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Cheung Kong Infrastructure Holdings Limited
長江基建集團有限公司



Hutchison Whampoa Limited
和記黃埔有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1038)

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

DISCLOSEABLE TRANSACTION

CONNECTED TRANSACTION

**Transfer of a subsidiary to a joint venture
and
Subscription for additional interest in the joint venture**

On 26 August 2014, the CKI Group and the JV Group entered into the Agreement whereby the CKI Group agreed to transfer to the JV Group the entire issued share capital of CKIM in return for additional interest in the JV Group. CKIM is the registered holder of 313,645,693 Envestra Shares, representing approximately 17.46% of the issued and outstanding Envestra Shares.

Upon Completion, CKIM will cease to be a subsidiary of CKI, and CKI, through its indirect one-third interest in JV Co and approximately 17.46% indirect interest in JV Newco, will have an attributable interest in the JV Group of approximately 44.97%.

As the relevant percentage ratios of the Subscription, when aggregated with the Joint Venture Transaction, exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for CKI.

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. As CKH holds an indirect one-third interest in the JV Co, each member of the JV Group including JV Newco and AusBidco is an associate of CKH. Accordingly, the Transaction entered into between the CKI Group (members of which are subsidiaries of HWL) and the JV Group constitutes a connected transaction for HWL under the Listing Rules. As one or more of the relevant percentage ratios of the Transfer exceed 0.1% but are less than 5%, and the relevant percentage ratios of the Subscription, when aggregated with the Joint Venture Transaction, exceed 0.1% but are less than 5%, the 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.

BACKGROUND

Reference is made to the joint announcements of CKH, CKI, PAH and HWL dated 30 May 2014 and 7 August 2014 respectively regarding the formation of the JV Group for the purposes of making the Offer and the status of the Offer. In anticipation of the completion of the Offer, the CKI Group and the JV Group entered into the Agreement on 26 August 2014 whereby the CKI Group agreed to transfer its indirect 17.46% interest in Envestra to the JV Group in return for additional interest in the JV Group.

THE AGREEMENT

Date

26 August 2014

Parties

- (i) PG UK, an indirect wholly-owned subsidiary of CKI
- (ii) JV Newco, a company newly incorporated by JV Co and PG UK and a direct subsidiary of JV Co
- (iii) AusBidco, an indirect wholly-owned subsidiary of the JV Co

Transaction

Pursuant to the Agreement, PG UK agreed to transfer to AusBidco the entire issued share capital of CKIM free from all encumbrances and together with all rights accruing thereto on or after Completion.

Consideration

The consideration for the Transaction is the allotment and issue by JV Newco to PG UK of the Consideration Shares at Completion.

The number of Consideration Shares was determined after arm's length negotiation between the parties having regard to the value of CKIM with reference to the number of Envestra Shares held by CKIM and the total number of Envestra Shares which AusBidco expects to hold upon the completion of the Offer and the Compulsory Acquisition.

The Consideration Shares will represent approximately 17.46% of the issued share capital of JV Newco as at Completion.

No cash proceeds from the Transfer will be paid to the CKI Group.

Completion

Completion will take place on 28 August 2014.

After Completion, CKIM will cease to be a subsidiary of CKI, and CKI, through its indirect one-third interest in JV Co and approximately 17.46% indirect interest in JV Newco, will have an attributable interest in the JV Group of approximately 44.97%. Both JV Co and JV Newco will be accounted for as a joint venture of CKI in its consolidated financial statements.

It is expected that upon Completion, the CKI Group will record an unaudited gain (representing a reclassification adjustment of the cumulative gain previously recognised in other comprehensive income reclassified to profit or loss upon disposal of the 313,645,693 Envestra Shares) attributable to shareholders of approximately HK\$2.2 billion and the HWL Group's attributable share of such unaudited gain to its shareholders, based on its current 78.16% shareholding interest in CKI, is approximately HK\$1.7 billion.

INFORMATION ON CKIM

CKIM is the registered holder of 313,645,693 Envestra Shares, representing approximately 17.46% of the issued and outstanding Envestra Shares. CKIM is an investment holding company with no material business activity.

Set out below is the financial information of CKIM as stated in its audited financial statements which were prepared in accordance with the Private Entity Reporting Standards in Malaysia:

The audited net profits before and after taxation and extraordinary items of CKIM for each of the two years ended 31 December 2012 and 2013 are set out below:

	<i>For the year ended</i>	
	<i>31 December 2012</i>	<i>31 December 2013</i>
Net profits before taxation and extraordinary items of CKIM	AUD17,533,080 (approximately HKD126,436,300)	AUD19,366,804 (approximately HKD139,659,834)
Net profits after taxation and extraordinary items of CKIM	AUD14,944,892 (approximately HKD107,772,100)	AUD16,484,657 (approximately HKD118,875,807)

As at 31 December 2013, the audited net asset value of CKIM amounted to AUD69,906,711 (approximately HKD504,118,265).

As at 30 June 2014, the unaudited book value of the investment of the CKI Group and the HWL Group in CKIM amounted to AUD428,349,342 (approximately HKD3,088,955,610) each.

INFORMATION ON THE JV GROUP

The JV Group comprises, among others, the JV Co, which is a company owned as to one-third by each of the Consortium Members, AusBidco, which is an indirect wholly-owned subsidiary of JV Co, and JV Newco, which is a company newly incorporated by JV Co and PG UK for the purposes of the Transaction.

AusBidco made the Offer on 4 July 2014 and the Offer, which became unconditional on 7 August 2014, closed at 7:00 p.m. (Sydney time) on 21 August 2014. At such closing of the Offer period, the relevant interest of AusBidco in Envestra (including the 17.46% held by CKIM) reached 96.59%. Completion of the Offer is expected to take place in early September. AusBidco intends to effect the Compulsory Acquisition after the completion of the Offer.

The JV Group has not engaged in any material business activity other than the making of the Offer by AusBidco. The main asset of the JV Group is the cash commitment made by the Consortium Members to JV Co totalling approximately AUD1,998,000,000 (approximately HKD14,408,177,400). The JV Group has not recorded any profit or loss.

Upon Completion on 28 August 2014, AusBidco will become an indirect wholly-owned subsidiary of JV Newco, a company directly held as to 82.54% by JV Co, and AusBidco will indirectly hold approximately 17.46% of the issued and outstanding Envestra Shares through CKIM. Upon completion of the Offer and the Compulsory Acquisition, AusBidco will directly and indirectly hold 100% of the issued and outstanding Envestra Shares.

To the best of the CKI Directors' knowledge, information and belief having made all reasonable enquiry, members of the JV Co are third parties independent of the CKI Group and the connected persons of CKI except that the CKI Group has an one-third interest in the JV Co.

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 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 TRANSACTION

The Offer became unconditional on 7 August 2014 and the Offer period closed at 7:00 p.m. (Sydney time) on 21 August 2014. In anticipation of the completion of the Offer which is expected to take place in early September and the subsequent Compulsory Acquisition, the JV Group and the CKI Group entered into the Agreement to consolidate the interest of the JV Group in Envestra in order to facilitate the operation of a 100% owned subsidiary in Australia which is more efficient than an entity with diverse shareholders. At the same time, the CKI Group will continue to benefit from the investment return attributable to the shares in CKIM through its interest in the JV Group.

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

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 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 Director was required to abstain from voting on the board resolutions passed in connection with the Transaction.

IMPLICATIONS UNDER THE LISTING RULES FOR THE TRANSACTION

The Transaction involves the Transfer and the Subscription.

For CKI

As the relevant percentage ratios of the Subscription, when aggregated with the Joint Venture Transaction, exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for CKI.

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. As CKH holds an indirect one-third interest in the JV Co, each member of the JV Group including JV Newco and AusBidco is an associate of CKH. Accordingly, the Transaction entered into between CKI Group (members of which are subsidiaries of HWL) and the JV Group constitutes a connected transaction for HWL under the Listing Rules. As one or more of the relevant percentage ratios of the Transfer exceed 0.1% but are less than 5%, and the relevant percentage ratios of the Subscription, when aggregated with the Joint Venture Transaction, exceed 0.1% but are less than 5%, the 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.

DEFINITION

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

"Agreement"	the agreement dated 26 August 2014, entered into between PG UK, JV Newco and AusBidco in relation to the Transaction
"associate"	has the meaning ascribed to such term in the Listing Rules
"ASX"	The Australian Securities Exchange
"AUD"	Australian dollars, the official currency of Australia
"AusBidco"	CK ENV Investments Pty Ltd, a company incorporated in Australia with limited liability

"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)
"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
"CKIM"	Cheung Kong Infrastructure Holdings (Malaysian) Limited, a limited liability company incorporated in Malaysia and redomiciled to the Commonwealth of The Bahamas
"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)
"Completion"	completion of the Transaction
"Compulsory Acquisition"	the compulsory acquisition by AusBidco of all outstanding Envestra Shares other than those acquired by it under the Offer and the Transaction pursuant to the Corporations Act 2001 of Australia
"connected person(s)"	has the meaning ascribed to such term in the Listing Rules
"Consideration Shares"	232,428,618 new ordinary shares of JV Newco
"Consortium Members"	CKH, CKI and PAH
"Envestra"	Envestra Limited, a company with limited liability incorporated under the laws of Australia, whose shares are listed on ASX under the ASX Code ENV
"Envestra Shares"	fully paid ordinary shares of Envestra
"HKD"	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 entered into between the Consortium Members under the shareholders' agreement in respect of the JV Group, details of which are disclosed in the joint announcement of CKH, CKI, HWL and PAH dated 30 May 2014
"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 JV Newco and AusBidco)
"JV Newco"	CK ENV UK 2 Limited, a private limited liability, which is incorporated under the laws of the England and Wales
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Offer"	the conditional cash offer of AusBidco to acquire all the issued and outstanding Envestra Shares for AUD1.32 per share made to the holders of the Envestra Shares on 4 July 2014
"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)
"percentage ratios"	has the meaning ascribed to such term in Chapter 14 of the Listing Rules
"PG UK"	PG (April) (Number 2) Limited, a private limited liability company, which is incorporated under the laws of the England and Wales

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the CKI Group's subscription for additional indirect interest in the JV Group pursuant to the Agreement
"substantial shareholder"	has the meaning ascribed to such term in the Listing Rules
"Transaction"	the transfer by PG UK to AusBidco of the entire issued share capital of CKIM in consideration of the allotment and issue of the Consideration Shares by JV Newco to PG UK on the terms set out in the Agreement
"Transfer"	the transfer by the CKI Group of the entire issued share capital of CKIM to the JV Group pursuant to the Agreement
"%"	per cent

Note: The figures in "AUD" are converted into HKD at the rate of AUD1.00 : HK\$7.2113 as at 22 August 2014 throughout this announcement for indicative purpose only.

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

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

Hong Kong, 26 August 2014

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 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 Mr. CHENG Hoi Chuen, Vincent (Independent Non-executive Director), The Hon Sir Michael David KADOORIE (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).