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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)



CK Infrastructure Holdings Limited
長江基建集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1038)

JOINT ANNOUNCEMENT RELATING TO THE CONTRIBUTIONS OF RECEIVABLES TO A JOINT VENTURE

DISCLOSEABLE TRANSACTIONS

The CKA Board and the CKI Board jointly announce that on 14 December 2022, CKA Sub (an indirect wholly-owned subsidiary of CKA) and CKI Sub (an indirect wholly-owned subsidiary of CKI) entered into the Contribution Agreement with Sarvana (a joint venture of CKA and CKI in the respective consolidated financial statements of CKA and CKI) and Lamarillo (a wholly-owned subsidiary of Sarvana) in relation to the Contributions.

Pursuant to the Contribution Agreement, CKA Sub and CKI Sub, each acting independently and severally, have agreed to the following:

- (i) CKA Sub shall contribute to Sarvana its right to receive the CKA Sub Receivable in consideration for Sarvana issuing to CKA Sub the CKA Sub New Shares; and
- (ii) CKI Sub shall contribute to Sarvana its right to receive the CKI Sub Receivable in consideration for Sarvana issuing to CKI Sub the CKI Sub New Shares.

Upon completion of the Contributions, the ownership of CKA Sub and CKI Sub in the issued share capital of Sarvana shall remain 65% and 35%, respectively.

LISTING RULES IMPLICATIONS

The implications of the Contributions for each of CKA and CKI under the Listing Rules are as follows:

For CKA

As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the CKA Sub Contribution exceeds 5% but all of the applicable percentage ratios are less than 25%, the CKA Sub Contribution constitutes a discloseable transaction of CKA and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

For CKI

As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the CKI Sub Contribution exceeds 5% but all of the applicable percentage ratios are less than 25%, the CKI Sub Contribution constitutes a discloseable transaction of CKI and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

The CKA Board and the CKI Board jointly announce that on 14 December 2022, CKA Sub (an indirect wholly-owned subsidiary of CKA) and CKI Sub (an indirect wholly-owned subsidiary of CKI) entered into the Contribution Agreement in relation to the Contributions.

2. CONTRIBUTION AGREEMENT

The principal terms of the Contribution Agreement are set out below:

Date

14 December 2022

Parties

- (i) CKA Sub as a Contributor;
- (ii) CKI Sub as a Contributor;
- (iii) Sarvana; and
- (iv) Lamarillo.

CKA Sub is an indirect wholly-owned subsidiary of CKA. CKI Sub is an indirect wholly-owned subsidiary of CKI. Sarvana is directly owned as to 65% by the CKA Sub and 35% by the CKI Sub respectively. Sarvana is accounted for as a joint venture in the consolidated financial statements of each of CKA and CKI. Lamarillo is a wholly-owned subsidiary of Sarvana. Neither Sarvana nor Lamarillo are connected persons of CKA or CKI.

Contributions

Each of CKA Sub and CKI Sub has the right to receive the CKA Sub Receivable and the CKI Sub Receivable, respectively, as repayment of the loan made by it under the CKA Sub Loan Agreement and the CKI Sub Loan Agreement, respectively.

Pursuant to the Contribution Agreement, each of CKA Sub and CKI Sub, acting independently and severally, has agreed to contribute to Sarvana its right to receive, respectively, the CKA Sub Receivable and the CKI Sub Receivable, in consideration for the issuance by Sarvana of (i) the CKA Sub New Shares to CKA Sub and (ii) the CKI Sub New Shares to CKI Sub.

Consideration

The Consideration for the Contributions shall be:

- (i) in relation to the CKA Sub Contribution, the issuance by Sarvana to CKA Sub of the CKA Sub New Shares for a subscription price of EUR1,637,712,283.66 (equivalent to approximately HK\$13,540,441,390.07), reflecting the fair market value of the CKA Sub Receivable; and

- (ii) in relation to the CKI Sub Contribution, the issuance by Sarvana to CKI Sub of the CKI Sub New Shares for a subscription price of EUR881,845,075.82 (equivalent to approximately HK\$7,291,006,902.37), reflecting the fair market value of the CKI Sub Receivable.

The Consideration for each of the Contributions was determined based on arm's length negotiations between each Contributor and Sarvana, having taken into account relevant factors and circumstances, including the fair market value of the CKA Sub Receivable and of the CKI Sub Receivable.

Completion

Completion of the Contributions shall take place on the issuance and allotment by Sarvana of the New Shares to each of the Contributors immediately following approval of the same at the EGM of Sarvana. The ownership of CKA Sub and CKI Sub in the issued share capital of Sarvana shall remain 65% and 35%, respectively.

Simultaneously with completion of the Contributions, each Contributor's right to receive the respective Receivable shall automatically be extinguished as between such Contributor and Lamarillo. The accrued interests in respect of the respective Receivable shall remain due and payable by Lamarillo to each Contributor.

3. INFORMATION ON THE PARTIES

The CKA Group is a leading multinational corporation and has diverse capabilities with activities 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 CKA and is an investment holding company.

The CKI Group is a global infrastructure company whose principal activities are development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. CKI Sub is an indirect wholly-owned subsidiary of CKI and is an investment holding company.

Sarvana is incorporated under the laws of the Grand Duchy of Luxembourg and is a fully integrated energy management service provider operated by the ista Group in Europe. The share capital of Sarvana is directly owned as to 65% and 35% by CKA Sub and CKI Sub, respectively. Sarvana is accounted for as a joint venture in the consolidated financial statements of each of CKA and CKI.

The table below sets out the audited financial information of the Sarvana Group for the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

| | For the year ended 31 December | |
|----------------------------|---|---|
| | 2020 | 2021 |
| | EUR Million | EUR Million |
| Net profit before taxation | 16 (equivalent to approximately HK\$132 Million) | 17 (equivalent to approximately HK\$141 Million) |
| Net loss after taxation | 37 (equivalent to approximately HK\$306 Million) | 28 (equivalent to approximately HK\$232 Million) |

The audited net asset value of the Sarvana Group as at 31 December 2021 was approximately EUR496 million (equivalent to approximately HK\$4,101 million).

Lamarillo is an investment holding company incorporated under the laws of the Grand Duchy of Luxembourg and is a wholly-owned subsidiary of Sarvana.

4. REASONS FOR AND BENEFITS OF THE CONTRIBUTIONS

Each of the Contributions is entered into by each of CKA and CKI in the context of an internal reorganisation of the Sarvana Group. The Contributions enable the Sarvana Group to improve its debt-to-equity ratio, which will enhance long term and sustainable return for each of CKA and CKI.

For the above reasons:

- (i) the CKA Directors consider that the terms of the Contribution Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Contribution Agreement is in the interests of CKA and its shareholders as a whole; and
- (ii) the CKI Directors consider that the terms of the Contribution Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Contribution Agreement is in the interests of CKI and its shareholders as a whole.

5. IMPLICATIONS UNDER THE LISTING RULES

The implications of the Contributions for each of CKA and CKI under the Listing Rules are as follows:

For CKA

As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the CKA Sub Contribution exceeds 5% but all of the applicable percentage ratios are less than 25%, the CKA Sub Contribution constitutes a discloseable transaction of CKA and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

For CKI

As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the CKI Sub Contribution exceeds 5% but all of the applicable percentage ratios are less than 25%, the CKI Sub Contribution constitutes a discloseable transaction of CKI and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

6. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

| | |
|--------------------|---|
| “CKA” | 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) |
| “CKA Board” | the board of CKA Directors |

| | |
|---------------------------------|---|
| “CKA Director(s)” | the director(s) of CKA |
| “CKA Group” | CKA and its subsidiaries |
| “CKA Sub” | Admiral King Limited, a limited liability company incorporated under the laws of British Virgin Islands |
| “CKA Sub Contribution” | CKA Sub’s contribution of its right to receive the CKA Sub Receivable in consideration for the CKA Sub New Shares |
| “CKA Sub Loan Agreement” | the loan agreement dated 18 October 2017 entered into between CKA Sub and Lamarillo, pursuant to which CKA Sub made available a loan to Lamarillo in the principal amount equal to the CKA Sub Receivable |
| “CKA Sub New Shares” | 65 new shares in the share capital of Sarvana, each having a nominal value of EUR125 (equivalent to approximately HK\$1,033.49) |
| “CKA Sub Receivable” | EUR1,637,712,283.66 (equivalent to approximately HK\$13,540,441,390.07), being the principal amount of the loan made available by CKA Sub to Lamarillo pursuant to the CKA Sub Loan Agreement |
| “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) |
| “CKI Board” | the board of CKI Directors |
| “CKI Director(s)” | the director(s) of CKI |
| “CKI Group” | CKI and its subsidiaries |
| “CKI Sub” | Swift Returns Global Limited, a limited liability company incorporated under the laws of British Virgin Islands |
| “CKI Sub Contribution” | CKI Sub’s contribution of its right to receive the CKI Sub Receivable in consideration for the CKI Sub New Shares |
| “CKI Sub Loan Agreement” | the loan agreement dated 18 October 2017 entered into between CKI Sub and Lamarillo, pursuant to which CKI Sub made available a loan to Lamarillo in the principal amount equal to the CKI Sub Receivable |
| “CKI Sub New Shares” | 35 new shares in the share capital of Sarvana, each having a nominal value of EUR125 (equivalent to approximately HK\$1,033.49) |
| “CKI Sub Receivable” | EUR881,845,075.82 (equivalent to approximately HK\$7,291,006,902.37), being the principal amount of the loan made available by CKI Sub to Lamarillo pursuant to the CKI Sub Loan Agreement |
| “connected person(s)” | has the meaning ascribed to such term in the Listing Rules |

| | |
|---------------------------------|---|
| “Consideration” | the total consideration for each of the Contributions |
| “Contributions” | (i) the CKA Sub Contribution and (ii) the CKI Sub Contribution |
| “Contribution Agreement” | the contribution agreement dated 14 December 2022 entered into by CKA Sub, CKI Sub, Sarvana and Lamarillo in relation to the Contributions |
| “Contributor(s)” | CKA Sub and/or CKI Sub |
| “EGM” | the extraordinary general meeting of shareholders of Sarvana resolving, among others, to issue the New Shares |
| “EUR” | Euro, the lawful currency of the member states of the European Union |
| “HK\$” | Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China |
| “ista Group” | ista International GmbH, a company incorporated in Germany, and its subsidiaries |
| “Lamarillo” | Lamarillo S.à r.l., a limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “New Shares” | CKA Sub New Shares and CKI Sub New Shares |
| “percentage ratios” | shall have the meaning ascribed to such term in Chapter 14 of the Listing Rules |
| “Receivable” | (a) in relation to CKA Sub, the CKA Sub Receivable; and (b) in relation to CKI Sub, the CKI Sub Receivable |
| “Sarvana” | Sarvana S.à r.l., a limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg |
| “Sarvana Group” | Sarvana and its subsidiaries |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

Note: The figures in EUR are converted into HK\$ at the rate of EUR1.00 : HK\$8.2679 throughout this announcement 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.

By Order of the CKA Board
CK Asset Holdings Limited
Eirene Yeung
*Executive Committee Member
& Company Secretary*

By Order of the CKI Board
CK Infrastructure Holdings Limited
Eirene Yeung
Company Secretary

14 December 2022

As at the date of this announcement, the CKA Directors 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, Dr. 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. Donald Jeffrey ROBERTS, Mr. Stephen Edward BRADLEY, Mrs. KWOK Eva Lee, Mrs. SNG Sow-mei alias Poon Sow Mei and Mr. LAM Siu Hong, Donny as Independent Non-executive Directors.

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