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**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)*

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION AND SPECIAL DEAL  
RELATING TO THE PROPOSED ACQUISITION OF  
THE TARGET HOLDCOS  
IN CONSIDERATION FOR THE ISSUE OF CONSIDERATION SHARES  
UNDER A SPECIFIC MANDATE**

**(2) REVISED CONDITIONAL CASH OFFER BY HSBC ON BEHALF OF THE  
COMPANY TO BUY-BACK UP TO 380,000,000 SHARES AT HK\$51.00 PER SHARE**

**(3) APPLICATION FOR THE WHITEWASH WAIVER**

**INCREASE IN THE MAXIMUM NUMBER OF SHARES  
SUBJECT TO THE SHARE BUY-BACK OFFER**

**Financial Adviser to the Company**



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

**ANGLO CHINESE** 英高  
CORPORATE FINANCE, LIMITED

The Board announces that the Maximum Number of Shares to be bought back under the Share Buy-back Offer will be increased from 333,333,333 Shares to 380,000,000 Shares, representing approximately 10.29% of the total issued Shares as at the date of this announcement. Save for the foregoing, the other terms of the Share Buy-back Proposal remain unchanged and the Offer Price for the Share Buy-back Offer remains at HK\$51.00 per Share.

The Revised Share Buy-back Proposal is being made based on feedback received from Shareholders since the Proposal was announced on 18 March 2021 and with the aim of enlarging the deployment by the Company of excess cash. Assuming the Revised Share Buy-back Proposal (with the Revised Maximum Number of Shares) is completed in full, it would result in a net reduction in the number of issued Shares and thereby greater financial accretion and an enhanced return on capital compared to the original Share Buy-back Proposal, which would be beneficial to all Shareholders.

## 1. INTRODUCTION

Reference is made to the announcement of CK Asset Holdings Limited (the “**Company**”) dated 18 March 2021 in relation to the Proposal, which comprises (A) the Proposed Acquisition of the Target Holdcos from LKSF in consideration of the issue of the Consideration Shares and (B) the Share Buy-back Proposal (which includes the Share Buy-back Offer) (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement, save that references to the Proposal shall be construed to refer to the Revised Share Buy-back Offer in place of the Share Buy-back Offer.

## 2. REVISION TO THE MAXIMUM NUMBER OF SHARES

The Board announces that the Maximum Number of Shares to be bought back under the Share Buy-back Offer will be increased from 333,333,333 Shares to 380,000,000 Shares (the “**Revised Maximum Number of Shares**”), representing approximately 10.29% of the total issued Shares as at the date of this announcement (the Share Buy-back Offer, as revised, being the “**Revised Share Buy-back Offer**” and the Share Buy-back Proposal, as revised by the Revised Share Buy-back Offer, being the “**Revised Share Buy-back Proposal**”).

The Offer Price for the Revised Share Buy-back Offer will remain unchanged at HK\$51.00 per Share.

If valid acceptances received under the Revised Share Buy-back Offer are less than the Revised Maximum Number of Shares, the Company intends to seek to buy-back all or part of the shortfall through on-market share buy-backs from time to time at a price not exceeding the Offer Price following the completion of the Revised Share Buy-back Offer, utilising the share buy-back mandate from Shareholders to be sought and granted at the Company's 2021 annual general meeting to be held on 13 May 2021 (the "2021 AGM").

Any such possible on-market share buy-backs will also be subject to, among other things, market conditions, the trading liquidity and availability of the Shares to be bought-back on-market, compliance with applicable laws and regulations (including the requirements and restrictions of the Listing Rules applicable to on-market share buy-backs and the provisions of the Takeovers Code), no Shareholder breaching the Creeper Limit, and any other factors which the Directors consider to be relevant in determining whether or not to exercise the power of the Company to make on-market share buy-backs pursuant to the share buy-back general mandate if granted by the Shareholders at the 2021 AGM.

The Company has no intention to buy-back Shares on-market other than the buy-back of the shortfall (if any) between the number of valid acceptances received under the Revised Share Buy-back Offer and the Revised Maximum Number of Shares until the earlier of completion of the buy-back of the shortfall or the expiry of the share buy-back mandate proposed to be sought and granted at the 2021 AGM, after which the Company will assess what is in the best interests of the Company and the Shareholders.

Save for the foregoing, the other terms of the Share Buy-back Proposal remain unchanged.

### **3. REASON FOR THE REVISION TO THE MAXIMUM NUMBER OF SHARES**

The Revised Share Buy-back Proposal to increase the maximum number of Shares to be bought back from 333,333,333 to 380,000,000 is being made based on feedback received from Shareholders since the Proposal was announced on 18 March 2021 and with the aim of enlarging the deployment by the Company of excess cash.

Assuming the Revised Share Buy-back Proposal (with the Revised Maximum Number of Shares) is completed in full, it would result in a net reduction in the number of issued Shares and thereby greater financial accretion and an enhanced return on capital compared to the original Share Buy-back Proposal, which would be beneficial to all Shareholders.

#### 4. CONFIRMATION OF FINANCIAL RESOURCES

The Revised Share Buy-back Offer, if accepted in full, will result in the Company paying HK\$19.38 billion to the Accepting Shareholders. The consideration for the Revised Share Buy-back Offer will be paid in cash and will be funded by cash resources of the Group.

HSBC is satisfied that sufficient financial resources are available to the Company to enable it to satisfy acceptances of the Revised Share Buy-back Offer in full in accordance with the terms of the Revised Share Buy-back Offer stated in the Announcement and this announcement.

#### 5. WARNING

**The Revised Share Buy-back Offer is subject to all of the Offer Conditions being fulfilled and therefore may or may not become unconditional. If any of the Offer Conditions is not fulfilled, the Revised Share Buy-back Offer and the Proposed Acquisition will not proceed and will immediately lapse. Shareholders of and/or potential investors in the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

#### 6. APPLICATION FOR THE WHITEWASH WAIVER

Following the allotment and issue of the Consideration Shares to LKSF (or an affiliate of LKSF) and assuming the Revised Maximum Number of Shares are bought-back pursuant to the Revised Share Buy-back Offer, the shareholding of the Controlling Shareholder Group in the Company will be increased from approximately 35.99% of the total issued Shares as at the date of this announcement to approximately 45.60% of the total issued Shares as enlarged by the allotment and issue of the Consideration Shares and reduced by the Revised Share Buy-back Offer. As referred to in the Announcement, an application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of LKSF to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by the Controlling Shareholder Group.

## 7. CHANGES IN SHAREHOLDINGS STRUCTURE

The table below shows the Company's existing shareholding structure and the shareholding structure assuming (i) completion of the issue of the Consideration Shares; (ii) no Shares are bought-back pursuant to the Revised Share Buy-back Proposal; and (iii) no Shares other than the Consideration Shares are issued from the date of this announcement up to and including the date of completion of the Proposal:

Name of Shareholder	As at the date of this announcement		Upon completion of the Proposal	
	Number of Shares	%	Number of Shares	%
<b>Controlling Shareholder Group</b>				
Li Ka-Shing Unity Trustee Company Limited ( <i>TUTI</i> ) as trustee of The Li Ka-Shing Unity Trust	1,003,380,744	27.17%	1,003,380,744	24.92%
Li Ka-Shing Castle Trustee Company Limited as trustee of The Li Ka-Shing Castle Trust	72,387,720	1.96%	72,387,720	1.80%
L.F. Investments S.à r.l. <sup>(1)</sup>	84,427,246	2.29%	84,427,246	2.10%
LKSF <sup>(2)</sup>	61,523,000	1.67%	394,856,333	9.81%
Lankford Profits Limited <sup>(3)</sup>	50,425,500	1.37%	50,425,500	1.25%
Grand Duke Enterprises Limited and Rapid Gain Investments Limited <sup>(4)</sup>	407,800	0.01%	407,800	0.01%
Mr. Li Tzar Kuoi, Victor and family and controlled companies <sup>(5)</sup>	2,897,550	0.08%	2,897,550	0.07%
Companies jointly controlled by Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor <sup>(6)</sup>	53,905,000	1.46%	53,905,000	1.34%
Mr. Li Tzar Kai, Richard	75,240	0.002%	75,240	0.0019%
Ms. Li Michelle Sarah Si De	205,200	0.0056%	205,200	0.0051%
<b>Sub-total<sup>(7)</sup></b>	<b>1,329,429,800</b>	<b>35.99%</b>	<b>1,662,763,133</b>	<b>41.29%</b>
<b>Executive Directors of the Company (other than Mr. Li Tzar Kuoi, Victor)</b>				
Mr. Kam Hing Lam	108,400	0.0029%	108,400	0.0027%
Mr. Ip Tak Chuen, Edmond	300,000	0.0081%	300,000	0.0075%
<b>Sub-total</b>	<b>408,400</b>	<b>0.01%</b>	<b>408,400</b>	<b>0.01%</b>

<b>Name of Shareholder</b>	<b>As at the date of this announcement</b>		<b>Upon completion of the Proposal</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<b>LKSF Directors (other than Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Mr. Li Tzar Kai, Richard and Ms. Li Michelle Sarah Si De)<sup>(8)</sup></b>				
Mr. Chong Hok Shan	1,000	0.000027%	1,000	0.000025%
Ms. Chau Hoi Shuen, Solina	13,589,849	0.37%	13,589,849	0.34%
Mr. Man Simon Ka Keung	134,395	0.0036%	134,395	0.0033%
Ms. Eirene Yeung	13,654	0.00037%	13,654	0.00034%
Mr. George Colin Magnus	936,000	0.025%	936,000	0.023%
Mr. Frank John Sixt	136,800	0.0037%	136,800	0.0034%
Mr. Chow Kun Chee, Roland	99,752	0.0027%	99,752	0.0025%
Mr. Lee Yeh Kwong, Charles	806,584	0.022%	806,584	0.02%
Ms. Lee Pui Ling, Angelina	283,722	0.0077%	283,722	0.007%
Mr. Kan Yuet Loong	36,840	0.001%	36,840	0.00091%
Ms. Au Siu Yin, Amy	6,996	0.00019%	6,996	0.00017%
<b>Sub-total</b>	<b>16,045,592</b>	<b>0.43%</b>	<b>16,045,592</b>	<b>0.40%</b>
<b>Total for Controlling Shareholder Group, the Executive Directors (other than Mr. Li Tzar Kuoi, Victor) and LKSF Directors (other than Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Mr. Li Tzar Kai, Richard and Ms. Li Michelle Sarah Si De)<sup>(9)</sup></b>				
	<b>1,345,883,792</b>	<b>36.44%</b>	<b>1,679,217,125</b>	<b>41.70%</b>
Independent Shareholders	2,347,516,708	63.56%	2,347,516,708	58.30%
<b>Total</b>	<b>3,693,400,500</b>	<b>100.00%</b>	<b>4,026,733,833</b>	<b>100.00%</b>

*Notes:*

- (1) L.F. Investments S.à r.l. is 99.99% owned by Chinaton Investment Limited, which in turn is 100% owned by Evago Investment Limited. Evago Investment Limited is a 100% owned by Li Ka-Shing Castle Trustee Corporation Limited as trustee of a discretionary trust.
- (2) The shareholding of LKSF upon completion of the issue of the Consideration Shares represents the total number of Consideration Shares to be issued. Under the terms of the Share Purchase Agreement, LKSF may elect to nominate an affiliate to receive a portion of the Consideration Shares.
- (3) Lankford Profits Limited is 100% owned by Li Ka Shing (Global) Foundation.
- (4) Grand Duke Enterprises Limited and Rapid Gain Investments Limited (both wholly-owned subsidiaries of Mayspin Management Limited) hold 251,000 Shares and 156,800 Shares, respectively. Mayspin Management Limited is 100% owned by Mr. Li Ka-Shing.
- (5) Mr. Li Tzar Kuoi, Victor is the beneficial owner of 220,000 Shares.

Dragonfield Limited and Dragon Reign Limited (both 100% owned by Mr. Li Tzar Kuoi, Victor) hold 1,108,186 Shares and 1,164,164 Shares respectively.

Mr. Li Tzar Kuoi, Victor's family collectively hold 405,200 Shares, including 205,200 Shares held by Ms. Li Michelle Sarah Si De, a member of the Controlling Shareholder Group and one of the LKSF Directors.

- (6) Castle Link Holdings Limited and Shine Diamond Investment Limited, which are both indirectly 50% owned by Mr. Li Ka-Shing and indirectly 50% owned by Mr. Li Tzar Kuoi, Victor, hold 33,456,500 Shares and 20,448,500 Shares, respectively.
- (7) The holding of 205,200 Shares by Ms. Li Michelle Sarah Si De, who is a family member of Mr. Li Tzar Kuoi, Victor and a member of the Controlling Shareholder Group, has only been counted once.
- (8) Comprises interests of the LKSF Directors, together with their close relatives, related trusts and companies controlled by any of the LKSF Directors, their close relatives or related trusts.
- (9) The holdings of Shares of the HSBC Group will be disclosed in the Circular and Offer Document.

The table below shows the Company's existing shareholding structure and the shareholding structure, assuming (i) completion of the issue of the Consideration Shares; (ii) the Revised Maximum Number of Shares are bought-back pursuant to the Revised Share Buy-back Proposal; and (iii) no Shares other than the Consideration Shares are issued from the date of this announcement up to and including the date of completion of the Proposal:

<u>Name of Shareholder</u>	<u>As at the date of this announcement</u>		<u>Upon completion of the Proposal</u>	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
<b>Controlling Shareholder Group</b>				
Li Ka-Shing Unity Trustee Company Limited ( <i>TUTI</i> ) as trustee of The Li Ka-Shing Unity Trust	1,003,380,744	27.17%	1,003,380,744	27.51%
Li Ka-Shing Castle Trustee Company Limited as trustee of The Li Ka-Shing Castle Trust	72,387,720	1.96%	72,387,720	1.99%
L.F. Investments S.à r.l. <sup>(1)</sup>	84,427,246	2.29%	84,427,246	2.32%
LKSF <sup>(2)</sup>	61,523,000	1.67%	394,856,333	10.83%
Lankford Profits Limited <sup>(3)</sup>	50,425,500	1.37%	50,425,500	1.38%
Grand Duke Enterprises Limited and Rapid Gain Investments Limited <sup>(4)</sup>	407,800	0.01%	407,800	0.01%
Mr. Li Tzar Kuoi, Victor and family and controlled companies <sup>(5)</sup>	2,897,550	0.08%	2,897,550	0.08%
Companies jointly controlled by Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor <sup>(6)</sup>	53,905,000	1.46%	53,905,000	1.48%
Mr. Li Tzar Kai, Richard	75,240	0.002%	75,240	0.0021%
Ms. Li Michelle Sarah Si De	205,200	0.0056%	205,200	0.0056%
<b>Sub-total<sup>(7)</sup></b>	<b>1,329,429,800</b>	<b>35.99%</b>	<b>1,662,763,133</b>	<b>45.60%</b>
<b>Executive Directors of the Company (other than Mr. Li Tzar Kuoi, Victor)</b>				
Mr. Kam Hing Lam	108,400	0.0029%	108,400	0.0030%
Mr. Ip Tak Chuen, Edmond	300,000	0.0081%	300,000	0.0082%
<b>Sub-total</b>	<b>408,400</b>	<b>0.01%</b>	<b>408,400</b>	<b>0.01%</b>



Name of Shareholder	As at the date of this announcement		Upon completion of the Proposal	
	Number of Shares	%	Number of Shares	%
<b>LKSF Directors (other than Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Mr. Li Tzar Kai, Richard and Ms. Li Michelle Sarah Si De)<sup>(8)</sup></b>				
Mr. Chong Hok Shan	1,000	0.000027%	1,000	0.000027%
Ms. Chau Hoi Shuen, Solina	13,589,849	0.37%	13,589,849	0.37%
Mr. Man Simon Ka Keung	134,395	0.0036%	134,395	0.0037%
Ms. Eirene Yeung	13,654	0.00037%	13,654	0.00037%
Mr. George Colin Magnus	936,000	0.025%	936,000	0.026%
Mr. Frank John Sixt	136,800	0.0037%	136,800	0.0038%
Mr. Chow Kun Chee, Roland	99,752	0.0027%	99,752	0.0027%
Mr. Lee Yeh Kwong, Charles	806,584	0.022%	806,584	0.022%
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Mr. Kan Yuet Loong	36,840	0.001%	36,840	0.001%
Ms. Au Siu Yin, Amy	6,996	0.00019%	6,996	0.00019%
<b>Sub-total</b>	<b>16,045,592</b>	<b>0.43%</b>	<b>16,045,592</b>	<b>0.44%</b>
<b>Total for Controlling Shareholder Group, the Executive Directors (other than Mr. Li Tzar Kuoi, Victor) and LKSF Directors (other than Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Mr. Li Tzar Kai, Richard and Ms. Li Michelle Sarah Si De)<sup>(9)</sup></b>				
	<b>1,345,883,792</b>	<b>36.44%</b>	<b>1,679,217,125</b>	<b>46.05%</b>
Independent Shareholders	2,347,516,708	63.56%	1,967,516,708	53.95%
<b>Total</b>	<b>3,693,400,500</b>	<b>100.00%</b>	<b>3,646,733,833</b>	<b>100.00%</b>

*Notes:*

- (1) L.F. Investments S.à r.l. is 99.99% owned by Chinaton Investment Limited, which in turn is 100% owned by Evago Investment Limited. Evago Investment Limited is a 100% owned by Li Ka-Shing Castle Trustee Corporation Limited as trustee of a discretionary trust.
- (2) The shareholding of LKSF upon completion of the issue of the Consideration Shares represents the total number of Consideration Shares to be issued. Under the terms of the Share Purchase Agreement, LKSF may elect to nominate an affiliate to receive a portion of the Consideration Shares.
- (3) Lankford Profits Limited is 100% owned by Li Ka Shing (Global) Foundation.
- (4) Grand Duke Enterprises Limited and Rapid Gain Investments Limited (both wholly-owned subsidiaries of Mayspin Management Limited) hold 251,000 Shares and 156,800 Shares, respectively. Mayspin Management Limited is 100% owned by Mr. Li Ka-Shing.
- (5) Mr. Li Tzar Kuoi, Victor is the beneficial owner of 220,000 Shares.

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Mr. Li Tzar Kuoi, Victor's family collectively hold 405,200 Shares, including 205,200 Shares held by Ms. Li Michelle Sarah Si De, a member of the Controlling Shareholder Group and one of the LKSF Directors.

- (6) Castle Link Holdings Limited and Shine Diamond Investment Limited, which are both indirectly 50% owned by Mr. Li Ka-Shing and indirectly 50% owned by Mr. Li Tzar Kuoi, Victor, hold 33,456,500 Shares and 20,448,500 Shares, respectively.
- (7) The holding of 205,200 Shares by Ms. Li Michelle Sarah Si De, who is a family member of Mr. Li Tzar Kuoi, Victor and a member of the Controlling Shareholder Group, has only been counted once.
- (8) Comprises interests of the LKSF Directors, together with their close relatives, related trusts and companies controlled by any of the LKSF Directors, their close relatives or related trusts.
- (9) The holdings of Shares of the HSBC Group will be disclosed in the Circular and Offer Document.

## **8. GENERAL**

### **(a) AGM Circular**

Reference is made to the circular of the Company dated 13 April 2021 relating to the resolutions to be proposed at the 2021 AGM (the “**AGM Circular**”). The Explanatory Statement contained in Appendix II to the AGM Circular sets out details regarding the share buy-back mandate to be sought and granted by Shareholders at the 2021 AGM together with brief details of the Share Buy-back Offer.

As disclosed in this announcement, the Share Buy-back Offer has been revised by increasing the Maximum Number of Shares to be bought back under the Share Buy-back Offer from 333,333,333 Shares to 380,000,000 Shares. Shareholders should, when they read the AGM Circular, note the terms of the Revised Share Buy-back Offer as set out in this announcement, further details of which will be contained in the Circular and Offer Document to be despatched to Shareholders.

For the avoidance of doubt, there is no change to the maximum number of Shares which is subject to the share buy-back mandate as set out in the AGM Circular and the notice of the 2021 AGM, which remains to be not exceeding 10% of the total number of Shares in issue as at the date of passing of the ordinary resolution approving the grant of the share buy-back mandate to be proposed at the 2021 AGM (being a maximum of 369,340,050 Shares on the basis that no Shares are issued or bought back by the Company prior to the 2021 AGM).

### **(b) EGM and Circular and Offer Document**

The EGM is expected be held on or around 13 May 2021 for the Independent Shareholders to consider and, if thought fit, approve the Proposal (including the Revised Share Buy-back Offer, the Special Deal and the Whitewash Waiver).

As stated in the Company’s announcement dated 8 April 2021, the Circular and Offer Document is expected to be despatched to the Shareholders on 27 April 2021. The Circular and Offer Document will contain, among other things, (i) details of the Proposal, including the Share Purchase Agreement, the Special Deal, the Revised Share Buy-back Offer and the Whitewash Waiver, (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, (iv) the property valuation reports on the property interests of the Group and its associated companies and (v) the notice of the EGM.

**(c) Company's Updated Investor Presentation**

The Appendix contains a copy of the Company's updated investor presentation on the Proposal.

By Order of the Board  
**CK ASSET HOLDINGS LIMITED**  
**Eirene Yeung**  
*Executive Committee Member*  
*& Company Secretary*

Hong Kong, 14 April 2021

The Directors of the Company as at the date of this announcement are Mr. LI Tzar Kuoi, Victor (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Mr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Colin Stevens RUSSEL, Mr. Donald Jeffrey ROBERTS and Mr. Stephen Edward BRADLEY as Independent Non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.



**CK ASSET HOLDINGS LIMITED**  
**長江實業集團有限公司**

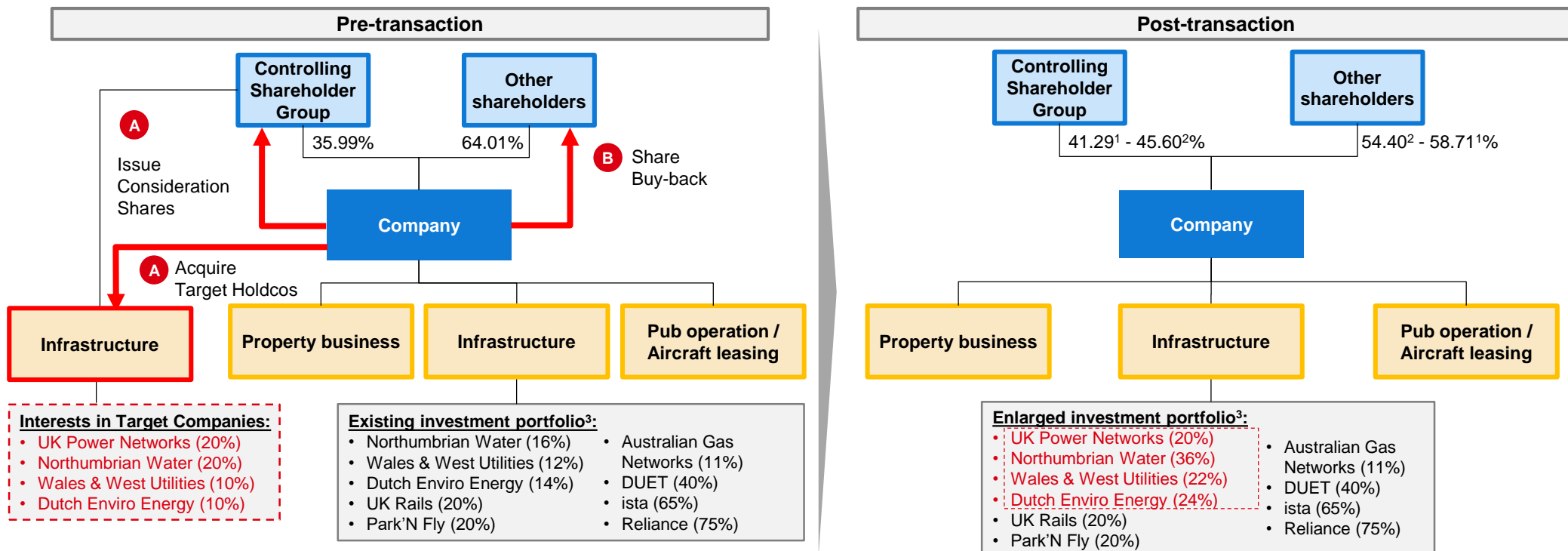
*Stock code: 1113*

## **Investor Presentation**

**14 April 2021**

This presentation is for information purposes only and is not an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction. This presentation is a brief summary of the Proposal outlined in further detail in the announcement of the Company dated 18 March 2021 and the announcement of the Company dated 14 April 2021 (the “Announcements”). The Announcements contain important information about the Proposal and shareholders and investors of the Company are advised to read the Announcements in their entirety. The Announcements are available on the Hong Kong Stock Exchange’s website at [www.hkex.com.hk](http://www.hkex.com.hk) and on the Company’s website. This presentation uses the same terms as defined in the Announcements.

# Transaction overview



The Proposal comprises the Proposed Acquisition and the Revised Share Buy-back Offer, which are **inter-conditional** on each other

<b>A</b>	<b>Proposed Acquisition</b>	<p>The Company to purchase the Target Holdcos for <b>HKD17bn</b></p> <ul style="list-style-type: none"> <li>– Consideration Shares to be issued at <b>HKD51.00</b> per Share (implying <b>c.10.0%</b> premium to average closing price for the last 10 consecutive trading days ending on the date of the Share Purchase Agreement and <b>c.8.4%</b> premium to closing price on the date of the Share Purchase Agreement)</li> </ul>
<b>B</b>	<b>Revised Share Buy-back Proposal</b>	<p>The Company to buy-back for cancellation up to the Revised Maximum Number of Shares. The Revised Share Buy-back Proposal will be implemented through:</p> <ul style="list-style-type: none"> <li>– the Revised Share Buy-back Offer to all Qualifying Shareholders at <b>HKD51.00</b> per Share (implying <b>c.10.0%</b> to the average closing price for the last 10 consecutive trading days ending on the Last Trading Day and <b>c.8.4%</b> premium to closing price on the Last Trading Day); and</li> <li>– possible subsequent on-market share buy-backs to eliminate all or part of the shortfall at a price not exceeding the Offer Price following the completion of the Revised Share Buy-back Offer<sup>4,5</sup></li> </ul>

The overall effect of the Proposal would be the **deployment by the Company of excess cash to acquire cash generating assets** and **would result in a net reduction in the number of issued Shares**<sup>6</sup>

## Notes:

- Assuming (i) completion of the issue of the Consideration Shares; (ii) no Shares are bought-back pursuant to the Revised Share Buy-back Proposal; and (iii) no Shares other than the Consideration Shares are issued from the dates of the Announcements up to and including the date of completion of the Proposal
- Assuming (i) completion of the issue of the Consideration Shares; (ii) the Revised Maximum Number of Shares are bought-back pursuant to the Revised Share Buy-back Proposal and (iii) no Shares other than the Consideration Shares are issued from the dates of the Announcements up to and including the date of completion of the Proposal
- The Company owns existing economic interests in Northumbrian Water (16%), Wales & West Utilities (12%), Dutch Enviro Energy (14%), UK Rails (20%), Park'N Fly (20%) and Australian Gas Networks (11%)
- If the number of valid acceptances received under the Revised Share Buy-back Offer is less than the Revised Maximum Number of Shares; utilising the share buy-back mandate from Shareholders to be sought and granted at the Company's 2021 AGM
- Any such possible on-market share buy-backs will also be subject to, among other things, market conditions, the trading liquidity and availability of the Shares to be bought-back on-market, compliance with applicable laws and regulations (including the requirements and restrictions of the Listing Rules applicable to on-market share buy-backs and the provisions of the Takeovers Code), no Shareholder breaching the Creeper Limit, and any other factors which the Directors consider to be relevant in determining whether or not to exercise the power of the Company to make on-market share buy-backs pursuant to the share buy-back general mandate if granted by the Shareholders
- Assuming the Revised Share Buy-back Proposal (with the Revised Maximum Number of Shares) is completed in full

# Summary of deal terms

Original proposal	Revised proposal
<b>A Proposed Acquisition</b>	
<ul style="list-style-type: none"> <li>• Purchase Price: <b>HKD17bn</b></li> <li>• Consideration Shares: 333.3m Shares issued at <b>HKD51.00</b> per Share</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<b>B Share Buy-back Proposal</b>	
<ul style="list-style-type: none"> <li>• Maximum Number of Shares to be repurchased: <b>333.3m</b> Shares</li> <li>• Offer Price: <b>HKD51.00</b> per Share</li> <li>• Consideration for Share Buy-back Offer<sup>1</sup>: <b>c.HKD17bn</b></li> <li>• Qualifying Shareholders who accept the Share Buy-back Offer<sup>2</sup> will be entitled to receive in respect of each Share bought back (i) the final cash dividend<sup>3</sup> and (ii) the Offer Price per Share of HKD51.00</li> </ul>	<ul style="list-style-type: none"> <li>• Revised Maximum Number of Shares to be repurchased: <b>380.0m</b> Shares</li> <li>• Consideration for Revised Share Buy-back Offer<sup>4</sup>: <b>HKD19.38bn</b></li> </ul>

<b>Guarantee of Cash Distributions</b>	<ul style="list-style-type: none"> <li>• LKSF will ensure that the Target Holdco Group receives <b>Cash Distributions of not less than HKD910m in aggregate</b>, directly or indirectly, from the Target Companies in respect of each of the years ending 31 December 2021 and 2022, <b>implying a yield on the Purchase Price of not less than 5.35%</b> in each of 2021 and 2022</li> <li>• The Company <b>intends to distribute such amounts in full to Shareholders by way of dividend</b><sup>5</sup></li> </ul>
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<b>Proposed dividend arrangements</b>	<ul style="list-style-type: none"> <li>• Subject to completion of the Proposal, the total amount that the Company will pay in <b>dividends in respect of each of FY2021 and FY2022 will not be less than</b> an amount equal to the sum of (a) the <b>total amount to be paid by the Company in dividends in respect of FY2020</b> and (b) the <b>Cash Distributions</b><sup>6</sup></li> <li>• The effect of the foregoing is that the <b>total dividends per Share in respect of FY2021 and FY2022 will be higher than the total dividends per Share in respect of FY2020</b> irrespective of the number of Shares bought back pursuant to the Revised Share Buy-back Proposal<sup>7</sup></li> </ul>
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Notes:

1. Assuming acceptances are received for the Maximum Number of Shares
2. And whose names appear on the register of members on the Final Dividend Record Date
3. If approved by Shareholders at the 2021 annual general meeting
4. Assuming acceptances are received for the Revised Maximum Number of Shares

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5. To Shareholders whose names appear on the register of members of the Company on the record date for determining the entitlement to such dividend
6. In respect of the relevant financial year
7. Assuming that no new Shares are issued other than pursuant to Proposed Acquisition prior to the record date for the final dividend in respect of FY2022

# Expected timetable and approval thresholds of the transaction

## Expected timetable<sup>1,2</sup>

Event	Date
Despatch date of the Circular and Offer Document, notice of EGM, proxy form for the EGM and Form of Acceptance	On 27 April 2021
EGM	On or around 13 May 2021

## Approvals sought at the EGM

- 1 Proposed Acquisition (Connected Transaction):  
>50% of the votes cast by the Independent Shareholders<sup>3</sup> at the EGM
- 2 Specific Mandate (for the issue of the Consideration Shares):  
>50% of the votes cast by the Independent Shareholders<sup>3</sup> at the EGM
- 3 Whitewash Waiver:  
≥75% of the votes cast by the Independent Shareholders<sup>3</sup> at the EGM and with the Proposed Acquisition and the Revised Share Buy-back Offer approved by >50% of the votes cast by the Independent Shareholders<sup>3</sup> at the EGM
- 4 Special Deal:  
>50% of the votes cast by the Independent Shareholders<sup>3</sup> at the EGM

### Notes:

1. The timetable is indicative only and is subject to change; any changes to the timetable will be announced by the Company
2. Unless otherwise specified, all dates refer to Hong Kong local dates
3. Please refer to the Announcements for the definition of Independent Shareholders



## Transaction rationale

**1** Rare opportunity to acquire interests in a sizeable and high quality investment portfolio with low execution risk





**2** Increase the contribution of the recurrent income base and enhance the stability of earnings of the Group

**3** Financially accretive transaction

**4** Liquidity event providing an opportunity for Shareholders to monetise at a premium to the prevailing market price at the time of announcement

# 1 Rare opportunity to acquire interests in a sizeable and high quality investment portfolio with low execution risk

## Overview of the Target Companies

	Country	Sector	Nature	Company's existing interests <sup>1</sup>	Interests to be acquired	Overview
	United Kingdom	Electricity distribution	Regulated	-	20%	<ul style="list-style-type: none"> <li>One of the United Kingdom's largest power distributors</li> <li>Comprises three regional networks with a distribution area that covers London, the south east and the east of England</li> </ul>
	United Kingdom	Water	Regulated	16%	20%	<ul style="list-style-type: none"> <li>One of the ten regulated water and sewerage companies in England and Wales</li> <li>Supplies water and sewerage services in the north east of England and supplies water services to the south east of England</li> </ul>
	United Kingdom	Gas distribution	Regulated	12%	10%	<ul style="list-style-type: none"> <li>A gas distribution network in the United Kingdom</li> <li>Serves consumers in Wales and the south west of England</li> </ul>
	The Netherlands	Energy-from-waste	Long-term contracted cash flows	14%	10%	<ul style="list-style-type: none"> <li>Owns the largest energy-from-waste player in the Netherlands</li> <li>Operates five waste treatment plants in Rozenburg and Duiven as well as four transfer stations</li> </ul>



In line with the Company's stated corporate strategy of actively pursuing quality investment opportunities that provide stable recurrent revenue and growth potential



A rare opportunity to acquire interests in a sizeable and high quality investment portfolio



The Proposed Acquisition would involve lower execution risk than would be the case with assets in which the Company had no prior interests



Further expand the Company's investment portfolio without the need to go through a competitive auction process

Note:  
1. Represents economic interests owned by the Company

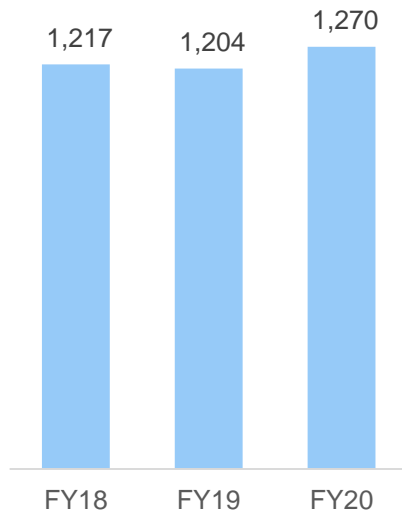
## 2 Increase the contribution of the recurrent income base and enhance the stability of earnings of the Group

The Proposed Acquisition is in line with the Company's stated corporate strategy. The Target Companies have generated **stable recurrent income**

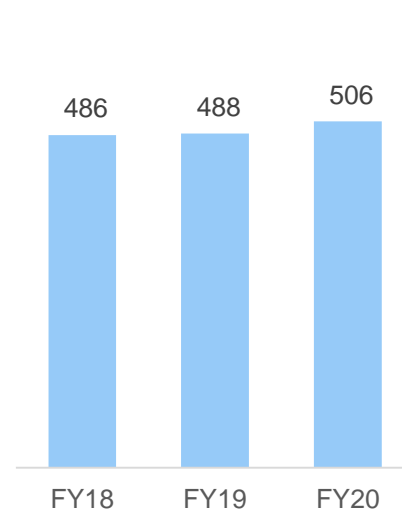
### EBITDA<sup>1,2</sup> (100% basis)



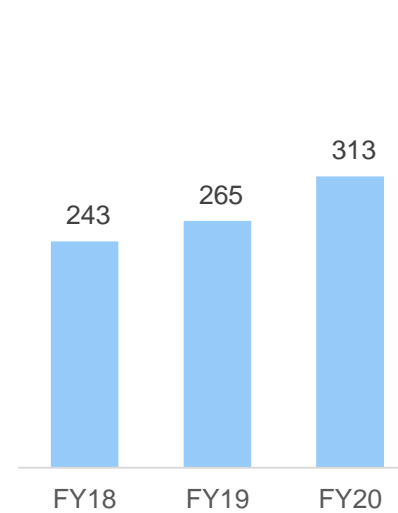
FY ended 31 Mar (GBPm)



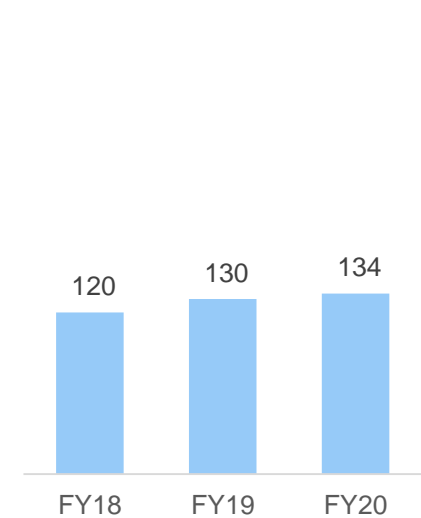
FY ended 31 Mar (GBPm)



FY ended 31 Mar (GBPm)



FY ended 31 Dec (EURm)



Note: charts shown above are not to scale

1. EBITDA is defined as earnings before interest expenses and other finance costs, tax, depreciation and amortization, and is a non-IFRS financial measure
2. Based on audited accounts, except for financial year ended 31 Dec 2020 for Dutch Enviro Energy

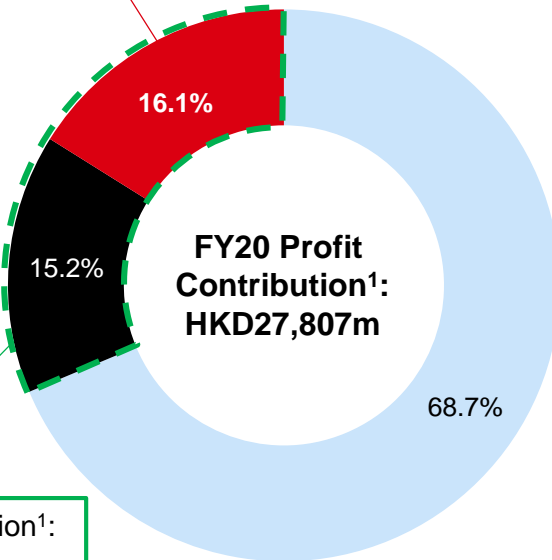
## 2 Increase the contribution of the recurrent income base and enhance the stability of earnings of the Group (cont'd)

### Profit Contribution<sup>1</sup> by segments

Pre-transaction

Post-transaction

Profit Contribution<sup>1</sup> from infrastructure & utility asset operation:  
HKD4,488m  
16.1% of total



Recurrent Profit Contribution<sup>1</sup>:  
HKD8,695m  
31.3% of total

The Proposed Acquisition is expected to create an additional stream of stable income for the Group

Target Holdcos' aggregate profit before (i) taxation; (ii) gain on fair value changes of financial assets; and (iii) exchange gain / (loss) for year ended 31 Dec 2020<sup>2</sup>:  
**HKD978m**

### Principal activities of the Group:

Property sales

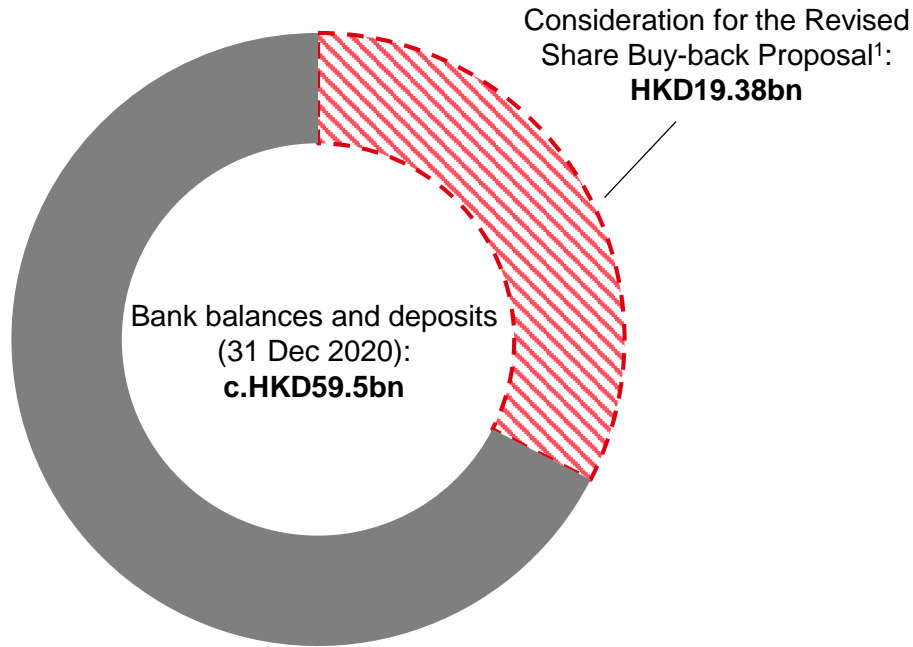
Infrastructure & utility asset operation

Other principal activities (including property rental, hotel and service suite operation, property and project management, aircraft leasing and pub operation)

### Notes:

- Profit Contribution refers to contribution from principal activities after depreciation, impairment and absorption of overhead expenses but before interest costs and tax
- Financial information for Eagle Frame Limited, Mondrem Corporation and Moonstone Global Investment Limited for 2019 and 2020 and financial information for Gerbera Investments Limited for 2020 are based on the unaudited accounts of the respective companies. Financial information for Gerbera Investments Limited for 2019 is based on its audited accounts

### 3 Financially accretive transaction



Although the Purchase Price for the Proposed Acquisition will be settled by the issue of the Consideration Shares, when taken together with the effect of the Revised Share Buy-back Proposal, the overall effect of the Proposal would be the **deployment by the Company of excess cash**



The Proposal would result in a **net reduction in the number of issued Shares<sup>1</sup>** and would be **financially accretive**



Proposed Acquisition

- Cash distribution yield<sup>2</sup>: **5.35%**
- Purchase Price: HKD17bn
- HKD910m Cash Distributions for each of 2021 and 2022 guaranteed by LKSF

Further details of the financial effects of the Proposal will be set out in the Circular and Offer Document to be despatched to Shareholders on 27 April 2021<sup>3</sup>

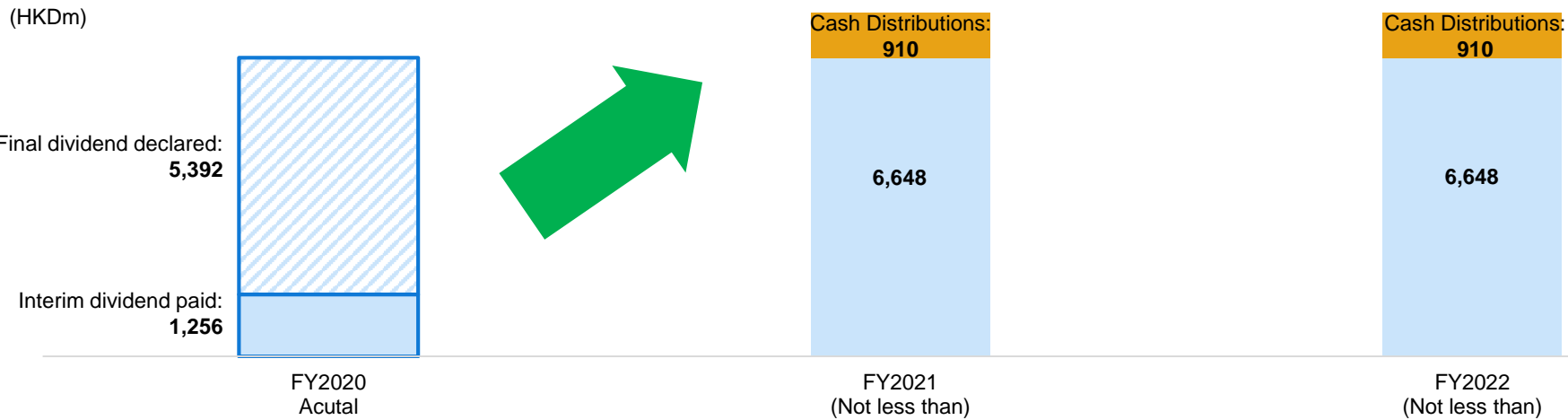
Notes:

1. Assuming the Revised Share Buy-back Proposal (with the Revised Maximum Number of Shares) is completed in full
2. Calculated as HKD910m Cash Distributions divided by the Purchase Price
3. The Company has appointed Anglo Chinese Corporate Finance, Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of Proposal (including the Special Deal and the Whitewash Waiver) and as to voting by the Independent Shareholders. The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be included in the Circular and Offer Document

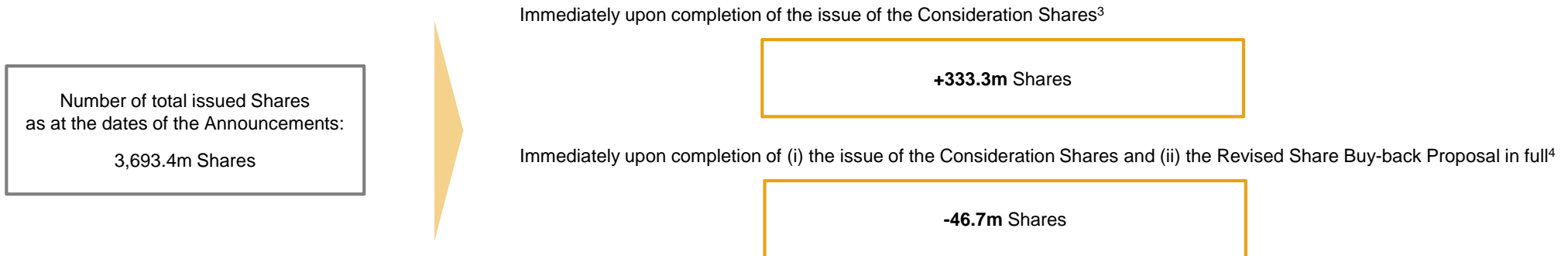
### 3 Financially accretive transaction (cont'd)

#### Proposed dividend arrangements

- Subject to completion of the Proposal, the total amount that the Company will pay in **dividends in respect of each of FY2021 and FY2022 will not be less than** an amount equal to the sum of (a) the **total amount to be paid by the Company in dividends in respect of FY2020** and (b) the **Cash Distributions**<sup>1</sup>
- The effect of the foregoing is that the **total dividends per Share in respect of FY2021 and FY2022 will be higher than the total dividends per Share in respect of FY2020** irrespective of the number of Shares bought back pursuant to the Revised Share Buy-back Proposal<sup>2</sup>



#### Change in the number of total issued Shares



#### Notes:

1. See page 2 for further details on Cash Distributions
2. Assuming that no new Shares are issued prior to the record date for the final dividend in respect of FY2022 other than pursuant to Proposed Acquisition

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3. Assuming (i) completion of the issue of the Consideration Shares; (ii) no Shares are bought-back pursuant to the Revised Share Buy-back Proposal; and (iii) no Shares other than the Consideration Shares are issued from the dates of Announcements up to and including the date of completion of the Proposal
4. Assuming (i) completion of the issue of the Consideration Shares; (ii) the Revised Maximum Number of Shares are bought-back pursuant to the Revised Share Buy-back Proposal; and (iii) no Shares other than the Consideration Shares are issued from the dates of Announcements up to and including the date of completion of the Proposal

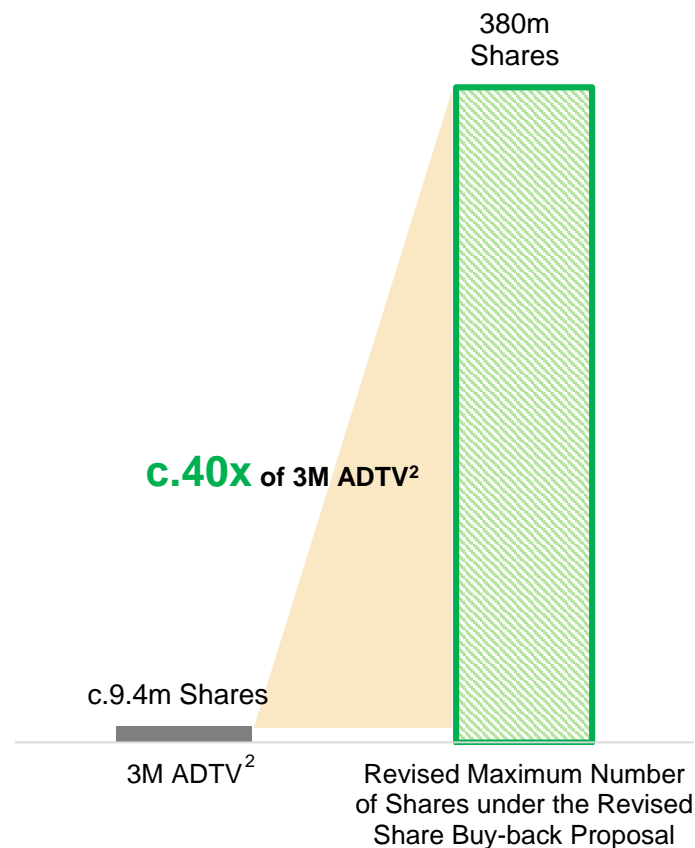
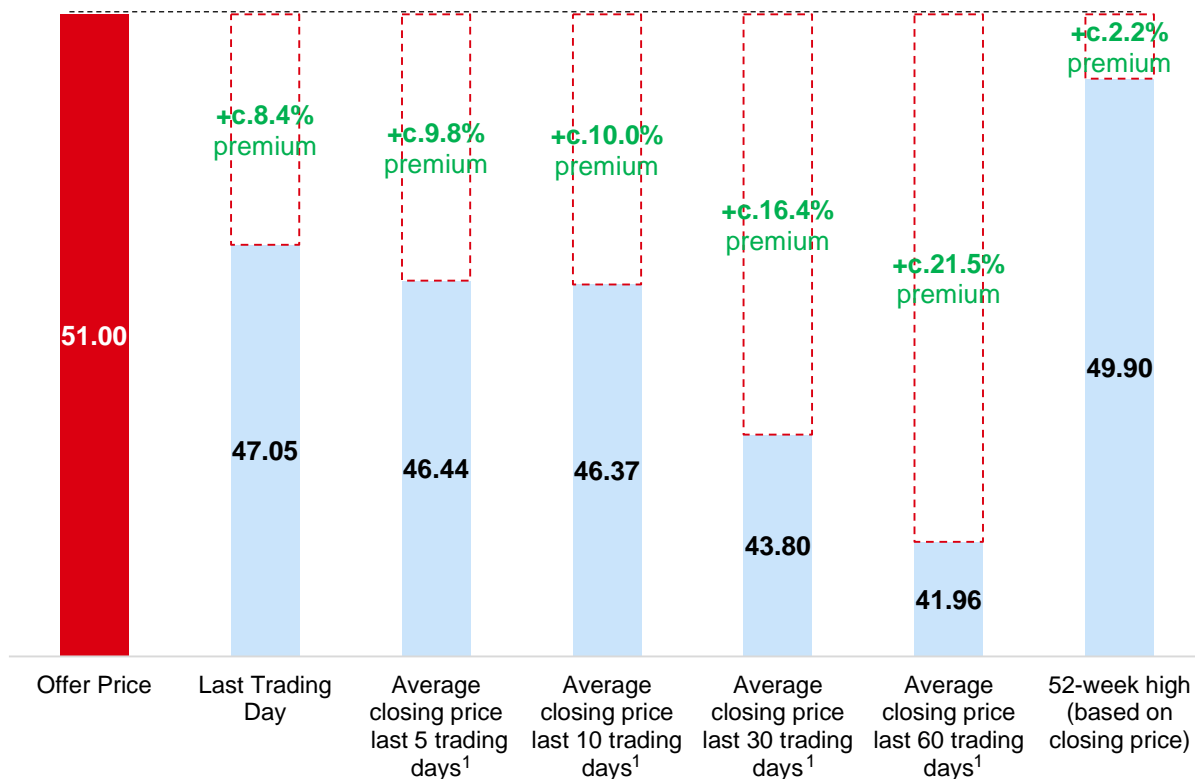
# 4 Liquidity event providing an opportunity for Shareholders to monetise at a premium to the prevailing market price at the time of announcement

The Revised Share Buy-back Offer provides an opportunity for Shareholders to realise at least part of their investment in the Company at a **premium** to recent historic market prices if they so wish

The Offer Price represents a **premium** to recent historic market prices

Providing a liquidity event for Shareholders to monetise with price certainty

(HKD per Share)



Source: HKEx market data

Notes:

- Ending on the Last Trading Day
- Average daily traded volume in the past 3 months as of 18 March 2021

# Appendix



# Holding structure of the Target Holdcos

The Proposed Acquisition will **simplify the holding structure** of the Target Holdcos

## Before completion of the Proposed Acquisition

	Ownership interests					Economic interests <sup>3,4</sup>						
	Company	LKSF	CKHH <sup>1</sup>	CKI <sup>2</sup>	PAH	Total	Company	LKSF	CKHH <sup>1</sup>	CKI <sup>2</sup>	PAH	Total
UK Power Networks	-	20%	-	40%	40%	100%	-	20%	-	40%	40%	100%
Northumbrian Water	-	20% <sup>5</sup>	40% <sup>5</sup>	40% <sup>5</sup>	-	100%	16%	20%	4%	52%	8%	100%
Wales & West Utilities	-	10%	30%	30%	30%	100%	12%	10%	3%	39%	36%	100%
Dutch Enviro Energy	-	10%	35%	35%	20%	100%	14%	10%	4%	46%	27%	100%

## After completion of the Proposed Acquisition

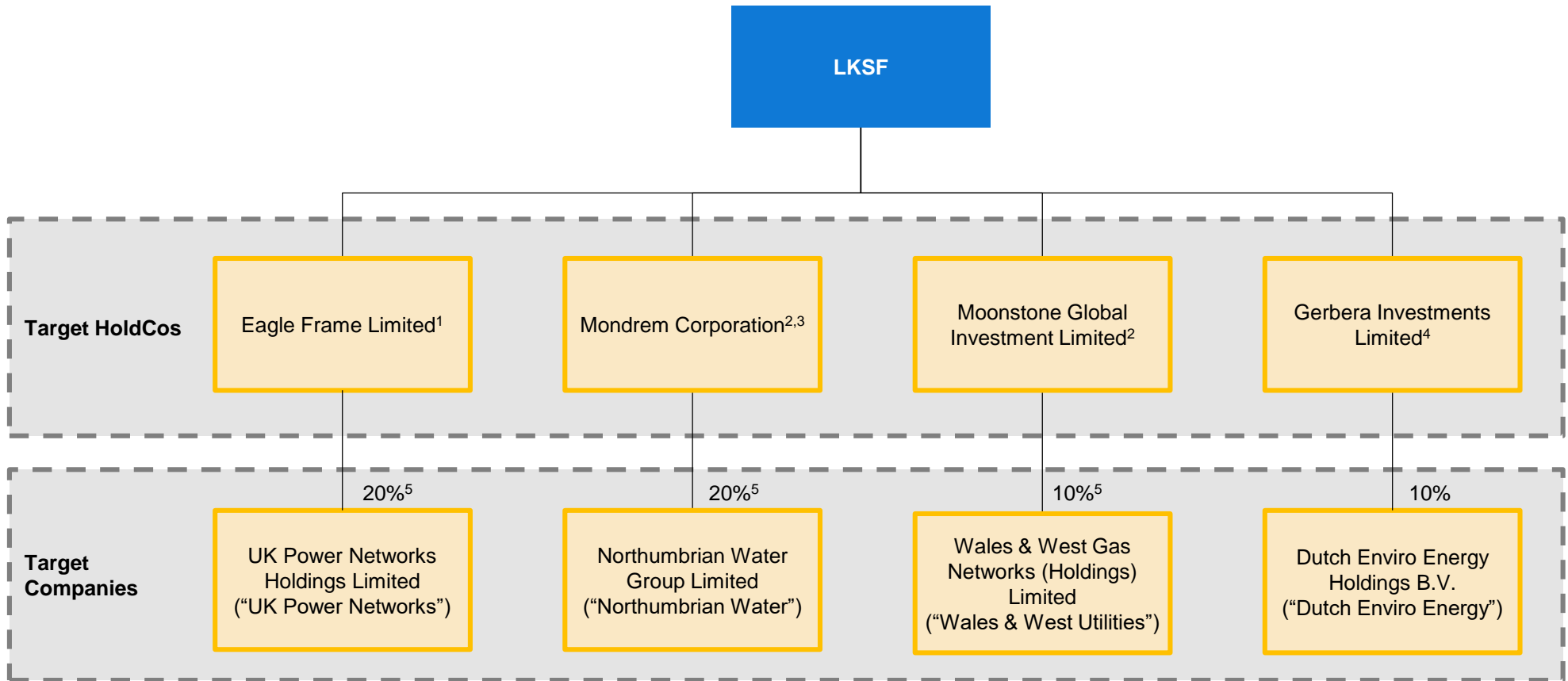
	Ownership interests					Economic interests <sup>3,4</sup>				
	Company	CKHH <sup>1</sup>	CKI <sup>2</sup>	PAH	Total	Company	CKHH <sup>1</sup>	CKI <sup>2</sup>	PAH	Total
UK Power Networks	20%	-	40%	40%	100%	20%	-	40%	40%	100%
Northumbrian Water	20% <sup>5</sup>	40% <sup>5</sup>	40% <sup>5</sup>	-	100%	36%	4%	52%	8%	100%
Wales & West Utilities	10%	30%	30%	30%	100%	22%	3%	39%	36%	100%
Dutch Enviro Energy	10%	35%	35%	20%	100%	24%	4%	46%	27%	100%

### Notes:

1. Excludes ownership interests or economic interests owned by CKI
2. Excludes ownership interests or economic interests owned by PAH
3. For Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy, this represents the split of economic interests arising from the respective economic benefits agreements entered into by the respective subsidiaries of the Company, CKHH, CKI and PAH in August 2018. For further details, please see the Company's announcement dated 31 August 2018

4. UK Power Networks is not subject to the Economic Benefits Agreements
5. Based on the entitlements to profits and capital attaching to relevant shares of Northumbrian Water. For further details, please see the announcement of CKI dated 14 December 2020

# Existing holding structure of the Target Companies



Notes:

1. As at the date of this presentation, LKSF directly holds 70% of the shareholding interest in Fortune Cone Limited, which in turn indirectly holds 100% of the shareholding interest in Eagle Frame Limited. The remaining 30% of the shareholding interest in Fortune Cone Limited is held by LKSGF
2. Indirect wholly-owned subsidiary of LKSF
3. In addition to the indirect ownership interest in Northumbrian Water, Mondrem Corporation also holds an indirect 20% shareholding interest in Northumbrian Services Limited and UK Water (2011) Limited. They do not contribute materially to the financial results of Mondrem Corporation
4. Direct wholly-owned subsidiary of LKSF
5. Indirectly held through other companies

# Summary financials of the Target Companies

In local reporting currency

## EBITDA<sup>1</sup> (100% basis)

			Based on audited accounts (except for financial year ended 31 Dec 2020 for Dutch Enviro Energy)		
	Currency / unit	Financial year ended	2018	2019	2020
UK Power Networks	GBP million	31 Mar	1,217	1,204	1,270
Northumbrian Water	GBP million	31 Mar	486	488	506
Wales & West Utilities	GBP million	31 Mar	243	265	313
Dutch Enviro Energy	EUR million	31 Dec	120	130	134 <sup>5</sup>

## Net debt and RAV or RCV (100% basis)

		As of 31 Mar 2020	As of 31 Mar 2020 or 31 Dec 2020
	Currency / unit	RAV or RCV	Net debt (excluding shareholder loan)
UK Power Networks	GBP billion	6.3 <sup>2</sup>	4.6 <sup>4</sup>
Northumbrian Water	GBP billion	4.3 <sup>3</sup>	3.2 <sup>4</sup>
Wales & West Utilities	GBP billion	2.2 <sup>2</sup>	1.5 <sup>4</sup>
Dutch Enviro Energy	EUR billion	n/a	0.3 <sup>5</sup>

### Notes:

- EBITDA is defined as earnings before interest expenses and other finance costs, tax, depreciation and amortisation and is a non-IFRS financial measure
- 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)
- RCV is a measure published by the relevant regulator primarily used in setting price limits for the relevant regulated industry in the United Kingdom. One of the elements considered by the relevant regulator when assessing the revenues that a company needs is a return on the capital invested in the business. The value of the capital base of the company for the purposes of setting price limits is the RCV
- As of 31 Mar 2020 based on audited accounts
- As of 31 Dec 2020 based on unaudited management accounts

# Summary financials of the Target Companies

## In Hong Kong Dollars

### EBITDA<sup>1</sup> (100% basis)

	Currency / unit	Financial year ended	2018	2019	2020
UK Power Networks	HKD million	31 Mar	13,131	12,991	13,703
Northumbrian Water	HKD million	31 Mar	5,244	5,266	5,460
Wales & West Utilities	HKD million	31 Mar	2,622	2,859	3,377
Dutch Enviro Energy	HKD million	31 Dec	1,109	1,201	1,238

### Net debt and RAV or RCV (100% basis)

		As of 31 Mar 2020	As of 31 Mar 2020 or 31 Dec 2020
	Currency / unit	RAV or RCV	Net debt (excluding shareholder loan)
UK Power Networks	HKD billion	68.3 <sup>2</sup>	49.4 <sup>4</sup>
Northumbrian Water	HKD billion	46.6 <sup>3</sup>	34.3 <sup>4</sup>
Wales & West Utilities	HKD billion	23.9 <sup>2</sup>	16.0 <sup>4</sup>
Dutch Enviro Energy	HKD billion	n/a	2.9 <sup>5</sup>

Notes: the figures in "GBP" are converted into HKD at the rate of GBP1.00: HKD10.79 and the figures in "EUR" are converted into HKD at the rate of EUR1.00: HKD9.24 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

1. EBITDA is defined as earnings before interest expenses and other finance costs, tax, depreciation and amortisation and is a non-IFRS financial measure

2. 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)

3. RCV is a measure published by the relevant regulator primarily used in setting price limits for the relevant regulated industry in the United Kingdom. One of the elements considered by the relevant regulator when assessing the revenues that a company needs is a return on the capital invested in the business. The value of the capital base of the company for the purposes of setting price limits is the RCV

4. As of 31 Mar 2020

5. As of 31 Dec 2020

## Summary financials of the Target Holdcos

	Net assets	Profit before (i) taxation, (ii) gain on fair value changes of financial assets; and (iii) exchange gain / (loss) <sup>2</sup>		Profit before taxation for the year <sup>3</sup>	
	2020	2019	2020	2019	2020
Financial year ended 31 Dec (HKDm) <sup>1</sup>					
Eagle Frame Limited	8,022	633	636	845	2,591
Mondrem Corporation	3,776	253	245	509	567
Moonstone Global Investment Limited	1,103	48	48	71	66
Gerbera Investments Limited	978	52	49	77	310
<b>Total</b>	<b>13,879</b>	<b>986</b>	<b>978</b>	<b>1,502</b>	<b>3,534</b>

Notes:

1. Financial information for Eagle Frame Limited, Mondrem Corporation and Moonstone Global Investment Limited for 2019 and 2020 and financial information for Gerbera Investments Limited for 2020 are based on the unaudited accounts of the respective companies. Financial information for Gerbera Investments Limited for 2019 is based on its audited accounts
2. For each Target Holdco, profit before (i) taxation; (ii) gain on fair value changes of financial assets; and (iii) exchange gain / (loss) and profit (i) after taxation; (ii) before gain on fair value changes of financial assets; and (iii) before exchange gain / (loss) are the same, given there were no tax expenses for each of the financial years ended 31 December 2019 and 2020
3. Profit before taxation and profit for the year for each Target Holdco are the same given there were no tax expenses for each of the financial years ended 31 Dec 2019 and 2020

# Disclaimer

This presentation is for information purposes only and does not constitute an offer to acquire, purchase or subscribe for any securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to buy, sell or subscribe for any securities.

This presentation is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.

Shareholders of and/or potential investors in the Company should note that the Proposal is subject to all of the conditions of the Proposal being fulfilled or waived (as applicable) and therefore may or may not become unconditional. If any of the conditions is not fulfilled or waived (as applicable), the Proposal will not proceed and will immediately lapse.

Shareholders of and/or potential investors in the Company should therefore exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Shareholders are advised to read carefully the formal documentation relating to the Proposal once it has been despatched, which will contain among other things, advice from the Independent Financial Adviser to the Independent Shareholders and the advice of the Independent Board Committee.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has (a) approved or disapproved the Revised Share Buy-back Offer, (b) passed upon the merits or fairness of the Revised Share Buy-back Offer, or (c) passed upon the adequacy or accuracy of the disclosure in this presentation. Any representation to the contrary is a criminal offense.