A consortium comprising CKI, CK Asset Holdings Limited (“CKA”) and Power Assets acquires 100% of DUET Group in Australia for approximately HK$42.4 billion. DUET owns and operates a gas distribution company, electricity distribution company, gas transmission pipeline, and a clean and remote energy solutions provider.
Infrastructure
1. Reliance Home Comfort, a CKI member company, is principally engaged in the building equipment services sector in Canada and the United States.

2. HK Electric has entered into a new 15-year Scheme of Control Agreement that provides the certainty needed to support the Hong Kong government’s energy and environmental policy objectives.

3. UK Rails’ first train test run for the Great Western Railway new order is being carried out.
4. CKI and CKA form a joint venture to acquire leading fully integrated energy management services provider ista in Germany for approximately HK$41.4 billion.

5. Australian Gas Networks is developing a system to add hydrogen into their gas network and decarbonise Australia’s gas supply.
The infrastructure division comprises the Group’s 75.67% interest in CK Infrastructure Holdings Limited (“CKI”) and the Group’s additional interests in six co-owned infrastructure joint ventures (“JVs”).

<table>
<thead>
<tr>
<th></th>
<th>2017 HK$ million</th>
<th>2016 (1) HK$ million</th>
<th>Change</th>
<th>Change in Local Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>57,369</td>
<td>53,211</td>
<td>+8%</td>
<td>+9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>33,033</td>
<td>31,128</td>
<td>+6%</td>
<td>+8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>23,449</td>
<td>22,162</td>
<td>+6%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

Note 1: In January 2015, CKI completed a share placement and share subscription transaction that resulted in the Group’s interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group holds a 71.93% interest. As these new shares are disregarded for the purpose of determining the number of shares held by the public, the Group’s profit sharing in CKI continues to be 75.67%.

Note 2: The aircraft leasing business was disposed of in December 2016. During 2016, the operation contributed revenue, EBITDA and EBIT of HK$1,820 million, HK$1,705 million and HK$879 million respectively.

CKI

CKI is the largest publicly listed infrastructure company on the SEHK, with diversified investments in energy, transportation and water infrastructure, waste management, waste-to-energy, household infrastructure and infrastructure-related businesses. CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI announced profit attributable to shareholders of HK$10,256 million, 6% higher than HK$9,636 million reported last year, which includes the accretive contributions from the acquisitions of DUET Group, Reliance and ista during the year. Together with full year contribution from Canadian Midstream Assets, which was acquired in July 2016, and steady performances from the majority of CKI’s businesses across the globe, the growth was achieved despite the gain on disposal of Spark Infrastructure Group and a UK deferred tax credit recognised in 2016, as well as the depreciation of Sterling in 2017.

Power Assets, a company listed on the SEHK and in which CKI holds a 38.01% interest, announced profit attributable to shareholders of HK$8,319 million, an increase of 30% compared to last year’s profit of HK$6,417 million.

In May 2017, CKI acquired 40% interest in the DUET Group, owner and operator of energy utility assets in Australia, the United States, the UK, Canada and Europe, which was listed on the Australian Securities Exchange, for a consideration of approximately A$3.0 billion.
In September 2017, CKI acquired 25% interest in Reliance, with its subsidiaries principally engaged in building equipment services business in Canada and the United States, for a consideration of approximately C$715 million.

In October 2017, CKI acquired 35% interest in ista, a fully integrated energy management services provider operating mainly in Europe, for a consideration of approximately €1,543 million.

Co-owned joint ventures with CKI
The Group’s six co-owned JVs with CKI include Northumbrian Water, Park’N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails. The co-owned operations contributed additional revenue, EBITDA and EBIT of HK$10,772 million, HK$6,617 million and HK$4,613 million respectively in the year.