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CHEUNG KONG (HOLDINGS) LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 0001)

VOLUNTARY DISCLOSURE

Hutchison Whampoa Limited 

HUTCHISON WHAMPOA LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 0013)

CONNECTED TRANSACTION



CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1038)

VOLUNTARY DISCLOSURE



POWER ASSETS HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 0006)

CONNECTED TRANSACTION

FORMATION OF A JOINT VENTURE

The Joint Venture Transaction

Reference is made to the joint announcement of CKH, CKI and PAH dated 8 May 2014 in relation to the Non-binding Takeover Proposal.

On 30 May 2014, CKH, CKI (a subsidiary of HWL), PAH and JV Co entered into the Shareholders' Agreement in relation to, among other things, the Subscription, funding for the Takeover Bid and the operations and management of the JV Group and of the Target Group following completion of the Acquisition.

Following completion of the Subscription, each of CKH, CKI and PAH will hold an indirect one-third interest in the JV Co and each member of the JV Group will be accounted for as a joint venture of each of CKH, CKI and PAH in their respective consolidated financial statements. The maximum capital commitment of each of the CKH Group, the CKI Group and the PAH Group under the Joint Venture Transaction is approximately AUD666 million (approximately HK\$4,798.7 million).

On 30 May 2014, CKH, CKI, PAH, the AusBidco and the Target Company entered into the Bid Implementation Agreement, under which AusBidco has certain obligations to the Target Company in respect of the Takeover Bid. Each of CKH, CKI and PAH must procure that AusBidco complies with its obligations to the Target Company under the Bid Implementation Agreement.

CKI currently holds approximately 38.87% of the issued share capital of PAH. By virtue of being a substantial shareholder of PAH, CKI is a connected person of PAH. Therefore, the Joint Venture Transaction constitutes a connected transaction for PAH under the Listing Rules. As the relevant percentage ratios represented by the size of PAH's maximum capital commitment in respect of the JV Co under the Joint Venture Transaction exceed 0.1% but are less than 5%, the Joint Venture Transaction is subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirements for PAH.

CKH currently holds approximately 49.97% of the issued share capital of HWL. By virtue of being a substantial shareholder of HWL, CKH is a connected person of HWL. Therefore, the entering into of the Joint Venture Transaction by CKI, a subsidiary of HWL, constitutes a connected transaction for HWL under the Listing Rules. As the relevant percentage ratios represented by the size of CKI's maximum capital commitment in respect of the JV Co under the Joint Venture Transaction exceed 0.1% but are less than 5%, the Joint Venture Transaction is subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirements for HWL.

The text of the announcement of AusBidco given to the ASX on 30 May 2014 is annexed to this announcement. Further announcement(s) will be made by CKH, CKI, PAH and/or HWL on the developments of the Acquisition and the transactions to be entered into by them in relation thereto as and when appropriate.

INTRODUCTION

Reference is made to the joint announcement of CKH, CKI and PAH dated 8 May 2014 in which it was disclosed, among other things, that the Consortium Members had provided the Target Company with the Non-binding Takeover Proposal and that if the Non-binding Takeover Proposal proceeded to a formal proposal, the Consortium Members intended to establish an entity, in which each of them would be expected to hold a one-third interest, to proceed with a formal proposal for the Takeover Bid.

On 30 May 2014, CKH, CKI (a subsidiary of HWL), PAH and JV Co entered into the Shareholders' Agreement in relation to, among other things, the Subscription, funding for the Takeover Bid and the operations and management of the JV Group and of the Target Group following completion of the Acquisition.

On 30 May 2014, CKH, CKI, PAH, the AusBidco and the Target Company entered into the Bid Implementation Agreement, under which AusBidco has certain obligations to the Target Company in respect of the Takeover Bid. Each of CKH, CKI and PAH must procure that AusBidco complies with its obligations to the Target Company under the Bid Implementation Agreement.

The major terms of the Shareholders' Agreement, the undertakings between the Consortium Members and the JV Co and the AusBidco in relation to the Takeover Bid and other information are set out below.

THE JOINT VENTURE TRANSACTION

The Shareholders' Agreement

Subscription

Each of CKH, CKI and PAH, through one or more of their respective subsidiaries, will subscribe for ordinary shares in cash in the capital of the JV Co at an aggregate subscription price to be determined by the board of directors of the JV Co subject to a maximum of AUD666 million (approximately HK\$4,798.7 million). The subscription price under the Subscription will be determined based on the funding requirement for the Takeover Bid.

Following the Subscription, the JV Co will be held as to one-third by each of the CKH Group, the CKI Group and the PAH Group.

The obligation of each of the CKH Group, the CKI Group and the PAH Group under the Subscription is conditional on the Offer being declared unconditional by AusBidco.

Board composition

Each of the JV Ultimate Shareholders will be entitled to appoint one director of the JV Co in respect of each complete 10% of the shares in the capital of the JV Co which it, directly or indirectly through its subsidiaries, owns, provided that the number of directors that a JV Ultimate Shareholder may appoint must not exceed 40% of the number of all Directors holding office at any time.

The quorum for the transaction of business at any board meeting of each member of the JV Group shall be at least one director appointed by each of the JV Ultimate Shareholders having the right to appoint a director and which has exercised that right.

Profit distribution

Profits (if any) available for distribution will be distributed to the JV Ultimate Shareholders pro rata to their respective equity interests in the JV Co.

Reserved matters

None of the JV Co or any member of the Target Group shall transact any of the following business without the prior written approval of the JV Ultimate Shareholders controlling (directly or indirectly through its subsidiaries) at least 80% of the votes able to be cast at a general meeting called to consider the matter:

- (i) amending its articles of association;

- (ii) the creation or issue of any shares to any person other than a member of the JV Group or the grant of any option over any shares, other than the allotment of shares to the JV Ultimate Shareholders or their subsidiaries at completion of the Subscription; or except to the extent necessary to avoid or cure an event of default under the terms of any banking facilities of any member of the JV Group and in such case any shares of the JV Co to be issued shall first be offered to the JV Ultimate Shareholders on identical terms pro rata to their shareholdings (held directly or indirectly) in the JV Co, with any shares not taken up being offered round to accepting JV Ultimate Shareholders (or their subsidiaries) pro rata to their shareholdings (held directly or indirectly) in the JV Co before being offered to persons who are not JV Ultimate Shareholders;
- (iii) the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve or the redemption of any shares of the JV Co or any other reorganisation of its share capital;
- (iv) the making of any petition or passing of any resolution for winding-up or liquidation or the making of an application for an administration order;
- (v) up until the Close of the Offer, the exercise by the JV Co of any rights under the Bidder's Statement, the Offer or the Corporations Act;
- (vi) up until the Close of the Offer, the waiver of any rights by the JV Co under the Bidder's Statement, the Offer or the Corporations Act; and
- (vii) up until the Close of the Offer, the variation of any rights of a person or of any terms of the Offer and the Corporations Act.

For the purposes of the approval, resolution or vote in respect of any of the above reserved matters, the number of votes that may be cast by a JV Ultimate Shareholder must not exceed the lesser of (i) 40% of all votes which may be exercised in respect of all issued shares of the JV Co held by all the JV Ultimate Shareholders (including that Ultimate Shareholder); and (ii) the sum of the number of votes which may be exercised by all the other JV Ultimate Shareholders.

None of the JV Co or any member of the Target Group shall transact any of the following business unless the approval of the board of directors of the JV Co has been obtained by 80% or more of the votes cast on a poll taken at a board meeting of the JV Co in accordance with the terms of the Shareholders' Agreement:

- (i) the making of any consensual amendment to any licence held by the Target Group;
- (ii) any change in the nature of the business carried on by any member of the JV Group including any change resulting from: (a) any acquisition or investment in another company (other than a wholly-owned subsidiary of the JV Co) or participation in any partnership or joint venture; (b) amalgamation or merger with any other company or legal entity; or (c) any expansion or extension of, or amendment to, the core business of any member of the JV Group;
- (iii) any change of auditors;

- (iv) any removal of the chairman of the board of the directors;
- (v) any change to the accounting reference date;
- (vi) any change of dividend policy;
- (vii) any change of tax election or grouping (which shall mean a change in the nature of the tax status of any member of the JV Group in a manner which would have an adverse effect on either the JV Ultimate Shareholders as a group or any individual JV Ultimate Shareholder or the introduction of a new entity into the structure comprising the JV Co and the Target Group which would have the same effect);
- (viii) any purchase by the JV Co of its own shares;
- (ix) the disposal of intellectual property rights or rights or assets relating to information technology if such disposal is likely to prejudice the operation of the business of the Target Group;
- (x) the acquisition of any assets or business which are not related to the operation of the business of the Target Group where the assets or business to be acquired have a value in excess of £15 million (approximately HK\$194.4 million) or the disposal of any assets or part of the business of the Target Group which is likely to prejudice the operation of the business of the Target Group;
- (xi) the entering into of any contract, whether for the provision of services or for the acquisition or disposal of any assets or otherwise, involving payments by or to any member of the JV Group or the assumption by any member of the JV Group of liabilities in excess of £25 million (approximately HK\$324.0 million) in aggregate;
- (xii) any member of the JV Group borrowing money in excess of £25 million (approximately HK\$324.0 million) per annum in aggregate (it being acknowledged that any such borrowing may only be made to the extent permitted by banking covenants and required for the ordinary course of the business of the JV Group or as the case may be any of its subsidiaries);
- (xiii) the creation of any mortgage, charge, lien or encumbrance on any assets;
- (xiv) the settlement or compromise of any legal dispute or proceedings involving the payment or receipt of £10 million (approximately HK\$129.6 million) or more in aggregate in any one year;
- (xv) the appointment or removal of any chief executive officer, chief financial officer or any other key employee;
- (xvi) the adoption of or amendment to an annual business plan; and
- (xvii) (except for a disposal which is likely to prejudice the operation of the business of the Target Group) the disposal of intellectual property rights or rights or assets relating to information technology for consideration exceeding £10 million (approximately HK\$129.6 million) in aggregate in any one year.

On a poll taken at the board meetings of the JV Co, the directors of the JV Co appointed by a JV Ultimate Shareholder who are present at the meeting shall together be entitled to exercise a number of votes equal to the number of votes which are exercisable in respect of the issued shares of the JV Co held (either directly or indirectly through its subsidiaries) by that JV Ultimate Shareholder provided that such number of votes must not exceed the lesser of (i) 40% of all votes which may be exercised in respect of all issued shares of the JV Co held by all the JV Ultimate Shareholders (including that Ultimate Shareholder); and (ii) the sum of the number of votes which may be exercised by the directors of all the other JV Ultimate Shareholders.

Termination

The Shareholders' Agreement shall terminate and cease to have any further effect upon, the earlier of, the withdrawal of the Offer, the JV Ultimate Shareholders entering into a written agreement to terminate it or an effective resolution being passed or a binding order is made for the winding up of the JV Co.

Capital commitment under the Joint Venture Transaction

The maximum capital commitment of each of the CKH Group, the CKI Group and the PAH Group under the Joint Venture Transaction is approximately AUD666 million (approximately HK\$4,798.7 million). Save as disclosed above, each of the CKH Group, the CKI Group and the PAH Group has no other capital commitment under the Joint Venture Transaction as at the date of this announcement.

It is contemplated that each of CKH and PAH will finance the Subscription by internal resources and that CKI will finance the Subscription by bank borrowings.

THE AGREEMENTS AND UNDERTAKINGS IN RELATION TO THE TAKEOVER BID

Bid Implementation Agreement

On 30 May 2014, the Consortium Members, the AusBidco and the Target Company entered into the Bid Implementation Agreement pursuant to which the AusBidco agrees to make the Offer as soon as practicable on the terms agreed (and to lodge a copy of the Bidder's Statement with the Australian Securities and Investments Commission and to send a copy of the Bidder's Statement to the Target Company and the ASX by no later than the date that is 15 business days after 30 May 2014) and the Target Company confirms that its independent directors will recommend the holders of the Target Shares to accept the Offer in the absence of a superior proposal.

Undertaking of CKI not to accept the Offer and not to dispose of the shares in CKIM

As at the date of this announcement, the CKI Group holds 313,645,693 Target Shares, representing approximately 17.46% of the issued and outstanding Target Shares, through CKI's indirect wholly-owned subsidiary, CKIM. On 30 May 2014, CKI and the direct holder of the shares in CKIM, Proway gave an undertaking to the AusBidco, among other things, that they will not accept the Offer in respect of any of the Target Shares of which CKIM is the registered holder, or transfer, assign or dispose of any of those Target Shares or any of the shares in CKIM to any person who may accept the Offer until the date that is six months after the end of the offer period under the Takeover Bid.

INFORMATION ON THE CKH GROUP

The principal activities of the CKH Group are investment holding, property development and investment, hotel and serviced suite operation, property and project management, and investment in infrastructure business and securities.

INFORMATION ON THE CKI GROUP

The principal activities of the CKI Group are development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, the Netherlands, Australia, New Zealand and Canada.

INFORMATION ON THE PAH GROUP

The principal activities of the PAH Group are investment in power businesses in Hong Kong and overseas.

INFORMATION ON THE HWL GROUP

The HWL Group operates and invests in six core businesses: ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications.

REASONS FOR AND BENEFITS OF THE JOINT VENTURE TRANSACTION

CKH, CKI and PAH have worked together on joint venture projects in the past and their previous experience of working together successfully makes each a suitable partner for the others for forming a consortium to proceed with the Acquisition through the Takeover Bid. The Consortium Members believe that the Target Group's natural gas distribution business in Australia represents an attractive opportunity for investors with the potential for appropriate growth opportunities.

Each of CKH, CKI, PAH and HWL therefore considers that, subject to completion of the Acquisition, it would benefit from the co-operation with the others through the Joint Venture Transaction.

The CKH Directors (including the independent non-executive CKH Directors) consider that the terms of the Joint Venture Transaction are on normal commercial terms, fair and reasonable and in the interest of CKH and the CKH Shareholders as a whole.

The CKI Directors (including the independent non-executive CKI Directors) consider that the terms of the Joint Venture Transaction are on normal commercial terms, fair and reasonable and in the interest of CKI and the CKI Shareholders as a whole.

The PAH Directors (including the independent non-executive PAH Directors) consider that the terms of the Joint Venture Transaction are on normal commercial terms, fair and reasonable and in the interest of PAH and the PAH Shareholders as a whole. As none of the PAH Directors has any material interest in the connected transaction herein announced, no PAH Directors were required to abstain from voting on the board resolutions passed in connection with this announcement.

The HWL Directors (including the independent non-executive HWL Directors) consider, having regard to the views of the CKI Directors expressed above which the HWL Directors duly endorse, that the terms of the Joint Venture Transaction are on normal commercial terms, fair and reasonable and in the interest of HWL and the HWL Shareholders as a whole. As none of the HWL Directors has any material interest in the connected transaction herein announced, no HWL Directors were required to abstain from voting on the board resolutions passed in connection with this announcement.

IMPLICATIONS UNDER THE LISTING RULES FOR THE JOINT VENTURE TRANSACTION

For CKH and CKI

The Joint Venture Transaction is not subject to any reporting, announcement or independent shareholders' approval requirements under Chapter 14 or Chapter 14A of the Listing Rules for CKH and CKI.

For PAH

CKI currently holds approximately 38.87% of the issued share capital of PAH. By virtue of being a substantial shareholder of PAH, CKI is a connected person of PAH. Therefore, the Joint Venture Transaction constitutes a connected transaction for PAH under the Listing Rules. As the relevant percentage ratios represented by the size of PAH's maximum capital commitment in respect of the JV Co under the Joint Venture Transaction exceed 0.1% but are less than 5%, the Joint Venture Transaction is subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirements for PAH.

For HWL

CKH currently holds approximately 49.97% of the issued share capital of HWL. By virtue of being a substantial shareholder of HWL, CKH is a connected person of HWL. Therefore, the entering into of the Joint Venture Transaction by CKI, a subsidiary of HWL, constitutes a connected transaction for HWL under the Listing Rules. As the relevant percentage ratios represented by the size of CKI's maximum capital commitment in respect of the JV Co under the Joint Venture Transaction exceed 0.1% but are less than 5%, the Joint Venture Transaction is subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirements for HWL.

FURTHER INFORMATION

The text of the announcement of AusBidco published on the ASX on 30 May 2014 is annexed to this announcement.

Further announcement(s) will be made by CKH, CKI, PAH and/or HWL on the developments of the Acquisition and the transactions to be entered into by them in relation thereto as and when appropriate.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Shares by AusBidco through the Takeover Bid
“ASX”	The Australian Securities Exchange
“AusBidco”	CK ENV Investments Pty Ltd, a company incorporated in Australia with limited liability, and an indirect wholly-owned subsidiary of the JV Co
“Bid Implementation Agreement”	the bid implementation agreement entered into between the Consortium Members, the AusBidco and the Target Company in respect of the Takeover Bid on 30 May 2014
“Bidder’s Statement”	the offer document containing the terms of the Offer to be issued to the holders of the Target Shares
“AUD”	Australian dollars, the official currency of Australia
“CKH”	Cheung Kong (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: 0001)
“CKH Board”	the board of CKH Directors
“CKH Director(s)”	the director(s) of CKH
“CKH Group”	CKH and its subsidiaries
“CKH Share(s)”	ordinary share(s) in the issued share capital of CKH
“CKH Shareholder(s)”	holder(s) of the CKH Share(s)
“CKI”	Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038)
“CKI Board”	the board of CKI Directors
“CKI Director(s)”	the director(s) of CKI

“CKI Group”	CKI and its subsidiaries
“CKI Share(s)”	ordinary share(s) of HK\$1 each in the issued share capital of CKI
“CKI Shareholder(s)”	holder(s) of the CKI Share(s)
“CKIM”	Cheung Kong Infrastructure Holdings (Malaysian) Limited, a limited liability company incorporated in Malaysia and redomiciled to Bahamas
“Close of the Offer”	7:00 pm (Melbourne time) on the last day of the period for the Offer, unless AusBidco has proceeded to compulsory acquisition of the Target Shares in accordance with the Corporations Act, in which case, it means the end of the period required to complete that compulsory acquisition procedure in accordance with the Corporations Act
“connected person”	has the meaning ascribed to such term in the Listing Rules
“Consortium Members”	CKH, CKI and PAH
“Corporations Act”	the Corporations Act 2001 of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HWL”	Hutchison Whampoa 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: 0013)
“HWL Board”	the board of HWL Directors
“HWL Director(s)”	the director(s) of HWL
“HWL Group”	HWL and its subsidiaries
“HWL Share(s)”	ordinary share(s) in the issued share capital of HWL
“HWL Shareholder(s)”	holder(s) of the HWL Share(s)
“Joint Venture Transaction”	the transactions between the Consortium Members under the Shareholders’ Agreement
“JV Co”	CK ENV UK Limited, a private limited liability company, which is incorporated under the laws of the England and Wales
“JV Group”	the JV Co and its subsidiaries (including AusBidco)

“JV Ultimate Shareholder(s)”	CKH, CKI, PAH or any party that adheres to the Shareholders’ Agreement by executing a deed of adherence in the form set out in the schedule to the Shareholders’ Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Non-binding Takeover Proposal”	an indicative non-binding and conditional proposal from CKH, CKI and PAH to acquire all of the shares in the Target Company
“Offer”	the conditional cash offer of the AusBidco to acquire all the issued and outstanding Target Shares for AUD1.32 to be made to the holders of the Target Shares under the Takeover Bid
“PAH”	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: 0006)
“PAH Board”	the board of PAH Directors
“PAH Director(s)”	the director(s) of PAH
“PAH Group”	PAH and its subsidiaries
“PAH Share(s)”	ordinary share(s) in the issued share capital of PAH
“PAH Shareholder(s)”	holder(s) of the PAH Share(s)
“percentage ratios”	shall have the meaning ascribed to such term in Chapter 14 of the Listing Rules
“Proway”	Proway Limited, a company incorporated in the British Virgin Islands with limited liability
“Shareholders’ Agreement”	the shareholders’ agreement entered into between the Consortium Members and the JV Co on 30 May 2014 in relation to, among other things, the Subscription, funding in respect of the Takeover Bid and the operations and management of the JV Group and the Target Group following completion of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to such term in the Listing Rules

“Subscription”	the subscription for ordinary shares of the JV Co by each of CKH, CKI and PAH pursuant to the Shareholders’ Agreement
“Takeover Bid”	the conditional cash takeover bid by AusBidco to acquire all the issued and outstanding Target Shares for AUD1.32 for each of the Target Shares by way of a recommended off-market takeover bid under the Corporations Act announced by AusBidco on 30 May 2014 to the ASX
“Target Company”	Envestra Limited, a company with limited liability incorporated under the laws of Australia, whose shares are listed on ASX under the ASX Code ENV
“Target Group”	the Target Company and its subsidiaries
“Target Shares”	fully paid ordinary shares of the Target Company
“£”	Pound Sterling, the lawful currency of the United Kingdom
“%”	per cent

Note: The figures in “AUD” are converted into HK\$ at the rate of AUD1.00 : HK\$7.2053 and the figures in “£” are converted into HK\$ at the rate of £1.00 : HK\$12.961 as at 29 May 2014 throughout this announcement for indicative purpose only.

By order of the CKH Board
**CHEUNG KONG (HOLDINGS)
LIMITED**
Eirene Yeung
Company Secretary

By order of the HWL Board
**HUTCHISON WHAMPOA
LIMITED**
Edith Shih
Company Secretary

By order of the CKI Board
**CHEUNG KONG INFRASTRUCTURE
HOLDINGS LIMITED**
Eirene Yeung
Company Secretary

By order of the PAH Board
**POWER ASSETS HOLDINGS
LIMITED**
Alex Ng
Company Secretary

Hong Kong, 30 May 2014

As at the date of this announcement, the Directors (Note) of CKH are Mr. LI Ka-shing (Chairman), Mr. LI Tzar Kuoi, Victor (Managing Director and Deputy Chairman), Mr. KAM Hing Lam (Deputy Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Managing Director), Mr. CHUNG Sun Keung, Davy, Ms. PAU Yee Wan, Ezra, Ms. WOO Chia Ching, Grace and Mr. CHIU Kwok Hung, Justin as Executive Directors; Mr. LEUNG Siu Hon, Mr. FOK Kin Ning, Canning, Mr. Frank John SIXT, Mr. CHOW Kun Chee, Roland, Mr. George Colin MAGNUS and Mr. LEE Yeh Kwong, Charles as Non-executive Directors; and Mr. KWOK Tun-li, Stanley, Mr. YEH Yuan Chang, Anthony, Mr. Simon MURRAY, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Dr. WONG Yick-ming, Rosanna (also Alternate Director to Mr. Simon MURRAY) and Mr. CHEONG Ying Chew, Henry as Independent Non-executive Directors.

Note: Other than Chairman, Managing Director and Deputy Managing Directors, order by date of appointment, and in the case of Non-executive Directors (“NED”) / Independent Non-executive Directors (“INED”), order by date of appointment as NED / INED.

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

As at the date of this announcement, the Executive Directors of PAH are Mr. FOK Kin Ning, Canning (Chairman), Mr. TSAI Chao Chung, Charles (Chief Executive Officer), Mr. CHAN Loi Shun, Mr. Andrew John HUNTER, Mr. Neil Douglas MCGEE and Mr. WAN Chi Tin; the Non-executive Directors are Mr. LI Tzar Kuoi, Victor, Mr. Frank John SIXT, Mr. IP Yuk-keung, Albert (Independent Non-executive Director), Mr. Ralph Raymond SHEA (Independent Non-executive Director) and Mr. WONG Chung Hin (Independent Non-executive Director).

As at the date of this announcement, the Executive Directors of HWL are Mr. LI Ka-shing (Chairman), Mr. LI Tzar Kuoi, Victor (Deputy Chairman), Mr. FOK Kin Ning, Canning, Mrs. CHOW WOO Mo Fong, Susan, Mr. Frank John SIXT, Mr. LAI Kai Ming, Dominic and Mr. KAM Hing Lam; the Non-executive Directors are The Hon Sir Michael David KADOORIE (Independent Non-executive Director), Mr. Holger KLUGE (Independent Non-executive Director), Ms. LEE Wai Mun, Rose (Independent Non-executive Director), Mr. LEE Yeh Kwong, Charles, Mr. George Colin MAGNUS, Mr. William SHURNIAK (Independent Non-executive Director) and Mr. WONG Chung Hin (Independent Non-executive Director); and the Alternate Director is Mr. William Elkin MOCATTA (Alternate to The Hon Sir Michael David KADOORIE).

**ANNEXURE
ANNOUNCEMENT OF AUSBIDCO PUBLISHED ON
THE ASX ON 30 MAY 2014**

Announcement

Recommended A\$1.32 per share cash offer by CK ENV Investments Pty Ltd¹ for Envestra Limited

30 May 2014

- Recommended cash offer price of A\$1.32 per ordinary share values Envestra at approximately A\$2.37 billion.
- CK ENV Investments Pty Ltd's offer provides Envestra shareholders with an attractive, all-cash offer for their shares at a premium to historical trading prices.
- Through an undertaking given by Cheung Kong Infrastructure Holdings Limited ("CKI") and wholly-owned subsidiaries of CKI, CK ENV Investments Pty Ltd and each of its shareholders and ultimate shareholders through to their ultimate parent entities have a relevant interest in 17.46% of Envestra's shares.

CK ENV Investments Pty Ltd ("Bidder"), Cheung Kong (Holdings) Limited ("CKH"), CKI, Power Assets Holdings Limited ("PAH") and Envestra Limited ("Envestra") have entered into a Bid Implementation Agreement ("BIA") for a cash offer ("Offer") by the Bidder to acquire all of the issued shares in Envestra ("Envestra Shares") by way of a recommended off-market takeover offer.

The Offer price of A\$1.32 per share values Envestra at approximately A\$2.37 billion. The Offer will be financed through the existing cash reserves and credit facilities available to CKH, CKI and PAH.

The Bidder has agreed that Envestra shareholders will be entitled to receive a final dividend of up to \$0.035 per Envestra Share in respect of the financial year ending 30 June 2014, provided that such dividend is declared (or determined to be paid) on or prior to 21 August 2014 ("Final Dividend"), without any reduction to the Offer price of A\$1.32 per share.

It is a condition of the Offer that, other than the Final Dividend, no other dividend or other distribution is declared, authorised, determined, announced or otherwise paid or payable to Envestra Shareholders before the end of the Offer period (and even if payment is made or due to be made after the end of the Offer period) ("Additional Dividend"). To the extent that any Additional Dividend does not defeat the Offer, the Offer price of A\$1.32 will be reduced by the amount of such Additional Dividend per Envestra Share.

The Independent Envestra Directors² have recommended that shareholders accept the Offer and have indicated they intend to accept the Offer for the Envestra Shares that they control, in each case in the absence of a superior proposal and the BIA not being terminated.

Commenting on the Acquisition on behalf of the Consortium, HL Kam, Group Managing Director of CKI said:

CKI first invested in Envestra in 1999. That transaction marked CKI's first entry into the Australian market and was a springboard for the Group's subsequent investments into Australia's growing

¹ CK ENV Investments Pty Ltd is indirectly owned by CKH, CKI and PAH each as to one-third.

² Messrs John Allpass, Ian Little, Fraser Ainsworth and Olaf O'Duill are Envestra's Independent Directors, being those directors of Envestra who are not nominees of APA Group or CKI.

regulated energy industry. We are very pleased with our existing investment in Envestra and as the Company's longest standing major shareholder, we are very familiar with its operations.

Currently, CKI has a strong portfolio of regulated energy businesses in Australia comprising SA Power Networks in South Australia, Victoria Power Networks (comprising CitiPower in Melbourne and Powercor in Victoria), and Transmission Operations Australia in Victoria. Given that 80% of Envestra's gas coverage is in South Australia and Victoria, the Acquisition would enable us to further share our expertise and to explore opportunities for synergy.

Implementation

The Offer is subject to a number of conditions which are set out in full in Appendix 1 to this announcement. These conditions include:

- the Bidder acquiring a relevant interest in more than 50% of Envestra's shares³;
- binding confirmations being provided by those of Envestra's financiers (including noteholders) that are owed in aggregate not less than 51% of Envestra's total financial indebtedness that they will not declare any Envestra change of control resulting from the Offer to be "unacceptable" for the purposes of the Intercreditor Deed Poll to which Envestra is a party (**Financier Confirmations**), the Financier Confirmations remaining in full force and effect and not being withdrawn or materially adversely modified, and no event occurring which would give the financiers who have given the Financier Confirmations a right to withdraw or materially adversely modify them;
- no event of default occurring under the Intercreditor Deed Poll;
- Foreign Investment Review Board approval;
- no material adverse change occurring in respect of Envestra and its subsidiaries (taken as a whole);
- no termination of the BIA by Envestra;
- no material breach of the BIA by Envestra which breach, if capable of remedy, is not remedied by Envestra within 5 business days of receiving written notice of the breach from the Bidder, CKH, CKI or PAH;
- no prescribed occurrences (as specified in section 652C(1) and (2) of the Corporations Act); and
- other than the Final Dividend, no other dividend or other distribution is declared, authorised, determined, announced or otherwise paid or payable to Envestra Shareholders (and even if payment is made or due to be made after the end of the Offer period).

Existing relevant interest in 17.46% of Envestra Shares

As at the date of this announcement, Cheung Kong Infrastructure (Malaysian) Limited ("CKIM") is the registered holder of 313,645,693 Envestra Shares, which amounts to approximately 17.46% of the total number of Envestra Shares. The sole shareholder of CKIM is Proway Limited ("Proway"), which in turn is a wholly-owned subsidiary of CKI.

Each of CKI, Proway and CKIM have given an undertaking to the Bidder that they will not accept the Offer in respect of any of the Envestra Shares of which CKIM is the registered holder, nor will they transfer, assign or dispose of any of those Envestra Shares or any of the shares in CKIM or Proway until after the Offer has ended.

³ Including CKIM's 17.46% holding of Envestra Shares.

As a consequence of this undertaking, the Bidder and CKH, CKI and PAH each have a relevant interest in the 17.46% of Envestra Shares held by CKIM.

Next Steps

The Bidder expects that a Bidder's Statement will be lodged with the Australian Securities and Investments Commission and given to the Australian Securities Exchange and Envestra by around mid-June 2014 in relation to the Offer, with documents proposed to be sent to Envestra shareholders by around late June 2014.

Appendix 1 – Conditions to the Offer

Capitalised terms in this Appendix 1 have the meaning given to them in the BIA, which is annexed to Envestra's announcement to ASX of today's date.

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- (a) **(Minimum acceptance)** Before the end of the Offer Period, Bidco has received acceptances under the Offer that give Bidco and its Associates a Relevant Interest in more than 50% of Envestra Shares (by number) (inclusive of any Relevant Interest in Envestra Shares held by Cheung Kong Infrastructure Holdings (Malaysian) Limited).
- (b) **(Financier Confirmation)** As at the end of the Offer Period:
 - (i) binding confirmations have been provided by the Financiers whose Exposures in aggregate comprise not less than 51% of the total Exposures that they will not declare any Envestra change of control resulting from the Takeover Bid to be "unacceptable" for the purposes of the Intercreditor Deed Poll (**Financier Confirmation**);
 - (ii) the Financier Confirmation remains in full force and effect and has not been withdrawn or materially adversely modified; and
 - (iii) no event has occurred which would give the parties who have given the Financier Confirmation a right to withdraw or materially adversely modify the Financier Confirmation.
- (c) **(Foreign Investment Review Board approval)** Before the end of the Offer Period, one of the following occurs:
 - (i) the Treasurer of the Commonwealth of Australia (**Treasurer**) (or his delegate) gives Bidco a notice in writing to the effect that there are no objections to the acquisition of Envestra Shares under the Offer in terms of the Federal Government's foreign investment policy, and such notice is given on an unconditional basis;
 - (ii) after Bidco has notified the Treasurer that it proposes to acquire Envestra Shares under the Offer (and that notice has not been withdrawn), a period of 40 days has expired and:
 - (A) no order has been made during that period in relation to the acquisition of Envestra Shares under the Offer under section 22 of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**);
 - (B) no order has been made under the FATA during that period prohibiting the acquisition of Envestra Shares under the Offer; and
 - (C) no notice is given by the Treasurer to Bidco during that period to the effect that there are any objections of the kind referred to in paragraph (c)(i); or

- (iii) where an order is made under section 22 of the FATA, a period of 90 days has expired after the order comes into operation and no notice is given by the Treasurer to Bidco during that period to the effect that there are any objections of the kind referred to in paragraph (c)(i) and no final order is made under the FATA during that period prohibiting the acquisition of Envestra Shares under the Offer.
- (d) **(No Envestra Prescribed Event)** Between the Announcement Date and the end of the Offer Period (each inclusive), there is no occurrence of any of the following events (each an **Envestra Prescribed Event**):
- (i) Envestra converts all or any of its shares into a larger or smaller number of shares;
 - (ii) Envestra or a subsidiary of Envestra resolves to reduce its share capital in any way;
 - (iii) Envestra or a subsidiary of Envestra:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Envestra or a subsidiary of Envestra issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Envestra or a subsidiary of Envestra issues, or agrees to issue, convertible notes;
 - (vi) Envestra or a subsidiary of Envestra disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Envestra or a subsidiary of Envestra grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property; or
 - (viii) Envestra or a subsidiary of Envestra resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of Envestra or of a subsidiary of Envestra is appointed;
 - (x) a court makes an order for the winding up of a Envestra or of a subsidiary of Envestra;
 - (xi) an administrator of Envestra, or of a subsidiary of Envestra, is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) Envestra or a subsidiary of Envestra executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Envestra or of a subsidiary of Envestra.
- (e) **(No material adverse change)** Between the Announcement Date and the end of the Offer Period (each inclusive), there is no event, change or circumstance or announcement or disclosure of any event, change or circumstance (or, in the case of any pre-existing event, change or circumstances, any worsening thereof) which has occurred or becomes known to Bidco on or after the Announcement Date that, individually or in the aggregate with other such events, changes or circumstances, has or would, with the lapse of time, be reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial position, financial performance, prospects or profitability of the Envestra Group taken as a whole, except any such event, change or circumstance:
- (i) resulting from or arising in connection with:
 - (A) any adoption, implementation or change in applicable law or interpretation of applicable law by any Governmental Agency;
 - (B) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism);

- (ii) caused or to the extent contributed to by any climatic or other natural event or condition (including any weather conditions and any natural disaster); or
 - (iii) resulting from or arising in connection with the Takeover Bid or the execution, announcement or performance of the Bid Implementation Agreement or the consummation of any transaction contemplated by the Bid Implementation Agreement or the Takeover Bid.
- (f) **(No termination of the Bid Implementation Agreement by Envestra)** Between the Announcement Date and the end of the Offer Period (each inclusive), Envestra does not terminate the Bid Implementation Agreement in accordance with its terms.
- (g) **(No material breach of the Bid Implementation Agreement by Envestra)** Between the Announcement Date and the end of the Offer Period (each inclusive), Envestra is not in breach of any provision of the Bid Implementation Agreement in circumstances where:
 - (i) that breach is material;
 - (ii) a Consortium Member or Bidco has given written notice to Envestra setting out the breach; and
 - (iii) either:
 - (A) the breach is incapable of remedy; or
 - (B) if the breach is capable of remedy, the breach is not remedied by Envestra within 5 Business Days of it receiving notice under sub-paragraph (ii).
- (h) **(No Event of Default)** Before the end of the Offer Period, no Event of Default has occurred or is subsisting, nor has any event arisen which may give rise to an Event of Default occurring.
- (i) **(No further dividends)** Between the Announcement Date and the end of the Offer Period (each inclusive), no dividend or other distribution is declared, authorised, determined, announced or otherwise paid or payable to Envestra Shareholders (and even if payment is made or due to be made after the end of the Offer Period) other than the Final Dividend.