



[Press Release]

Consortium of CKH, CKI and PAH Signs Bid Implementation Agreement with Australia's Envestra

(30 May 2014 – Hong Kong) – Following the announcement made on 8 May 2014, the consortium of Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited (“CKI”), and Power Assets Holdings Limited took its initial non-binding proposal to the next stage by today entering into a Bid Implementation Agreement (“BIA”) with Envestra Limited (“Envestra”) in respect of an off-market takeover bid by CK ENV Investments Pty Ltd for all of Envestra’s shares for a cash consideration of A\$1.32 per share.

CK ENV Investments Pty Ltd is an entity formed and equally owned by the three consortium members for the purpose of the transaction.

The bid is subject to a number of conditions, including the requirement that the consortium acquires a relevant interest of more than 50% of Envestra’s shares (including CKI’s existing 17.46% interest), that Envestra’s existing financiers do not trigger any change of control clauses, and that approval is granted by Australia’s Foreign Investment Review Board.

The consortium members are expected to finance the takeover bid with a combination of internal finance and bank borrowings.

Unanimous Recommendation of Envestra Independent Directors

Under the BIA, Envestra’s Independent Directors have agreed to recommend that the Envestra shareholders accept the offer subject to there being no superior proposal and the BIA not being terminated. The Independent Directors have also indicated that they intend to accept the offer for the shares that they control, subject to the same conditions.

The Consortium's Comments on the Offer

Mr. H L Kam, Group Managing Director of CKI, commented on behalf of the consortium, "CKI first invested in Envestra in 1999, marking the Group's entry into Australia's regulated energy market."

"Envestra has been the springboard for CKI's investments into Australia. Currently, CKI's portfolio of Australian regulated and energy investments comprises *SA Power Networks* in South Australia, *Victoria Power Networks* (which includes *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, this transaction will enable us to share our expertise and to explore opportunities for synergy," Mr. Kam added.

"As the company's longest-standing substantial shareholder, we are delighted to have received the unanimous support of its Independent Directors for our offer," Mr. Kam concluded.

Indicative Timetable

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

Subject to any permitted extensions or those which arise automatically, under the Corporations Act, the Offer Period will be not longer than 2 months.

- Ends -

Background Information of Envestra:

Envestra is listed on the Australian Securities Exchange. It is one of the largest natural gas distribution companies in Australia that serves about 1.2 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

CKI first invested in Envestra in 1999. Currently, CKI holds approximately 17.46% of Envestra's shares.