
CORNERSTONE INVESTORS

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As part of the International Offering, the Trustee-Manager, the Company and the Joint Global Coordinators have entered into cornerstone investment agreements with SGID and OIF.

KEY TERMS OF THE SGID AGREEMENT

Pursuant to the SGID Agreement, SGID has agreed to subscribe at the Offer Price for such number of Share Stapled Units which is equivalent to 18.0% of the total Share Stapled Units in issue on the Listing Date immediately following the completion of the Reorganisation and the Global Offering (rounded down to the nearest whole board lot of 500 Share Stapled Units).

Based on the total number of Share Stapled Units which will be in issue on the Listing Date immediately following the completion of the Reorganisation and the Global Offering, SGID will subscribe for 1,590,516,000 Offer Share Stapled Units. Such number of Offer Share Stapled Units represents approximately 35.9% of the total number of Offer Share Stapled Units initially available under the Global Offering. The number of Offer Share Stapled Units to be subscribed for by SGID will not be affected by any reallocation of the Offer Share Stapled Units between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering or any exercise of the Over-allotment Option as described in “*Structure of the Global Offering*”. SGID has agreed that, other than pursuant to the SGID Agreement, SGID will not subscribe for any Offer Share Stapled Units pursuant to the Global Offering.

Assuming an Offer Price of HK\$5.45 (being the Minimum Offer Price), the aggregate subscription price payable by SGID for its cornerstone investment will be HK\$8,668,312,200. Assuming an Offer Price of HK\$6.30 (being the Maximum Offer Price), the aggregate subscription price payable by SGID for its cornerstone investment will be HK\$10,020,250,800.

SGID may obtain external financing from lenders (which may include affiliates of HSBC Corporate Finance (Hong Kong) Limited) to finance its subscription of the Offer Share Stapled Units pursuant to the SGID Agreement. Such loan, if obtained, will be on normal commercial terms after arm’s length negotiations.

Information About SGID

SGID is a wholly-owned subsidiary of the State Grid Corporation of China (“**SGCC**”), the largest state-owned PRC grid company, which primarily focuses on the construction and operation of a grid network covering 26 provinces, autonomous regions and municipalities in China. SGID is a subsidiary of SGCC for developing its international businesses and engaging in international investments and other services.

As at the date of this prospectus, SGID is an independent third party, is not a connected person of HK Electric Investments and the Company, and is not an existing Holder of Share Stapled Units. Immediately upon completion of the Global Offering, SGID will be a Substantial Holder of Share Stapled Units and a connected person of HK Electric Investments and the Company. Accordingly, the Offer Share Stapled Units which are subscribed for by SGID pursuant to the SGID Agreement will not count towards the public float of Share Stapled Units.

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KEY TERMS OF THE OIF AGREEMENT

Pursuant to the OIF Agreement, OIF has agreed to subscribe for such number of Share Stapled Units at the Offer Price for an aggregate subscription amount equal to HK\$387.5 million (rounded down to the nearest whole board lot of 500 Share Stapled Units).

Assuming an Offer Price of HK\$5.45 (being the Minimum Offer Price), the number of Share Stapled Units to be subscribed for by OIF would be 71,100,500, representing approximately 0.8% of the total issued Share Stapled Units in issue immediately following the completion of the Reorganisation and the Global Offering. Assuming an Offer Price of HK\$6.30 (being the Maximum Offer Price), the number of Share Stapled Units to be subscribed for by OIF would be 61,507,500, representing approximately 0.7% of the total issued Share Stapled Units in issue immediately following the completion of the Reorganisation and the Global Offering. The number of Share Stapled Units to be subscribed for by OIF will not be affected by any reallocation of the Offer Share Stapled Units between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, or any exercise of the Over-allotment Option as described in “*Structure of the Global Offering*”. OIF has agreed that, other than pursuant to the OIF Agreement, OIF will not subscribe for any Offer Share Stapled Units pursuant to the Global Offering.

Information About OIF

OIF is a sovereign wealth fund of the Government of Oman responsible for investment in public equity, private equity and real estate globally. OIF is an independent third party, is not a connected person of HK Electric Investments and the Company, and is not an existing Holder of Share Stapled Units. The Offer Share Stapled Units which are subscribed for by OIF pursuant to the OIF Agreement will count towards the public float of Share Stapled Units.

CONDITIONS PRECEDENT

The subscription obligation of each of SGID and OIF under their respective cornerstone investment agreements is conditional upon the following conditions precedent:

- (a) the Underwriting Agreements being entered into and having become unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements or as subsequently waived or varied by agreement of the parties thereto;
- (b) neither of the Underwriting Agreements having been terminated; and
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Share Stapled Units in issue and to be issued and such approval or permission not having been revoked prior to the commencement of dealings in the Share Stapled Units on the Stock Exchange.

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RESTRICTIONS ON DISPOSAL OF SHARE STAPLED UNITS BY SGID AND OIF

Each of SGID and OIF has agreed that without the prior written consent of the Trustee-Manager, the Company and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date, dispose of any of the Share Stapled Units (or any interests in HK Electric Investments, any Share Stapled Units or any other securities of the Company which are derived therefrom) or any interest in any company or entity holding any of the Share Stapled Units, subscribed for by it pursuant to their respective cornerstone investment agreements, other than transferring such Share Stapled Units or interests to its wholly-owned subsidiary, provided that such wholly-owned subsidiary undertakes in writing, and each of SGID and OIF undertakes in writing to procure such wholly-owned subsidiary, to be bound by the obligations under its respective cornerstone investment agreements.

OTHER INFORMATION

The Share Stapled Units to be delivered and issued to each of SGID and OIF pursuant to their respective cornerstone investment agreements will rank *pari passu* with all other Share Stapled Units then in issue and to be listed on the Stock Exchange.

Immediately following the completion of the Global Offering, neither SGID nor OIF will have any representation on the board of directors of the Trustee-Manager or the Company. Compared with public Holders of Share Stapled Units, neither SGID nor OIF has any preferential rights pursuant to their respective cornerstone investment agreements.

Details of the aggregate subscription price payable by SGID pursuant to the SGID Agreement, and details of the interest of OIF immediately following the completion of the Reorganisation and the Global Offering, if any, will be disclosed in the allocation results announcement which is expected to be made by the Trustee-Manager and the Company on 28 January 2014.