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4 July 2014

Company Announcements Office  
ASX Limited  
SYDNEY NSW 2000

**Off-market bid by CK ENV Investments Pty Ltd to acquire 100% of the share capital of Envestra Limited**

We act for CK ENV Investments Pty Ltd (ACN 169 818 035) (**CK ENV Investments**).

On behalf of CK ENV Investments, notice is given in accordance with item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (**Act**) that CK ENV Investments' Bidder's Statement dated 20 June 2014 and offers dated 4 July 2014 have been sent today to all relevant persons as required by item 6 of section 633(1) of the Act.

In accordance with section 633(1C) of the Act (as inserted by ASIC Class Order CO 13/521), a copy of the Bidder's Statement and offer document as sent to the relevant persons is attached.

Yours faithfully  
**MINTER ELLISON**



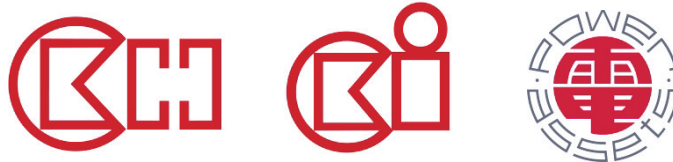
Contact: Bart Oude-Vrielink, Partner  
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**BIDDER'S STATEMENT**

**A RECOMMENDED CASH OFFER**

by



**CK ENV INVESTMENTS PTY LTD (ACN 169 818 035)**

*(a company indirectly owned by Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited)*

**to acquire all of your ordinary shares in**

**ENVESTRA LIMITED**

**(ABN 19 078 551 685)**

**for A\$1.32 cash per share**

**Envestra's Non-Affiliated Directors**  
**unanimously recommend you accept the Offer**  
in the absence of a superior proposal and subject to the Bid  
Implementation Agreement not being terminated

The Offer is dated 4 July 2014 and expires at 7.00pm (Sydney time) on 8 August 2014,  
unless withdrawn or extended.

**CK ENV Investments Offer Information Line:**

1300 621 435 (within Australia) or +61 3 9415 4877 (outside Australia)

**Australian Financial Adviser**



**Australian Legal Adviser**

MinterEllison | LAWYERS

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**This is an important document and requires your immediate attention**  
If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your  
legal, financial or other professional adviser as soon as possible.

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# Why you should accept this Offer

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- 1. Envestra's Non-Affiliated Directors unanimously recommend you accept the Offer in the absence of a superior proposal and subject to the Bid Implementation Agreement not being terminated**
- 2. An all cash offer delivers certainty and immediate value for your Envestra Shares**
- 3. The Offer is a significant premium to Envestra's Share price prior to any takeover activity**
- 4. CK ENV Investments believes that the Offer price represents fair value for Envestra Shares. The Offer Price is the highest value in the range determined by the independent expert as part of the APA Scheme<sup>1</sup>**
- 5. The Offer is the only takeover offer for your Envestra Shares as at the date of this Bidder's Statement**
- 6. The Envestra Share price may fall if the Offer does not succeed**
- 7. There are risks associated with remaining a minority shareholder in Envestra**

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<sup>1</sup> The independent expert's report of Grant Samuel & Associates Pty Limited dated 7 April 2014 and included in Envestra's scheme booklet in connection with the APA Scheme.

# How Do I Accept the Offer?

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You may only accept the Offer for all of your Envestra Shares.

Your acceptance must be received before the end of the Offer Period (7.00pm (Sydney time) on 8 August 2014, unless the Offer Period is extended).

Depending on the nature of your holding, you may accept the Offer in the following ways:

## **CHESS Holding**

If your Envestra Shares are in a CHESS Holding (your HIN starts with an "X"):

- instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer; or
- complete the enclosed Acceptance Form in accordance with the instructions on the form and send it with all other documents required by the instructions on the Acceptance Form in the enclosed reply paid envelope to the address below, so that it is received before the Offer closes. CK ENV Investments recommends that the Acceptance Form be received in sufficient time to give instructions to your Controlling Participant and for your Controlling Participant to carry out the instructions, before the Offer closes.

## **Issuer Sponsored Holding**

If your Envestra Shares are in an Issuer Sponsored Holding (your SRN starts with an "I"):

- complete the enclosed Acceptance Form in accordance with the instructions on the form; and
- send it with all other documents required by the instructions on the Acceptance Form in the enclosed reply paid envelope to the address below, so it is received before the Offer closes.

You will only be sent one Acceptance Form with this Bidder's Statement, depending on whether your Envestra Shares are in a CHESS Holding or in an Issuer Sponsored Holding. That will be the Acceptance Form to be used in relation to your Envestra Shares. For full details, see Section 3 of Part 2 of this Bidder's Statement.

## **Participant**

If you are a Participant, initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the Offer closes.

# Key Dates

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## **Key Dates**

Announcement Date	30 May 2014
Date of this Bidder's Statement (as lodged with ASIC)	20 June 2014
Offer opens	4 July 2014
Offer closes, unless extended or withdrawn	7.00pm (Sydney time) on 8 August 2014

# Letter to Envestra Shareholders

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20 June 2014

Dear Envestra Shareholder,

## **A recommended cash offer to acquire your Envestra Shares**

I am pleased to provide you with this all-cash Offer from CK ENV Investments to acquire all of your shares in Envestra Limited.

CK ENV Investments' offer is A\$1.32 in cash for each of your Envestra Shares (**Offer**), providing an opportunity for you to realise proceeds from your investment in Envestra with certainty.

I urge you to accept the Offer because:

- It is **unanimously recommended**. In the absence of a superior proposal and subject to the Bid Implementation Agreement not being terminated, the Envestra Non-Affiliated Directors have unanimously recommended that you accept the Offer and confirmed they intend to accept the Offer in respect of shares in Envestra they hold or control.
- It provides **cash proceeds**. The Offer is all cash, providing certainty and immediate value for your Envestra Shares. It is not dependent on or complicated by the valuation of other securities.
- It represents a **significant premium** to Envestra Share prices prior to takeover activity:
  - a premium of 33.3% to the 30 day VWAP of A\$0.99 on 15 July 2013, being the last trading day prior to the announcement of APA Group's original Scheme of Arrangement proposal; and
  - a premium of 16.8% to the closing price of Envestra Shares of A\$1.13 on 7 May 2014, being the last trading day prior to Envestra's announcement on 8 May 2014 of an indicative, non-binding, conditional off-market takeover proposal received from CKH, CKI and PAH.
- CK ENV Investments believes it is a **fair offer**. It is **the highest value of the range determined by the independent expert as part of the APA Scheme**. It should be noted that the independent expert's report of Grant Samuel & Associates Pty Limited, dated 7 April 2014 and included in Envestra's scheme booklet in connection with the APA Scheme, assessed the full underlying value of Envestra to be in the range of A\$1.11-A\$1.32 per Envestra Share. The Offer of A\$1.32 per Envestra Share is the highest value in that range.
- This Offer is the **only takeover offer available** to Envestra Shareholders as at the date of this Bidder's Statement. On 30 May 2014, the Non-Affiliated Directors of Envestra announced that they considered the Offer to be in the best interests of Envestra Shareholders. As a result of unanimously recommending the Offer, the Envestra Non-Affiliated Directors withdrew their previous recommendation of the APA Scheme and applied for and obtained from the Federal Court of Australia orders to cancel the meeting to consider the APA Scheme. The APA Scheme Implementation Agreement was terminated on 30 May 2014.
- **The Envestra Share price may fall if the Offer is not successful**. If the Offer is not successful (and there is no other subsisting offer for or competing proposal in respect of your Envestra Shares), the Envestra Share price may fall.

- There are **risks associated with being a minority shareholder**. If CK ENV Investments becomes the majority shareholder in Envestra, there may be negative consequences for you if you remain as a minority shareholder, including, potentially, reduced liquidity (which may affect the ability to sell your Envestra Shares), a reduction in your governance rights, or a material reduction in, or cessation of, distributions.

CK ENV Investments is an Australian company owned by Cheung Kong (Holdings) Limited (**CKH**), Cheung Kong Infrastructure Holdings Limited (**CKI**) and Power Assets Holdings Limited (**PAH**) (together the **Consortium**). Detailed information about CK ENV Investments, the Consortium and the Offer (including the Conditions to the Offer) are set out in this Bidder's Statement. You should read this Bidder's Statement in its entirety.

You should also note that FIRB approval in respect of the Offer was obtained on 13 June 2014 and is not a Condition of the Offer.

I urge you to accept the Offer as soon as possible.

To accept CK ENV Investments' Offer, you should follow the instructions on pages 3 and 11 of this Bidder's Statement and in the Acceptance Form that accompanies this Bidder's Statement.

The Offer is scheduled to close at 7.00pm (Sydney time) on 8 August 2014.

If you have any further questions, please contact the CK ENV Investments Offer Information Line on 1300 621 435 (callers within Australia) or +61 3 9415 4877 (callers outside Australia), or consult your financial or other professional adviser.

Yours sincerely,

A handwritten signature in dark ink, consisting of a stylized 'A' followed by a horizontal line.

**Andrew Hunter**  
**Director**  
**CK ENV Investments Pty Ltd**

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## Important Information

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This Bidder's Statement is dated 20 June 2014. It includes in Part 2 of this Bidder's Statement an Offer dated 4 July 2014 to acquire all of your Envestra Shares.

This Bidder's Statement is given by CK ENV Investments Pty Ltd (ACN 169 818 035) (**CK ENV Investments**) to Envestra under Part 6.5 of the Corporations Act and relates to the Offer.

A copy of this Bidder's Statement was lodged with ASIC on 20 June 2014. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

### Defined Terms

Defined terms in this Bidder's Statement are capitalised. The defined terms are in Part 3 of this Bidder's Statement.

All amounts are in Australian dollars unless otherwise stated.

### Investment decisions

This document contains general advice only and does not take into account the individual investment objectives, financial situation or particular needs of each Envestra Shareholder or any other person.

Envestra Shareholders may wish to seek independent financial and taxation advice before deciding whether to accept the Offer.

### Forward looking statements

This Bidder's Statement may include certain forward looking statements which have been based on current expectations about future events. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward looking statements. These factors include matters not yet known to CK ENV Investments or not currently considered by CK ENV Investments to be material.

None of CK ENV Investments nor its officers and employees, nor any persons named in this Bidder's Statement with their consent nor any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (expressed or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Bidder's Statement reflect the views held only as at the date of this Bidder's Statement.

### Foreign jurisdictions

The distribution of this document and the making of the Offers may, in certain jurisdictions, be restricted by law. Accordingly, persons who come into possession of this document should inform themselves of and observe any of these restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of these jurisdictions. CK ENV Investments does not assume any responsibility for any violation by any person of any of these restrictions.

### Privacy statement

CK ENV Investments will collect personal information about Envestra Shareholders' holdings of Envestra Shares in accordance with the Corporations Act and the ASX Settlement Operating Rules. CK ENV Investments will share that personal information with its advisers and service providers only to the extent necessary for purposes relating to the Offer. If you would like details of your personal information held by CK ENV Investments or its agents please contact the CK ENV Investments Offer Information Line on 1300 621 435 (within Australia) or +61 3 9415 4877 (outside Australia).

### CK ENV Investments Offer Information Line

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the CK ENV Investments Offer Information Line on 1300 621 435 (callers within Australia) or +61 3 9415 4877 (callers outside Australia), or consult your financial or other professional adviser.



# Why you should accept this Offer

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## **1. Envestra's Non-Affiliated Directors unanimously recommend you accept the Offer in the absence of a superior proposal and subject to the Bid Implementation Agreement not being terminated**

All of the Envestra Non-Affiliated Directors have (in the absence of a superior proposal and subject to the Bid Implementation Agreement not being terminated):<sup>2</sup>

- recommended that Envestra Shareholders accept the Offer; and
- confirmed they intend to accept the Offer in relation to the Envestra Shares they hold or control.

## **2. All cash offer delivers certainty and immediate value for your Envestra Shares**

The Offer provides certainty of proceeds, is not complicated by the need to value other securities and is not affected by the movement in the trading price of other securities. CK ENV Investments considers this is a particularly attractive proposition to Envestra Shareholders. Additionally, this Offer provides cash proceeds to meet any capital gains tax liability that may arise on acceptance.

If you accept the Offer and the Offer becomes or is declared unconditional, you will:

- receive A\$1.32 cash for each of your Envestra Shares;
- not incur any brokerage fees which you would otherwise likely incur if you sell your Envestra Shares on market; and
- be sent payment for your Envestra Shares by the earlier of:
  - 1 month of accepting the Offer or, if the Offer was subject to a defeating condition when you accepted the Offer, 1 month after the date that the Offer becomes, or is declared, unconditional; and
  - 21 days after the end of the Offer Period.

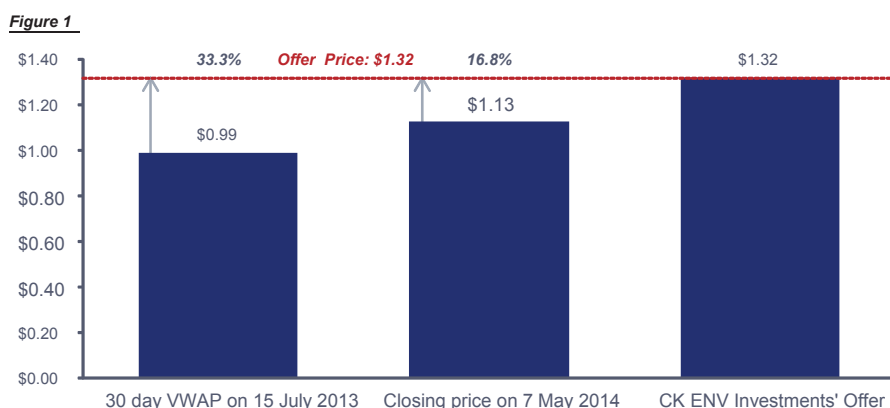
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<sup>2</sup> The Envestra Non-Affiliated Directors are John Allpass, Ian Little, Fraser Ainsworth and Olaf O'Duill. The CKI and APA Affiliated Directors have abstained from voting on any matters concerning the Offer.

### 3. Significant premium to Envestra's Share price

CK ENV Investments' all cash offer of A\$1.32 per Envestra Share represents a significant premium to the trading prices of Envestra Shares prior to any takeover activity.

The chart below illustrates the premium reflected in the Offer:



The Offer represents:

- a premium of 33.3% to the 30 day VWAP of A\$0.99 on 15 July 2013, being the last trading day prior to the announcement of APA Group's original Scheme of Arrangement proposal; and
- a premium of 16.8% to the closing price of Envestra Shares of A\$1.13 on 7 May 2014, being the last trading day prior to Envestra's announcement on 8 May 2014 of an indicative, non-binding, conditional off-market takeover proposal received from CKH, CKI and PAH.

Prior to 8 May 2014, Envestra's share price had not closed above the Offer Price since Envestra's IPO in August 1997.



**4. CK ENV Investments believes this is a fair Offer. The Offer Price is the highest value in the range determined by the independent expert as part of the APA Scheme**

The independent expert's report of Grant Samuel & Associates Pty Limited, dated 7 April 2014 and included in Envestra's scheme booklet in connection with the APA Scheme, assessed the full underlying value of Envestra to be in the range of A\$1.11-A\$1.32 per Envestra Share. The Offer of A\$1.32 per Envestra Share is the highest value in that range and as such CK ENV Investments believes that its Offer is a fair offer.

**5. The Offer is the only takeover offer available for your Envestra Shares**

The Offer is the only takeover offer available to Envestra Shareholders as at the date of this Bidder's Statement.

On 30 May 2014, the Non-Affiliated Directors of Envestra announced that they considered the Offer to be in the best interests of Envestra Shareholders, having regard to:

- the uncertainty regarding CKI's voting intentions in relation to the APA Scheme; and
- the potentially variable implied value range of the consideration under the APA Scheme.

Accordingly, on 30 May 2014, the Envestra Non-Affiliated Directors withdrew their previous recommendation of the APA Scheme and applied for and obtained from the Federal Court of Australia orders to cancel the meeting to consider the APA Scheme. The APA Scheme Implementation Agreement was terminated on 30 May 2014.

**6. The Envestra Share price may fall if the Offer does not succeed and there is no competing proposal**

If the Offer is not successful (and there is no other subsisting offer for or competing proposal in respect of your Envestra Shares), the Envestra Share price may fall.

**7. There are risks associated with being a minority shareholder**

If CK ENV Investments and its Associates obtain a Relevant Interest in a majority of the Envestra Shares without CK ENV Investments being able to compulsorily acquire all outstanding Envestra Shares following the end of the Offer Period, there may be negative consequences for you if you remain as a minority shareholder, which include, potentially:

- reduced liquidity (which may affect the ability to sell your Envestra Shares) due to factors such as:
  - the market for your Envestra Shares becoming less liquid or less active than at present; and further
  - potential removal of Envestra from key S&P indices as a result of its reduced liquidity and free-float;
- a reduction in your governance rights; and
- a material reduction in, or cessation of, distributions.

# Frequently Asked Questions

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The following is only a summary of the Offer and is qualified by the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Envestra Shares.

The terms of the Offer are contained in Part 2 of this Bidder's Statement.

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**What is the Offer?** CK ENV Investments is offering to acquire all of your Envestra Shares for A\$1.32 cash per Envestra Share on the terms and conditions set out in Part 2 of this Bidder's Statement.

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**When does the Offer open?** The Offer is open on and from 4 July 2014.

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**When does the Offer close?** The Offer closes at 7.00pm (Sydney time) on 8 August 2014 (unless the Offer is extended or withdrawn).

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**How do I accept the Offer?** Depending on the nature of your holding, you may accept the Offer in the following ways.

**(a) For CHESS Holdings of Envestra Shares (Holder Identification Number beginning with 'X')**

To accept the Offer, contact your Controlling Participant (usually your broker) and instruct them to accept the Offer on your behalf before the end of the Offer Period.

Alternatively, complete the Acceptance Form in accordance with the instructions on it and return it to the address indicated on the Acceptance Form. The Acceptance Form will only give rise to a valid acceptance if it is received before the end of the Offer Period (or if CK ENV Investments lawfully determines it is otherwise valid) which will then enable CK ENV Investments to instruct your Controlling Participant to initiate acceptance on your behalf. CK ENV Investments recommends that the Acceptance Form be received in sufficient time to give instructions to your Controlling Participant and for your Controlling Participant to carry out the instructions, before the Offer closes.

**(b) For Issuer Sponsored Holdings of Envestra Shares (Security Holder Reference Number beginning with 'I')**

If your Envestra Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Envestra Shares, to accept the Offer, complete the Acceptance Form in accordance with the instructions on it and return it to the address indicated on the Acceptance Form.

Your Acceptance Form needs to be received at the specified address before the end of the Offer Period.

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**(c) Participant**

If you are a Participant, initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the Offer closes.

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**If I accept the Offer, when will I be paid?**

If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form, you will be sent payment within the earlier of:

- 1 month of accepting the Offer or, if the Offer was subject to a defeating condition when you accepted the Offer, 1 month after the date that the Offer becomes, or is declared, unconditional; and
  - 21 days after the end of the Offer Period.
- 

**What will the tax consequences be?**

Section 5 of Part 1 of this Bidder's Statement generally describes the major tax implications in Australia for Envestra Shareholders who accept the Offer.

You should consult your taxation or other professional adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer.

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**Do I pay brokerage or stamp duty if I accept?**

You will not pay stamp duty on the disposal of your Envestra Shares should you accept the Offer.

If your Envestra Shares are registered in an Issuer Sponsored Holding in your name and you post them directly to CK ENV Investments, you will not incur any brokerage in connection with your acceptance of the Offer.

If your Envestra Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Envestra Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

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**Can I accept the Offer for part of my holding?**

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your Envestra Shares plus any additional Envestra Shares registered as held by you at the date your acceptance is processed.

If you are a trustee or nominee of some or all of your Envestra Shares, or hold Envestra Shares in different capacities, please refer to Section 4.2 of Part 2 of this Bidder's Statement.

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**Can I withdraw my acceptance?**

Your acceptance of the Offer is irrevocable, except in certain circumstances set out in the Corporations Act, which provide that you may only withdraw your acceptance of the Offer if the Offer is varied in such a way as to delay the time by which you would receive payment by more than one month. This may occur if the Offer Period is extended by more than one month and the Offer is still subject to any defeating conditions at that time. A notice will be sent to you by or on behalf of CK ENV Investments at the time explaining your rights in this event.

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**What happens if I do not accept?**

You will remain an Envestra Shareholder and will not receive the consideration offered by CK ENV Investments. However, if CK ENV Investments becomes entitled to compulsorily acquire your Envestra Shares, CK ENV Investments intends to do so. If your Envestra Shares are compulsorily acquired by CK ENV Investments, it will be on the same terms (including the same consideration for each Envestra Share acquired) as the Offer. However, you will receive the money later than the Envestra Shareholders who choose to accept the Offer.

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**What are the conditions and terms of the Offer?**

The terms of the Offer are set out in full in Part 2 of this Bidder's Statement. The Offer is subject to the Conditions which are set out in full in Section 7.1 of Part 2 of this Bidder's Statement. In summary, those Conditions include:

- CK ENV Investments acquiring a Relevant Interest in more than 50% of all Envestra Shares (inclusive of the 17.46% interest in Envestra held by CKIHM and in which CK ENV Investments already has a Relevant Interest);
- the Financier Confirmation having been provided by those of Envestra's financiers (including noteholders) that are owed in aggregate not less than 51% of Envestra's total financial indebtedness and the Financier Confirmation remaining in full force and effect until the end of the Offer Period;
- no Prescribed Occurrence happening;
- no material adverse change in relation to Envestra and its subsidiaries (taken as a whole);
- no event of default by Envestra occurring under the Intercreditor Deed Poll;
- no termination or material breach of the Bid Implementation Agreement by Envestra; and
- no dividend or other distribution by Envestra other than the Final Dividend.

The status of each of the conditions as at the date of this Bidder's Statement is discussed in Section 7 of Part 1 of this Bidder's Statement.

If the Conditions of the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse and all acceptances will be void. In these circumstances, you will continue to hold your Envestra Shares.

FIRB approval of the Offer was obtained on 13 June 2014 and is not a Condition of the Offer.

<b>Are there any other available takeover offers for Envestra, other than the Offer?</b>	<p>No, the Offer is the only takeover offer available to Envestra Shareholders as at the date of this Bidder's Statement.</p> <p>APA Group's original Scheme of Arrangement proposal and the APA Scheme Implementation Agreement were terminated on 30 May 2014, following the execution by CK ENV Investments, CKI, PAH, CKH and Envestra of the Bid Implementation Agreement and the Envestra Non-Affiliated Directors applying for and obtaining from the Federal Court of Australia orders to cancel the meeting to consider the APA Scheme.</p> <p>The Envestra Non-Affiliated Directors unanimously recommend you accept this Offer in the absence of a superior proposal and subject to the Bid Implementation Agreement not being terminated.</p>
<b>Am I entitled to Envestra's Final Dividend?</b>	<p>If you are the registered holder of Envestra Shares on the Final Dividend Record Date you will be entitled to a Final Dividend in respect of the financial year ending 30 June 2014.</p>
<b>Who is CK ENV Investments and the Consortium?</b>	<p>Further information about CK ENV Investments and the Consortium is set out in Section 1 of Part 1 of this Bidder's Statement.</p>
<b>What is the Bidder's Statement?</b>	<p>The Bidder's Statement is prepared by CK ENV Investments for distribution to Envestra Shareholders. It describes the terms of CK ENV Investments' Offer for your Envestra Shares and sets out information known to CK ENV Investments that is relevant to your decision whether or not to accept the Offer.</p> <p>This Bidders' Statement is an important document. Should you have any doubt as to how to deal with this document you should consult your financial or other professional adviser.</p>
<b>What if I require further information?</b>	<p>If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the CK ENV Investments Offer Information Line on 1300 621 435 (within Australia) or +61 3 9415 4877 (from outside Australia).</p>

The information in this section is a summary only of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the Target's Statement that Envestra will shortly be sending to you, before deciding whether to accept the Offer.



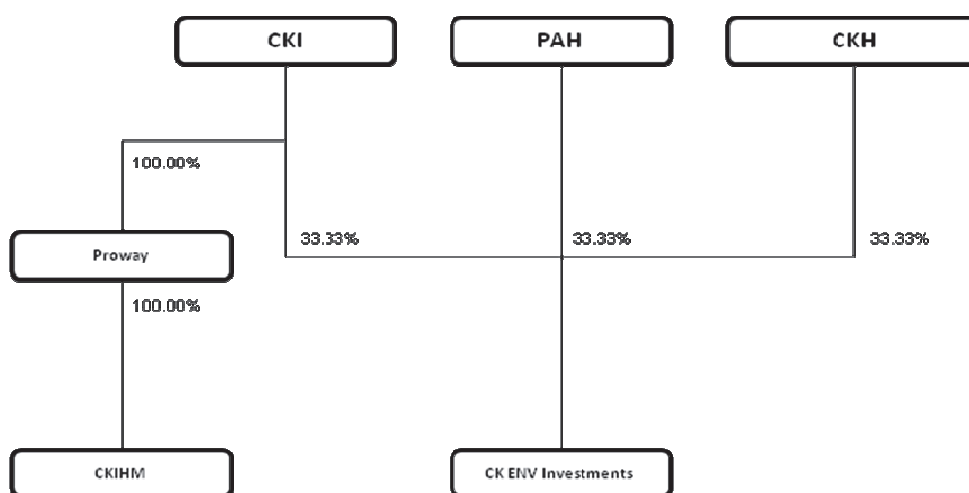
# Part 1 - Statutory information

## 1. About CK ENV Investments and the Consortium

### 1.1 Overview of CK ENV Investments

CK ENV Investments is an Australian company that is wholly-owned by CK ENV UK, an indirectly wholly owned entity of the Consortium Members held alongside the Consortium Members' other global gas infrastructure investments. The Consortium Members comprise Cheung Kong (Holdings) Limited (**CKH**), Cheung Kong Infrastructure Holdings Limited (**CKI**) and Power Assets Holdings Limited (**PAH**).

A simplified diagram of CK ENV Investment's ownership structure is set out below:



CKIHM, an indirect wholly-owned subsidiary of CKI, has been a shareholder of Envestra for almost 15 years since taking a significant stake in Envestra's capital raising programme in 1999 and becoming one of two largest shareholders in Envestra at that time. CKIHM currently holds 17.46% of the Envestra Shares. The investment of CKI in Envestra (through CKIHM) was an important milestone for CKI as it represented its first investment in Australia as well as its debut in the natural gas business. Since 1999, CKI has stayed active in Envestra through its participation in the board of directors. Its investment in Envestra has been an important platform for CKI and for the Cheung Kong Group in Australia where they subsequently made further sizable investments in the energy sector, including in South Australia Power Networks, CitiPower and Powercor, each a regulated utility.

Background on the directors of CK ENV Investments is set out below:

- **Kam Hing Lam**

aged 67, has been Deputy Managing Director of CKH since 1993. He is also the founding Group Managing Director of CKI, the founding President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc. and an Executive Director of HWL, all being HKSE listed companies. He is also the founding Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). He is a director of SA Power Networks, CitiPower and Powercor, and was previously a director of Envestra from September 1999 to August 2007. He was previously an Executive Director of PAH. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration.



- **Andrew John Hunter**

aged 55, has been an Executive Director of CKI since December 2006 and Deputy Managing Director since May 2010. He acted as the Chief Operating Officer of CKI from December 2006 to May 2010. He is a director of SA Power Networks, CitiPower and Powercor. Mr. Hunter is also an Executive Director of PAH. Prior to his appointment to the board of PAH in 1999, Mr. Hunter was the Finance Director of the Hutchison Property Group. He holds a Master of Arts degree and a Master's degree in Business Administration. He is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. He has over 31 years of experience in accounting and financial management.

- **Tsai Chao Chung, Charles**

aged 56, was appointed to the Board and Chief Executive Officer of PAH on 29 January 2014. He has been with PAH since June 1987. He is also a Director or Alternate Director of most of the subsidiaries and certain joint ventures of PAH. Mr. Tsai has been responsible for PAH's investments outside Hong Kong since 1997. He is an alternate director of SA Power Networks, CitiPower and Powercor. He holds a Bachelor of Applied Science Degree in Mechanical Engineering, and is a Registered Professional Engineer and a Chartered Engineer.

- **Peter Peace Tulloch**

aged 70, has been Chairman of SA Power Networks, CitiPower and Powercor since 2005. Mr. Tulloch is also Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. Previously, Mr. Tulloch was Managing Director, Asia of CIBC World Markets; Chairman and Director of the major operating companies of the CEF Group, a joint venture between CIBC and CKH; as well as Non-executive Director of CIBC Australia Holdings Limited. Prior to moving to Australia in late 2002, Mr. Tulloch worked for more than 30 years in banking in Asia. He was educated in Scotland and is a Fellow of the Institute of Canadian Bankers.

## 1.2 The Consortium

The Consortium is comprised of three members of the Cheung Kong Group of companies that have significant global interests in infrastructure businesses, especially in regulated utilities, including (for CKI and PAH) in Australia.

The Cheung Kong Group has 8 listed companies in Hong Kong alone; they have a combined market capitalisation of approximately HK\$1,069.6 billion (A\$148.2 billion)<sup>3</sup> as at 30 May 2014. The Cheung Kong Group operates in 52 countries.

Further information on the Consortium Members is included below.

## 1.3 CKH

CKH is a property development and strategic investment company. CKH is one of the largest developers in Hong Kong of residential, commercial and industrial properties.

CKH is listed on the HKSE, with a market capitalisation of approximately HK\$320.8 billion (A\$44.5 billion) as at 30 May 2014.

According to its Annual Report for the year ended 31 December 2013, CKH had:

- cash of HK\$33.2 billion (approximately A\$4.6 billion);
- total assets of HK\$428.8 billion (approximately A\$59.4 billion); and
- net assets of HK\$372.8 billion (approximately A\$51.7 billion).

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<sup>3</sup> Exchange rate of HK\$1:A\$0.13856 used throughout this Bidder's Statement (unless otherwise noted).

For more information about CKH and its businesses, please see its website ([www.ckh.com.hk](http://www.ckh.com.hk)).

#### **1.4 CKI**

CKI is the largest publicly listed infrastructure company in Hong Kong. CKI is listed on the HKSE.

CKI has diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management and infrastructure related business, with a global portfolio that spans Australia and New Zealand, the United Kingdom, the Netherlands, Canada, Hong Kong and Mainland China.

CKI is the largest diversified infrastructure company listed on the HKSE, with a market capitalisation of approximately HK\$129.1 billion (A\$17.9 billion) as at 30 May 2014.

According to its Annual Report for the year ended 31 December 2013, CKI had:

- cash of HK\$6.0 billion (approximately A\$831.4 million);
- total assets of HK\$99.9 billion (approximately A\$13.8 billion); and
- net assets of HK\$80.6 billion (approximately A\$11.2 billion).

CKI is a significant investor in infrastructure in Australia. It has investments in Australia which include electricity and gas distribution, renewable energy and power transmission. CKI owns significant interests in:

- (a) SA Power Networks, a primary electricity distribution business in South Australia;
- (b) CitiPower, a company that supplies electricity to Melbourne's CBD and inner suburbs;
- (c) Powercor, Victoria's largest electricity distributor;
- (d) Transmission Operations Australia, a renewable energy power transmission business in Victoria; and
- (e) Envestra, one of Australia's largest natural gas distribution companies.

CKI also holds interests in Spark Infrastructure Limited, an Australian utility infrastructure group that is listed on ASX.

For more information about CKI and its businesses, please see its website ([www.cki.com.hk](http://www.cki.com.hk)).

#### **1.5 PAH**

PAH is a global investor in power and utility-related businesses with investments in electricity generation, transmission and distribution, renewable energy, energy from waste and gas distribution.

PAH is listed on the HKSE, with a market capitalisation of approximately HK\$143.8 billion (A\$19.9 billion) as at 30 May 2014.

According to its Annual Report for the year ended 31 December 2013, PAH had:

- cash of HK\$7.9 billion (approximately A\$1.1 billion);
- total assets of HK\$105.2 billion (approximately A\$14.6 billion); and
- net assets of HK\$69.4 billion (approximately A\$9.6 billion).

In Hong Kong PAH holds a 49.9% stake in The Hongkong Electric Company Limited which owns 3,737MW of power generation facilities and 6,000 km of electricity networks to supply electricity to Hong Kong and Lamma Islands.

PAH has investments in Australia which include electricity and gas distribution, renewable energy, and power transmission. PAH owns jointly with CKI significant interests in:

- (a) SA Power Networks, a primary electricity distribution business in South Australia;
- (b) CitiPower, a company that supplies electricity to Melbourne's CBD and inner suburbs;
- (c) Powercor, Victoria's largest electricity distributor; and
- (d) Transmission Operations Australia, a renewable energy power transmission business in Victoria.

For more information about PAH and its businesses, please see its website ([www.powerassets.com](http://www.powerassets.com)).

## **2. About Envestra**

### **2.1 Disclaimer**

The information in this Section 2 concerning Envestra and the Envestra Group has been prepared on a review of publicly available information. CK ENV Investments has not independently verified that information and does not make any representation or warranty, express or implied, as to the accuracy, relevance or completeness of such information.

The information on Envestra and the Envestra Group in this Bidder's Statement should not be considered comprehensive.

Further information relating to Envestra's businesses or Envestra's securities may be included in the Target's Statement in relation to the Offer, which will be sent to you directly by Envestra.

### **2.2 Overview of Envestra**

Envestra is one of Australia's largest natural gas distribution companies, with origins dating back over 150 years. The South Australian and Brisbane Gas Companies, which began operation in 1861 and 1864 respectively, were combined into one organisation, Envestra, and listed on ASX in August 1997. In March 1999, Envestra acquired part of the former Victorian Gas and Fuel Corporation distribution network.

Envestra today owns natural gas networks that operate mainly as regulated monopolies in the key population centres of Victoria, South Australia and Queensland, as well as in smaller centres in New South Wales and the Northern Territory, reaching almost 1.2 million customers. Envestra's assets consist of 22,856 km of distribution networks and 1,123 km of transmission pipelines (as at 31 December 2013). Envestra's revenue is generated mainly by charging retailers and industrial customers for the provision of gas haulage services through its networks.

In July 2007, APA Group acquired Origin Energy's 17.21% stake in Envestra (and APA Group has subsequently increased its stake to 33.05%). As part of the transaction between APA Group and Origin Energy, APA Group also took over the long-term Operating and Management Agreements to operate, maintain and expand Envestra's distribution networks and transmission pipelines. These contracts are due to expire in June 2027. Envestra's management team oversees management of those activities undertaken by, on average, 550 employees and 940 contractors working for APA Group.

CKI has been a shareholder of Envestra for almost 15 years since taking a significant stake in Envestra's capital raising programme in 1999 and becoming one of two largest shareholders in Envestra at that time. CKI currently holds its stake of 17.46% in Envestra through its indirect wholly owned subsidiary CKIHM.

A summary of key statistics for Envestra's assets is provided below, as at 31 December 2013:

<b>Location</b>	<b>Length of mains (km)</b>	<b>Number of consumers</b>	<b>Volume of gas delivered for HY2014 (Petajoules)</b>
Victoria	10,156	600,350	28.6
South Australia	8,107	428,102	17.5
Queensland	2,703	91,865	7.8
New South Wales	1,851	53,415	3.4
Northern Territory	39	1,111	1.7
<b>Total</b>	<b>22,856</b>	<b>1,174,843</b>	<b>59.0</b>

<b>Transmission pipelines</b>	<b>Length (km)</b>
Victoria	225
South Australia	372
Queensland	283
New South Wales	84
Northern Territory	159
<b>Total</b>	<b>1,123</b>

With its monopoly position as a natural gas distributor in certain markets, Envestra's revenue is subject to price regulation by the AER. Revenues are based on tariffs determined as a result of decisions made by the AER, after consultation with Envestra, retailers, energy user groups and community organisations. The AER's review process considers both the allowed regulatory costs, including return on capital, and the AER's views on demand forecasts over the access period. For each network, Envestra tariffs typically include a fixed charge component and a usage-based charge.

Access Arrangements are usually set for a period of five years. Following a final decision on the Access Arrangements for Victoria and Albury in March 2013, Envestra's Access Arrangements are now in place for key networks until at least 2016.

The Access Arrangements for South Australia and Queensland were last reset on 1 July 2011.

The Access Arrangements for Victoria and Albury were last reset on 1 July 2013.

## 2.3 Envestra Directors

As at the date of this Bidder's Statement, Envestra's directors are:

Name	Position
John Allpass	Chairman, Non-Executive, Independent Director
Ian Little	Managing Director
Fraser Ainsworth AM	Non-Executive, Independent Director
Olaf O'Duill	Non-Executive Director, Independent Director
Dominic Chan	Non-Executive Director
Ivan Chan	Non-Executive Director
Michael McCormack	Non-Executive Director
Ross Gersbach	Non-Executive Director

Envestra's Non-Affiliated Directors are John Allpass, Ian Little, Fraser Ainsworth and Olaf O'Duill.

Dominic Chan and Ivan Chan are CKI Affiliated Directors.

Ross Gersbach and Michael McCormack are APA Affiliated Directors.

Mr Dominic Chan and Mr Ivan Chan are not considered to be Non-Affiliated Directors of Envestra because they are part of the senior management team of CKI as Executive Director and Chief Financial Officer, and Chief Planning and Investment Officer, respectively. Mr Dominic Chan is also an Executive Director of PAH and Mr Ivan Chan is also the Chief Financial Officer of PAH.

Mr McCormack is not considered to be a Non-Affiliated Director of Envestra because he is the Managing Director and Chief Executive Officer of APA Group, which is the holder of 33.05% of the total number of Envestra Shares. Mr Gersbach is not considered to be a Non-Affiliated Director of Envestra because he is the Chief Executive Strategy and Development of APA Group.

## 2.4 Financial and other publicly available information on Envestra

Envestra has been listed on ASX since August 1997 and is obliged to comply with the continuous disclosure requirements of ASX and the Corporations Act.

The ASX website ([www.asx.com.au](http://www.asx.com.au)) and Envestra's website ([www.envestra.com.au](http://www.envestra.com.au)) list financial information disclosed by Envestra and the ASX website also lists ASX announcements issued by Envestra.

## 2.5 CK ENV Investments' interest in Envestra securities

As at the date of this Bidder's Statement, the total number of securities on issue in each class of securities of Envestra (according to documents lodged by Envestra with ASX), and the relevant interest of CK ENV Investments in those securities, were as follows:

Class of security	Number on issue	Relevant interest of CK ENV Investments in securities as at the date of the Bidder's Statement
Envestra Shares	1,796,808,474	313,645,693 (17.46%)

As at the date of this Bidder's Statement, Envestra Shares are the only class of securities on issue in Envestra.

## **2.6 Details of relevant interests in Envestra Shares and voting power**

As at the date of this Bidder's Statement, CK ENV Investments and its Associates (which includes CKIHM (an indirect wholly-owned subsidiary of CKI)) have:

- (a) a relevant interest in 313,645,693 Envestra Shares; and
- (b) voting power in Envestra of 17.46%.

CKIHM is the registered holder of these 313,645,693 Envestra Shares.

## **3. CK ENV Investments' strategy and intentions**

This Section 3 sets out CK ENV Investments' current intentions on the basis of facts and information concerning Envestra which are known to it as at the date of this Bidder's Statement. Facts and information concerning Envestra, as disclosed in this Bidder's Statement, are derived solely from publicly available information about Envestra and have not been independently verified by CK ENV Investments.

CK ENV Investments will only make final decisions in light of the material information available to it and circumstances at the relevant time including the general business environment. In addition, CK ENV Investments will only make a final decision on these matters following receipt of appropriate legal, taxation and financial advice. Accordingly, the statements set out in this Section 3 are statements of current intention only and may vary as new information becomes available or circumstances change.

### **3.1 Strategy**

As mentioned in Section 1 of Part 1 of this Bidder's Statement, the Consortium and its members are major investors in infrastructure businesses globally and actively pursue opportunities to grow their portfolios through quality acquisitions.

CKI, through its indirect wholly-owned subsidiary CKIHM, has been an Envestra shareholder since 1999 and closely followed the growth and development of the company.

The Consortium Members would like to increase their interest in Envestra and believe that Envestra's portfolio of assets exhibit characteristics consistent with their investment criteria.

### **3.2 Intentions for Envestra upon entitlement to compulsory acquisition (ie. CK ENV Investments and its Associates having a ≥90% Relevant Interest in Envestra Shares)**

#### **(a) Introduction**

This Section 3.2 describes CK ENV Investments' intentions if CK ENV Investments and its Associates together obtain a Relevant Interest in 90% or more of Envestra Shares (inclusive of the Relevant Interest in Envestra Shares already held by CKIHM), and so CK ENV Investments becomes entitled to compulsorily acquire outstanding Envestra Shares in accordance with Part 6A.1 of the Corporations Act.

If CK ENV Investments becomes entitled to proceed to compulsory acquisition during or at the end of the Offer Period, it intends to give notices to compulsorily acquire any outstanding Envestra Shares in accordance with Part 6A.1 of the Corporations Act and will have Envestra apply for its removal from the official list of ASX.

Even if CK ENV Investments does not become entitled to exercise compulsory acquisition rights following the Offer under Part 6A.1 of the Corporations Act, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act (for example, as a result of acquisitions of Envestra Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act and becoming a full beneficial owner of 90% or more of Envestra Shares). If CK ENV Investments becomes a full beneficial owner of 90% or more of



Envestra Shares, it intends to exercise these general compulsory acquisition rights, however it reserves the right not to do so.

If CK ENV Investments is able to compulsorily acquire outstanding Envestra Shares under Part 6A.1 or Part 6A.2 of the Corporations Act, its other intentions are set out below.

**(b) Operational review**

It is intended that Envestra will continue to conduct its current core business, however, after the end of the Offer Period, CK ENV Investments may conduct a review of Envestra to:

- evaluate Envestra's performance and prospects;
- identify areas where CK ENV Investments can add value to Envestra through its technical expertise and financial resources and its experience in infrastructure assets;
- review Envestra's current financing arrangements and future funding requirements to determine the optimal capital structure for Envestra;
- review Envestra's capital plans and distribution policy; and
- review Envestra's asset portfolio to determine the optimal allocation of infrastructure assets.

The intentions set out in this Section 3 of Part 1 of this Bidder's Statement are subject to, among other things, the results of this review.

**(c) Envestra's management and employees**

The Consortium will work with the management and employees of Envestra to conduct its review and implement any changes to the business. Neither CK ENV Investments nor the Consortium has any current intention to replace or remove any employee or the management of Envestra. Refer to Section 3.3(d) of Part 1 of this Bidder's Statement for an outline of the undertaking given by CK ENV Investments and the Consortium under the Bid Implementation Agreement in relation to the employees of Envestra and its subsidiaries.

**(d) Corporate matters**

CK ENV Investments intends to replace the members of Envestra's board with the nominees of CK ENV Investments and its Associates.

**3.3 Intentions for Envestra upon minimum acceptance (ie. CK ENV Investments and its Associates having a >50% Relevant Interest in Envestra Shares)**

**(a) Introduction**

This Section 3.3 sets out CK ENV Investments' intentions if, as a result of acceptances under the Offer, CK ENV Investments and its Associates together have a Relevant Interest in more than 50% of Envestra Shares (inclusive of the Relevant Interest in Envestra Shares already held by CKIHM), but do not become entitled to compulsorily acquire outstanding Envestra Shares.

In those circumstances, CK ENV Investments presently intends to endeavour to implement, to the extent possible and appropriate, the objectives and goals outlined in Section 3.2 of Part 1 of this Bidder's Statement, including in the manner more particularly described in paragraphs (b) and (c) below, but in each case subject to the restrictions in Section 3.5 of Part 1 of this Bidder's Statement.

**(b) Corporate matters**

If CK ENV Investments and its Associates together have a Relevant Interest in more than 50% of Envestra Shares (inclusive of the Relevant Interest in Envestra Shares already held by CKIHM), CK ENV Investments intends to reconstitute the Envestra Board so that at least a majority of the Envestra Directors are nominees of CK ENV Investments.

Where a listing of Envestra is maintained, CK ENV Investments intends that the composition and operation of the Envestra Board will have regard to the ASX Corporate Governance Principles and Recommendations in relation to the governance of Envestra.

CK ENV Investments may, in some circumstances, and to the extent permitted by the ASX Listing Rules and applicable law, seek to remove Envestra's listing on ASX. In this regard:

- if CK ENV Investments and its Associates together have a Relevant Interest in more than 75% but less than 100% of Envestra Shares following the conclusion of the Offer, it is intended that, subject to satisfying the terms of section 2.10 of ASX Guidance Note 33, CK ENV Investments would at some point in time after the end of the Offer Period apply to ASX for Envestra to be removed from the official list of ASX and for quotation of Envestra Shares on ASX to cease without the need for Envestra shareholder approval. To the extent that the terms of section 2.10 of ASX Guidance Note 33 are not satisfied such that ASX will not permit the removal of Envestra from the official list of ASX without Envestra Shareholder approval, CK ENV Investments may consider, depending on CK ENV Investments' Relevant Interest in Envestra Shares and the number of remaining Envestra Shareholders, obtaining the consent of ASX for Envestra to seek shareholder approval to the delisting of Envestra. In the event that the approval of Envestra Shareholders to a delisting of Envestra is sought, it is likely that CK ENV Investments and its Associates would be excluded from voting on the relevant resolution. In the absence of CK ENV Investments seeking and obtaining the requisite ASX consent and Envestra Shareholder approval, it is intended that Envestra would remain listed on ASX and quotation of its Shares on ASX would continue; and
- if CK ENV Investments and its Associates together have a Relevant Interest in more than 50% but less than 75% of Envestra Shares, then at any time following the conclusion of the Offer, CK ENV Investments may consider, depending on CK ENV Investments' Relevant Interest in Envestra Shares and the number of remaining Envestra Shareholders, obtaining the consent of ASX for Envestra to seek shareholder approval to the delisting of Envestra. In the event that the approval of Envestra Shareholders to a delisting of Envestra is sought, it is likely that CK ENV Investments and its Associates would be excluded from voting on the relevant resolution. In the absence of CK ENV Investments seeking and obtaining the requisite ASX consent and Envestra Shareholder approval, it is intended that Envestra would remain listed on ASX and quotation of Envestra Shares on ASX would continue.

**(c) General operational review**

After the end of the Offer Period, CK ENV Investments intends to propose to the board of Envestra that a broad-based review of Envestra's operations be conducted on both a strategic and financial level, along similar lines to that described in Section 3.2(b) of Part 1 of this Bidder's Statement.



#### **(d) Envestra's management and employees**

Neither CK ENV Investments nor the Consortium has any current intention to replace or remove any employee or the management of Envestra. Under the Bid Implementation Agreement, CK ENV Investments and the Consortium have undertaken to Envestra that if the Offer is declared or becomes unconditional and CK ENV Investments and its Associates together have a Relevant Interest in more than 50% of Envestra Shares (inclusive of the Relevant Interest in Envestra Shares already held by CKIHM), they will ensure that subject to the resignation, retirement or lawful termination of employment for cause of any employee of Envestra and its subsidiaries, the employment of all employees of Envestra and its subsidiaries will be continued for at least 4 months after the end of the Offer Period.

### **3.4 Intentions for Envestra if CK ENV Investments and its Associates not having a >50% Relevant Interest in Envestra Shares**

Subject to the ability of CK ENV Investments to free the Offer from the Condition in Section 7.1(a) of Part 2 of this Bidder's Statement (minimum acceptance) under the Bid Implementation Agreement (refer Section 7.1(c) of Part 1 of this Bidder's Statement), CK ENV Investments reserves its right to do so. However, CK ENV Investments has made no decision as to whether it will do so.

This Section 3.4 describes CK ENV Investments' intentions if it were to free the Offer from the minimum acceptance condition and if CK ENV Investments and its Associates do not obtain a Relevant Interest in more than 50% of Envestra Shares (inclusive of the Relevant Interest in Envestra Shares already held by CKIHM).

In these circumstances, it is CK ENV Investments' present intention to encourage the Envestra Directors to implement the steps outlined in Section 3.2 of Part 1 of this Bidder's Statement (other than the removal of Envestra from the official list of ASX) as appropriate and agreed by the Envestra Directors and management, and to the extent possible having regard to among other things the absence of a controlling interest.

However, the extent to which CK ENV Investments' intentions for Envestra described in Section 3.2 of Part 1 of this Bidder's Statement may be realised will be subject to the matters referred to in Section 3.5 of Part 1 of this Bidder's Statement, as well as having regard to the possibility that the nominees of CK ENV Investments appointed to the board of Envestra will constitute a minority of Envestra Directors.

### **3.5 Limitations**

The extent to which CK ENV Investments will be able to implement its plans and intentions will be subject to:

- the law (including the Corporations Act) and (for so long as Envestra remains listed on ASX) the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions, and Envestra obtaining where necessary the approval of Envestra Shareholders other than CK ENV Investments and its Associates;
- the legal obligation of the Envestra Directors at the time to act in good faith in the best interests of Envestra and for proper purposes and to have regard to the interests of Envestra Shareholders as a whole;
- the constitution of Envestra;
- the outcome of the review referred to in Section 3.2(b) or Section 3.3(c) of Part 1 of this Bidder's Statement (as applicable); and
- necessary third party and governmental consents and approvals.

CK ENV Investments will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

### 3.6 CK ENV Investments' other intentions

Other than as set out in this Section 3 of Part 1 of this Bidder's Statement, it is CK ENV Investments' present intention to procure Envestra to:

- (a) continue the business of Envestra;
- (b) not make any major changes to the business of Envestra, nor to redeploy any of the fixed assets of Envestra; and
- (c) continue the employment of Envestra's present employees.

## 4. How the cash consideration will be provided

The information in this Section 4 of Part 1 of this Bidder's Statement regarding Envestra is given to the best of CK ENV Investments' knowledge and is based on documents lodged by Envestra with ASX.

### 4.1 Consideration

As at the date of this Bidder's Statement, there are 1,796,808,474 Envestra Shares on issue and there are no other securities on issue in Envestra.

As noted in Section 2.5 of Part 1 of this Bidder's Statement, at the date of this Bidder's Statement, CK ENV Investments and its Associates have a relevant interest in 313,645,693 Envestra Shares. CKIHM is the registered holder of those Envestra Shares.

Under section 618(1)(a) of the Corporations Act, this Offer is required to be made to all Envestra Shareholders, including CKIHM. Accordingly, this Offer is made to all Envestra Shareholders, including CKIHM.

Based upon undertakings CK ENV Investments has received from CKIHM, Proway (which is the sole shareholder in CKIHM) and CKI (which is the ultimate holding company of both CKIHM and Proway), CK ENV Investments considers that it has a reasonable basis for believing, and it does believe, that CKIHM will not accept the Offer (further information on these undertakings are set out in Section 7.9 of Part 1 of this Bidder's Statement).

If the Offer is accepted by all other Envestra Shareholders, and the Offer becomes or is declared unconditional, CK ENV Investments will be obliged to pay aggregate consideration of approximately A\$1.96 billion.

A summary of the aggregate consideration that may be payable is set out in the table below.

Total Envestra Shares on issue	1,796,808,474
Envestra Shares held by CKIHM	313,645,693
Envestra Shares held by all other Envestra Shareholders	1,483,162,781
<i>Offer Price</i>	<i>A\$1.32 per Envestra Share</i>
Consideration (for all Envestra Shares other than those held by CKIHM)	A\$1,957,774,870.00

### 4.2 Committed Funding

Pursuant to the Consortium Arrangements (which are outlined in Section 7.7 of Part 1 of this Bidder's Statement), subject to the Offer becoming unconditional or being declared unconditional by CK ENV Investments, the Consortium Members have committed funding to CK ENV Investments with which to settle the aggregate consideration and all transaction costs associated with the Offer.

A summary of the Consortium Members' committed funding is set out in the table below.

Committed funding		
CKH	A\$666,000,000.00	33.333%
CKI	A\$666,000,000.00	33.333%
PAH	A\$666,000,000.00	33.333%
<b>Total</b>	<b>A\$1,998,000,000.00</b>	<b>100.00%</b>

**(a) CKH**

The necessary funds being made available to CK ENV Investments by CKH will be sourced from CKH's existing cash reserves that have been allocated towards satisfying its committed funding requirements in relation to the Offer. As at the date of this Bidder's Statement, the amount of CKH's allocated funds exceeds its committed funding amount specified in the table above.

**(b) PAH**

The necessary funds being made available to CK ENV Investments by PAH will be sourced from PAH's existing cash reserves that have been allocated towards satisfying its committed funding requirements in relation to the Offer. As at the date of this Bidder's Statement, the amount of PAH's allocated funds exceeds its committed funding amount specified in the table above.

**(c) CKI**

The necessary funds being made available to CK ENV Investments by CKI will be sourced from an undrawn loan facility CKI and Cerise Global Limited (an indirect wholly-owned subsidiary of CKI which is the borrower under this facility) (**Cerise**) have in place with The Hong Kong and Shanghai Banking Corporation Limited, ING Bank (Australia) Limited and Westpac Banking Corporation, Hong Kong Branch. The amount that may be drawn down under the loan facility is not less than CKI's committed funding amount specified in the table above.

The conditions precedent to draw down and the ability to draw down under the loan facility are outlined in Section 7.8 of Part 1 of this Bidder's Statement.

CKI has no reason to believe that, and does not believe that, any condition precedent to draw down is or is likely to become unable to satisfied.

CKI has no reason to believe that there is or will be, and does not believe that there is or will be, any impediment to the draw down of funds under the terms of the loan facility.

### **4.3 Provision of consideration by CK ENV Investments**

On the basis of the arrangements outlined above:

- CKH considers it has a reasonable basis for believing, and it does believe, that it will be able to provide its committed funding amount specified in the table above in accordance with the Consortium Arrangements;
- PAH considers it has a reasonable basis for believing, and it does believe, that it will be able to provide its committed funding amount specified in the table above in accordance with the Consortium Arrangements; and
- CKI considers it has a reasonable basis for believing, and it does believe, that it will be able to provide its committed funding amount specified in the table above in accordance with the Consortium Arrangements.

Accordingly, CK ENV Investments considers that it has a reasonable basis for believing, and it does believe, that it will be able to provide the consideration required to pay Envestra Shareholders who accept the Offer and to meet all its other obligations, together with amounts required to cover all transaction costs, associated with the Offer.

## **5. Australian tax considerations**

### **5.1 Introduction**

The following is a general description of the principal Australian tax consequences for the registered holders of Envestra Shares upon the disposal of their shareholding to CK ENV Investments.

The following description is based upon the law in effect at the date of this Bidder's Statement, but it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of Envestra Shares. In particular, the registered holders of Envestra Shares should be aware that the levels and bases of taxation can change and that where reference is made to tax concessions, this is to tax concessions as currently applying. It is recommended that registered holders seek independent professional advice in relation to their own particular circumstances.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

The Australian tax implications outlined below are relevant to registered holders who hold their Envestra Shares as capital assets for the purposes of investment and who do not hold their Envestra Shares as trading stock, as part of a profit-making undertaking or scheme, or otherwise on revenue account. This Section 5 in particular does not address in detail the tax considerations applicable to registered holders that may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds, dealers in securities or registered holders who change their tax residence while holding Envestra Shares.

### **5.2 Capital gains tax (CGT) implications**

#### **CGT event**

For CGT purposes, a 'CGT event' will occur when you dispose of your Envestra Shares to CK ENV Investments. The time of your disposal will depend on your circumstances as follows:

- (a) if you accept the Offer, your disposal should take place on the date the Offer is accepted by you; and
- (b) if you do not accept the Offer and your Envestra Shares are compulsorily acquired (as described in accordance with Section 3.2(a) of Part 1 of this Bidder's Statement), your disposal should take place on the date CK ENV Investments becomes the owner of your Envestra Shares.

#### **Determining your capital gain or loss**

Any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for your Envestra Shares in accordance with Section 2.1 of Part 2 of this Bidder's Statement (Price payable) with the CGT cost base or reduced cost base of your Envestra Shares.

If CK ENV Investments reduces the Offer Price under Section 6 of Part 2 of this Bidder's Statement (Dividends and other entitlements), that reduced consideration will be the amount of consideration taken into account in calculating your capital gain or loss.

The cost base or reduced cost base of your Envestra Shares should broadly equal the money you paid or were required to pay to acquire your Envestra Shares plus any non-deductible incidental costs incurred in acquiring and disposing of the Envestra Shares.

Where you acquired your Envestra Shares before 21 September 1999, in calculating a capital gain, the cost base of your Envestra Shares may be increased for indexation based on the CPI movement from your date of acquisition to 30 September 1999. Alternatively, if you are entitled to, you may choose to claim the CGT discount to reduce your capital gain (refer below).

You will make a capital gain from the disposal of your Envestra Shares to CK ENV Investments to the extent that the capital proceeds that you received exceeds the cost base of your Envestra Shares.

Conversely, you will make a capital loss to the extent that the reduced cost base of your Envestra Shares exceeds the capital proceeds that you received.

The tax treatment of your capital gain or capital loss arising from the disposal of your Envestra Shares depends on whether or not you are an Australian resident for taxation purposes:

**(a) Australian residents**

You may be entitled to the CGT discount if:

- (i) you are an Australian resident individual, trust or complying superannuation fund;
- (ii) you have held your Envestra Shares for at least 12 months; and
- (iii) you make a capital gain from the disposal of your Envestra Shares.

The CGT discount will result in:

- (i) 50% of your capital gain being assessable, if you are an individual or a trust; or
- (ii) 66⅔% of your capital gain being assessable, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital gain from the disposal of your Envestra Shares, that capital gain will be combined with any other capital gains you have made for the income year, then the total will be applied against any capital losses you have made in the income year (before taking into account the CGT discount, if applicable). Any resulting net capital gain will be included in your assessable income for the income year. Any resulting net capital loss will be carried forward and may be applied against any future assessable capital gains (before taking into account the CGT discount, if applicable).

If you make a capital loss from the disposal of your Envestra Shares, that capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable).

**(b) Non-Australian residents**

Non-Australian resident registered holders of Envestra Shares who (together with their associates) hold less than 10% of the rights to capital distributions, rights to profit distributions or rights to vote in Envestra should not be subject to Australian capital gains tax on disposal of their Envestra Shares.

Non-Australian resident registered holders of Envestra Shares who (together with their associates) hold 10% or more of the rights to capital distributions, rights to profit distributions or rights to vote in Envestra should seek independent professional advice in respect of their own particular circumstances.



Non-Australian resident registered holders of Envestra Shares who hold their Envestra Shares through a permanent establishment in Australia should seek independent professional advice in respect of their own particular circumstances irrespective of the percentage rights attaching to their shareholding in Envestra.

### 5.3 Stamp duty and the goods and services tax (GST)

No stamp duty or GST is payable by you on the sale of your Envestra Shares to CK ENV Investments pursuant to the Offer.

You may be charged GST on incidental costs (for example, brokerage or advisory fees) incurred in acquiring and disposing of your Envestra Shares. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

## 6. Institutional Acceptance Facility

### 6.1 General

CK ENV Investments has established an institutional acceptance facility open to professional investors (as defined in section 9 of the Corporations Act) that hold at least 378,788 Envestra Shares (being the number of Envestra Shares with an aggregate value of at least A\$500,000, based on an Envestra Share price of A\$1.32) (**Eligible Institutional Shareholders**) in order to facilitate receipt of acceptances of the Offer (**Institutional Acceptance Facility**). Envestra Shareholders who are not Eligible Institutional Shareholders cannot participate in the Institutional Acceptance Facility.

The Institutional Acceptance Facility has been established to enable Eligible Institutional Shareholders to indicate their intentions to accept the Offer, as CK ENV Investments recognises that some of these shareholders may be unwilling or unable to accept the Offer, for example, by reason of their investment mandates, until the Offer becomes or is declared unconditional.

The operator of the Institutional Acceptance Facility is Computershare Clearing Pty Limited ACN 063 826 228 (**Facility Operator**).

### 6.2 Operation of the Institutional Acceptance Facility

The Institutional Acceptance Facility will operate in the following way:

- (a) Eligible Institutional Shareholders may lodge acceptance instructions with the Facility Operator in the form of either Acceptance Forms and/or directions to its custodian (**Custodian Direction**) to accept the Offer (**Acceptance Instructions**) that demonstrate their intention to accept the Offer. The Facility Operator will hold the Acceptance Instructions subject to a bare trust as acceptance facility collection agent only and will not acquire a relevant interest in any of the Envestra Shares the subject of the Acceptance Instructions.

CK ENV Investments notes ASIC's view in ASIC Regulatory Guide 9 and ASIC Class Order CO 13/520, including the view that a bidder may acquire a relevant interest in target securities as a result of target holders providing acceptance or custodial instructions to a facility operator. CK ENV Investments' view is that, in accordance with the terms and nature of its arrangement with the Facility Operator, neither it nor the Facility Operator will acquire a relevant interest in any Envestra Shares the subject of the Acceptance Instructions, as a result of the receipt by the Facility Operator of any Acceptance Instructions alone. In any event, the terms of the Institutional Acceptance Facility will comply with section 609(8A) of the Corporations Act (as inserted by ASIC Class Order CO 13/520).

- (b) The Facility Operator must deliver:
  - (i) the Acceptance Forms to:

- (A) in the case of Issuer Sponsored Holdings, Computershare Investor Services Pty Limited (as CK ENV Investments' share registry); or
  - (B) in the case of CHESS Holdings, either Computershare Investor Services Pty Limited (as CK ENV Investments' share registry) or the relevant Controlling Participant (as determined by CK ENV Investments); and
- (ii) the Custodian Directions to the relevant custodian, immediately after the Facility Operator receives written notice from CK ENV Investments (**Confirmation Notice**) that:
  - (iii) CK ENV Investments frees the Offer from all Conditions that have not been fulfilled or waived or will free the Offer from all Conditions that have not been fulfilled or waived no later than the time that all Acceptance Instructions lodged with the Facility Operator are validly processed; or
  - (iv) the Envestra Shares in which CK ENV Investments and its Associates have a Relevant Interest (inclusive of any Relevant Interest in Envestra Shares held by CHIKM) together with the Envestra Shares that are the subject of Acceptance Instructions received into the Institutional Acceptance Facility exceed 50% of the total number of Envestra Shares (by number).
- (c) Subject to the terms of the Bid Implementation Agreement, CK ENV Investments reserves the right to free the Offer from all Conditions and deliver the Confirmation Notice to the Facility Operator at any time before the end of the Offer Period (subject to the Corporations Act) irrespective of the number of acceptances held by CK ENV Investments or the number of Acceptance Instructions held by the Facility Operator. CK ENV Investments is also entitled to deliver the Confirmation Notice to the Facility Operator once the triggering condition in paragraph (b)(iv) above is satisfied.
- (d) Eligible Institutional Shareholders are able to withdraw their Acceptance Instructions at any time prior to the Facility Operator receiving the Confirmation Notice from CK ENV Investments. Until the Facility Operator receives the Confirmation Notice from CK ENV Investments, Eligible Institutional Shareholders will retain all rights in relation to their Envestra Shares.

A copy of the appointment of the Facility Operator (including the terms of the appointment and the form of the Custodian Direction) will be provided to Eligible Institutional Shareholders and may also be requested from the Facility Operator by email to [custodians@computershare.com.au](mailto:custodians@computershare.com.au) or phone on 1800 095 862 (callers within Australia) and +61 3 9415 5401 (callers outside Australia).

### 6.3 Disclosure of Acceptance Instructions

Before 8.30am (Sydney time) on each Business Day, the Facility Operator will inform CK ENV Investments of the number of Envestra Shares in respect of which Acceptance Instructions have been received as at 7.30pm (Sydney time) on the previous Business Day.

## 7. Additional information

### 7.1 Bid Implementation Agreement

On the Announcement Date (30 May 2014), each Consortium Member and CK ENV Investments entered into the Bid Implementation Agreement with Envestra. The key terms are summarised below:

#### (a) Recommendation of the Offer

Envestra represents and warrants to the Consortium and CK ENV Investments that, as at the date of the Bid Implementation Agreement, each Envestra Non-Affiliated Director has confirmed that he:

- will promptly on execution of the Bid Implementation Agreement publicly recommend (by way of a public announcement issued by Envestra on 30 May 2014) that Envestra Shareholders accept the Offer in respect of their Envestra Shares; and
- intends to accept the Offer in respect of those Envestra Shares which he holds or controls,

in each case subject to there being no superior proposal in respect of Envestra and the Bid Implementation Agreement not being terminated.

#### (b) Exclusivity

Envestra has agreed to exclusivity obligations, including 'no shop' obligations that it, and each of its relevant representatives, will not directly or indirectly solicit or invite, or initiate any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining, any offer, expression of interest or proposal from any person in relation to a competing proposal.

From the date of the Bid Implementation Agreement and ending on the earlier of 31 December 2014 and the termination of the Bid Implementation Agreement, Envestra has agreed to notify CK ENV Investments if it becomes aware of the existence of any bona fide competing proposal which Envestra (acting reasonably) considers to be, or to be capable of becoming, a superior proposal or the provision by Envestra of any material confidential information to a third party making or proposing a competing proposal.

This notification requirement on Envestra does not prevent or require any action by or on behalf of Envestra in relation to any unsolicited competing proposal if, after consultation with Envestra's financial advisers and receiving written legal advice from external legal advisers, Envestra's independent board committee has resolved (or a majority of the Envestra Non-Affiliated Directors has determined) in good faith that:

- the unsolicited competing proposal is or, if it was proposed, is reasonably capable of becoming a Superior Proposal; and
- taking such action (where such action would otherwise be required by the Bid Implementation Agreement) or failure to take such action (where such action would otherwise be prevented by the Bid Implementation Agreement) would involve, or would be likely to involve, a breach of the fiduciary or statutory duties of the directors of Envestra.

#### (c) Conditions

The Conditions of the Offer are set out in the Bid Implementation Agreement, and also set out in Section 7.1 of Part 2 of this Bidder's Statement.



CK ENV Investments must not, without the prior consent of Envestra (such consent not to be unreasonably withheld or delayed), declare the Offer to be free from the Condition in Section 7.1(a) of Part 2 of this Bidder's Statement (minimum acceptance) or the Condition in Section 7.1(b) of Part 2 of this Bidder's Statement (Financier Confirmation), unless a third party publicly announces a competing takeover bid (and, with respect to freeing the Offer from the minimum acceptance Condition, that competing bid is not itself subject to a minimum acceptance condition).

**(d) Pre-implementation obligations**

Envestra has agreed to conduct its business, and procure that each of its Related Entities conducts its business, in the ordinary course, in substantially the same manner, and at the same locations, as previously conducted and use reasonable endeavours to:

- preserve intact its current business organisation including keeping available the services of its officers and employees;
- preserve its relationships with customers, suppliers, licensors, licensees and others having business dealings with it; and
- maintain the condition of its business and assets, including maintaining at least its current level of insurance (provided such level of insurance continues to be generally available).

Clause 6 of the Bid Implementation Agreement contains a number of restrictions on disposals, acquisitions and capital expenditure by the Envestra Group. These restrictions do not apply in certain circumstances, such as with the consent of the Consortium or CK ENV Investments (whose consent must not be unreasonably withheld), or in respect of previously disclosed transactions or expenditures or any agreement or other arrangement which is conditional on the Bid not being implemented (but not including any agreement or arrangement which would result in a breach of Envestra's exclusivity obligations under the Bid Implementation Agreement).

**(e) Termination**

The Bid Implementation Agreement may be terminated by Envestra or CK ENV Investments / a Consortium Member if:

- (a) there is a material breach of the Bid Implementation Agreement by the other party, and if capable of remedy, that breach is not remedied within the permitted time;
- (b) the independent expert (if any) concludes that the Offer is not fair and not reasonable (see below);
- (c) a majority of the Envestra Non-Affiliated Directors withdraw or adversely vary their recommendation that Envestra Shareholders accept the Offer on the basis that they have resolved (or a majority of the Envestra Non-Affiliated Directors have determined) in good faith that a competing proposal is a superior proposal to the Offer or publicly recommend a competing proposal as being a superior proposal to the Offer; or
- (d) the Offer lapses.

Envestra may also terminate the Bid Implementation Agreement if the Offer is withdrawn in accordance with section 652B of the Corporations Act.

Note, at the date of this Bidder's Statement, CK ENV Investments is not aware of the Envestra Non-Affiliated Directors having an intention to appoint an independent expert for the purposes of preparing an independent expert's report for inclusion in the Target's Statement (and, at the date of this Bidder's Statement, there is no requirement for the Target's Statement to include an independent expert's report under section 640 of the Corporations Act).

Unless terminated earlier, the Bid Implementation Agreement terminates automatically and with immediate effect on the earlier of:

- 31 December 2014; and
- if:
  - the Offer is declared or becomes unconditional and CK ENV Investments and its Associates have a Relevant Interest in more than 50% of Envestra Shares (by number) (inclusive of any Relevant Interest in Envestra Shares held by CKIHM), the date that is 21 days after the end of the Offer Period; or
  - otherwise, the date immediately following the end of the Offer Period.

A full copy of the Bid Implementation Agreement is attached to Envestra's ASX announcement dated 30 May 2014 and the notice of initial substantial holding given by CK ENV Investments to ASX on 3 June 2014.

## **7.2 Final Dividend**

Envestra Shareholders will be entitled to receive a Final Dividend in respect of the financial year ending 30 June 2014 – if you are the registered holder of Envestra Shares on the Final Dividend Record Date you will be entitled to receive the Final Dividend in respect of those Envestra Shares.

The Final Dividend may be determined or declared and paid, provided that:

- (a) the Final Dividend is declared (or determined to be paid) on or prior to 21 August 2014; and
- (b) the Final Dividend is a final dividend of up to \$0.035 per Envestra Share in respect of the financial year ending 30 June 2014.

Envestra Shareholders should be aware that:

- (a) The Final Dividend is expressly excluded from the definition of 'Rights' (refer to Section 1 of Part 3 of this Bidder's Statement), and accordingly, Envestra's determination or declaration and payment of any Final Dividend of up to \$0.035 per Envestra Share will not result in a reduction to the price specified in Section 2.1 of Part 2 of this Bidder's Statement by virtue of Section 6.1 of Part 2 of this Bidder's Statement.

In other words, if the Final Dividend of an amount of up to \$0.035 per Envestra Share is determined or declared and paid, CK ENV Investments will not reduce the price specified in Section 2.1 of Part 2 of this Bidder's Statement by the amount of the Final Dividend, and Envestra Shareholders who are entitled to, and receive, the Final Dividend (being those Envestra Shareholders who are on Envestra's register of members as the registered holders of Envestra Shares as at the Final Dividend Record Date) will not need to account or otherwise repay an amount equal to the Final Dividend to CK ENV Investments.

- (b) If, notwithstanding the Condition set out in paragraph (h) of Section 7.1 of Part 2 of this Bidder's Statement (No further dividends) or with the consent of CK ENV Investments, Envestra or the Envestra Directors determine or declare and pay cash Rights (either individually or in aggregate) in excess of \$0.035 per Envestra Share (being the maximum amount of the Final Dividend), then, pursuant to the Bid Implementation Agreement:
  - (i) Section 6.1 of Part 2 of this Bidder's Statement will apply to the amount or value (as assessed by CK ENV Investments) of any cash Right in excess of \$0.035 per Envestra Share; and

- (ii) accordingly, CK ENV Investments may reduce the price per Envestra Share specified in Section 2.1 of Part 2 of this Bidder's Statement by the amount of the Rights per Envestra Share, unless the benefit of the Rights is passed to CK ENV Investments under Section 5(h) of Part 2 of this Bidder's Statement.
- (c) The information provided in this Section 7.2 of Part 1 of this Bidder's Statement explains the effect of Section 6.1 of Part 2 of this Bidder's Statement, and nothing in this Section 7.2 is intended to limit or restrict that effect.

CK ENV Investments suggests that you read Section 5 of Part 1 of this Bidder's Statement for a general description of the relevant principal Australian tax consequences and consult your tax or financial adviser.

### **7.3 FIRB approval**

FIRB approval of the Offer was obtained on 13 June 2014. Accordingly, FIRB approval is not a Condition of the Offer.

### **7.4 Financier Confirmation and no Event of Default under the Intercreditor Deed Poll**

It is a condition of the Offer that as at the end of the Offer Period:

- (a) 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 Bid to be "unacceptable" for the purposes of the Intercreditor Deed Poll (**Financier Confirmation**);
- (b) the Financier Confirmation remains in full force and effect and has not been withdrawn or materially adversely modified; and
- (c) 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.

It is also a condition of the Offer that before the end of the Offer Period, no Event of Default under the Intercreditor Deed Poll has occurred or is subsisting, nor has any event arisen which may give rise to an Event of Default occurring.

CK ENV Investments understands that the borrowings of Envestra are secured over the networks owned by Envestra. Envestra and its senior debt financiers are parties to the Intercreditor Deed Poll which sets out various Events of Default, representations, warranties and undertakings relating to the debt and hedging arrangements. An Event of Default gives Envestra's senior debt financiers the right to require repayment of debt and close out hedging arrangements (subject to certain majority approval requirements) and may result in "make whole" and "swap close out" payments and other additional costs.

### **7.5 Potential for waiver of defeating Conditions**

The Offer is subject to a number of conditions set out in Part 2 of this Bidder's Statement. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by CK ENV Investments. This is subject, in certain circumstances, to the terms of the Bid Implementation Agreement, as outlined in Section 7.1(c) of Part 1 of this Bidder's Statement.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, CK ENV Investments might not make a decision as to whether it will either rely on that non-fulfilment, or instead waive the Condition, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act (see Section 7.5 of Part 2 of this Bidder's Statement). If CK ENV Investments decides that it will waive a Condition, it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and CK ENV Investments decides to rely on the non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Envestra Shares will be returned to the holder.

## **7.6 Status and effect of other Conditions**

As at the date of this Bidder's Statement, CK ENV Investments is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions in Section 7.1 of Part 2 of this Bidder's Statement.

## **7.7 Consortium Arrangements**

The Consortium Members have entered into a shareholders' agreement in respect of their shareholding (of 33.333% respectively) in CK ENV UK. The shareholders' agreement requires each Consortium Member to subscribe for shares in CK ENV UK on CK ENV Investments becoming obliged to pay those Envestra Shareholders who accept the Offer (eg. on the Offer being declared unconditional) for an aggregate subscription amount that is equal to the total amount referred to in Section 4.2 of Part 1 of this Bidder's Statement, for the purposes of enabling CK ENV UK to provide CK ENV Investments with sufficient funds to make payment to those Envestra Shareholders who accept the Offer on the terms of the Offer.

The shareholders' agreement also outlines certain operational, functional and governance matters with respect to CK ENV UK.

A copy of the shareholders' agreement was annexed to the ASIC Form 603 ('Notice of initial substantial holder') given by CK ENV Investments to ASX on 3 June 2014.

There are also subscription agreements in place between:

- CK ENV UK and CK ENV Holdings Pty Ltd (which is the sole direct shareholder in CK ENV Investments); and
- CK ENV Holdings Pty Ltd and CK ENV Investments,

pursuant to which the funds provided to CK ENV UK by the Consortium Members must be provided to CK ENV Investments.

## **7.8 CKI's loan facility – conditions precedent and ability to draw down**

### **(a) Conditions precedent to draw down**

The conditions precedent to draw down under the loan facility made available to CKI and Cerise that is referred to in Section 4.2(c) of Part 1 of this Bidder's Statement include the following conditions:

- the Conditions to the Offer have been satisfied or the Offer is declared free of Conditions in accordance with the Corporations Act;
- no insolvency related matters occurring in respect of CKI or Cerise, no default by either of them under any agreement that may have a material adverse effect on CKI and its subsidiaries as a whole, and no delisting of CKI from HKSE;
- CKI and Cerise ensuring that payment obligations under the facility agreement rank at least equally with the claims of all other unsecured and unsubordinated creditors; and
- CKI ensuring that at all times its secured consolidated borrowed money does not exceed certain thresholds and its consolidated tangible net worth does not fall below certain thresholds.

**(b) Ability to draw down**

CKI and Cerise will be able to draw down under the loan facility, provided that the conditions precedent referred to above are satisfied or waived and:

- the Offer becomes unconditional on or before 29 November 2014;
- no 'major representation' is untrue or misleading or unable to be made by CKI or Cerise. The 'major representations' relate to a limited number of matters in respect of both CKI and Cerise; and
- no 'major default' occurs. A 'major default' will arise if, among other things, Cerise or CKI fails to make a required payment under the facility within 5 business days of its due date or an insolvency related event occurs in respect of Cerise or CKI.

**7.9 Undertakings from CKI, CKIHM and Proway not to accept the Offer or dispose of CKIHM's Envestra Shares**

CKIHM is the registered holder of 313,645,693 (17.46%) Envestra Shares.

CK ENV Investments has received from CKIHM, Proway (which is the sole shareholder in CKIHM) and CKI (which is the ultimate holding company of both CKIHM and Proway) the following undertakings:

- (a) CKIHM has undertaken to CK ENV Investments that it will not:
- (i) accept the Offer in respect of any of the Envestra Shares which are held by CKIHM, or take any step to do so or make any representation to any person that it will do so;
  - (ii) transfer, assign or dispose of the Envestra Shares held by CKIHM to any person, or agree to any person doing so; or
  - (iii) take any action that would result in a person who does not have a Relevant Interest in the Envestra Shares held by CKIHM as at the date the undertaking was given (ie. 30 May 2014) (or arising from the undertaking) acquiring a Relevant Interest in the Envestra Shares held by CKIHM,
- except with the prior written consent of CK ENV Investments and on the condition that any person to whom a transfer, assignment or disposal of the Envestra Shares held by CKIHM is made, or who would receive a Relevant Interest in the Envestra Shares held by CKIHM, agrees to be bound by the undertakings given by CKIHM; and
- (b) CKI and Proway have each undertaken to CK ENV Investments that they will not:
- (i) agree or consent to CKIHM doing any of the things referred to in paragraph (a) above;
  - (ii) transfer, assign or dispose of securities in CKIHM to any person from the date of this letter, or agree to any person doing so; or
  - (iii) take any action that would result in a person who does not have a Relevant Interest in Envestra Shares held by CKIHM as at the date of the undertaking (or arising from the undertaking) acquiring a Relevant Interest in the Envestra Shares held by CKIHM,
- except with the prior written consent of CK ENV Investments and on the condition that any person to whom a transfer, assignment or disposal of Envestra Shares held by CKIHM or securities in CKIHM is made, or who would receive a Relevant Interest in the Envestra Shares held by CKIHM or an interest of any kind in securities in CKIHM, agrees to be bound by the undertakings given by each of CKI and Proway.



The undertakings given by CKI, CKIHM and Proway are continuing undertakings, until the date that is six months after the end of the Offer Period and are not intended to conflict with, modify or qualify any obligation of CKI (or any other person) under the Bid Implementation Agreement.

#### **7.10 Broker commission**

CK ENV Investments may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but has made no final decision in relation to the matter at this stage.

Any commission payments will be paid only in respect of parcels of Envestra Shares held by retail shareholders who accept the Offer.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Envestra Shares held by retail shareholders who accept the Offer, and will be subject to minimum payments (of not less than \$50) and maximum payments (not exceeding \$750) for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on, or paid, to Envestra Shareholders.

If and when CK ENV Investments decides to offer such a commission to any broker, it will make an announcement to that effect to ASX.

It is CK ENV Investments' intention that, if and when an offer of commission has been made to any broker by CK ENV Investments, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

#### **7.11 Agreements with Envestra Directors**

Other than as set out elsewhere in this Bidder's Statement, there is no agreement between CK ENV Investments or the Consortium and a director or another officer of Envestra in connection with or conditional on the outcome of the Offers.

#### **7.12 Financial position of Envestra**

So far as CK ENV Investments knows, as at the date of this Bidder's Statement, there has not been a material change in the financial position of the Envestra group of companies since 31 December 2013 (the end date of the reporting period for the interim financial report for the 6 month period ended 31 December 2013 released by Envestra to ASX on 20 February 2014) which is not outlined in the notes to and forming part of that interim financial report.

#### **7.13 Dealings in Envestra Shares**

##### **(a) Consideration provided for Envestra Shares during previous four months**

During the period beginning four months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither CK ENV Investments nor any of its Associates has provided or agreed to provide consideration for an Envestra Share.

##### **(b) No inducing benefits given, offered or agreed during previous four months**

During the four months before the date of this Bidder's Statement, neither CK ENV Investments nor any of its Associates gave, offered to give or agreed to give a benefit to another person that induced, or was likely to induce, the other person or an associate to:

- (a) accept the Offer; or
- (b) dispose of Envestra Shares,

that was not offered to all holders of securities in the bid class.

#### **7.14 Date for determining holders of securities**

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Record Date.

#### **7.15 Information**

Except for the information contained in this Bidder's Statement and in Envestra's releases to ASX prior to the date of this Bidder's Statement, there is no information known to CK ENV Investments which:

- (a) is material to the making of a decision by a holder of Envestra Shares whether to accept the Offer; and
- (b) has not been previously disclosed to the holders of Envestra Shares.

#### **7.16 Consents**

This Bidder's Statement contains statements made by, or statements stated in this Bidder's Statement to be based on statements made by, CKH, CKI and PAH. Each of CKH, CKI and PAH has consented to the inclusion of such statements in the form and context in which they appear and has not withdrawn that consent as at the date of this Bidder's Statement.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by Envestra and others. Under the terms of ASIC Class Order CO 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

In particular, this Bidder's Statement includes statements which are made in, or based on statements made in, the independent expert's report of Grant Samuel & Associates Pty Limited, dated 7 April 2014 and included in Envestra's scheme booklet in connection with the APA Scheme. Envestra's scheme booklet (which was despatched to Envestra Shareholders on 11 April 2014) is a document that was lodged with ASIC and given to ASX. Under the terms of ASIC Class Order CO 13/521, Grant Samuel & Associates Pty Limited is not required to consent to, and has not consented to, the inclusion of those statements in this Bidder's Statement.

If you would like to receive a copy of any of these documents (including a copy of the independent expert's report of Grant Samuel & Associates Pty Limited, or the relevant parts of the report containing the relevant statements) during the Offer Period, please contact the CK ENV Investments Offer Information Line on 1300 621 435 (callers within Australia) or +61 3 9415 4877 (callers outside Australia) and you will be sent copies free of charge.

The following persons have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement in the form and context in which it is named:

- Minter Ellison – as Australian and Hong Kong legal adviser to CK ENV Investments and the Consortium Members.
- Citigroup Global Markets Australia Pty Limited – as financial adviser to CK ENV Investments.
- Computershare Investor Services Pty Limited – as share registry to CK ENV Investments.
- Computershare Clearing Pty Limited – as Facility Operator.

Neither of these firms or companies has caused or authorised the issue of this Bidder's Statement or has in any way been involved in the making of the Offer. The Offer is made by CK ENV Investments. Each of these firms and companies, to the maximum extent permissible by the law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement.



# Part 2 – Terms of the Offer

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## 1. Offer

### 1.1 The Offer

CK ENV Investments offers to acquire all of your Envestra Shares and all the Rights attaching to them on the terms set out in this Offer.

### 1.2 Persons to whom offers are made

CK ENV Investments is making an offer in the form of this Offer to each holder of Envestra Shares registered in Envestra's register of members at 7.00pm (Sydney time) on the Record Date.

Accordingly, the Offers and copies of this Bidder's Statement will be sent to holders of Envestra Shares on the Record Date.

As noted in Section 4 of Part 2 of this Bidder's Statement, this Offer also extends to any person who becomes registered, or entitled to be registered, as the holder of Envestra Shares during the Offer Period.

### 1.3 Offer Date

This Offer is dated 4 July 2014, being the date on which the first of the Offers is sent to the persons referred to in Section 1.2 of Part 2 of this Bidder's Statement.

### 1.4 Offer Period

The Offers will remain open for the period:

- (a) starting on the Offer Date; and
- (b) ending at 7.00pm (Sydney time) on 8 August 2014,

unless this period is extended in accordance with the Corporations Act or the Offers are withdrawn in accordance with the Corporations Act.

### 1.5 Extension of the Offer Period

- (a) CK ENV Investments may, in its sole discretion, extend the Offer Period in accordance with the Corporations Act.
- (b) If, within the last seven days of the Offer Period:
  - (i) the Offer is varied to improve the consideration offered; or
  - (ii) CK ENV Investments' voting power in Envestra increases to in excess of 50%,

the Offer Period will be automatically extended so that it ends 14 days after the relevant event.

### 1.6 Conditions

Each Offer is subject to the Conditions in Section 7.1 of Part 2 of this Bidder's Statement.

### 1.7 If you have sold any of your Envestra Shares

If you have sold some or all of your Envestra Shares when this Offer is made to you, or you sell some or all of your Envestra Shares during the Offer Period, please refer to Section 4.1 of Part 2 of this Bidder's Statement.

### 1.8 If you are a trustee or nominee

If you are a trustee or nominee of some or all of your Envestra Shares, please refer to Section 4.2 of Part 2 of this Bidder's Statement.

## 2. Price

### 2.1 Price payable

The amount offered for each of your Envestra Shares is A\$1.32 in cash.

### 2.2 Time of payment

- (a) If the Acceptance Form does not require you to give another document for your acceptance, CK ENV Investments will despatch payment to you for your Envestra Shares by the end of whichever of the following periods ends earliest:
  - (i) if this Offer is unconditional when you accept this Offer, within one month after the date this Offer is accepted by you;
  - (ii) if this Offer is subject to a defeating condition when you accept this Offer, within one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; and
  - (iii) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional.
- (b) If the Acceptance Form requires another document to be given for your acceptance (such as a power of attorney):
  - (i) if the document is given with your acceptance, CK ENV Investments will despatch payment to you in accordance with Section 2.2(a) of Part 2 of this Bidder's Statement;
  - (ii) if the document is given after your acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time CK ENV Investments is given the document, CK ENV Investments will despatch payment to you by the end of whichever of the following periods ends earlier:
    - (A) one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; and
    - (B) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional;
  - (iii) if the document is given after your acceptance and before the end of the Offer Period and this Offer is unconditional at the time CK ENV Investments is given the document, CK ENV Investments will despatch payment to you by the end of whichever of the following periods ends earlier:
    - (A) one month after the date that document is given; and
    - (B) 21 days after the end of the Offer Period;
  - (iv) if the document is given after your acceptance and after the end of the Offer Period and at the time CK ENV Investments is given the document the takeover contract is unconditional, CK ENV Investments will despatch payment to you within 21 days after the date CK ENV Investments is given the document; or
  - (v) if the document is given after your acceptance and after the end of the Offer Period and at the time CK ENV Investments is given the document the takeover contract is subject to a defeating condition that relates only to the happening of a Prescribed Occurrence, CK ENV Investments will despatch payment to you within 21 days after the date this Offer becomes unconditional.
- (c) Payment will be by cheque in Australian currency. The cheque will be sent to you at your risk to the address stated on the Acceptance Form or another address notified by you to CK ENV Investments.

## 2.3 Contract avoided

CK ENV Investments may avoid a contract between CK ENV Investments and you if CK ENV Investments has not been given a document required in the Acceptance Form within 1 month after the end of the Offer Period.

## 2.4 Certain overseas residents

If, at the time you accept this Offer, any authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or the Minister for Foreign Affairs is required for you to receive any consideration under this Offer, or you are resident in, or a resident of, a place to which, or you are a person to whom:

- (a) the *Banking (Foreign Exchange) Regulations 1959* (Cth) and instruments made under those regulations;
- (b) the *Autonomous Sanctions Regulations 2011* (Cth) and instruments made under those regulations;
- (c) any of the following instruments made under the *Charter of the United Nations Act 1945* (Cth):
  - (i) the *Charter of the United Nations (Dealings with Assets) Regulations 2008* (Cth);
  - (ii) the *Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008* (Cth);
  - (iii) the *Charter of the United Nations (Sanctions – Côte d'Ivoire) Regulations 2008* (Cth);
  - (iv) the *Charter of the United Nations (Sanctions – Democratic People's Republic of Korea) Regulations 2008* (Cth);
  - (v) the *Charter of the United Nations (Sanctions – Democratic Republic of the Congo) Regulations 2008* (Cth);
  - (vi) the *Charter of the United Nations (Sanctions – Eritrea) Regulations 2010* (Cth);
  - (vii) the *Charter of the United Nations (Sanctions – Iran) Regulations 2008* (Cth);
  - (viii) the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008* (Cth);
  - (ix) the *Charter of the United Nations (Sanctions – Lebanon) Regulations 2008* (Cth);
  - (x) the *Charter of the United Nations (Sanctions – Liberia) Regulations 2008* (Cth);
  - (xi) the *Charter of the United Nations (Sanctions – Libyan Arab Jamahiriya) Regulations 2011* (Cth);
  - (xii) the *Charter of the United Nations (Sanctions – Somalia) Regulations 2008* (Cth);
  - (xiii) the *Charter of the United Nations (Sanctions – Sudan) Regulations 2008* (Cth);
  - (xiv) the *Charter of the United Nations (Sanctions – the Taliban) Regulations 2013* (Cth);
  - (xv) *Charter of the United Nations (Sanctions – Central African Republic) Regulations 2014* (Cth); and
  - (xvi) *Charter of the United Nations (Sanctions – Yemen) Regulations 2014*  
or

- (d) any other law of Australia that would make it unlawful for CK ENV Investments to provide consideration for your Envestra Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by you in favour of CK ENV Investments.

### **3. How to accept**

#### **3.1 Full acceptance required**

Subject to Section 4.2 of Part 2 of this Bidder's Statement, you may only accept this Offer during the Offer Period for all your Envestra Shares.

#### **3.2 Acceptance Form**

Sections 3.3 and 3.5 of Part 2 of this Bidder's Statement refer, among other things, to the different Acceptance Forms to be used depending on whether your Envestra Shares are in a CHESS Holding or in an Issuer Sponsored Holding. You will only be sent one Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your Envestra Shares.

#### **3.3 CHESS Holdings – non-Participant**

If your Envestra Shares are in a CHESS Holding and you are not a Participant, you may:

- (a) instruct your Controlling Participant (usually your broker) to initiate acceptance of this Offer for your Envestra Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (b) authorise CK ENV Investments to instruct your Controlling Participant (usually your broker) on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, by completing, signing and returning the enclosed Acceptance Form in accordance with the instructions on it. The Acceptance Form will only give rise to a valid acceptance if it is received before the end of the Offer Period (or if CK ENV Investments lawfully determines it is otherwise valid) which will then enable CK ENV Investments to instruct your Controlling Participant to initiate acceptance on your behalf. CK ENV Investments recommends that the Acceptance Form be received in sufficient time to give instructions to your Controlling Participant and for your Controlling Participant to carry out the instructions, before the Offer closes.

#### **3.4 CHESS Holdings – Participant**

If your Envestra Shares are in a CHESS Holding and you are a Participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period (7.00pm (Sydney time) on 8 August 2014, unless the Offer Period is extended).

#### **3.5 Issuer Sponsored Holdings**

If you hold Envestra Shares in an Issuer Sponsored Holding, to accept this Offer you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the instructions on it; and
- (b) send it, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period (7.00pm (Sydney time) on 8 August 2014, unless the Offer Period is extended) at the address stated on the Acceptance Form.

A reply paid return addressed envelope is enclosed for your use.

### **3.6 CK ENV Investments' discretion regarding incomplete or invalid acceptance**

CK ENV Investments may, in its absolute discretion, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements set out in the Acceptance Form has not been complied with or you have been sent (and you have therefore completed) the wrong Acceptance Form for the subregister on which your Envestra Shares are held, but CK ENV Investments may, in its absolute discretion, decide not to pay you until:

- (a) the irregularity has been resolved; and
- (b) the share certificate (if any), or an acceptable indemnity, and any other document required to enable CK ENV Investments to be registered as the holder of your Envestra Shares, have been given to CK ENV Investments.

## **4. Application of this Offer**

### **4.1 If another person is entitled to your Envestra Shares**

If, when this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Envestra Shares (**Transferred Shares**), then CK ENV Investments will be taken to have:

- (a) made to the other person a corresponding offer for the Transferred Shares;
- (b) made you a corresponding offer for your Envestra Shares except the Transferred Shares; and
- (c) withdrawn this Offer.

### **4.2 If you are a trustee or nominee**

If at any time during the Offer Period you are a trustee for or nominee of two or more persons or your Envestra Shares for some other reason consist of two or more separate parcels within the meaning of section 653B of the Corporations Act, then:

- (a) a separate Offer will be taken to have been made to you in relation to each separate parcel of Envestra Shares; and
- (b) an acceptance by you of the Offer in respect of any separate parcel of Envestra Shares will be ineffective unless:
  - (i) you have given CK ENV Investments a notice, delivered in accordance with Section 4.3 of Part 2 of this Bidder's Statement, stating that your Envestra Shares consist of separate parcels; and
  - (ii) your acceptance specifies the number of Envestra Shares in each separate parcel to which the acceptance relates.

### **4.3 Notice of separate parcels**

A notice in accordance with Section 4.2 must:

- (a) if it relates to Envestra Shares not in a CHESS Holding, be in writing; or
- (b) if it relates to Envestra Shares in a CHESS Holding, be in an electronic form approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act.

## **5. Effect of acceptance**

By initiating acceptance of this Offer through CHESS in accordance with Section 3.3 or 3.4 of Part 2 of this Bidder's Statement, or signing and returning an Acceptance Form in accordance with Section 3.3 or 3.5 of Part 2 of this Bidder's Statement, you will have:

- (a) accepted this Offer (and each variation of the Offer (if any) permitted under Part 6.6 of the Corporations Act) for all your Envestra Shares;

- (b) subject to the Conditions in Section 7 of Part 2 of this Bidder's Statement being fulfilled or declared free from all Conditions not fulfilled, agreed to transfer your Envestra Shares to CK ENV Investments;
- (c) represented and warranted to CK ENV Investments that:
  - (i) your Envestra Shares are at the time of acceptance, and will be on registration of the transfer of your Envestra Shares to CK ENV Investments, fully paid up, and CK ENV Investments will acquire good title to them and full beneficial ownership of them free from all Security Interests; and
  - (ii) you have full power and capacity to sell and transfer those securities;
- (d) irrevocably and unconditionally authorised CK ENV Investments (by any one or more of its directors, officers, agents or nominees) to complete or alter the Acceptance Form on your behalf (and irrevocably and unconditionally appoint CK ENV Investments, its directors, officers, agents and nominees jointly and severally as your attorney for that purpose) by:
  - (i) inserting correct details of your Envestra Shares;
  - (ii) filling in any blanks remaining on the Acceptance Form;
  - (iii) rectifying any error in or omission from the Acceptance Form; and
  - (iv) completing and signing on your behalf (or as your attorney) any other instrument or transfer,

as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Envestra Shares to CK ENV Investments;
- (e) if any of your Envestra Shares are held in a CHESS Holding and you have signed an Acceptance Form for them, irrevocably authorised CK ENV Investments (by any one or more of its directors, officers, agents or nominees) to:
  - (i) instruct your Controlling Participant to initiate acceptance of this Offer for those Envestra Shares in accordance with the ASX Settlement Operating Rules; and
  - (ii) give any other instructions in relation to those Envestra Shares to your Controlling Participant on your behalf under the Sponsorship Agreement between you and the Controlling Participant as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Envestra Shares to CK ENV Investments;
- (f) irrevocably appointed CK ENV Investments and its directors, officers, agents and nominees jointly and each of them severally as your attorney, with effect from the date this Offer or any contract resulting from the acceptance of this Offer is declared free from all its Conditions or those Conditions are fulfilled, with power to exercise the powers and rights which you could lawfully exercise as the registered holder of your Envestra Shares, including:
  - (i) requesting Envestra to register your Envestra Shares in the name of CK ENV Investments;
  - (ii) applying for a replacement certificate in respect of any share certificate that has been lost or destroyed;
  - (iii) attending and voting at a meeting of Envestra;
  - (iv) demanding a poll for a vote taken at or proposing or seconding a resolution to be considered at a general meeting of Envestra;
  - (v) requesting a general meeting of Envestra;



- (vi) signing any form, notice or instrument as may be necessary or desirable to convey your Envestra Shares and Rights to CK ENV Investments; and
- (vii) doing all things incidental and ancillary to any of Sections 5(f)(i) to 5(f)(vi) of Part 2 of this Bidder's Statement,

and you acknowledge and agree that the attorney may exercise those powers in the interests of CK ENV Investments as the intended registered holder of your Envestra Shares;

- (g) agreed, with effect from the date on which all the Conditions to this Offer have been fulfilled or declared free from all Conditions not fulfilled, not to attend or vote in person at any meeting of Envestra, except as permitted by CK ENV Investments, or to exercise or purport to exercise any of the powers conferred on CK ENV Investments and its directors, officers, agents and nominees in Section 5(f) of Part 2 of this Bidder's Statement;
- (h) irrevocably authorised and directed Envestra to pay or account to CK ENV Investments for all Rights if and when the contract resulting from your acceptance of the Offer becomes unconditional. CK ENV Investments will account to you for any Rights received by it if this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rescinded under Section 7.3 of Part 2 of this Bidder's Statement or is rendered void under Section 7.6 of Part 2 of this Bidder's Statement;
- (i) except where Rights have been paid or accounted for under Section 5(h) of Part 2 of this Bidder's Statement, irrevocably authorised CK ENV Investments to deduct from the consideration payable for your Envestra Shares, the amount or value of all Rights under Sections 6.1 and 6.2 of Part 2 of this Bidder's Statement;
- (j) subject to the Conditions to this Offer being fulfilled or declared free from all Conditions not fulfilled, irrevocably authorised CK ENV Investments to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter your Envestra Shares which are in a CHES Holding to the Takeover Transferee Holding (even if CK ENV Investments has not yet paid the consideration due to you);
- (k) agreed, subject to the Conditions to this Offer being fulfilled or declared free from all Conditions not fulfilled, to execute all documents, transfers and assurances as may be necessary or desirable to convey your Envestra Shares and Rights to CK ENV Investments; and
- (l) agreed to fully indemnify CK ENV Investments in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Security Holder Reference Number or in consequence of the transfer of your Envestra Shares to CK ENV Investments being registered by Envestra without production of your Holder Identification Number or your Security Holder Reference Number.

## 6. Dividends and other entitlements

### 6.1 Cash Rights

If any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Envestra Shares, CK ENV Investments may reduce the price specified in Section 2.1 of Part 2 of this Bidder's Statement by the amount of the Rights, unless the benefit of the Rights is passed to CK ENV Investments under Section 5(h) of Part 2 of this Bidder's Statement.



For the avoidance of doubt, the Final Dividend is expressly excluded from the definition of 'Rights' (refer to Part 3 of this Bidder's Statement), and accordingly, Envestra's determination or declaration and payment of any Final Dividend of up to \$0.035 per Envestra Share will not result in a reduction to the price specified in Section 2.1 of Part 2 of this Bidder's Statement.

## 6.2 Non-cash Rights

If any non-cash Rights are issued, made, arise or accrue to you as the holder of your Envestra Shares, CK ENV Investments may reduce the price specified in Section 2.1 of Part 2 of this Bidder's Statement by the value (as reasonably determined by the chair of ASX or his nominee or, if such a determination is not made within two weeks of a request being made of them by CK ENV Investments, as reasonably determined by CK ENV Investments) of the non-cash Rights, unless the benefit of the Rights is passed on to CK ENV Investments under Section 5(h) of Part 2 of this Bidder's Statement.

## 7. Conditions of the Offer

Subject to Sections 7.2, 7.3 and 7.4 of Part 2 of this Bidder's Statement, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the following Conditions.

### 7.1 Conditions

- (a) **(Minimum acceptance)** Before the end of the Offer Period, CK ENV Investments has received acceptances under the Offer that give CK ENV Investments 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 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) **(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;
  - (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 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.
- (d) **(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 CK ENV Investments 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 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 Bid.

- (e) **(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.
- (f) **(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 CK ENV Investments 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).
- (g) **(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.
- (h) **(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.

## **7.2 Declaration of Offer being free from conditions**

- (a) CK ENV Investments may, subject to the Corporations Act and the Bid Implementation Agreement, declare this Offer and all other Offers and all contracts resulting from the acceptance of Offers free from the conditions (or any one or more or any part of them) in Section 7.1 of Part 2 of this Bidder's Statement.
- (b) Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under Section 7.2(a) of Part 2 of this Bidder's Statement must be made by CK ENV Investments by notice in writing to Envestra:
  - (i) in the case of conditions relating to the happening of a Prescribed Occurrence, not later than three Business Days after the end of the Offer Period; and
  - (ii) in any other case, not less than seven days before the end of the Offer Period.

## **7.3 Breach of Conditions**

Each of the Conditions in Section 7.1 of Part 2 of this Bidder's Statement is a condition subsequent and does not prevent a contract to sell your Envestra Shares resulting from an acceptance of this Offer. However, if a Condition in Section 7.1 of Part 2 of this Bidder's Statement is breached or not fulfilled, CK ENV Investments may by notice in writing to you rescind that contract as if that contract had not been formed.

## **7.4 Benefit of Conditions**

Subject to the Corporations Act:

- (a) CK ENV Investments alone has the benefit of the Conditions in Section 7.1 of Part 2 of this Bidder's Statement;
- (b) a breach or non-fulfilment of any of those Conditions may be relied on only by CK ENV Investments; and
- (c) CK ENV Investments may, at its sole discretion, waive the breach or non-fulfilment of all or any of those Conditions.

## **7.5 Status notice**

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the conditions in Section 7.1 of Part 2 of this Bidder's Statement is 31 July 2014. This date may be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

## **7.6 Void contracts**

If at the end of the Offer Period the Conditions in Section 7.1 of Part 2 of this Bidder's Statement have not been fulfilled and CK ENV Investments has not declared this Offer and all contracts resulting from the acceptance of Offers free from those Conditions, all contracts resulting from the acceptance of Offers and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

In that event CK ENV Investments will, if you have accepted this Offer, return at your risk your Acceptance Form together with all documents forwarded by you with the Acceptance Form to your address shown in the Acceptance Form.

## **8. Withdrawal**

CK ENV Investments may withdraw this Offer with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

## **9. Variation**

### **9.1 CK ENV Investments' entitlement**

CK ENV Investments may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act:

- (a) by extending the Offer Period;
- (b) by increasing the consideration payable under the Offer; and
- (c) with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

### **9.2 Extension of Offer**

If CK ENV Investments extends the Offer Period, you will receive notice of the extension, unless, at the date of the extension, you have already accepted this Offer and the Offer has become free from the Conditions in Section 7.1 of Part 2 of this Bidder's Statement or those Conditions have been fulfilled.

## **10. Costs**

All costs and expenses of the preparation of this statement, and any stamp duty payable on the transfer of Envestra Shares for which Offers are accepted, will be paid by CK ENV Investments.

## 11. Notices

### 11.1 Service on Envestra

CK ENV Investments may give a notice to Envestra under the Bid by leaving it at, or sending it by prepaid ordinary post to, the registered office of Envestra.

### 11.2 Service on CK ENV Investments

You or Envestra may give a notice to CK ENV Investments under the Bid by leaving it at, or sending it by prepaid ordinary post to, CK ENV Investments at the address set out in the Acceptance Form.

### 11.3 Service on you

CK ENV Investments may give a notice to you under the Bid by leaving it at, or sending it by prepaid ordinary post or by airmail (if your address is outside Australia), to your address given to CK ENV Investments by Envestra under section 641 of the Corporations Act.

## 12. Governing law

This Offer and any contract resulting from your acceptance of it is governed by the laws in force in Victoria, Australia.

# Part 3 - Defined terms and interpretation

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## 1. Defined terms

In this Bidder's Statement:

**Acceptance Form** means the form of acceptance and transfer enclosed with this Bidder's Statement and which forms part of this Offer.

**Acceptance Instructions** has the meaning given to that term in Section 6.2(a) of Part 1 of this Bidder's Statement.

**AER** means Australian Energy Regulator.

**Announcement Date** means 30 May 2014, being the date of the announcement by CK ENV Investments of its intention to make the Bid.

**APA Affiliated Directors** means Mr Mick McCormack and Mr Ross Gersbach.

**APA Group** means Australian Pipeline Trust, APT Investment Trust, Australian Pipeline Limited and each of the entities controlled by Australian Pipeline Limited in its capacity as responsible entity of Australian Pipeline Trust and APT Investment Trust.

**APA Scheme** means the proposed scheme of arrangement between Envestra and Envestra Shareholders (other than APA Group) as set out in Envestra's scheme booklet (which was despatched to Envestra Shareholders on 11 April 2014) pursuant to which it was proposed Envestra become a wholly-owned subsidiary of APA Group.

**APA Scheme Implementation Agreement** means the scheme implementation agreement between Envestra and APA Group dated 4 March 2014 in relation to the APA Scheme.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to it for the purposes of Chapter 6 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange it operates, as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement** means the ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement.

**Bid** means the off-market bid constituted by the Offers.

**Bidder's Statement** means the bidder's statement in respect of the Offers given by CK ENV Investments under Part 6.5 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act.

**Bid Implementation Agreement** means the deed of that name entered into between CKH, CKI, PAH, Envestra and CK ENV Investments Pty Ltd on 30 May 2014, a summary of which is set out in Section 7.1 of Part 1 of this Bidder's Statement.

**Business Day** means a day on which banks are open for business in Sydney, Australia but not a Saturday, Sunday or public holiday.

**Cerise** means Cerise Global Limited, a body incorporated in the British Virgin Islands, being an indirect wholly-owned subsidiary of CKI.

**CGT** means capital gains tax.

**CHESS** means the Clearing House Electronic Subregister System established and operated by ASX Settlement.

**CHESS Holding** means a holding of Envestra Shares on the CHESS Subregister of Envestra (usually a CHESS holding will be through a Controlling Participant).

**CK ENV Investments** means CK ENV Investments Pty Ltd (ACN 169 818 035).

**CK ENV UK** means CK ENV UK Limited, a body incorporated in England and Wales and the ultimate holding company of CK ENV Investments.

**CKH** means Cheung Kong (Holdings) Limited, a body corporate listed on the Main Board of the HKSE.

**CKI** means Cheung Kong Infrastructure Holdings Limited, a body corporate listed on the Main Board of the HKSE.

**CKI Affiliated Directors** means Mr Ivan Kee Ham Chan and Mr Dominic Loi Shun Chan.

**CKIHM** means Cheung Kong Infrastructure Holdings (Malaysian) Limited, which as at the date of this Bidder's Statement is the registered holder of 17.46% of Envestra Shares.

**Conditions** means the conditions of the Offer set out in Section 7.1 of Part 2 of this Bidder's Statement.

**Consortium Arrangements** has the meaning given under Section 7.7 of Part 1 of this Bidder's Statement.

**Consortium Member** means any of CKH, CKI and PAH.

**Control** has the meaning given under section 50AA of the Corporations Act. **Controlled** has the same meaning.

**Controlling Participant** means, in relation to Envestra Shares in a CHESS Holding, the Participant with whom the holder has a sponsorship agreement as defined in the ASX Settlement Operating Rules (usually, your broker).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Custodian Direction** has the has the meaning given to that term in Section 6.2(a) of Part 1 of this Bidder's Statement.

**Eligible Institutional Shareholders** has the has the meaning given to that term in Section 6.1 of Part 1 of this Bidder's Statement.

**Envestra** means Envestra Limited, a company listed on ASX and the target of this Offer.

**Envestra Board** means the board of directors of Envestra.

**Envestra Directors** means the directors of Envestra. **Directors** has the same meaning.

**Envestra Group** means Envestra and its Related Entities.

**Envestra Non-Affiliated Directors** means John Allpass, Ian Little, Fraser Ainsworth and Olaf O'Duill, being those Envestra Directors who are neither CKI Affiliated Directors nor APA Affiliated Directors.

**Envestra Prescribed Event** has the meaning given to that term in Section 7.1(c) of Part 2 of this Bidder's Statement.

**Envestra Shares** means fully paid ordinary shares in the capital of Envestra.

**Envestra Shareholders** means a holder of Envestra Shares.

**Event of Default** has the meaning given to that term in the Intercreditor Deed Poll.

**Exposure** has the meaning given to that term in the Intercreditor Deed Poll.

**Facility Operator** has the has the meaning given to that term in Section 6.1 of Part 1 of this Bidder's Statement.

**Financier** has the meaning given to that term in the Intercreditor Deed Poll.



**Financier Confirmation** has the meaning given to that term in Section 7.4 of Part 1 of this Bidder's Statement.

**Final Dividend** means a cash dividend of up to (and including) \$0.035 per Envestra Share, being a final dividend in respect of the financial year ending 30 June 2014, which is determined or declared by the Envestra Directors on or after the Announcement Date and on or before 21 August 2014, and which is payable to the registered holders of Envestra Shares as at the Final Dividend Record Date. Where such cash dividend is in excess of \$0.035 per Envestra Share, then the portion or amount of that cash dividend equal to \$0.035 per Envestra Share is deemed to be a Final Dividend (but for the avoidance of doubt, not any portion or amount of the relevant cash dividend in excess of \$0.035 per Envestra Share).

**Final Dividend Record Date** means 7.00pm (Sydney time) on the record date (as that term is defined in the ASX Listing Rules) set by Envestra or the Envestra Directors to determine entitlements to the Final Dividend, whether or not that record date is also set for a different purpose.

**FIRB** means the Foreign Investment Review Board.

**Governmental Agency** means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in any jurisdiction. It includes ASIC, ASX (and any other stock exchange) and the Australian Takeovers Panel and any self-regulatory organisation established under statute.

**HIN** means Holder Identification Number.

**HKSE** means The Hong Kong Stock Exchange Limited.

**HWL** means Hutchison Whampoa Limited (which is a HKSE listed company) – additional information about HWL can be obtained from HWL's website [www.hutchison-whampoa.com](http://www.hutchison-whampoa.com).

**HY2014** means the six months ended 31 December 2013.

**Institutional Acceptance Facility** has the meaning given to that term in Section 6.1 of Part 1 of this Bidder's Statement.

**Intercreditor Deed Poll** means the deed poll so entitled originally made on 26 June 1997 between Envestra and the persons described in it as the "Facility Agent", the "Bond Agent", the "Hedge Counterparty" and the "Security Agent" as amended and restated by a deed dated 29 January 2009, as amended from time to time.

**IPO** means initial public offering.

**Issuer Sponsored Holding** has the meaning given to that term in the ASX Settlement Operating Rules.

**Non-Affiliated Directors of Envestra** means John Allpass, Ian Little, Fraser Ainsworth and Olaf O'Duill, being those Envestra Directors who are neither CKI Affiliated Directors nor APA Affiliated Directors.

**Offer** means the offer contained in Section 1 of Part 2 of this Bidder's Statement.

**Offer Date** means the date referred to in Section 1.3 of Part 2 of this Bidder's Statement.

**Offer Period** means the period referred to in Section 1.4 of Part 2 of this Bidder's Statement.

**Offer Price** means the price referred to in Section 2.1 of Part 2 of this Bidder's Statement.

**Origin Energy** means Origin Energy Limited (ACN 000 051 696).

**PAH** means Power Assets Holdings Limited, a body corporate listed on the Main Board of the HKSE.

**Participant** has the meaning given to that term in the ASX Settlement Operating Rules.

**Prescribed Occurrence** means an Envestra Prescribed Event as listed in Section 7.1(c) of Part 2 of this Bidder's Statement.

**Proway** means Proway Limited, a wholly-owned subsidiary of CKI.

**Record Date** means 7.00pm (Sydney time) on 25 June 2014, being the date set by CK ENV Investments under subsection 633(2) of the Corporations Act for the purposes of establishing the people to whom this Bidder's Statement and Envestra's Target's Statement will be sent under items 6 and 12 of the table in subsection 633(1) of the Corporations Act. This Record Date is unrelated to the Final Dividend Record Date.

**Related Entity** means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

**Relevant Interest** has the same meaning as given by sections 608 and 609 of the Corporations Act.

**Rights** means all accretions and rights that accrue to or arise from Envestra Shares after the date this Bidder's Statement is lodged with ASIC, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Envestra after that date, other than a Final Dividend.

**Security Interest** means a "security interest" as defined in section 51A of the Corporations Act.

**Superior Proposal**, where referenced in Section 7.1(b) of Part 1 of this Bidder's Statement, has the meaning given to that term in the Bid Implementation Agreement.

**SRN** means Security Holder Reference Number.

**Takeover Transferee Holding** has the meaning given to that term in the ASX Settlement Operating Rules.

**Target's Statement** means the target's statement in response to the Offers given by Envestra under Part 6.5 of Chapter 6 of the Corporations Act.

**Transferred Shares** has the meaning given to that term in Section 4.1 of Part 2 of this Bidder's Statement.

**VWAP** means volume weighted average price of Envestra Shares, calculated by dividing the value of trades of Envestra Shares by the volume of trades of Envestra Shares over a given period.

## 2. Interpretation

In this Bidder's Statement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (d) a reference in Part 1 of this Bidder's Statement to a section, paragraph or part is to a section, paragraph or part in Part 1 of this Bidder's Statement;

- (e) a reference in Part 2 of this Bidder's Statement to a Section, paragraph or Part is to a Section, paragraph or Part of Part 2 of this Bidder's Statement;
- (f) a reference in Part 1 of this Bidder's Statement to an annexure is to an annexure of this Bidder's Statement, and a reference to this Bidder's Statement includes its annexures;
- (g) a reference to \$, A\$, dollars, or cents or ¢ is to Australian currency;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (i) a word or phrase defined in the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules has the meaning given to it in that Act or those rules.

### 3. Headings

Headings are for ease of reference only and do not affect interpretation.

# Signing page

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DATED 20 June 2014

Signed on behalf of CK ENV Investments Pty Ltd according to a resolution of the directors of CK ENV Investments Pty Ltd

A handwritten signature in dark ink, consisting of a stylized 'A' followed by a long horizontal line.

Andrew Hunter  
Director

# Corporate Directory for CK ENV Investments Pty Ltd ACN 169 818 035

---

## **Directors**

Mr Andrew John Hunter  
Mr Tsai Charles Chao Chung  
Mr Kam Hing Lam  
Mr Peter Peace Tulloch

## **Registered Office**

Level 23, 525 Collins Street  
Melbourne, Victoria 3000

## **Financial adviser to CK ENV Investments**

Citigroup Global Markets Australia Pty Limited  
Citigroup Centre  
2 Park Street  
Sydney, New South Wales 2000

## **Australian legal adviser to CK ENV Investments**

Minter Ellison  
Rialto Towers  
525 Collins Street  
Melbourne, Victoria 3000

## **Hong Kong legal adviser to CK ENV Investments**

Minter Ellison  
Level 25, One Pacific Place  
88 Queensway  
Hong Kong

## **Share registry for the Offer**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne, Victoria 3001

## **Facility Operator for the Institutional Acceptance Facility**

Computershare Clearing Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

# CK ENV Investments Pty Ltd

## ACN 169 818 035

### Return your Form:



#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

### For all enquiries:



#### Phone:

(within Australia) 1300 621 435  
(outside Australia) +61 3 9415 4877

000001 000 ENVTKO

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance Form

## ISSUER



### Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by CK ENV Investments Pty Ltd ("CK ENV Investments") to acquire all of your fully paid ordinary shares in Envestra Limited ("Envestra") ACN 078 551 685 the terms of which are set out in the Bidder's Statement from CK ENV Investments dated 20 June 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Envestra register, as provided to CK ENV Investments. The current address recorded by CK ENV Investments is printed above and overleaf. If you have recently bought or sold fully paid ordinary shares your holding may differ from that shown. If you have already sold all your fully paid ordinary shares in Envestra, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your fully paid ordinary shares.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

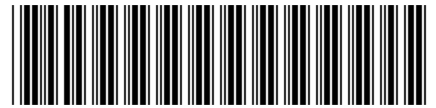
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔




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# Transfer and Acceptance Form

STEP 1

## Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Envestra Shares held as at 25 June 2014:

Consideration to be issued to you on the basis of A\$1.32 for every  
Envestra Share accepted.

By accepting the Offer, you are accepting the Offer for ALL the Envestra  
Shares as recorded by CK ENV Investments as being held by you at the  
date your acceptance is processed (even if different to the number stated  
above).

STEP 2

## Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your fully paid ordinary shares in Envestra. The consideration applicable is set out in the terms of CK ENV Investments' Offer.

STEP 3

## Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by CK ENV Investments for fully paid ordinary shares in Envestra and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our fully paid ordinary shares as per the above instruction.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact  
Name**

**Contact  
Daytime  
Telephone**

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by . You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to or to third parties upon direction by where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

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Computershare 



# CK ENV Investments Pty Ltd

## ACN 169 818 035

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MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

### Return your Form:



#### To Your Controlling Participant:

Return this form directly to your stockbroker



#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

### For all enquiries:



#### Phone:

(within Australia) 1300 621 435  
(outside Australia) +61 3 9415 4877

## Transfer and Acceptance Form

## CHESS



**Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by CK ENV Investments Pty Ltd ("CK ENV Investments") to acquire all of your fully paid ordinary shares in Envestra Limited ("Envestra") ACN 078 551 685 the terms of which are set out in the Bidder's Statement from CK ENV Investments dated 20 June 2014 as replaced or supplemented (the "Bidder's Statement").

Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Envestra register, as provided to CK ENV Investments.

The current address recorded by CK ENV Investments is printed above and overleaf. If you have recently bought or sold fully paid ordinary shares your holding may differ from that shown. If you have already sold all your fully paid ordinary shares in Envestra, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your fully paid ordinary shares.

As your Envestra fully paid ordinary shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want CK ENV Investments to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise CK ENV Investments and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to CK ENV Investments (and authorise CK ENV Investments to warrant on your behalf) that you have full legal and beneficial ownership of the fully paid ordinary shares to which this form relates and that CK ENV Investments will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or CK ENV Investments to initiate the acceptance of CK ENV Investments' Offer on your behalf. Neither CK ENV Investments or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔




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# Transfer and Acceptance Form

STEP 1

## Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Envestra Shares held as at 25 June 2014:

Consideration to be issued to you on the basis of A\$1.32 for every  
Envestra Share accepted.

By accepting the Offer, you are accepting the Offer for ALL the Envestra  
Shares as recorded by CK ENV Investments as being held by you at the  
date your acceptance is processed (even if different to the number stated  
above).

STEP 2

## Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your fully paid ordinary shares in Envestra. The consideration applicable is set out in the terms of CK ENV Investments' Offer.

STEP 3

## Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by CK ENV Investments for fully paid ordinary shares in Envestra and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our fully paid ordinary shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

## Privacy Notice

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