
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 Power Assets Holdings Limited, you should at once hand this circular and the accompanying 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.



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

CONNECTED TRANSACTION AND MAJOR TRANSACTION DISPOSAL OF UK POWER NETWORKS AND NOTICE OF GENERAL MEETING

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



PLATINUM
Securities

A letter from the Board to the Shareholders is set out on pages 13 to 26 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of PAH Sub's Disposal is set out on page 27 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 PAH Sub's Disposal is set out on pages 28 to 56 of this circular.

The notice convening the General Meeting to be held as a hybrid meeting at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 3:00 p.m. (or (i) as the Directors may, in their absolute discretion in accordance with the Articles of Association, change the place of the General 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 General Meeting; 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 General Meeting is enclosed with this circular. The proxy form can also be downloaded from the website of the Company at <https://www.powerassets.com> and the HKEXnews Website at <https://www.hkexnews.hk>. Independent Shareholders are encouraged to exercise their rights to attend and vote at the General Meeting or to appoint the Chairman of the General Meeting as their proxy by (i) returning the completed proxy form in accordance with the instructions printed thereon to the Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; (ii) depositing the completed proxy form at the Company's registered office at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong; or (iii) sending a legible image of the completed proxy form to the Company by email at eproxy@powerassets.com as soon as possible and in any event no less than 48 hours before the time for holding the General Meeting (or any adjournment or postponement thereof). **Completion and return of the proxy form will not preclude Shareholders from attending and voting at the General Meeting (or at any adjournment or postponement thereof) should they subsequently so wish and, in such event, the proxy form shall be deemed to be revoked. For the General Meeting convened to be held on Monday, 27 April 2026 at 3:00 p.m., the deadline to submit completed proxy forms is Saturday, 25 April 2026 at 3:00 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 between the Chinese version and the English version of this circular, the English version shall prevail.

This circular has been posted in both the English and Chinese languages on the website of the Company at <https://www.powerassets.com> and the HKEXnews Website at <https://www.hkexnews.hk>. If Shareholders wish to receive corporate communications (including but not limited to this circular) in printed form, please follow the relevant instructions set out in the “Arrangements For Dissemination Of Corporate Communications” under the “Investor Information” section of the Company’s website, complete the relevant Reply Form and return the completed Reply Form to the Company at mail@powerassets.com or by post to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Any such request from a Shareholder shall be valid for one year starting from the date of receipt, or until the original request has been revoked in writing or superseded by a subsequent written request, whichever is earlier. A Shareholder wishing to continue to receive corporate communications in printed form after expiry of the original request must submit a fresh Reply Form.

CONTENTS

	Page
GUIDANCE FOR THE GENERAL MEETING	1
DEFINITIONS	5
LETTER FROM THE BOARD	13
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	27
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	28
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	57
APPENDIX II – GENERAL INFORMATION	59
NOTICE OF GENERAL MEETING	N-1

GUIDANCE FOR THE GENERAL MEETING

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

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

ATTENDING THE GENERAL MEETING THROUGH THE ONLINE PLATFORM

The Online Platform will be open for registered and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the General Meeting (i.e. around 2:30 p.m. 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 General Meeting at <https://www.powerassets.com> for assistance.

Login details for registered Shareholders

Details regarding the General Meeting arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”) sent together with this circular.

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend, participate and vote at the General Meeting using the Online Platform should:

- (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the General Meeting; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the General Meeting arrangements including login details to access the Online Platform will be sent by the 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. on Friday, 24 April 2026 should reach out to the Share Registrar for assistance. Without the login details, non-registered Shareholders will not be able to attend, participate

GUIDANCE FOR THE GENERAL MEETING

and vote at the General Meeting through the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

Login details for duly appointed proxies or corporate representatives

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

For corporate Shareholders who wish to appoint representatives to attend, participate and vote at the General Meeting on their behalf through the Online Platform, please call the Share Registrar at (852) 2862 8558 for 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 Share Registrar for assistance.

All votes and questions must be submitted through the Online Platform at the General Meeting regardless of whether the attendance is in person at the General Meeting venue or not. Accordingly, registered and non-registered Shareholders (including their respective proxies or corporate representatives) attending the General Meeting in person are reminded to bring their smart phones, tablet devices or computers, as well as the Shareholder Notifications or notifications from the Intermediary (containing personalised login details), to the General Meeting venue. Registered and non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the General Meeting and do not disclose them to any third parties. Neither the Company nor its agents 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 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.

Voting through the Online Platform

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

The votes submitted through 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 or non-registered Shareholders.

GUIDANCE FOR THE GENERAL MEETING

QUESTIONS AT AND PRIOR TO THE GENERAL MEETING

Shareholders attending the General Meeting using the Online Platform will be able to submit online during the General Meeting questions relevant to the proposed resolution. 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 GM2026@powerassets.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 General Meeting, due to time constraints, the Company may respond to unanswered questions after the General Meeting as appropriate.

VOTING BY PROXY IN ADVANCE OF THE GENERAL MEETING

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

Submission of proxy forms for registered Shareholders

A proxy form for use at the General Meeting is enclosed with this circular. The proxy form can also be downloaded from the website of the Company at <https://www.powerassets.com> and the HKEXnews Website at <https://www.hkexnews.hk>.

The deadline to submit completed proxy forms is Saturday, 25 April 2026 at 3:00 p.m. Completed proxy forms must be (i) returned to the Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; (ii) deposited at the Company’s registered office at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong; or (iii) returned electronically in a legible image to the Company by email at eproxy@powerassets.com 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 General Meeting arrangements at short notice, the Directors may, in their absolute discretion in accordance with the Articles of Association, change the place of the General 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 General Meeting. Shareholders should check the website of the Company at <https://www.powerassets.com> for future announcements and updates on the General Meeting arrangements.

GUIDANCE FOR THE GENERAL MEETING

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

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, 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, PAH Sub’s Disposal
“Apex Harmony”	Apex Harmony Group Limited, an indirect wholly-owned subsidiary of CKA which is incorporated under the laws of the British Virgin Islands, being CKA Sub’s relevant Shareholder Debt Instrument Holder
“Articles of Association”	the articles of association of the Company
“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 PAH Consideration”	GBP4,219,200,000 (equivalent to approximately HK\$44,301,600,000), being the base consideration of the sale and purchase of PAH Sub’s Sale Shares and PAH Sub’s Shareholder Debt Instruments
“Board”	the board of Directors
“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 Group”	CKA and its subsidiaries
“CKA Sub”	Eagle Insight International Limited, an indirect wholly-owned subsidiary of CKA which is incorporated under the laws of the British Virgin Islands
“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)

DEFINITIONS

“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”	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)
“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
“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

DEFINITIONS

“General Meeting”	the general meeting of the Company to be held as a hybrid meeting at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 3:00 p.m. (or any adjournment or postponement thereof) for the purposes of considering and, if thought fit, passing an ordinary resolution to approve PAH Sub’s Disposal
“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
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Ip Yuk-keung, Albert and Mr. Kwan Chi Kin, Anthony, being independent non-executive directors of the Company, established to advise the Independent Shareholders on PAH Sub’s Disposal
“Independent Financial Adviser”	Platinum Securities Company Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity 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 PAH Sub’s Disposal
“Independent Shareholders”	Shareholders other than those who have a material interest (which is different from that of the other Shareholders) in PAH Sub’s Disposal

DEFINITIONS

“Known PAH Leakage Amount”	the aggregate amount of all such leakage to PAH Sub or any affiliate of PAH Sub (other than any member of the Target Group): (i) occurring from (and excluding) 31 March 2025 up to (and including) Closing 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 PAH Permitted Leakage Amount”	an amount equal to the aggregate of the PAH Dividend Amount and the PAH Shareholder Debt Interest Payment Amount paid, made or declared (as applicable) to PAH Sub or any affiliate of PAH 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 General Meeting”	the notice convening the General Meeting, as set out on pages N-1 to N-3 of this circular
“PAH Consideration”	the total consideration for the sale and purchase of PAH Sub’s Sale Shares and PAH Sub’s Shareholder Debt Instruments pursuant to the Share Purchase Agreement
“PAH Dividend Amount”	any dividend or distribution (whether in cash or in specie), declared, paid or made by any member of the Target Group to PAH Sub or any affiliate of PAH Sub (other than any member of the Target Group) from (and excluding) 31 March 2025 to (and including) 30 June 2026

DEFINITIONS

“PAH 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 PAH 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 PAH Permitted Leakage Amount from (and excluding) 31 March 2025 up to (and including) 30 June 2026, if such interest had accrued daily
“PAH 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 PAH Sub or any affiliate of PAH Sub (other than any member of the Target Group) from (and excluding) 31 March 2025 to (and including) 30 June 2026
“PAH Sub”	Devin International Limited, an indirect wholly-owned subsidiary of the Company which is incorporated under the laws of the British Virgin Islands
“PAH Sub’s Sale Shares”	the 244,000,000 Sale Shares owned by PAH Sub as at the date of the Share Purchase Agreement
“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

DEFINITIONS

“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 PAH Sub as to 40%, CKI Sub as to 40% and CKA Sub as to 20% 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”	PAH Sub, CKI Sub and CKA Sub
“Sellers’ Shareholder Conditions”	the Conditions set out under paragraphs (i) to (iv) under the section headed “2. <i>Share Purchase Agreement – Conditions</i> ” 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
“Share(s)”	ordinary share(s) in the share capital of the Company
“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
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar of the Company

DEFINITIONS

“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) PAH Sub, in the amount of GBP275,672,000; (b) Express Train, in the amount of GBP275,672,000, the sale of which shall be procured by CKI Sub; and (c) Apex Harmony, in the amount of GBP137,836,000, the sale of which shall be procured by CKA 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) PAH Sub, in the amount of GBP34,000,000; (b) Express Train, in the amount of GBP34,000,000, the sale of which shall be procured by CKI Sub; and (c) Apex Harmony, in the amount of GBP17,000,000, the sale of which shall be procured by CKA 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)”	PAH Sub, Express Train and Apex Harmony
“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
“UKPN Facility Agreements”	the GBP500,000,000 facility agreements dated 29 October 2024 between the Target and each of PAH Sub, Express Train and Apex Harmony

DEFINITIONS

“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 PAH Sub, Express Train and Apex Harmony (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 PAH Sub, Express Train and Apex Harmony
“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 PAH Sub, Express Train and Apex Harmony (as amended and/or restated from time to time)
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“%”	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.

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

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

LETTER FROM THE BOARD



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

Executive Directors:

Andrew John HUNTER (*Chairman*)
TSAI Chao Chung, Charles (*Chief Executive Officer*)
CHAN Loi Shun
CHENG Cho Ying, Francis

Registered Office:

Unit 2005, 20th Floor,
Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

Non-executive Directors:

LEUNG Hong Shun, Alexander
LI Tzar Kuoi, Victor
Neil Douglas MCGEE

Independent non-executive Directors:

Stephen Edward BRADLEY
IP Yuk-keung, Albert
KOH Poh Wah
KWAN Chi Kin, Anthony

8 April 2026

To the Shareholders,

Dear Sir or Madam,

**CONNECTED TRANSACTION AND MAJOR TRANSACTION
DISPOSAL OF UK POWER NETWORKS
AND
NOTICE OF 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 PAH 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, PAH Sub, CKI Sub (an indirect wholly-owned subsidiary of CKI), CKA Sub (an indirect wholly-owned subsidiary of CKA), the Purchaser and the Purchaser's Guarantor entered into the Share Purchase Agreement in relation to the Disposal.

The purpose of this circular is to provide Shareholders with, among other things, (i) further details of PAH Sub's Disposal; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to PAH Sub's Disposal; (iii) a letter of advice from

LETTER FROM THE BOARD

the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to PAH Sub's Disposal; (iv) the Notice of General Meeting; 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) PAH Sub as a seller;
- (ii) CKI Sub as a seller;
- (iii) CKA Sub as a seller;
- (iv) the Purchaser as the purchaser; and
- (v) the Purchaser's Guarantor as the Purchaser's guarantor.

PAH Sub is an indirect wholly-owned subsidiary of the Company. CKI Sub is an indirect wholly-owned subsidiary of CKI. CKA Sub is an indirect wholly-owned subsidiary of CKA. The rights and obligations of each of PAH Sub, CKI Sub and CKA Sub under the Share Purchase Agreement are on a several basis, and each of PAH Sub, CKI Sub and CKA 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 40%, 40% and 20% by PAH Sub, CKI Sub and CKA 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.

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.

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

PAH Consideration

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

- (i) the Base PAH Consideration, being GBP4,219,200,000 (equivalent to approximately HK\$44,301,600,000); *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 PAH Consideration from (and excluding) 31 March 2025 up to (and including) the Closing Date, accruing daily; *less*
- (iii) the Known PAH Permitted Leakage Amount; *less*
- (iv) to the extent not deducted from the Base PAH Consideration under paragraph (iii) above, an amount equal to: (a) the Known PAH Leakage Amount (if any); *plus* (b) the Reimbursement Amount in respect of such Known PAH 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 CKA 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 PAH Permitted Leakage Reimbursement Amount.

Please note that, if Closing occurs on or before 30 June 2026, the Known PAH 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 PAH Consideration, and no interest will be charged on that amount and deducted from the Base PAH 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

LETTER FROM THE BOARD

PAH Permitted Leakage Amount from 1 July 2026 up to (and including) the Closing Date and deducted from the Base PAH Consideration. In addition, any Known PAH Leakage Amount in excess of the Known PAH 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 PAH Consideration.

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

The PAH Consideration for PAH Sub's Disposal was determined based on arm's length negotiations between PAH 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 PAH Sub's Disposal*" below.

In determining the PAH 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.

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.

LETTER FROM THE BOARD

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 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;
- (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 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;
- (iv) approval by the shareholders of CKA 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;
- (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

LETTER FROM THE BOARD

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.

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.

LETTER FROM THE BOARD

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 PAH 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.

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

LETTER FROM THE BOARD

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 parameters.¹ 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.

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 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 the 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).

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

4. FINANCIAL EFFECTS OF PAH 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 Shareholder Debt Instruments (which are carried at cost), was presented under "interests in joint ventures" in the consolidated statement of financial position.

Upon Closing, the Group will derecognise its interest in the Target Group and the Shareholder Debt Instruments from its consolidated financial statements.

At Closing, PAH Sub will receive the proceeds from the Disposal in cash. The net proceeds to be received by the Group are intended to be used by the Group to pursue new investment or acquisition opportunities and for general working capital purposes. The Group will continue to pursue new acquisition opportunities, with a focus on investing in mature businesses in well-regulated energy markets that adhere to its strict investment criteria.

Subject to Closing and based on the currently available information, the Group expects to recognise a gain of approximately HK\$10.7 billion arising from PAH Sub's Disposal.

The estimated gain is based on the information currently available, including estimates and assumptions regarding: (i) the value of the consideration as determined by the terms of PAH Sub's Disposal; (ii) the carrying amount of the Group's interests in the Target Group and the related 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.

Having taken into account the estimated gain as mentioned above, it is estimated that at Closing, the net assets of the Group will increase by approximately HK\$12.4 billion, comprising an increase in total assets of approximately HK\$12.4 billion. The excess of the PAH Consideration over the net book value of PAH Sub's interests in the Target Group is expected to be approximately HK\$12.4 billion.

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

Since the Group's acquisition of its interest in the Target Group in 2010, the Target Group has gone through a steady transformation and is now a leading electricity distribution network operator in the United Kingdom, consistently delivering stable financial contribution to the Company. The Target Group has achieved significant growth during the Group's investment period and the Directors believe that the Disposal will allow the Group to monetise its investment at an attractive valuation with significant accounting gain and cash proceeds for future investments or acquisitions.

LETTER FROM THE BOARD

For the above reasons, the Directors (including the Directors who are members of the Independent Board Committee, who have taken into account the advice from the Independent Financial Adviser) consider that the terms of PAH 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 transactions 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 PAH Sub's Disposal.

6. INFORMATION ON THE GROUP AND OTHER PARTIES

6.1 The Group

The principal activities of the 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.

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

6.2 The CKA Group

The CKA 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 CKA. CKA Sub is an investment holding company.

6.3 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.

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.

LETTER FROM THE BOARD

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 PAH Sub’s Disposal exceed 25% but all of the applicable percentage ratios are less than 75%, PAH Sub’s Disposal constitutes a major transaction of the Company and is subject to the announcement, notification, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Wholly-owned subsidiaries of CKI held approximately 36.01% of the issued shares of the Company as at the Latest Practicable Date. As a substantial shareholder of the Company, CKI is a connected person of the Company under the Listing Rules.

PAH 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 PAH Sub’s Disposal exceed 5%, PAH 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. GENERAL MEETING AND VOTING

The Company will convene the General Meeting for the Independent Shareholders to consider and, if thought fit, pass an ordinary resolution to approve PAH Sub’s Disposal.

A notice convening the General Meeting to be held as a hybrid meeting at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 3:00 p.m. is set out on pages N-1 to N-3 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the General Meeting will exercise his power under Article 81(B) of the Articles of Association to put the ordinary resolution set out in the Notice of General Meeting to be voted by way of a poll.

LETTER FROM THE BOARD

All Shareholders who have a material interest (which is different from that of the other Shareholders) in PAH Sub's Disposal will be required to abstain from voting on the ordinary resolution to be proposed to approve PAH Sub's Disposal at the General Meeting.

Wholly-owned subsidiaries of CKI held 767,499,612 Shares as at the Latest Practicable Date, representing approximately 36.01% of the issued shares of the Company. CKI will, and will procure its associates to, abstain from voting in respect of such Shares on the ordinary resolution to be proposed to approve PAH Sub's Disposal at the General Meeting.

A proxy form for use at the General Meeting is enclosed with this circular. The proxy form can also be downloaded from the website of the Company at <https://www.powerassets.com> and the HKEXnews Website at <https://www.hkexnews.hk>. Independent Shareholders are encouraged to exercise their rights to attend and vote at the General Meeting or to appoint the Chairman of the General Meeting as their proxy by (i) returning the completed proxy form in accordance with the instructions printed thereon to the Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; (ii) depositing the completed proxy form at the Company's registered office at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong; or (iii) sending a legible image of the completed proxy form to the Company by email at eproxy@powerassets.com as soon as possible and in any event no less than 48 hours before the time for holding the General Meeting (or any adjournment or postponement thereof). **Completion and return of the proxy form will not preclude Shareholders from attending and voting at the General Meeting (or at any adjournment or postponement thereof) should they subsequently so wish and, in such event, the proxy form shall be deemed to be revoked. For the General Meeting convened to be held on Monday, 27 April 2026 at 3:00 p.m., the deadline to submit completed proxy forms is Saturday, 25 April 2026 at 3:00 p.m.**

Shareholders can also attend and participate in the General Meeting and vote through the Online Platform. Please see "Guidance for the General Meeting" on pages 1 to 4 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 PAH Sub's Disposal as set out in the section headed "*5. Reasons for and Benefits of PAH 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 PAH Sub's Disposal are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

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 General Meeting to approve PAH Sub's Disposal.

9.2 Recommendation from the Independent Board Committee

The Independent Board Committee (comprising Mr. Ip Yuk-keung, Albert and Mr. Kwan Chi Kin, Anthony, being independent non-executive directors of the Company) has been formed to advise and provide recommendation to the Independent Shareholders in respect of PAH Sub's Disposal after taking into account the advice from the Independent Financial Adviser. Since (i) Mr. Stephen Edward Bradley, being an independent non-executive director of the Company, is also an independent non-executive director of CKA; and (ii) Ms. Koh Poh Wah, being an independent non-executive director of the Company, is also an independent non-executive director of CKI, they were not appointed as members of the Independent Board Committee.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 27 of this circular which contains its recommendation to the Independent Shareholders on PAH Sub's Disposal; and (ii) the letter from the Independent Financial Adviser set out on pages 28 to 56 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to PAH 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 PAH Sub's Disposal as set out above and the terms of PAH 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 PAH 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.

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

9.3 Recommendation from the Independent Financial Adviser

Platinum Securities Company 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 PAH 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.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 28 to 56 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to PAH 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 PAH Sub's Disposal are fair and reasonable so far as the Independent Shareholders are concerned. In addition, the Independent Financial Adviser considers that PAH 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 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 General Meeting to approve PAH Sub's Disposal.

10. FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 27 of this circular, the letter from the Independent Financial Adviser as set out on pages 28 to 56 of this circular, the additional information as set out in the Appendices to this circular, and the Notice of General Meeting 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 securities of the Company.

Yours faithfully,

For and on behalf of the Board of
Power Assets Holdings Limited
Andrew John HUNTER
Chairman

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 PAH Sub's Disposal.



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

8 April 2026

To the Independent Shareholders,

CONNECTED TRANSACTION AND MAJOR TRANSACTION DISPOSAL OF UK POWER NETWORKS

We refer to the circular of Power Assets 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 PAH Sub's Disposal, details of which are set out in the “*Letter from the Board*” as contained in the Circular.

Platinum Securities Company 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 PAH 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 28 to 56 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 General Meeting to approve PAH Sub's Disposal.

Having considered the reasons for and benefits of PAH Sub's Disposal as set out in the Circular, the terms of PAH 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 PAH 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.

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

Yours faithfully,
For and on behalf of the
Independent Board Committee

IP Yuk-keung, Albert
Independent Non-executive Director

KWAN Chi Kin, Anthony
Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the letter from Platinum Securities Company Limited, the Independent Financial Adviser, setting out its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to PAH Sub's Disposal, which has been prepared for the purpose of inclusion in this circular.



PLATINUM
Securities

8 April 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION AND MAJOR TRANSACTION DISPOSAL OF UK POWER NETWORKS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to PAH Sub's Disposal. Details of the Disposal are contained in the circular of the Company dated 8 April 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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

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

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As one or more of the applicable percentage ratios of the Company in respect of PAH Sub's Disposal exceed 25% but all of the applicable percentage ratios are less than 75%, PAH Sub's Disposal constitutes a major transaction of the Company and is subject to the announcement, notification, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Wholly-owned subsidiaries of CKI held approximately 36.01% of the issued shares of the Company as at the Latest Practicable Date. As a substantial shareholder of the Company, CKI is a connected person of the Company under the Listing Rules.

PAH 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 PAH Sub's Disposal exceed 5%, PAH 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.

BASIS OF OUR OPINION

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of PAH Sub's Disposal are fair and reasonable so far as the Independent Shareholders are concerned and whether PAH Sub's Disposal is in the interests of the Company and the Shareholders as a whole; and to give independent advice to the Independent Board Committee and recommendation to the Independent Shareholders as to whether the Independent Shareholders should vote in favour of the ordinary resolution to be proposed at the General Meeting to approve PAH Sub's Disposal.

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things:

- (i) the Announcement;
- (ii) the Circular;
- (iii) the Share Purchase Agreement;
- (iv) the audited annual reports of the Company for each of the two financial years ended 31 December 2023 and 2024 (the "**2023 Annual Report**" and the "**2024 Annual Report**" respectively);
- (v) the audited annual results announcement of the Company for the financial year ended 31 December 2025 (the "**2025 AR Announcement**");
- (vi) the audited annual reports of the Target for each of the two financial years ended 31 March 2024 and 2025 (the "**2024 UKPN Annual Report**" and the "**2025 UKPN Annual Report**" respectively); and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vii) other publicly available information in relation to PAH Sub's Disposal, the Group and the Target Group.

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete, accurate and not misleading at the time they were made and continue to be so in all material respects as at the Latest Practicable Date and we have relied on the same, except that no assumption is made by us in respect of our own opinions contained in the Circular. The Directors have confirmed that they collectively and individually accept full responsibility for the Circular, and have confirmed, having made all reasonable inquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive and there are no matters the omission of which would make any statement in the Circular misleading.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or the management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company, which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs and underlying assets of the Company or conducted any valuation or appraisal of any assets or liabilities of the Company or conducted any form of investigation into the commercial viability of the future prospects of the Target Group. We have also relied on information available to the public (such as the documents published by the Company) which we assumed to be accurate and reliable. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the terms of PAH Sub's Disposal.

As at the Latest Practicable Date, we are independent from, and are not associated with the Company or any other party to PAH Sub's Disposal, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules, and there is no conflict of interest existing or arising in relation to our appointment and accordingly, are considered eligible to give independent advice on PAH Sub's Disposal. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to PAH Sub's Disposal. Apart from the normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to PAH Sub's Disposal or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

In the two years immediately preceding our engagement as the Independent Financial Adviser in relation to the PAH Sub's Disposal, we have not acted as financial adviser or independent financial adviser or provided any services to the Company and its associates, and we are not aware of any relationships or interests in the Company or any other parties that could be reasonably regarded as hindrance to our independence to act as the Independent

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the PAH Sub's Disposal. Accordingly, we consider ourselves independent in accordance with Rule 13.84 of the Listing Rules.

The Independent Board Committee (comprising Mr. Ip Yuk-keung, Albert and Mr. Kwan Chi Kin, Anthony, being independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders in respect of PAH Sub's Disposal. Since (i) Mr. Stephen Edward Bradley, being an independent non-executive Director, is also an independent non-executive director of CKA; and (ii) Ms. Koh Poh Wah, being an independent non-executive Director, is also an independent non-executive director of CKI, they were not appointed as members of the Independent Board Committee.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to PAH Sub's Disposal, we have taken into account the following principal factors and reasons:

1. Background information on the Group

The principal activities of the 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. PAH Sub is an indirect wholly-owned subsidiary of the Company. PAH Sub is an investment holding company.

1.1 Financial performance of the Group

Set out below is a table summarising certain key information on the financial performance of the Group as extracted from the consolidated statement of profit or loss for each of the three years ended 31 December 2023 ("FY2023"), 31 December 2024 ("FY2024") and 31 December 2025 ("FY2025") as extracted from the 2024 Annual Report and the 2025 AR Announcement.

Highlights of the consolidated profit and loss position of the Group

<i>(HK\$ million)</i>	FY2023 <i>(Audited)</i>	FY2024 <i>(Audited)</i>	FY2025 <i>(Audited)</i>
Revenue	1,292	919	771
Share of results of joint ventures and associates	5,264	5,855	6,142
Profit before taxation	6,252	6,352	6,454
Profit attributable to the equity shareholders of the Company	6,003	6,119	6,236

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Revenue of the Group mainly comprises interest income from loans granted to joint ventures and associates and dividends from other financial assets. As disclosed in the 2025 AR Announcement, the total revenue of the Group recorded a decrease of approximately 16.1% from HK\$919 million for FY2024 to HK\$771 million for FY2025. The decrease in revenue was mainly due to interest income decreased by approximately 16.3% from HK\$863 million for FY2024 to HK\$722 million for FY2025. Share of results of joint ventures and associates of the Group amounted to HK\$6,142 million for FY2025, which represented an increase of approximately 4.9%. Profit attributable to the equity shareholders of the Company amounted to HK\$6,236 million for FY2025, slightly increased by approximately 1.9% from HK\$6,119 million in FY2024.

As disclosed in the 2024 Annual Report, the total revenue of the Group recorded a decrease of approximately 28.9% from HK\$1,292 million for FY2023 to HK\$919 million for FY2024. The decrease in revenue was mainly due to interest income decreased by approximately 29.4% from HK\$1,223 million for FY2023 to HK\$863 million for FY2024. Share of results of joint ventures and associates of the Group amounted to HK\$5,855 million for FY2024, which represented an increase of approximately 11.2%. Profit attributable to the equity shareholders of the Company amounted to HK\$6,119 million for FY2024, slightly increased by approximately 1.9% from HK\$6,003 million in FY2023.

1.2 Financial position of the Group

Set out below is a table summarising certain key information on the financial position of the Group as at 31 December 2023, 31 December 2024 and 31 December 2025 as extracted from the 2024 Annual Report and the 2025 AR Announcement.

Highlights of the consolidated financial position of the Group

<i>(HK\$ million)</i>	As at 31 December		
	2023	2024	2025
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Total assets	95,702	94,077	98,325
– Bank deposit and cash	4,201	2,733	2,531
Total liabilities	6,950	7,001	7,600
– Bank loans and other interest-bearing borrowings	3,097	2,505	3,319
Net assets attributable to equity shareholders of the Company	88,752	87,076	90,725

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's capital expenditure and investments are primarily funded by cash from operations, dividends and other repatriation from investments. The net assets attributable to equity shareholders of the Company amounted to HK\$90,725 million as at 31 December 2025, which represented an increase of approximately 4.2% from HK\$87,076 million as at 31 December 2024.

From 31 December 2023 to 31 December 2024, the bank deposit and cash balance of the Group had declined from HK\$4,201 million to HK\$2,733 million, and further slightly declined to HK\$2,531 million as at 31 December 2025.

2. Background information on the parties

2.1 *The CKA Group*

The CKA 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 CKA. CKA Sub is an investment holding company.

2.2 *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.

2.3 *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, listed on Euronext Paris, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the business day before the Latest Practicable Date, the market capitalisation of Engie was approximately 68.6 billion euros based on Bloomberg. According to Engie’s website, as at 3 March 2026, the French State holds an approximately 22.64% share capital interest in the company.

3. The Target Group

3.1 *Businesses of 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.

3.2 *Market overview*

The electricity distribution industry in Great Britain is subject to strict regulatory oversight by the Office of Gas and Electricity Markets (“Ofgem”) and it comprises two categories of licensed operators: (i) distribution network operators (“DNO(s)”; and (ii) independent distribution network operators.

According to Ofgem, as of March 2026, there are 14 licensed DNOs across Great Britain which operate under six groups.

DNOs in Great Britain

Parent group	DNOs	Regional service area
1. The Target	1. London Power Networks plc	London
	2. South Eastern Power Networks plc	South East England
	3. Eastern Power Networks plc	East England
2. National Grid plc (“National Grid”) (Note 1)	4. NGED (East Midlands) plc	East Midlands
	5. NGED (West Midlands) plc	West Midlands
	6. NGED (South Wales) plc	South Wales
	7. NGED (South West) plc	South West England

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Parent group	DNOs	Regional service area
3. SSE plc (“SSE”) <i>(Note 1)</i>	8. Scottish Hydro Electric Power Distribution plc	North Scotland
	9. Southern Electric Power Distribution plc	Southern England
4. Northern Powergrid Holdings Company	10. Northern Powergrid (Northeast) Ltd	North East England
	11. Northern Powergrid (Yorkshire) plc	Yorkshire
5. Scottish Power Energy Networks Holdings Limited	12. SP Distribution Ltd	South and Central Scotland
	13. SP Manweb plc	North Wales, Merseyside and Cheshire
6. Electricity North West Limited	14. Electricity North West Limited	North West England

Source: Ofgem, RIIO-ED2 Final Determinations Core Methodology Document (2022)

Note:

1. National Grid and SSE are listed companies. In addition to electricity distribution business, they are also engaged in other businesses in and outside of the United Kingdom.

Ofgem sets the price control framework which determines what the DNOs can charge their customers and their “allowed” revenue levels. In addition, this framework also includes incentives that encourage outperformance and innovation in areas such as network reliability, customer service, environmental impact, and operational efficiency.

Ofgem uses the RIIO model (Revenues = Incentives + Innovation + Outputs) to set price controls for DNOs. In simple terms, the RIIO model would determine the allowed revenues with reference to the regulated assets value (“RAV”) of each of the DNOs, the value of which would be adjusted each year primarily based on the allowed capital expenditure set by Ofgem less depreciation calculated based on relevant regulations.

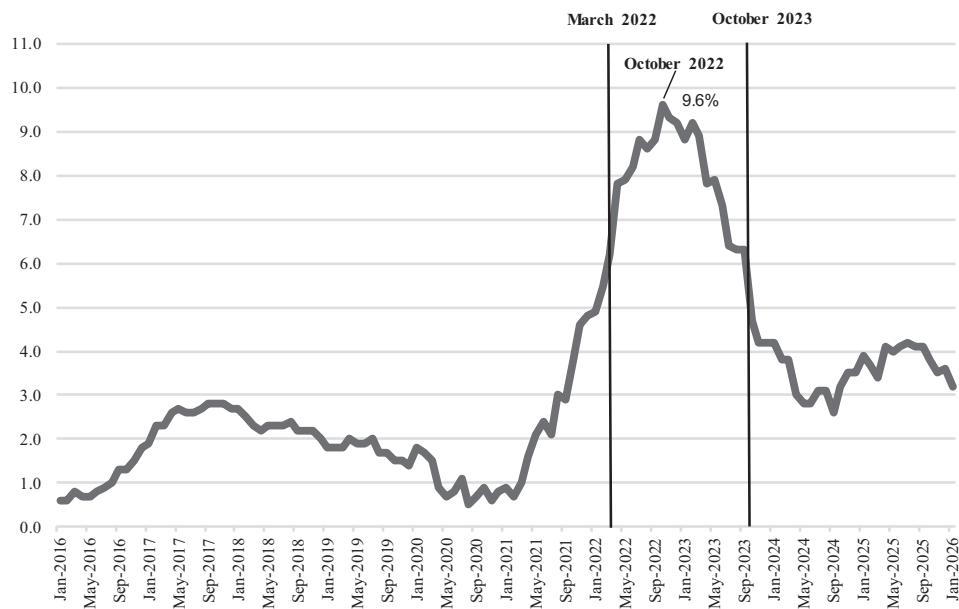
The current electricity distribution price control is RIIO-ED2, covering the period from 1 April 2023 to 31 March 2028. This framework replaced the previous RIIO-ED1 period, which ended on 31 March 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Under the RIIO-ED1, Ofgem set the DNOs' allowed revenues using the Retail Prices Index (“**RPI**”) as the official measure of economy-wide inflation. The RPI tracks changes in the cost of a representative basket of retail goods and services in the United Kingdom. In contrast, under the RIIO-ED2, Ofgem indexes price control allowances to the consumer prices index including owner occupiers' housing costs (“**CPIH**”), which is a general indicator of inflation. To the extent that CPIH does not adequately capture external changes to prices that network companies face, Ofgem may make further real price effect (“**RPE**”) adjustments to allowances. Ofgem proposed to “true up” the RPE adjustments annually based on out-turn differences between CPIH and input price indices.

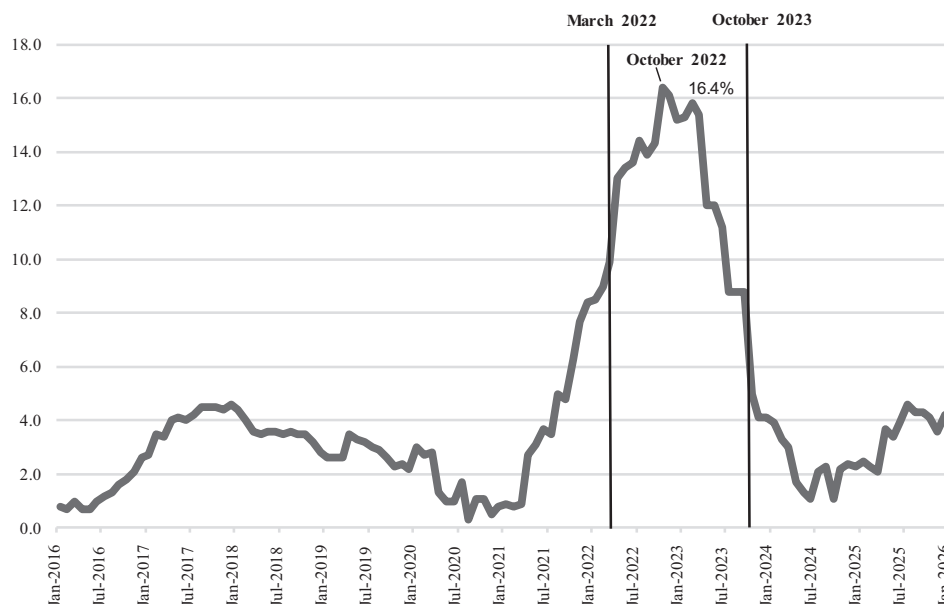
The charts below illustrate the CPIH and RPI annual inflation rates in the United Kingdom from January 2016 to January 2026.

CPIH annual inflation rates (%)



LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RPI annual inflation rates (%)



Source: *The Office for National Statistics*

As noted from the above, the CPIH had been increased at lower annual inflation rates of 0.5% to 2.8% prior to January 2021. Since 2021, the CPIH has continued to increase at a more rapid pace; the annual inflation rate had exceeded 6% since March 2022 and reached a peak of 9.6% in October 2022. Since October 2023, the annual inflation rate has dropped below 6% and from January 2024 to January 2026 been kept in the range of 2.6% to 4.2%.

The RPI had been increased at lower annual inflation rates of 0.3% to 4.6% prior to April 2021. Since 2021, the RPI has continued to increase at a more rapid pace; the annual inflation rate had exceeded 9% since March 2022 and reached a peak of 16.4% in October 2022. Since October 2023, the annual inflation rate has dropped below 5% and from January 2024 to January 2026 been kept in the range of 1.1% to 4.6%.

3.3 Financial information of the Target Group

The following table sets out certain selected financial information of the Target Group for each of the two financial years ended 31 March 2024 and 31 March 2025, as extracted from the 2024 UKPN Annual Report, and the 2025 UKPN Annual Report respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Highlights of the consolidated profit and loss position of the Target Group

<i>(GBP million)</i>	For the financial year ended	
	31 March	
	2024	2025
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	1,825	2,463
Earnings before interest, taxes, depreciation, and amortisation (“ EBITDA ”)	1,170	1,819
	(“UKPN 2024 March EBITDA”)	(“UKPN 2025 March EBITDA”)
Operating profit	749	1,367
Net profit	312	853
Dividends	243	248
Interests paid for shareholders’ loan	77	71
Total dividends and interests received by shareholders	320	319

Highlights of the consolidated financial position of the Target Group

<i>(GBP million)</i>	As at 31 March	
	2024	2025
	<i>(Audited)</i>	<i>(Audited)</i>
Total assets	16,966	18,121
Shareholder loans	774	774
Total borrowings (excluding shareholder loans)	5,161	5,376
Cash and cash equivalents	117	90
Net debt (excluding shareholder loans)	5,044	5,286
Net assets	4,940	5,584

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For each of the two financial years ended 31 March 2024 and 31 March 2025, the revenue of the Target Group was approximately GBP1,825 million and GBP2,463 million, respectively. The net profit amounted to approximately GBP853 million for the financial year ended 31 March 2025 represented a significant increase of approximately 173% comparing with same period of last year and such increase was mainly due 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. In addition, revenues in the year include higher incentives relating to the RIIO-ED1 price control, which are collected on a two-year lag.

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

As illustrated in section headed “3.2 Market overview” above, the Target Group had been operated under higher-than-normal inflation rates from 2022 to 2023, and the adjustment to account for such higher-than-expected inflation rate only occurred for the financial year ended 31 March 2025.

Both the RIIO-ED1 and RIIO-ED2 regulatory frameworks incorporate a two-year lag in inflation adjustments. Due to the need to set tariffs 15 to 27 months in advance of implementation, as per regulatory parameters, inflation impacts are reflected in revenues with a significant delay. For instance, the exceptionally high inflation in the United Kingdom from March 2022 to September 2023 only affected the Target Group’s revenues in the financial year ended 31 March 2025, leading to increased revenue compared to the previous financial year.

Additionally, the Target Group’s revenues for the financial year ended 31 March 2025 include higher incentives linked to the RIIO-ED1 price control, which are also collected on a two-year lag. Under RIIO-ED1, DNOs like the Target Group earned financial incentives based on operational performance metrics, including reliability, customer service, connections performance, and stakeholder engagement. These incentives, calculated by Ofgem from actual performance in a given regulatory year, were not immediately recovered through customer tariffs. Instead, they were incorporated into allowed revenues approximately two years later, contributing to the Target Group’s revenue increase in the financial year ended 31 March 2025.

It has come to our attention that other DNOs also encountered similar phenomenon for the financial year ended 31 March 2025. However, given regulated electricity distribution business accounted for less of the total profit of the holding groups of the other DNOs, the impacts on profit of such delay in revenue recognition to some other DNOs groups as a whole were not as substantial as compared with the Target Group as illustrated below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Profit contribution of electricity distribution business

<i>(GBP million)</i>	Electricity distribution business contribution		Operating profit from electricity distribution business			Total operating profit		
	2024	2025	2024	2025	Change	2024	2025	Change
National Grid	21.8%	32.3%	975	1,598	63.9%	4,475	4,934	10.3%
SSE	11.2%	30.4%	272	736	170.6%	2,426	2,419	(0.3%)
The Target Group	92.0%	95.2%	689	1,302	89.0%	749	1,367	82.5%

Source: The 2025 UKPN Annual Report and the annual reports of National Grid and SSE for financial year ended 31 March 2025

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 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) (“UKPN 2025 Dec EBITDA”); (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).

The RAV represents the capitalized value of the assets that a regulated network company uses to provide its regulated services, on which Ofgem allows the company to earn a regulated return. Ofgem will determine, for each regulatory price control period, the capital expenditure of assets (e.g. network assets) required to deliver the licensed service (in this case for electricity distribution) to roll into the RAV. The unaudited RAV of the Target Group as at 30 September 2025 amounted to GBP9,492 million.

4. Principal terms of the Share Purchase Agreement

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

Date: 25 February 2026

Parties :

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PAH 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. CKA Sub is an indirect wholly-owned subsidiary of CKA. The rights and obligations of each of PAH Sub, CKI Sub and CKA Sub under the Share Purchase Agreement are on a several basis, and each of PAH Sub, CKI Sub and CKA 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 40%, 40% and 20% by PAH Sub, CKI Sub and CKA 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.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PAH Consideration :

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

- (i) the Base PAH Consideration, being GBP4,219,200,000 (equivalent to approximately HK\$44,301,600,000); *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 PAH Consideration from (and excluding) 31 March 2025 up to (and including) the Closing Date, accruing daily; *less*
- (iii) the Known PAH Permitted Leakage Amount; *less*
- (iv) to the extent not deducted from the Base PAH Consideration under paragraph (iii) above, an amount equal to: (a) the Known PAH Leakage Amount (if any); *plus* (b) the Reimbursement Amount in respect of such Known PAH 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 CKA 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 PAH Permitted Leakage Reimbursement Amount.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Please note that, if Closing occurs on or before 30 June 2026, the Known PAH 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 PAH Consideration, and no interest will be charged on that amount and deducted from the Base PAH 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 PAH Permitted Leakage Amount from 1 July 2026 up to (and including) the Closing Date and deducted from the Base PAH Consideration. In addition, any Known PAH Leakage Amount in excess of the Known PAH 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 PAH Consideration.

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

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:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (i) approval by the shareholders of the Company 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;
- (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 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;
- (iv) approval by the shareholders of CKA 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;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 PAH 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Reasons for and benefits of PAH Sub's Disposal

As disclosed in the Letter from the Board, since the Group's acquisition of its interest in the Target Group in 2010, the Target Group has gone through a steady transformation and is now a leading electricity distribution network operator in the United Kingdom, consistently delivering stable financial contribution to the Company. The Target Group has achieved significant growth during the Group's investment period and the Directors believe that PAH Sub's Disposal will allow the Group to monetise its investment at an attractive valuation with significant accounting gain and cash proceeds for future investments or acquisitions.

In assessing the reasons for and benefits of PAH Sub's Disposal, we have examined the disclosures made by the Company in relation to the Group's acquisition of its interest in the Target Group in 2010. Based on the circular of the Company dated 24 August 2010, the aggregate financial contribution to be provided by the Group would be approximately GBP1,061 million. The combined net asset value of the Target Group amounted to approximately GBP2,309 million as at 31 December 2009.

It is also disclosed in the section headed "3.3 Financial information of the Target Group", for the 12 months ended 31 December 2025, the total dividends and interests on shareholders' loans paid to the shareholders of the Target amounted to GBP340 million, which represented a yield rate of approximately 3% based on the base consideration of GBP10,548 million for the Disposal (the "**Consideration**"). As discussed with the management of the Company, given such yield rate represented by the Consideration is even lower than the risk free interest rate in the United Kingdom, they consider the Consideration and the PAH Sub Consideration as attractive.

The government bonds ("**Gilt**") rate is often used as an indicator for risk-free rate in the United Kingdom. According to Bloomberg, as of 25 February 2026, the 10-year and 20-year Gilt rates are 4.32% and 5.00% respectively.

Having considered the PAH Consideration of approximately GBP4,219 million (i) represents significant premium to the initial financial contribution made by the Group; and (ii) is significant as compared with the bank and cash balance of the Group of HK\$2,531 million as of 31 December 2025, and the yield rate of approximately 3% implied by the Consideration is lower than the risk free rate in the United Kingdom, we concur with the Directors' view that PAH Sub's Disposal will allow the Group to monetise its investment with significant accounting gain and cash proceeds at a reasonable valuation.

Please refer to the section headed "7. Financial effects of PAH Sub's Disposal" for additional information on financial benefits of PAH Sub's Disposal.

6. Analysis on the PAH Consideration

The PAH Consideration for PAH Sub's Disposal was determined based on arm's length negotiations between PAH 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 PAH Sub's Disposal".

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6.1 Comparable transactions analysis

To further assess the fairness and reasonableness of the PAH Consideration, we have conducted a comparable transactions (the “**Comparable Transactions**”) analysis. We have selected the precedent transactions based on the following criteria:

- (i) the acquisition target was mainly engaged in the business of electricity distribution in the United Kingdom;
- (ii) the acquisition was initially announced since January 2021; and
- (iii) the transaction would involve a majority stake interest (i.e. above 50%) of the acquisition target.

We have determined the selection criteria for the Comparable Transactions based on similarity of the business and geographical coverage of the target entity as compared with the Target Group, as well as proximity of the timing and nature of the transaction as compared with the Disposal. The Comparable Transactions have been selected exhaustively based on the above criteria, which have been identified, to the best of our endeavours, in our research through public information. We have compared the valuation of the Comparable Transactions and the Target using the enterprise value-to-EBITDA (“**EV/EBITDA**”) multiple which we consider as appropriate benchmark taking into consideration of the business of the Target Group under normal circumstance. In addition, we have assessed the enterprise value-to-RAV (“**EV/RAV**”) multiple which is also as relevant for regulated electricity distribution business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Analysis on the valuation of the Comparable Transactions

Date of announcement	Target entity	% revenue contributed by electricity distribution business in the United Kingdom for the target	Consideration (GBP million)	Interest acquired	Acquirer	EV/ RAV (times) (Notes 1 and 2)	EV/ EBITDA (times) (Notes 1 and 3)
2 August 2024	Electricity North West Limited	100.0%	2,100	88.0%	Iberdrola, S.A.	1.56	11.18
18 March 2021	Western Power Distribution plc	98.2%	7,800	100.0%	National Grid	1.67	11.90
					Average / Median	1.62	11.54
26 February 2026	The Target	93.6%	10,548	100.0%	The Purchaser	1.73	12.63 (based on UKPN 2025 Dec EBITDA)
							9.03 (based on UKPN 2025 March EBITDA)
							14.04 (based on UKPN 2024 March EBITDA)

Source: Press releases, public announcements and the respective companies' annual reports

Notes:

- The enterprise values of Electricity North West Limited was derived from the announcement of Iberdrola. The enterprise values of Western Power Distribution plc was sum of (i) the total equity value of transaction targets which derived by dividing the consideration by the percentage of interest acquired by the acquirers; and (ii) the net debt amount of transaction targets before the completion.
- EV/RAV multiples are calculated by dividing the enterprise value as described in note (1) above by the RAV of the respective transaction targets as obtained from their latest annual reports or interim report before the completion of transaction.
- EV/EBITDA multiples are calculated by dividing the enterprise value as described in note (1) above by the EBITDA of the respective targets as obtained from their latest annual reports before the completion of transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown above, the EV/RAV multiple represented by the Consideration is above the EV/RAV multiples implied by the Comparable Transactions, which we consider as the most important benchmark for the situation of the PAH Sub's Disposal (i) given RAV is a metric used by Ofgem to remunerate DNOs to allowed returns; and (ii) due to the fluctuation of EBITDA caused by abnormal inflation as explained in our discussion in the sections headed "3.2 Market overview" and "3.3 Financial information of the Target Group".

Whilst we have also examined the EV/EBITDA multiples, it is important to first keep in mind UKPN 2025 March EBITDA, and accordingly the EV/EBITDA multiple calculated based on this figure, had been distorted by the abnormal inflation occurred between 2022 and 2023.

The EV/EBITDA multiples of the Comparable Transactions ranged from 11.18 times to 11.90 times with an average and median of 11.54 times. The EV/EBITDA multiple represented by the Consideration of approximately 9.03 times based on UKPN 2025 March EBITDA is lower than the average and median of the Comparable Transactions. As discussed, UKPN 2025 March EBITDA includes non-recurring profit due to revenue true-up as a result of historical high inflation which was also observed in other DNOs. Therefore, UKPN 2025 March EBITDA is significantly higher than both UKPN 2024 March EBITDA and UKPN 2025 Dec EBITDA, by approximately 55.5% and 39.9% respectively, and led to a lower EV/EBITDA multiple when we used such abnormally higher figure as the denominator in the calculation.

If we adopted UKPN 2025 Dec EBITDA, which had returned to a normalised level, the EV/EBITDA multiple implied by the Consideration would be 12.63 times, which is above the EV/EBITDA multiples of the Comparable Transactions. If we adopted UKPN 2024 March EBITDA, the EV/EBITDA multiple implied by the Consideration would be 14.04 times, which is also above the EV/EBITDA multiples of the Comparable Transactions.

Having considered the above, we are of the view that the PAH Consideration is fair and reasonable based on analysis on the Comparable Transactions.

6.2 Trading comparable companies analysis

We have also attempted to identify listed trading companies which are comparable to the Target.

The Target Group is principally engaged in electricity distribution business in the United Kingdom. It is one of the six groups licensed to be DNOs, among which, only two are publicly listed, being National Grid and SSE.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We intend to compare the Consideration against the valuation of more listed companies and accordingly have extended our search to further include companies that (i) are principally engaged in electricity related business in the United Kingdom; and (ii) recorded revenue of at least GBP2 billion for the most recent audited financial year. Together with National Grid and SSE, we have identified 4 companies (the “**Trading Comparable Companies**”) which have been selected exhaustively based on the aforementioned discussion according to our research through public information.

Notwithstanding our effort to identify the Trading Comparable Companies, as compared with the target companies as set out in the section headed “6.1 Comparable transactions analysis”, we consider the Trading Comparable Companies as less comparable to the Target given (i) their businesses in the United Kingdom contribute to smaller percentage of the total revenue of the group; or (ii) they are engaged substantially in other businesses in the United Kingdom. Nevertheless, we still conduct such analysis despite it is less relevant as compared with our analysis on the Comparable Transactions for reference purposes.

Similar to our analysis on the Comparable Transactions, we have assessed the EV/EBITDA multiple. We have also considered to assess the EV/RAV multiple; however, given as illustrated in our previous discussion in the section headed “3.3 Financial information of the Target Group”, listed companies such as National Grid and SSE have engaged in other businesses which are unregulated or based outside of the United Kingdom, and it may not be appropriate to attribute or compare the aggregate value of the entire listed group to the RAV disclosed.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Analysis on the valuation of the Trading Comparable Companies

Trading Comparable Companies	Stock code	Revenue (GBP million) (Note 1)	% revenue contributed by electricity distribution business in the United Kingdom (Note 1)	% revenue contributed by electricity related business in the United Kingdom (Note 1)	EV/EBITDA (Audited)		EV/EBITDA Trailing 12 months (Note 3)
			2024 (times) (Note 2)	2025 (times) (Note 2)			
National Grid	NG.L	18,378	13.2%	32.2%	15.85	16.67	14.12 (Note 6)
SSE	SSE.L	10,132	14.9%	22.9%	12.66	12.45	13.12 (Note 6)
Centrica plc	CNA.L	19,492	0.0%	81.2% (Note 4)	3.46	5.62	5.62
Drax Group plc	DRX.L	5,391	0.0%	95.0% (Note 5)	3.43	3.86	3.86
				Average	8.85	9.65	9.18
				Median	8.06	9.04	9.37
				Maximum	15.85	16.67	14.12
				Minimum	3.43	3.86	3.86
The Target	-	2,463	93.6%	100.0%	14.04	9.03	12.63

Notes:

- (1) Based on latest audited account.
- (2) The audited EV/EBITDA multiples of the Trading Comparable Companies are calculated by dividing the enterprise value by the EBITDA of the respective Trading Comparable Companies. Enterprise value of each Trading Comparable Company is the sum of its (i) market capitalisation as of 25 February 2026; and (ii) net debt (borrowings minus the cash and cash equivalent), minority interest and preferred equity of the respective Trading Comparable Companies, as obtained from their published financial information for the last two financial years.
- (3) The trailing 12 months EV/EBITDA multiples of the Trading Comparable Companies are calculated by dividing the enterprise value by the EBITDA of the respective Trading Comparable Companies. Enterprise value of each Trading Comparable Company is the sum of its (i) market capitalisation as of 25 February 2026; and (ii) net debt (borrowings minus the cash and cash equivalent), minority interest and preferred equity of the respective Trading Comparable Companies, as obtained from their latest published financial information.
- (4) Centrica plc's business in the United Kingdom covers electricity and natural gas supply to both residential and commercial customers, as well as a range of non-energy-related services operating within the United Kingdom.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (5) Drax Group plc's business in the United Kingdom covers generation and sale of electricity from biomass and pumped storage, as well as a portfolio of non-electricity-related services operating within the United Kingdom.
- (6) The unaudited EBITDA for the trailing 12 months ended 30 September 2025 of National Grid and SSE is adjusted with the EBITDA for the six months ended 30 September 2024 and 30 September 2025 in interim reports, respectively.

The EV/EBITDA multiples of the Trading Comparable Companies for 2025 ranged from approximately 3.86 times to 16.67 times with an average and median of 9.65 times and 9.04 times respectively. The implied EV/EBITDA multiple of the Consideration based on UKPN 2025 March EBITDA is approximately 9.03 times, which falls within the range and is slightly below the average and close to the median of the Trading Comparable Companies.

As mentioned in our previous discussion, the increase in profit for the Target Group for the year ended 31 March 2025 is expected to be non-recurring and such impact accrued to the Target Group would be different from the situations of National Grid and SSE (see the section headed "3.3 Financial information of the Target Group"). Therefore, we have also looked at the EV/EBITDA multiples for 2024 and for the trailing 12 months.

For 2024, the EV/EBITDA multiples of the Trading Comparable Companies ranged from approximately 3.43 times to 15.85 times with an average and median of 8.85 times and 8.06 times respectively. The implied EV/EBITDA multiple of the Consideration based on UKPN 2024 March EBITDA in 2024 is approximately 14.04 times, which falls within the range and is above both the average and median of the Trading Comparable Companies, and also in line with National Grid and SSE's.

For the trailing 12 months based on latest publicly disclosed information, the EV/EBITDA multiples of the Trading Comparable Companies ranged from approximately 3.86 times to 14.12 times with an average and median of 9.18 times and 9.37 times respectively. The implied EV/EBITDA multiple of the Consideration based on the UKPN 2025 Dec EBITDA is approximately 12.63 times, which falls within the range and is above both the average and median of the Trading Comparable Companies, and also in line with National Grid and SSE's.

Having considered the above, we are of the view that the Consideration is still fair and reasonable based on our analysis on the Trading Comparable Companies, despite such analysis has less relevance as compared with our analysis on the Comparable Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Financial effects of PAH Sub's Disposal

As disclosed in the Letter from the Board, prior to the Disposal, the Group's interest in the Target Group is accounted for using the equity method and, together with the related Shareholder Debt Instruments (which are carried at cost), was presented under "interests in joint ventures" in the consolidated statement of financial position.

Upon Closing, the Group will derecognise its interest in the Target Group and the Shareholder Debt Instruments from its consolidated financial statements.

At Closing, PAH Sub will receive the proceeds from the Disposal in cash. The net proceeds to be received by the Group are intended to be used by the Group to pursue new investment or acquisition opportunities and for general working capital purposes.

The Group will continue to pursue new acquisition opportunities, with a focus on investing in mature businesses in well-regulated energy markets that adhere to its strict investment criteria.

Subject to Closing and based on the currently available information, the Group expects to recognise a gain of approximately HK\$10.7 billion arising from PAH Sub's Disposal.

The estimated gain is based on the information currently available, including estimates and assumptions regarding: (i) the value of the consideration as determined by the terms of PAH Sub's Disposal; (ii) the carrying amount of the Group's interests in the Target Group and the related 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.

Having taken into account the estimated gain as mentioned above, the Company estimated that at Closing, the net assets of the Group will increase by approximately HK\$12.4 billion, comprising an increase in total assets of approximately HK\$12.4 billion. The excess of the PAH Consideration over the net book value of PAH Sub's interests in the Target Group is expected to be approximately HK\$12.4 billion.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

- (a) PAH Sub's Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group and in line with the business strategy of the Group;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) PAH Sub's Disposal is in the interest of the Company and the Shareholders as a whole since it will allow the Group to monetise its investment with significant accounting gain and cash proceeds;
- (c) the PAH Consideration is fair and reasonable; and
- (d) PAH Sub's Disposal will have a positive effect to the cash as well as profit and loss position.

Having considered the principal factors and reasons above, we are of the view that PAH Sub's Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of PAH Sub's Disposal are fair and reasonable so far as the Independent Shareholders are concerned and that PAH Sub's Disposal is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the General Meeting to approve PAH Sub's Disposal.

Yours faithfully,
For and on behalf of

Platinum Securities Company Limited

Liu Chee Ming
Managing Director

Fion Chau
Director

Mr. Liu Chee Ming and Ms. Fion Chau are licensed persons registered with the Securities and Futures Commission and as responsible officers of Platinum Securities Company Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Liu Chee Ming and Ms. Fion Chau have over thirty years and fifteen years of experience in the corporate finance industry, respectively.

1. FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE FOUR YEARS ENDED 31 DECEMBER 2022, 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025

Financial information of the Group for each of the four years ended 31 December 2022, 2023, 2024 and 2025, and the six months ended 30 June 2025, are disclosed in the following documents which have been published on the website of the Company (<https://www.powerassets.com>) and the HKEXnews Website (<https://www.hkexnews.hk>) and can be accessed at the website addresses below:

- (i) annual report of the Company for the year ended 31 December 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0406/2023040600822.pdf>)
- (ii) annual report of the Company for the year ended 31 December 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900510.pdf>)
- (iii) annual report of the Company for the year ended 31 December 2024
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042200539.pdf>)
- (iv) interim report of the Company for the six months ended 30 June 2025
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0901/2025090101139.pdf>)
- (v) annual results announcement of the Company for the year ended 31 December 2025
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0318/2026031800828.pdf>)

2. INDEBTEDNESS

As at 28 February 2026, being the latest practicable date for the purposes of this statement, the Group had the following outstanding indebtedness:

(a) Bank Loans

As at 28 February 2026, the Group had total outstanding unsecured and unguaranteed bank loans of approximately HK\$3,477 million.

(b) Lease Liabilities

As at 28 February 2026, the Group had lease liabilities of approximately HK\$1 million, which were unsecured and unguaranteed.

Save as disclosed above and apart from intra-group liabilities and guarantees, as at 28 February 2026, the Group did not have any issued and outstanding debt securities, authorised or otherwise created but unissued debt securities, loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

Taking into account the Group's internal resources, available credit facilities and the effect of the Disposal, in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirement for at least 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

The Group is a global investor in energy and utility-related businesses, with interests in the transmission of electricity, gas and oil, the distribution of electricity and gas, and the generation of energy from thermal, waste and other renewable sources. The Company has established a strong global presence with investments in the United Kingdom, Hong Kong, Australia, New Zealand, Chinese Mainland, Thailand, the Netherlands, Canada and the United States.

The full disposal of the Group's interest in the Target Group represents a flagship transaction for the Group (together with the CKI Group and the CKA Group) and the utility sector in the United Kingdom. It demonstrates the value generated by the transformation delivered during the Group's (together with the CKI Group's and the CKA Group's) ownership, with the expected cash proceeds from PAH Sub's Disposal together with the distributions that the Target Group has delivered over the years, resulting in a strong return on the initial investment made by the Group in 2010.

The Group will receive substantial proceeds from PAH Sub's Disposal. These financial resources will enable the Company to continue to pursue new acquisition opportunities, while maintaining a strong balance sheet with low gearing. The Company will continue to focus on investing in mature businesses in well-regulated energy markets that adhere to its strict investment criteria.

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that, other than in the section headed "4. *Financial and Trading Prospects*" above and as disclosed in the 2024 annual report and the 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 2024, being the date to which the latest published audited consolidated financial statements of the Group have been made up.

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): (a) 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); (b) which were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

2.1.1 Long Positions in Shares of the Company

<u>Name of Director</u>	<u>Capacity</u>	<u>Nature of Interests</u>	<u>Number of Shares Held</u>	<u>Approximate % of Shareholding</u> <small>(Note)</small>
Leung Hong Shun, Alexander	Beneficial owner	Personal	180,000	0.01%
Tsai Chao Chung, Charles	Beneficial owner	Personal	24,022	≈0%
Cheng Cho Ying, Francis	Beneficial owner	Personal	17,000	≈0%

Note: The approximate percentages of shareholding in this table were computed based on the number of issued shares of the Company as at the Latest Practicable Date, being 2,131,105,154 Shares.

2.1.2 Long Positions in Shares of Associated Corporation

HK Electric Investments and HK Electric Investments Limited

<u>Name of Director</u>	<u>Capacity</u>	<u>Nature of Interests</u>	<u>Number of Share Stapled Units Held</u>	<u>Total</u>	<u>Approximate % of Issued Share Stapled Units</u>
Li Tzar Kuoi, Victor	Interest of controlled corporation	Corporate	5,170,000) (Note 1)	7,870,000	0.08%
	Beneficiary of trusts	Other	2,700,000) (Note 2)		
Tsai Chao Chung, Charles	Beneficial owner	Personal	880	880	≈0%

Notes:

- (1) *Such share stapled units of HK Electric Investments and HK Electric Investments Limited (“SSUs”) are 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) *Such SSUs are held by Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of The Li Ka-Shing Unity Trust (“UT1”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”)) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of another discretionary trust (“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 SSUs by reason only of its obligation and power to hold interests in those SSUs in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the SSUs 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 SSUs held by TUT1 as trustee of UT1 under the SFO as a Director.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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); (b) to be entered in the register kept by the Company under Section 352 of the SFO; or (c) 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 headed “Connected Transactions” in the “Corporate Governance Report” as contained 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 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

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 headed “Connected Transactions” in the “Corporate Governance Report” as contained in the 2024 annual report of the Company, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which was significant in relation to the business of the Group taken as a whole.

2.3 Directors’ Interests in Competing Businesses

As at the Latest Practicable Date, the interests of Directors in businesses which may compete with the Group’s business of energy and utility-related investment were as follows:

<u>Name of Director</u>	<u>Name of Company</u>	<u>Nature of Interests</u>
Andrew John Hunter	CKHH CKI	Executive Director Co-Managing Director
Chan Loi Shun	CKI	Chief Financial Officer, General Manager and Executive Director
Li Tzar Kuoi, Victor	CKA CKHH CKI	Chairman and Managing Director Chairman and Executive Director Chairman

The Board is of the view that the Group is capable of carrying on the business of energy and utility-related investment independent of, and at arm’s length from the businesses of the above companies. When making decisions on the Group’s business and in the performance of their duties as Directors, the above Directors have acted and will act in the best interest of the Group and the Shareholders.

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 had 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**”):

<u>Name of Director</u>	<u>Relevant Companies in which the Director is also a director</u>
Andrew John Hunter	CKI CKHH
Chan Loi Shun	Interman Development Inc. Venniton Development Inc. Univest Equity S.A. Monitor Equities S.A. CKI
Koh Poh Wah	CKI
Li Tzar Kuoi, Victor	Hyford Limited CKI CK Hutchison Global Investments Limited CKHH

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. MATERIAL CONTRACT

There was no material contract (not being a contract entered into in the ordinary course of the business) entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, no members of the Group were engaged in any litigation of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

6. EXPERT

6.1 Qualification of expert

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

<u>Name</u>	<u>Qualification</u>
Platinum Securities Company Limited	A corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO

6.2 Interests of expert

Platinum Securities Company 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 did not have any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), 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.

7. CONSENT

As at the Latest Practicable Date, Platinum Securities Company 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.

8. MISCELLANEOUS

- (i) The registered office of the Company is situated at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
- (ii) The Company's share registrar is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iii) The company secretary of the Company is Mr. Ng Wai Cheong, Alex. Mr. Ng holds a Bachelor's degree in Science and a Bachelor's degree in Laws. He was admitted as a solicitor in Hong Kong and in England and Wales.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company at <https://www.powerassets.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 “7. *Consent*” above.

The Company has applied to, and has been granted a waiver by, the Stock Exchange from strict compliance with Rules 14.66(10) and 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 GENERAL MEETING



Power Assets Holdings Ltd.
電能實業有限公司

Incorporated in Hong Kong with limited liability
Stock Code: 6

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the “**Meeting**”) of Power Assets Holdings Limited (the “**Company**”) will be held as a hybrid meeting at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong and online on Monday, 27 April 2026 at 3:00 p.m. *(or, (i) as the directors of the Company may, in their absolute discretion in accordance with the Company’s 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 of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the connected and major transactions that are contemplated under, pursuant to or in connection with the share purchase agreement (the “**Share Purchase Agreement**”) dated 25 February 2026 among Devin International Limited, CKI Number 1 Limited, Eagle Insight 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 PAH Sub’s Sale Shares (as defined in the Circular) and PAH 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 transactions 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
Alex Ng
Company Secretary

Hong Kong, 8 April 2026

NOTICE OF GENERAL MEETING

Notes:

- (1) Unless otherwise defined in this notice or the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this notice.
- (2) The Meeting will be held as a hybrid meeting. In addition to physical attendance, shareholders of the Company (the “Shareholders”, each a “Shareholder”) have the option to attend, participate and vote at the Meeting through online access by visiting the website at <https://meetings.lumiconnect.com> (the “Online Platform”). Shareholders attending and participating in the Meeting using 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 through the Online Platform. Details of the Online Platform are set out in the Circular.
- (3) At the Meeting, the Chairman of the Meeting will exercise his power under article 81(B) of the Company’s articles of association to put the above resolution to be voted by way of a poll.
- (4) **A Shareholder is entitled to appoint another person (whether a Shareholder or not) as a proxy to exercise all or any of the Shareholder’s rights to attend and vote at the Meeting, and may appoint separate proxies to represent respectively the number of shares of the Company held by the Shareholder that is specified in their instruments of appointment.** To be valid, all proxy forms must be completed and signed in accordance with the instructions printed thereon and (i) be returned to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; (ii) be deposited at the Company’s registered office at Unit 2005, 20th Floor, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong; or (iii) be returned electronically in a legible image to the Company by email at eproxy@powerassets.com 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).
- (5) Completion and return of the proxy form shall not preclude a Shareholder from attending and voting at the Meeting (or at any adjournment or postponement thereof) should the Shareholder so wish and, in such event, the proxy form shall be deemed to be revoked.
- (6) 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. For the purpose of ascertaining Shareholders who are entitled to attend and vote at the Meeting (or at any adjournment or postponement thereof), the register of shareholders of the Company will be closed from Wednesday, 22 April 2026 to Monday, 27 April 2026 (or to 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 on Monday, 27 April 2026 (as detailed in Note (9) below)), both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the Meeting (or at any adjournment or postponement thereof), all transfers accompanied by the relevant share certificates should be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Tuesday, 21 April 2026.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (7) In case the Company needs to change the Meeting arrangements at short notice, the directors of the Company may, in their absolute discretion in accordance with the Company’s 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. Shareholders should check the website of the Company at <https://www.powerassets.com> for future announcements and updates on the meeting arrangements.
- (8) No refreshments or drinks will be provided to attendees at the Meeting.

NOTICE OF GENERAL MEETING

- (9) 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 automatically be postponed and, by virtue of this notice, be held at the same time and place on Tuesday, 28 April 2026 instead. Shareholders may call the Company at (852) 2122 9122 during business hours from 9:00 a.m. to 5:00 p.m. on Monday to Friday, excluding public holidays, or visit the website of the Company at <https://www.powerassets.com> for details of alternative meeting arrangements. The Meeting will be held as scheduled regardless of whether or not a tropical cyclone warning signal no. 3 or below or an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day.
- (10) In the case of inconsistency between the Chinese translation and the English text of this notice of Meeting, the English text shall prevail.