items (iii) and (iv) and the delay deduction under item (v) are protective of the Purchaser's interests and ensure an equitable allocation of economic risk between the parties.

CKA Consideration for CKA Sub's Disposal was determined based on arm's length negotiations between CKA Sub and the Purchaser and after taking into account factors including: (i) the prevailing market prices of similar assets; (ii) the performance of the business conducted by the Target Group; and (iii) the information set out under the section headed "*5. Reasons for and Benefits of CKA Sub's Disposal*" of the Letter from the Board.

Guarantees

The Purchaser's Guarantor has agreed to guarantee the performance and observance of the obligations of the Purchaser under the Share Purchase Agreement. Engie has entered into the Purchaser Parent Guarantee, under which Engie will guarantee the payment of the purchase price by the Purchaser under the Share Purchase Agreement.

Each of the Company, CKI and PAH has entered into separate guarantee letters on 25 February 2026 (London time) addressed to the Purchaser, under which the Company, CKI and PAH guarantee the performance and observance of the obligations of CKA Sub, CKI Sub and PAH Sub under the Share Purchase Agreement, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions to Closing

Completion of the Disposal is conditional upon and subject to, among other things, (i) the passing of the relevant resolutions approving the Disposal by the respective independent shareholders (where applicable) at the general meetings of the Company, CKI, PAH and CKHH; (ii) obtaining of relevant clearance from the Secretary of State pursuant to the National Security and Investment Act 2021 of the UK; and (iii) in relation to the insurance business of UKPN Insurance, (a) the obtaining of the GFSC's approval or no-objection to the acquisition of UKPN Insurance by the Purchaser and all other persons who would at Closing become a shareholder controller of UKPN Insurance, or (b) the surrendering of the authorisation or licence of UKPN Insurance and discontinuing and winding up of the insurance business of UKPN Insurance such that the no objection from the GFSC is not required, on or before the Longstop Date of 30 June 2026 as subject to further extensions of three months by either parties. The Sellers are responsible for the fulfilment of Condition (i), being the Sellers' Shareholder Conditions, and the Purchaser is responsible for fulfilment of Conditions (ii) and (iii).

None of the Conditions may be waived by any party to the Share Purchase Agreement.

As at the Latest Practicable Date, save for the Condition (iii) above which had been satisfied, none of the Conditions had been satisfied.

Please refer to the section headed "2. *Share Purchase Agreement*" of the Letter from the Board for the details of the Disposal.

Several Liability

Pursuant to the Share Purchase Agreement, the liability of the Sellers is several and not joint. Each of CKI, PAH and the Company has entered into a separate guarantee letter dated 25 February 2026 addressed to the Purchaser, pursuant to which each of CKI, PAH and the Company guarantees the performance and observance of the obligations of CKI Sub, PAH Sub and CKA Sub under the Share Purchase Agreement, respectively.

We were advised by the Management that the terms of the Share Purchase Agreement were arrived at after arm's length negotiations between the Sellers and the Purchaser. We noted that, under the several liability structure, each Seller will only have rights and obligations to the extent they relate to the portion of the Sale Shares and the Shareholder Debt Instruments it agrees to sell, and no Seller shall be responsible for the obligations or liabilities of any other Seller(s). Accordingly, CKA Sub's exposure is limited to its own proportionate obligations under the Share Purchase Agreement, and CKA Sub will not bear liability for any default or breach by CKI Sub or PAH Sub.

In view of the above, we consider that the several liability structure and the guarantee arrangement under the Share Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Exclusivity

During the Exclusivity Period, each Seller undertakes that it shall not, and shall procure that its respective affiliates shall not, discuss, negotiate or solicit or accept any offer from any other third party for an acquisition (whether direct or indirect) of any of the issued share capital of the Target or any other material member of the Target Group, or of any assets, business or undertakings which are material in the context of the business of the Target Group taken as a whole.

The Exclusivity Period is defined with reference to three scenarios: (i) if Closing occurs under the Share Purchase Agreement, the period from the date of the Share Purchase Agreement until Closing; (ii) if Closing does not occur under the Share Purchase Agreement solely due to the non-satisfaction of one (or more) of the Sellers' Shareholder Conditions (other than where such failure to do so was a direct result of a breach by the Purchaser), the period of 18 months from the date of the Share Purchase Agreement; and (iii) if Closing does not occur under the Share Purchase Agreement for any other reason, the period from the date of the Share Purchase Agreement until termination of the Share Purchase Agreement.

Sellers' liabilities and limitations

The Share Purchase Agreement sets out various Seller's liabilities and the limitations to these liabilities. Key liabilities include but not limited to claims by the Purchaser in relation to (i) business warranties, and (ii) leakages relating to value transfers subsequent to the Share Purchase Agreement, except for pre-agreed ones, from the Target Group to the Sellers before Closing. These liabilities are subject to various time limitations and liability caps, with business warranty claims, other than key corporate information and capacity claims, limited to GBP1.

Participation rights over properties

The Sellers and Purchaser agree to use reasonable endeavours to reach a further agreement, consistent with agreed principal terms, under which the Sellers will retain right to co-develop certain properties of the Target Group with the Purchaser for up to a 50% interest, for a period of either (i) 10 years from the first development being initiated, (ii) 15 years from the Closing Date, or (iii) Purchaser ceases to control all or a majority of the Target's shares, whichever is earlier. We consider this is favourable for the Group and leverages its long track record and experience in property development to aim for further returns.

IV. REASONS FOR AND BENEFITS OF CKA SUB'S DISPOSAL

As set out in the Letter from the Board, the management of the Company considers that CKA Sub's Disposal is underpinned by an attractive valuation that realises significant accounting gain and cash proceeds that the Company may deploy in future investments. Completion of CKA Sub's Disposal is in line with the Company's corporate strategy to stand ready for quality diversified investment opportunities to enhance shareholders' value. In considering the reasons for, and benefits of, CKA Sub's Disposal, we have taken into account the following principal factors:

(i) Realisation of Significant Accounting Gain and Cash Proceeds

As set out in the Letter from the Board, the Group expects to report a gain of approximately HK\$8.4 billion arising from CKA Sub's Disposal. The Base CKA Consideration of GBP2,109.6 million (equivalent to approximately HK\$22,150.8 million) represents a substantial premium of approximately 88.9% over the Group's proportionate share of the Target Group's audited net asset value as at 31 March 2025 (being 20% of audited net asset value of GBP5,583.5 million).

The substantial cash proceeds to be received by the Group will enhance the Company's liquidity and financial flexibility, providing the Company with additional resources to pursue future investment opportunities.

(ii) Alignment with the Company's Corporate Strategy

As disclosed in the Company's latest interim report and results announcements, the Group is a leading multinational conglomerate with diversified business activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operations and investment in infrastructure and utility asset operations. The Group has been pursuing a strategy of standing ready for quality diversified investment opportunities to enhance shareholder value.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CKA Sub's Disposal is consistent with this strategy in that it allows the Group to monetise a mature infrastructure investment at an attractive valuation. We note the consortium led by CKI has held the Target Group since November 2010, during which the Target Group's RAV has grown from approximately GBP4.4 billion as at 31 December 2010 to approximately GBP9.2 billion as at 31 March 2025. With respect to the Company's investment, the Company acquired its 20% interest in May 2021, during which the Target Group's RAV increased from approximately GBP6.5 billion as at 31 March 2021 to approximately GBP9.2 billion as at 31 March 2025. The terms of CKA Sub's Disposal, as discussed in sub-section (i) above, represent a substantial return on the Group's investment in the Target Group over a holding period of approximately five years. We also note that the Company maintains a strong balance sheet with a net debt to net total capital ratio of approximately 5.0% as at 30 June 2025, and the additional proceeds from CKA Sub's Disposal will further strengthen the Company's financial position and its capacity to capture future investment opportunities.

(iii) Historical Cash Yield

The historical cash returns to the Company from its investment in the Target Group, comprising the Company's proportionate share of dividends and interest on shareholder loans, have represented approximately 2.8% to 3.0% of the Base CKA Consideration for CKA Sub's Disposal over the past three financial years ended 31 March 2025. We note that this is lower than the prevailing yield on the 20-year UK government gilts of approximately 5.2% on or around the Latest Practicable Date, suggesting that the ongoing cash yield from the Company's investment in the Target Group is modest relative to the prevailing risk-free rates of return.

Having taken into account the above factors, including (i) the realisation of a significant accounting gain and substantial cash proceeds, (ii) the alignment of the Disposal with the Company's stated corporate strategy, (iii) the historical cash yield, and (iv) the prospects and outlook of the Target Group and regulatory environment as discussed in the subsection "*Prospects and outlook of the Group upon the Disposal*" below, we are of the view that the reasons for, and benefits of, CKA Sub's Disposal, are fair and reasonable so far as the Independent Shareholders are concerned.

V. FURTHER FACTORS AND CONSIDERATIONS IN THE ASSESSMENT OF THE CKA CONSIDERATION

(a) Overview of the comparable analysis

In assessing the fairness and reasonableness of the valuation of the Disposal, we have considered two principal market-based valuation approaches: (i) an analysis of recent precedent transactions (the “**Comparable Transaction(s)**”); and (ii) an analysis of the comparable listed companies (the “**Comparable Company(ies)**”).

Given that the Purchaser will acquire 100% of the ownership and economic interests in the Target, and will, therefore, be able to determine its capital structure and control the deployment of cash flows, we consider enterprise value (“**EV**”) to be the most relevant metric for comparing the valuation of the Target under both approaches.

In the UK regulatory framework for utility companies, the Allowed Revenues are largely determined by the level of capital investment in the regulated asset base. Regulators such as Ofgem, for electricity and gas networks, and the Water Services Regulation Authority (“**Ofwat**”), for water services, set price controls based on the notional value of the capital employed in the business, and this value is commonly referred to as RAV or regulatory capital value (“**RCV**”). This value represents the invested capital on which the company is permitted to earn a return and, therefore, serves as the most representative and fundamental indicator of the scale, earning power and the long-term economic value of a regulated utility company in the UK. As such, we consider the EV to RAV or RCV (“**EV/RAV**” or “**EV/RCV**”) ratio to be particularly insightful metrics, as they express the market value of the enterprise relative to the asset base that underpins its regulated revenues.

To ensure a comprehensive analysis, we have also assessed the Comparable Transactions and Comparable Companies using the EV to EBITDA (“**EV/EBITDA**”) ratio. This metric is widely used in mergers and acquisitions and valuation analysis as it normalises differences in capital structure and provides a proxy for the operating cash-generating power of a business, thereby offering a complementary view of value relative to the regulatory asset-based approach.

In identifying the most appropriate reference set for the Target Group, we note that the Target Group operates principally as a UK electricity DNO. Our search identified two completed precedent transactions within the five years preceding the date of the Share Purchase Agreement involving targets operating principally as UK DNOs, further details of which are set out in the section headed “*Recent precedent transactions*” below. As these transactions involve targets with business profiles directly comparable to that of the Target and reflect actual prices agreed between independent buyers and sellers in arm’s length negotiations, we consider the Comparable Transactions analysis to be the primary basis of comparison for the purposes of our assessment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With respect to the analysis of Comparable Companies, we note that there are no listed companies which are predominantly focused on electricity distribution in the UK. The listed UK utility companies and companies with substantial operations in the electricity sector identified through our screening process each have a broader business mix than the Target Group, including exposure to (i) non-regulated activities, (ii) activities not regulated the same way as the Target Group, i.e. operations under different regulatory regimes (such as Ofwat for water companies), and/or (iii) significant regulated operations outside the UK. As such, the valuation multiples derived from these listed peers are not directly comparable to those of the Target Group. Nevertheless, we have included a Comparable Companies analysis for completeness and as an additional reference for the Independent Board Committee and the Independent Shareholders. Further details of the Comparable Companies analysis are set out in the section headed “*Trading statistics of comparable listed companies*” below.

(i) *Recent precedent transactions*

Based on the criteria set out above, we sought to identify completed and publicly disclosed merger and acquisition transactions within the two years preceding the date of the Share Purchase Agreement in which the transaction target operated principally as a UK DNO. As this search only yielded one Comparable Transaction meeting the selection criteria, we have expanded the scope to cover five years preceding the date of the Share Purchase Agreement while keeping other selection criteria unchanged, in order to establish a broader reference pool for a meaningful analysis. Under this expanded scope, we have identified, on an exhaustive basis, two Comparable Transactions, each involving a target engaged primarily in electricity distribution in the UK as a DNO and contains publicly available financial data in relation to the relevant transaction.

For both the Comparable Transactions and the Disposal, these multiples were derived using the latest available financial information or trailing twelve months (“**TTM**”) figures sourced from the latest published annual and interim reports or annual results announcements of the target companies or their underlying DNOs, alongside data from S&P Capital IQ and transaction documents, as at the date of the announcement or press release for each transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Table 1 – Comparable Transactions

Date of announcement/ press release	Acquirer	Target company	Underlying DNO group	Stake of underlying DNOs acquired %	Size of consideration (GBP million)	EV ^(note 2) (GBP million)	EBITDA ^(note 3) (GBP million)	RAV ^(note 4) (GBP million)	EBITDA ^(note 6) (times)	EV/ RAV ^(note 7) (times)
02 August 2024	Iberdrola, S.A. (BME: IBE)	North West Electricity Networks (Jersey) Limited	Electricity North West Limited	88.0%	2,100	4,200	359	2,685	11.72x	1.56x
18 March 2021	National Grid PLC (LSE: NG)	PPL WPD Investments Limited	Western Power Distribution PLC	100.0%	7,800	14,213	1,253	8,516	11.34x	1.67x
25 February 2026	The Purchaser	The Target	Target Group	20.0%	2,105 ^(note 1)	16,424 ^(note 1)	1,300	9,492 ^(note 5)	12.63x	1.73x
								Average	11.53x	1.62x
								Median	11.53x	1.62x
								Maximum	11.72x	1.67x
								Minimum	11.34x	1.56x

Source: S&P Capital IQ, published annual and interim reports and announcements of relevant transaction target, and annual and interim financial statements of their underlying DNOs.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. *The implied 20% equity value and 100% EV of the Target is calculated as follows:*

	<i>GBP million</i>
<i>Base CKA Consideration</i>	2,109.6
<i>% equity interest sold by CKA in the Disposal</i>	20%
<hr/>	
<i>Total base consideration for the Disposal</i>	10,548.0
<i>Add: Ticking fee ^(note 1.1)</i>	316.4
<i>Less: Known permitted leakage amount ^(note 1.2)</i>	(340.0)
<hr/>	
<i>Implied 100% equity value of the Target in the Disposal</i>	10,524.5
<i>Add: Net debt ^(note 1.3)</i>	5,900.0
<hr/>	
<i>Implied 100% EV of the Target in the Disposal</i>	16,424.5
<i>Implied 100% equity value of the Target in the Disposal</i>	10,524.5
<i>% equity interest sold by CKA Sub in the Disposal</i>	20%
<hr/>	
<i>CKA Consideration</i>	2,104.9

- 1.1 *The ticking fee is the interest incurred from (and excluding) the Locked Box Date up to (and including) the Closing Date (which is yet to be determined) at a rate of 4% per annum as per the Share Purchase Agreement on the base consideration. We have taken the period from (and excluding) the Locked Box Date up to (and including) the date on which the Target's financial data in this analysis is based (i.e. 31 December 2025) for the calculation of the amount of the ticking fee for illustrative purpose.*
- 1.2 *The known permitted leakage amount includes dividends and interests on the Shareholder Debt Instruments paid to the Sellers by the Target post-Locked Box Date.*
- 1.3 *This amount represents the net debt (being total external borrowings net of cash and cash equivalent) as at 31 December 2025, being the latest available financials, as disclosed in the section headed "3. Information of the Target Group" of the Letter from the Board.*
2. *The enterprise value of the target companies in the Comparable Transactions is based on public disclosures made by the respective acquirers or sellers in their transaction announcements and related documents.*
3. *The EBITDA of the target companies in the Comparable Transactions is based on the latest available or TTM figures, where applicable, calculated from their reported EBITDA published in the latest annual or interim reports of the respective company as of the date of the announcement or press release of the Comparable Transaction. Where unavailable, it is calculated as the profit before tax excluding depreciation and amortisation, interest income and interest expense, as published in those reports.*
4. *The RAV of Electricity North West Limited was quoted based on the disclosure in its annual report for the financial year ended 31 March 2024, whereas the RAV of Western Power Distribution PLC was quoted based on the disclosure in the annual report of PPL Corporation, the seller in this transaction, for the financial year ended 31 December 2020.*
5. *The RAV of the Target Group is based on its latest available RAV, which amounts to GBP9,492 million as at 30 September 2025, derived from the sum of the RAVs published by each of the Target's underlying DNOs in their interim financial statements for the six months ended 30 September 2025.*
6. *The EV/EBITDA ratio is calculated by way of dividing the enterprise value by the respective EBITDA.*
7. *The EV/RAV ratio is calculated by way of dividing the enterprise value by the respective RAV.*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As can be seen from the tabulation above, the EV/RAV ratios of the Comparable Transactions range from approximately 1.56x to 1.67x with both the average and median being approximately 1.62x. In comparison, the implied EV/RAV ratio of the Disposal is approximately 1.73x, which is above the maximum EV/RAV ratio of 1.67x derived from the acquisition of PPL WPD Investments Limited by National Grid PLC in 2021 and is therefore considered favourable to the Company. Similarly, the EV/EBITDA ratios of the Comparable Transactions range from approximately 11.34x to 11.72x with both the average and median at approximately 11.53x while the implied EV/EBITDA of the Disposal is approximately 12.63x, exceeding the maximum multiple of approximately 11.72x derived from the acquisition of North West Electricity Networks (Jersey) Limited by Iberdrola, S.A. in 2024.

Having considered the implied EV/EBITDA multiple and the implied EV/RAV multiple of the Target exceeds the relevant ratios of the Comparable Transactions, we are of the view that the consideration for the Disposal is fair and reasonable so far as the Independent Shareholders are concerned.

(ii) *Trading statistics of comparable listed companies*

As noted in the section above, we have conducted an analysis of the Comparable Companies as a supplementary reference for the Independent Board Committee and the Independent Shareholders, notwithstanding the limitations arising from the absence of directly comparable listed peers.

Given the absence of listed companies predominantly focused on UK electricity distribution, we adopted the following selection criteria to identify a set of Comparable Companies which, in our view, represent the most relevant available listed peers:

- (i) the company is listed on the London Stock Exchange;
- (ii) the company is under the utilities and renewable electricity industry classifications of S&P Capital IQ;
- (iii) the company is principally engaged in the utility and/or the electricity business, with business operations in the UK;
- (iv) the company has a TTM EBITDA of GBP500 million or above as of the date of the Share Purchase Agreement; and
- (v) the company is not an investment fund.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above criteria, we identified six Comparable Companies as detailed in Table 2 below.

Within this set, we consider National Grid plc and SSE plc to be relatively more comparable to the Target Group, given that they derive a portion of their earnings from UK regulated electricity network activities and are subject to the same regulatory framework, overseen by Ofgem, governing the Target.

However, we note that neither company is predominantly focused on electricity distribution in the UK. National Grid plc has a significant portion of regulated activities in the United States which are under a different regulatory regime, while SSE plc has material renewable generation operations alongside its thermal generation and retail business which are not regulated the same way as the Target Group.

The set also includes United Utilities Group PLC, Severn Trent PLC, Centrica plc and Drax Group plc. Although these companies operate under different regulatory regimes (such as water) or have greater exposure to non-regulated or international regulated activities, they share some characteristics with the Target, including:

- (i) all are UK-listed with substantial utilities and/or electricity businesses, and are therefore subject to broadly similar UK macroeconomic conditions, regulatory environment, capital market environment and investor expectations; and
- (ii) the water companies (United Utilities PLC and Severn Trent PLC) operate asset-backed, regulated return models with long-term revenue visibility, analogous to the Target's business model.

For the purposes of this analysis, we have adopted the full set of six Comparable Companies identified through our screening criteria to provide a broader reference range. We note that certain companies in our selected peer group, being Centrica plc and Drax Group plc, do not disclose a RAV or RCV as these metrics are not applicable to their respective businesses.

For both the Comparable Companies and the Target Group, these ratios are based on the latest available figures or TTM figures, where applicable, calculated using their published latest annual and interim reports, annual results announcements, and S&P Capital IQ, as at the date of the Share Purchase Agreement (25 February 2026), which are more reflective of the recent performance of the Comparable Companies and the Target.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Table 2 – Comparable Companies of the Target

Company name	Ticker	As at the date of the Share Purchase Agreement				
		EV ^(note 1)	EBITDA ^(note 3)	RAV or RCV ^(note 4)	EV/ EBITDA ^(note 7)	EV/RAV or EV/RCV ^(note 8)
		(GBP million)	(GBP million)	(GBP million)	(times)	(times)
I. Companies with UK regulated electricity distribution and transmission operators						
National Grid plc	LSE: NG.	109,944	7,425	60,150	14.81x	1.83x
SSE plc	LSE: SSE	44,310	2,506	14,225	17.68x	3.11x
II. Companies with other UK regulated utility operations or substantial operations in the electricity sector						
Centrica plc	LSE: CNA	7,821	867	NA ^(note 5)	9.02x	NA
United Utilities Group PLC	LSE: UU.	19,435	1,326	15,980	14.65x	1.22x
Severn Trent PLC	LSE: SVT	19,047	1,251	14,878	15.22x	1.28x
Drax Group plc	LSE: DRX	3,780	865	NA ^(note 5)	4.37x	NA
				Median	14.73x	1.55x
				Average	12.63x	1.86x
				Maximum	17.68x	3.11x
				Minimum	4.37x	1.22x
Target		16,424 ^(note 2)	1,300	9,492 ^(note 6)	12.63x	1.73x

Sources: S&P Capital IQ, published annual and interim reports and announcements of relevant Comparable Companies, and interim financial statements of their underlying DNOs

Notes:

1. The enterprise value of the Comparable Companies is calculated as the respective market capitalisation, plus net debt, total preferred equity, and minority interest in the latest annual or interim reports of the respective company as of the date of the Share Purchase Agreement, with net debt adjustments. The net debt calculation has made reference to the latest published net debt, with adjustments made to include borrowings minus cash and cash equivalent, and on a best-efforts basis using publicly available information, any net debt movements between the year or period end date of the latest annual or interim reports adopted and the date of the Share Purchase Agreement.

2. The implied enterprise value of the Target is calculated as follows:

	GBP million
Base CKA Consideration	2,109.6
% equity interest sold by CKA in the Disposal	20%
<hr/> Total base consideration for the Disposal	<hr/> 10,548.0
Add: Ticking fee ^(note 2.1)	316.4
Less: Known permitted leakage amount ^(note 2.2)	(340.0)
<hr/> Implied 100% equity value of the Target in the Disposal	<hr/> 10,524.5
Add: Net debt ^(note 2.3)	5,900.0
<hr/> Implied 100% EV of the Target in the Disposal	<hr/> 16,424.5

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- 2.1 *The ticking fee is the interest incurred from (and excluding) the Locked Box Date up to (and including) the Closing Date (which is yet to be determined) at a rate of 4% per annum as per the Share Purchase Agreement on the base consideration. We have taken the period from (and excluding) the Locked Box Date up to (and including) the date on which the Target's financial data in this analysis is based (i.e. 31 December 2025) for the calculation of the amount of the ticking fee for illustrative purpose.*
- 2.2 *The known permitted leakage amount includes dividends and interests on the Shareholder Debt Instruments paid to the Sellers by the Target post-Locked Box Date.*
- 2.3 *This amount represents the net debt (being the total external borrowings net of cash and cash equivalent) as of 31 December 2025, being the latest available financials, as disclosed in the section headed "3. Information of the Target Group" of the Letter from the Board.*
3. *The EBITDA of the Comparable Companies is based on the latest available or TTM figures, where applicable, calculated from reported EBITDA published in the latest annual or interim reports of the respective company as of the date of the Share Purchase Agreement. Where unavailable, it is calculated as the profit before tax excluding depreciation and amortisation, interest income and interest expense, as published in those reports.*
4. *The RAV or RCV is based on that disclosed in the latest published annual reports of the Comparable Companies or interim financial statements of the DNO(s) of the Comparable Companies as of the date of the Share Purchase Agreement.*
5. *Centrica plc and Drax Group plc did not disclose any RAV or RCV.*
6. *The RAV of the Target Group is based on its latest available RAV, which amounts to GBP9,492 million as at 30 September 2025, derived from the sum of the RAVs published by each of the Target's underlying DNOs in their interim financial statements for the six months ended 30 September 2025.*
7. *The EV/EBITDA ratio is calculated by way of dividing the enterprise value by the respective EBITDA.*
8. *The EV/RAV or EV/RCV ratio is calculated by way of dividing the enterprise value by the respective RAV or RCV.*

On an EV/EBITDA basis, the implied multiple of the Target of approximately 12.63x falls within the range of approximately 4.37x to approximately 17.68x observed across the Comparable Companies and, while below the median of approximately 14.73x, is in line with the average of approximately 12.63x.

On an EV/RAV or EV/RCV basis, the implied multiple of the Target of approximately 1.73x also falls within the range of approximately 1.22x to approximately 3.11x of the Comparable Companies, and also falls within their median of approximately 1.55x and average of approximately 1.86x. We note that the Target's implied multiple is close to that of National Grid plc, which, among the Comparable Companies, has the most similar regulatory profile to the Target, given that a substantial portion of its UK operations are also subject to the RIIO price control framework administered by Ofgem, albeit with significant regulated operations in the United States under a different regulatory regime. The highest EV/RAV multiple of approximately 3.11x was exhibited by SSE plc, which could be attributable primarily to its significant activities that are not regulated the same way as the Target Group, the value of which is reflected in its enterprise value but not captured in its RAV.

Notwithstanding the limitations of the analysis of the Comparable Companies as described above, we note that the valuation multiples of the Disposal fall within the range of multiples observed across the Comparable Companies, which is consistent with the conclusions drawn from our analysis of the Comparable Transactions.

(b) Financial effects of the Disposal on the Group

After completion of the Disposal, CKA Sub will cease to have any interest in the Target Group. Subject to Closing and based on the information currently available, the Group expects to report a gain of approximately HK\$8.4 billion arising from CKA Sub's Disposal. The estimated gain on CKA Sub's Disposal is based on the currently available information, including estimates and assumptions regarding: (i) the value of the consideration as determined by the terms of the CKA Sub's Disposal; (ii) the carrying amount of the Group's interests in the Target Group and the related CKA Sub's Shareholder Debt Instruments to be derecognised; (iii) the amount to be reclassified from reserves to profit or loss (primarily foreign exchange gains and losses previously recognised in other comprehensive income and accumulated in reserves); (iv) the transaction costs; and (v) the exchange rate as set out in the section headed "*Definitions*" in this circular. As the actual amounts of the items described above may differ from those used in the current calculation at the time of Closing, the final gain recognised may vary from the amount presented herein. Net cash proceeds from the CKA Sub's Disposal may be deployed in future investments which is in line with the Company's corporate strategy to stand ready for quality diversified investment opportunities to enhance shareholder value.

We consider the disposal gain of approximately HK\$8.4 billion in relation to CKA Sub's Disposal is beneficial to the financial performance of the Company. Furthermore, the net proceeds from CKA Sub's Disposal, which is fully settled by cash, will also provide more resources for the Company to proceed with its strategic development. We consider the financial effects of CKA Sub's Disposal is in the interest of the Company and the Shareholders as a whole.

(c) Prospects and outlook of the Group upon the Disposal

In assessing the Disposal, we have also considered the outlook for the Target Group and the broader UK electricity distribution sector:

(i) Regulatory Framework Update

The revenues and returns of the Target Group's electricity distribution business are governed by Ofgem's price control framework. Under this framework, the total expenditure allowance ("**totex**") and the allowed weighted average cost of capital ("**allowed WACC**") are the primary determinants of the business's RAV growth trajectory, earnings capacity and, consequently, its valuation. The Target Group currently operates under the RIIO-ED2 price control, effective from 1 April 2023 to 31 March 2028.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The next RIIO price control period for electricity distribution networks in the UK (“**RIIO-ED3**”)⁴, will run from 1 April 2028 to 31 March 2033 in accordance with Ofgem’s ED3 Framework Decision published in April 2025. Ofgem published its Sector Specific Methodology Consultation for ED3 in October 2025 and is expected to issue its Methodology Decision in summer 2026, with DNOs, which include the three licence areas operated by the Target Group, business plans to be submitted at the end of 2026. As at the date of this letter, the key financial parameters for RIIO-ED3, including totex allowances and allowed WACC, have not been finalised.

More broadly, the regulatory landscape for electricity distribution in the UK is undergoing a structural transition that extends beyond a single price control cycle. The UK government has established the National Energy System Operator (“**NESO**”), an independent, publicly-owned body created under the Energy Act 2023 as the centralised strategic planner for the national energy system. Under the new framework, network investment planning will progressively shift from a model in which individual DNO such as the Target Group determine their own investment programmes, to one in which investment needs are identified through Regional Energy Strategic Plans (“**RESPs**”) developed by NESO within a 25-year strategic horizon. The Target Group, as the operator of three DNO licence areas covering East of England, London and South East England, will be directly subject to this new planning framework. The first full suite of RESPs is not expected to be published until late 2027, and the extent to which this new planning regime will be reflected in the RIIO-ED3 settlement and in subsequent price control periods remains uncertain. This transition introduces a long-term uncertainty as to how the Target Group’s future investment programmes, and consequently its RAV growth and earnings capacity, will be determined.

(ii) *Substantial Capital Expenditure Requirements*

The UK’s decarbonisation objectives are expected to require substantial capital investment in distribution networks. According to the Climate Change Committee’s Seventh Carbon Budget published in February 2025, the UK will consume approximately twice as much electricity as today by 2040. According to the Department for Business, Energy and Industrial Strategy in the UK, cumulative network costs are estimated at GBP270 to GBP350 billion by 2050, of which GBP40 to GBP110 billion is attributed to net zero investment specifically.

As a UK electricity DNO serving approximately 8.5 million homes and businesses covering 19 million people, or approximately 28% of the UK’s population, the Target Group may bear a significant share of this investment burden. Key demand drivers include network reinforcement and upgrades to accommodate the

4 ED3 means Electricity Distribution period 3.

accelerating rollout of electric vehicles, heat pumps and distributed renewable generation, as well as investment to ensure climate resilience. The Target Group has incurred gross capital expenditure of approximately GBP1.1 billion and approximately GBP1.3 billion in the financial years ended 31 March 2024 and 2025, respectively, representing the first two years of the RIIO-ED2 price control period. With three years of RIIO-ED2 remaining and further investment expected under RIIO-ED3 and beyond, the Target Group may likely face a sustained period of elevated capital deployment.

While such investment may support future RAV growth, it also entails execution risk, including the risk that actual costs exceed regulatory allowances or that returns on incremental capital are lower than on legacy assets.

(iii) Volatile Input Costs

While the Target Group's Allowed Revenues are indexed to CPIH inflation, its operational and capital costs may not move in line with general inflation. According to the Office for National Statistics in the UK, CPIH inflation stood at around 3.4% in the 12 months ending March 2025, whereas construction sector wages grew by approximately 6.5% over the corresponding period. The Target Group acknowledged in its annual report for the financial year ended 31 March 2025 that it "could be impacted by conditions in the external market, including global trade, supply chain lead times and the availability of skilled workers or contractors". These cost pressures may persist, as the UK's broader decarbonisation programme, government housing, and infrastructure targets are expected to generate significant competing demand for the same pool of skilled electrical and construction workers. According to the Construction Industry Training Board in the UK, the UK construction sector will require approximately 250,000 additional workers by 2028 to meet projected demand, and electricians remain in high demand nationwide. There can be no assurance that regulatory mechanisms will fully compensate for actual cost pressures experienced by the Target Group during the remaining period of RIIO-ED2 and beyond.

While the Target Group benefits from its position as a provider of essential services within an established regulatory framework, it nonetheless faces uncertainty surrounding future regulatory determinations under RIIO-ED3, substantial capital expenditure requirements over the remaining period of RIIO-ED2 and beyond, and the possibility that input costs may not move in line with regulatory allowances. These factors may have an impact on the future earnings and cashflows of the Target Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

VI. RECOMMENDATIONS

Taking into account the considerations and factors set out above, we are of the opinion that the terms of CKA Sub's Disposal are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. For the Company, the Disposal is conducted at a fair value which realises significant accounting gain and cash proceeds which may be deployed in future investments and in line with its corporate strategy to stand ready for quality diversified investment opportunities to enhance shareholder value. Although CKA Sub's Disposal constitutes a connected transaction for the Company under the Listing Rules, the transaction is, in substance, between the Sellers as a whole on the one hand and the Purchaser on the other, which is an independent third party with no connection to the Sellers as a whole. Unlike most connected transactions, there are no material conflicts of interests between the Company as a seller and the Purchaser, as the terms have been negotiated on an arm's length basis, in which we believe is an important consideration. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of, and we also advise the Independent Shareholders to vote in favour of, the ordinary resolutions to be proposed at the EGM of the Company to approve CKA Sub's Disposal and the transactions contemplated thereunder.

Your faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited

Stephen Clark
Managing Director

Karl Chan
Director

1. Mr. Stephen Clark is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has over 35 years of experience in corporate finance.
2. Mr. Karl Chan is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and as a licensed representative of Anglo Chinese Corporate Finance, Limited to carry out Type 9 (asset management) regulated activity under the SFO. He has over 10 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

2.1 Interests in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

A. Long Positions in Shares

(i) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate% of Shareholding (Note 6)
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	405,200	381,060,448 (Note 1)	1,328,696,745 (Note 2)	1,710,382,393	48.87%
Kam Hing Lam	Beneficial owner & interest of child or spouse	51,040	57,360	–	–	108,400	0.003%
Ip Tak Chuen, Edmond	Beneficial owner	900,000	–	–	–	900,000	0.02%
Hung Siu-lin, Katherine	Beneficial owner	43,256	–	–	–	43,256	0.0012%
Donald Jeffrey Roberts	Interests held jointly	–	–	–	10,396 (Note 3)	10,396	0.0002%
Lam Siu Hong, Donny	Interest of spouse & interests held jointly	–	5,472	–	5,420 (Note 4)	10,892	0.0003%

(ii) Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Precise Result Global Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	15 <i>(Note 5)</i>	15	15%
Jabrin Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2,000 <i>(Note 5)</i>	2,000	20%
Mightycity Company Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	168,375 <i>(Note 5)</i>	168,375	1.53%

B. Long Positions in Debentures of Associated Corporation

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
CK Property Finance (MTN) Limited	Ip Tak Chuen, Edmond	Beneficial owner	HK\$30,000,000 in HK\$530,000,000 Floating Rate Notes due July 2030 under Euro Medium Term Note Programme	-	-	-	HK\$30,000,000 in HK\$530,000,000 Floating Rate Notes due July 2030 under Euro Medium Term Note Programme
			HK\$20,000,000 in HK\$720,000,000 Floating Rate Notes due September 2030 under Euro Medium Term Note Programme	-	-	-	HK\$20,000,000 in HK\$720,000,000 Floating Rate Notes due September 2030 under Euro Medium Term Note Programme

Notes:

- (1) The 381,060,448 Shares comprise:
- (a) 2,272,350 Shares held by certain companies of which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings
 - (b) 378,788,098 Shares held by Li Ka Shing Foundation Limited (“LKSF”). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

- (2) The 1,328,696,745 Shares comprise:
- (a) 1,171,881,779 Shares held by Li Ka-Shing Unity Trustee Company Limited (“**TUT1**”) as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“**TUT1 related companies**”). Mr. Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1, which is the trustee of DT1, and TDT2, which is the trustee of DT2, holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“**Unity Holdco**”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the Shares by reason only of its obligation and power to hold interests in those Shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Shares independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said Shares held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as a Director.

- (b) 72,387,720 Shares held by Li Ka-Shing Castle Trustee Company Limited (“**TUT3**”) as trustee of UT3 and its related companies in which TUT3 as trustee of UT3 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“**TUT3 related companies**”). Mr. Li Ka-shing is the settlor of each of DT3 and DT4. Each of TDT3, which is the trustee of DT3, and TDT4, which is the trustee of DT4, holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3, TDT3 and TDT4 are owned by Li Ka-Shing Castle Holdings Limited (“**Castle Holdco**”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the Shares by reason only of its obligation and power to hold interests in those Shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the Shares independently without any reference to Castle Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said Shares held by TUT3 as trustee of UT3 and TUT3 related companies under the SFO as a Director.

- (c) 84,427,246 Shares held by a company controlled by TDT3 as trustee of DT3.
- (3) Such 10,396 Shares are jointly held by Mr. Donald Jeffrey Roberts and his wife.
- (4) Such 5,420 Shares are jointly held by Mr. Lam Siu Hong, Donny and his son.
- (5) These companies are subsidiaries of the Company and such shares are held through TUT1 as trustee of UT1. By virtue of Mr. Li Tzar Kuoi, Victor's deemed interests as described in Note (2) (a) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares under the SFO as a Director.
- (6) The approximate percentages of shareholding were based on the issued share capital of the Company as at the Latest Practicable Date (i.e. 3,499,778,333 shares). As at the Latest Practicable Date, the Company did not hold any treasury shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

2.2 Interests in assets, contracts or arrangements of the Group

As at the Latest Practicable Date, except in connection with the Disposal and by virtue of being a director and/or shareholder of the Company (or any of its subsidiaries or substantial shareholders) or the Sellers (or any of their respective subsidiaries or holding companies, or any substantial shareholder of any such holding companies), and save as disclosed under the section "Continuing Connected Transactions" in the 2024 annual report of the Company, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2025.

As at the Latest Practicable Date, except in connection with the Disposal and by virtue of being a director and/or shareholder of the Company (or any of its subsidiaries or substantial shareholders) or the Sellers (or any of their respective subsidiaries or holding companies, or any substantial shareholder of any such holding companies), and save as disclosed under the section “Continuing Connected Transactions” in the 2024 annual report of the Company, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the businesses of the Group taken as a whole.

2.3 Competing Businesses

2.3.1 Principal Business Activities of the Group

The principal business activities of the Group comprise the following:

- (1) property development and investment;
- (2) hotel and serviced suite operation;
- (3) property and project management;
- (4) interests in Real Estate Investment Trusts;
- (5) pub operation; and
- (6) investment in infrastructure and utility asset operation.

2.3.2 Interests in Competing Businesses

As at the Latest Practicable Date, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (the “**Competing Businesses**”), as required to be disclosed pursuant to the Listing Rules, were as follows:

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Victor T K Li	CKHH	Chairman and Executive Director	(6)
	CKI	Chairman	(6)
	CK Life Sciences Int’l. (Holdings) Inc.	Chairman	(1)
	HK Electric Investments and HK Electric Investments Limited	Non-executive Director and Deputy Chairman	(6)
	PAH	Non-executive Director	(6)
	Kam Hing Lam	CKHH	Deputy Managing Director
CKI		Deputy Chairman and Co-Managing Director*	(6)
CK Life Sciences Int’l., (Holdings) Inc.		President	(1)
Hui Xian Asset Management Limited		Chairman and Non-executive Director	(1), (2), (3) & (4)
Ip Tak Chuen, Edmond		CKHH	Deputy Managing Director
	CKI	Deputy Chairman	(6)
	CK Life Sciences Int’l. (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(1)
	Hui Xian Asset Management Limited	Non-executive Director	(1), (2), (3) & (4)
Chiu Kwok Hung, Justin	ESR Asset Management (Fortune) Limited	Non-executive Director	(1), (3) & (4)
	ESR Asset Management (Prosperity) Limited	Chairman and Non- executive Director	(1), (3) & (4)

Note:

Such businesses may be conducted through subsidiaries, associated companies or by way of other forms of investments.

* Mr. Kam Hing Lam was the Group Managing Director of CKI before being redesignated as Deputy Chairman and Co-Managing Director on 1 January 2026.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their respective close associates (as if each of them was treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

2.4 Common Directors

As at the Latest Practicable Date, the following Directors are also directors of certain companies which have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (the “**Relevant Companies**”):

Name of Director	Relevant Companies in which the Director is also a director
Li Tzar Kuoi, Victor	TUT1 as trustee of UT1 TDT1 as trustee of DT1 TDT2 as trustee of DT2
Pau Yee Wan, Ezra	TUT1 as trustee of UT1 TDT1 as trustee of DT1 TDT2 as trustee of DT2

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation)).

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that, other than as disclosed in the 2024 annual report and 2025 interim report of the Company and the Company’s annual results announcement for the year ended 31 December 2025, there has been no material adverse change in the financial or trading position of the Group since 31 December 2025.

5. EXPERT

5.1 Qualification of expert

The following are the name and qualifications of the expert who has given its advice and recommendation which are contained in this circular:

Name	Qualifications
Anglo Chinese Corporate Finance, Limited	A licensed corporation permitted to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

5.2 Interests of expert

Anglo Chinese Corporate Finance, Limited has confirmed that, as at the Latest Practicable Date, it was not interested in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and that it had no direct or indirect interest in any assets which had been, since 31 December 2025, acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. CONSENT

As at the Latest Practicable Date, Anglo Chinese Corporate Finance, Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear in this circular.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company at <https://www.ckah.com> and the HKEXnews Website at <https://www.hkexnews.hk> during the period of 14 days from the date of this circular:

- (i) the Share Purchase Agreement, with certain information redacted as mentioned below;
- (ii) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular;
- (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this circular; and
- (iv) the written consent referred to in the section headed “6. Consent” above.

The Company has applied to, and has been granted a waiver by, the Stock Exchange from strict compliance with Rule 14A.70(13) of, and paragraph 43(2)(c) of Appendix D1B to, the Listing Rules such that certain information as described below (the “**Redacted Information**”) would be redacted in the Share Purchase Agreement for the purpose of displaying on the Company’s website and the HKEXnews Website. The Company considers that:

- (i) the Redacted Information is not of material importance and is not such as will influence the assessment of the impact of the Disposal. The omission of such information is not likely to mislead the Shareholders with regard to the facts and circumstances, knowledge of which is essential for an informed assessment of the impact of the Disposal on the Company;
- (ii) the disclosure of the Redacted Information is or may be prejudicial, seriously detrimental, or competitively harmful, to the Group and is not in its interest as a whole; and
- (iii) the redacted Share Purchase Agreement together with this circular contain such information as is material to the Shareholders for an informed assessment of the Disposal.

The Redacted Information includes information and arrangements relating to the employees of the Target Group.

Only the redacted Share Purchase Agreement will be available on the Company’s website and the HKEXnews Website as a document on display in accordance with the arrangements as set out in this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



CK ASSET HOLDINGS LIMITED 長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the “**Meeting**”) of CK Asset Holdings Limited (the “**Company**”) will be held as a hybrid meeting at 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on **Monday, 27 April 2026** at 12:30 p.m. (or (i) as the directors of the Company may, in their absolute discretion in accordance with the Company’s Amended and Restated Articles of Association, change the place of the Meeting at the same time and on the same date by way of an announcement without the need to give a new notice of the Meeting; or (ii) in the event that a tropical cyclone warning signal no. 8 or above, a black rainstorm warning signal and/or “extreme conditions” as announced by the Hong Kong Government (the “**Bad Weather Signal**”) is/are in force in Hong Kong at 9:00 a.m. on that day, at the same time and place on Tuesday, 28 April 2026) for the purpose of considering and, if thought fit, passing with or without amendment the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the connected transaction contemplated under, pursuant to or in connection with the share purchase agreement (the “**Share Purchase Agreement**”) dated 25 February 2026 among Eagle Insight International Limited, CKI Number 1 Limited, Devin International Limited, Engie UK 2026 Limited and Engie Group Participations SA (a copy of which marked “**A**” and a copy of the circular of the Company dated 8 April 2026 (the “**Circular**”) marked “**B**” having been tabled before the Meeting and initialled by the Chairman of the Meeting for the purpose of identification), including, but not limited to, the disposal of CKA Sub’s Sale Shares (as defined in the Circular) and CKA Sub’s Shareholder Debt Instruments (as defined in the Circular) as part of the Disposal (as defined in the Circular), and all actions taken or to be taken by the Company and/or its subsidiaries pursuant to or incidental to such transaction be and are hereby approved; and
- (b) the directors of the Company, acting collectively and individually, be and are hereby authorised to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which they may in their absolute discretion consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to the above paragraph (a) of this resolution and all of the transactions contemplated thereunder.”

By Order of the Board

Eirene YEUNG

Executive Committee Member

& Company Secretary

Hong Kong, 8 April 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- a. The Meeting will be held as a hybrid meeting. Shareholders of the Company (“**Shareholders**”) have the option of attending, participating, raising questions and voting at the Meeting through online access by visiting the website at <https://meetings.lumiconnect.com> (the “**Online Platform**”). Shareholders attending the Meeting via the Online Platform will be deemed to be present at, and will be counted towards the quorum of, the Meeting and they will be able to cast their votes and submit questions via the Online Platform.
- b. At the Meeting, the Chairman of the Meeting will put the above resolution to be voted by way of a poll under Article 81 of the Amended and Restated Articles of Association of the Company.
- c. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint more than one proxy in accordance with the relevant provisions of the Amended and Restated Articles of Association of the Company to attend and on a poll, vote in his/her stead. A proxy need not be a Shareholder.
- d. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority must be (i) sent in a legible image to the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by email at cka.eproxy@computershare.com.hk; or (ii) returned to the Company’s Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong; or (iii) deposited at the Company’s principal place of business in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong as soon as possible and in any event no less than 48 hours before the time for holding the Meeting (or any adjournment or postponement thereof) (as the case may be).
- e. In the case of joint holders of a share of the Company, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
- f. Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the Meeting (or any adjournment or postponement thereof) (as the case may be) in person or via the Online Platform provided for the Meeting should the Shareholder so desire, and, in such event, the proxy form shall be deemed to be revoked.
- g. The record date for determining the eligibility of Shareholders (except holders of treasury shares, if any) to attend and vote at the Meeting or at any adjournment or postponement thereof is Monday, 27 April 2026. The Register of Members of the Company will be closed from Wednesday, 22 April 2026 to Monday, 27 April 2026 (or Tuesday, 28 April 2026 in the event that the Meeting is to be held on Tuesday, 28 April 2026 because a Bad Weather Signal is in force in Hong Kong (as detailed in note j below), both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. Hong Kong time on Tuesday, 21 April 2026.
- h. In case the Company needs to change the Meeting arrangements at short notice, the Board may, in its absolute discretion in accordance with the Company’s Amended and Restated Articles of Association, change the place of the Meeting at the same time and on the same date by way of an announcement without the need to give new notice of the Meeting. Shareholders should check the Company’s website at <https://www.ckah.com> or the Company’s Meeting website at <https://www.ckah.com/EGM> for future announcements and updates on the Meeting arrangements.
- i. No refreshments or drinks will be provided to attendees at the Meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

j. **BAD WEATHER ARRANGEMENTS**

The Meeting will be held as a hybrid meeting at 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 12:30 p.m. as scheduled regardless of whether or not an amber or red rainstorm warning signal or a tropical cyclone warning signal no. 3 or below is in force in Hong Kong at any time on that day.

However, if a Bad Weather Signal is in force in Hong Kong at 9:00 a.m. on Monday, 27 April 2026, the Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Tuesday, 28 April 2026 instead.

Shareholders who have any queries concerning these arrangements, please call the Company at (852) 2128 8888 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding Hong Kong public holidays.

Shareholders should make their own decision as to whether they would attend the Meeting physically under bad weather conditions at their own risk having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

- k. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

This circular (both English and Chinese versions) (the “Circular”), has been published on the Company’s website (<https://www.ckah.com>) and the HKEXnews Website (<https://www.hkexnews.hk>).

If a shareholder wishes to receive the Company’s corporate communications (including but not limited to the Circular) from the Company in printed form, please follow the instructions set out in the “Dissemination of Corporate Communications” section under “Investor Relations” on the Company’s website, to complete the relevant Request Form and return the completed form to the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited.

Any such request from a shareholder will cease to be valid after one year, or such shorter period if the original request is revoked in writing, or superseded by a subsequent written request, by such shareholder, prior to the expiry date of the original request. A shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must complete and return a fresh Request Form.

Shareholders may at any time choose to change their choice as to the language of the Company’s corporate communications (including but not limited to the Circular) by reasonable prior notice in writing to the Company c/o the Company’s Hong Kong share registrar by email to ckah.ecom@computershare.com.hk or by post to 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of the Circular since both language versions are bound together into one booklet.

In order to receive actionable corporate communications by email, shareholders are also requested to follow the relevant instructions set out in the “Dissemination of Corporate Communications” section under “Investor Relations” on the Company’s website, to complete the relevant Request Form and return the completed form to the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited.