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**Cheung Kong Infrastructure Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1038)**

**MAJOR TRANSACTION  
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN  
BARRA TOPCO II LIMITED**

On 14<sup>th</sup> January, 2013 (after trading hours), the Purchaser, being an indirect wholly owned subsidiary of the Company, and the Company entered into the Share Sale Agreement with the Vendors pursuant to which: (i) the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares; and (ii) the Company, as guarantor, has agreed to guarantee the due and punctual compliance of the Purchaser with its obligations under the Share Sale Agreement.

As one or more of the applicable percentage ratios in respect of the Acquisition is greater than 25% and less than 100%, as calculated under Rule 14.07 of the Listing Rules, the entering into of the Share Sale Agreement constitutes a major transaction for the Company under the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition, and the Company will obtain a written approval of the Acquisition from Hutchison Infrastructure Holdings Limited (which as at the date of this announcement held 1,906,681,945 shares in the Company, representing approximately 76.39% of the issued share capital of the Company), pursuant to Rule 14.44 of the Listing Rules, after the obtaining of the aforesaid written approval, the Company is not required to convene a general meeting for approving the Acquisition.

In order to allow sufficient time to prepare the financial information to be included in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the Circular to be despatched to the Shareholders within 15 business days after the publication of the announcement. The Circular will be despatched to the Shareholders on or before 30<sup>th</sup> April, 2013.

**INTRODUCTION**

On 14<sup>th</sup> January, 2013 (after trading hours), the Purchaser, being an indirect wholly owned subsidiary of the Company, and the Company entered into the Share Sale Agreement with the Vendors pursuant to which: (i) the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares; and (ii) the Company, as guarantor, has agreed to guarantee the due and punctual compliance of the Purchaser with its obligations under the Share Sale Agreement.

Following Completion, the Purchaser will be the beneficial owner of the entire issued share capital of Barra Topco. Further information of Barra Topco is set out below in the section headed "Information on the interests being acquired" below.

The principal terms and conditions of the Share Sale Agreement are as follows:

## **SHARE SALE AGREEMENT**

### **Date**

14<sup>th</sup> January, 2013

### **Parties**

- (1) The Purchaser
- (2) The Company
- (3) The Vendors

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner(s) (if applicable) are third parties independent of the Company and its connected persons (as defined in the Listing Rules). The Directors also confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with each of the Vendors or their respective ultimate beneficial owner(s) (if applicable) which is required to be aggregated with the Acquisition pursuant to Rule 14.22 of the Listing Rules.

### **Interests to be acquired**

The Purchaser has agreed to acquire from the Vendors the Sale Shares, representing the entire issued share capital of Barra Topco as at Completion, free from all encumbrances and together with all rights attaching and accruing thereto from the Completion Date.

### **Consideration**

The Purchase Price in the aggregate amount of NZ\$490,000,000 (equivalent to approximately HK\$3,182,060,000) for the Acquisition shall be payable by the Purchaser in cash on the Completion Date, part of which will be used to pay or repay certain financial obligations of the Barra Group Companies as at Completion and the costs incurred by Barra Topco for the disposal of the Sale Shares.

Pursuant to the Share Sale Agreement, the remaining part of the Purchase Price (the amount after deducting the aggregate amount of the aforesaid financial obligations of Barra Group Companies as at Completion and the costs of disposal incurred by Barra Topco) shall be the Share Consideration payable to the Vendors, of which, an amount of NZ\$3,500,000 (equivalent to approximately HK\$22,729,000), will be paid to an escrow agent to secure the Vendors' potential liability arising as a result of purchase price adjustment, on the Completion Date.

The Company will satisfy the Purchase Price from a combination of its internal resources, external financing, loans or such other means as the Company considers appropriate.

The Purchase Price was determined after taking into account the Company's internal valuation of the Sale Shares conducted with reference to various factors, including but not limited to the asset value, the historical financial information regarding the performance of Barra Topco and arm's length negotiations among the Purchaser and the Vendors. The Share Sale Agreement was entered into following a private bid auction.

## **Purchase Price Adjustment**

Pursuant to the Share Sale Agreement, the Purchaser shall, within 60 Business Days after Completion, provide the Vendors the Completion Balance Sheet and the Purchaser's calculation of the adjustment amount. With reference to the Actual Net Asset Amount as shown in the Completion Balance Sheet, the Purchase Price will be adjusted upwards or downwards according to the following manner:

- (i) in the event that the Actual Net Asset Amount is less than NZ\$119,389,000 (equivalent to approximately HK\$775,312,166), the Vendors shall pay to the Purchaser, as a partial refund of the Share Consideration, such difference on the Adjustment Date; or
- (ii) in the event that the Actual Net Asset Amount is more than NZ\$119,389,000 (equivalent to approximately HK\$775,312,166), the Purchaser shall pay to the Vendors, as an increase in the Share Consideration, such difference on the Adjustment Date, provided that the adjustment payment amount shall be capped at NZ\$20,000,000 (equivalent to approximately HK\$129,880,000).

Further announcement(s) will be made in relation to the adjustment on Purchase Price if and when appropriate in compliance with the applicable requirements of the Listing Rules.

## **Conditions Precedent**

Completion of the Acquisition is conditional upon:

- (i) the consent being obtained under the Overseas Investment Act 2005 of New Zealand for the Acquisition;
- (ii) receipt of all approvals required from the Shareholders under the Listing Rules to implement the Acquisition;
- (iii) no Material Adverse Event having occurred on or prior to Completion; and
- (iv) no breach of any Key Warranty having occurred on or prior to Completion.

The conditions (except the conditions set out in (i) above) may be waived in whole or in part by the Purchaser in writing. The Share Sale Agreement may be cancelled by written notice given:

- (a) by either party if the condition set out in (i) above is not fulfilled or able to be satisfied or waived in accordance with the Share Sale Agreement by 14<sup>th</sup> July, 2013 or such later date as may be agreed by the Vendors and the Purchaser in writing;
- (b) by either party if the condition set out in (ii) above is not fulfilled or able to be satisfied or waived in accordance with the Share Sale Agreement by 14<sup>th</sup> February, 2013 or such later date as may be agreed by the Vendors and the Purchaser in writing; or
- (c) by the Purchaser if a Material Adverse Event and/or a breach of a Key Warranty occurs at any time during the period from date of the Share Sale Agreement to Completion.

## Guarantee

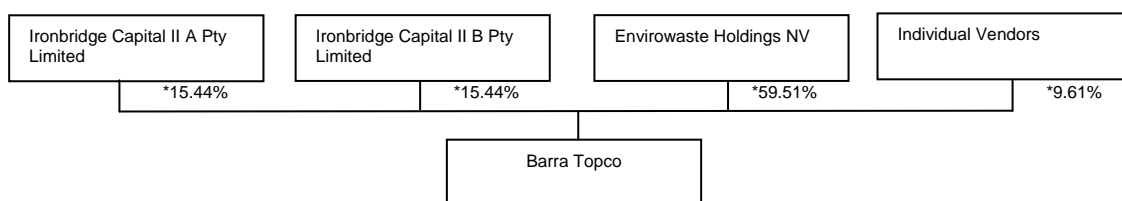
The Company unconditionally and irrevocably guarantees to the Vendors the due and punctual compliance of the Purchaser with its obligations, commitments, undertakings, warranties and indemnities under the Share Sale Agreement.

## Completion

Completion of the Acquisition shall take place on the Completion Date or at such other time and date as may be agreed in writing by the Vendors and the Purchaser.

## INFORMATION ON THE VENDORS

The shareholding structure of the Vendors is shown below:



*\*approximate percentages*

Ironbridge Capital II A Pty Limited and Ironbridge Capital II B Pty Limited are limited companies incorporated under the laws of Australia, being the trustees of the Ironbridge Fund II A and Ironbridge Fund II B respectively, which are investment funds investing in leveraged buyout and expansion capital transactions, and focusing on investments in healthcare, financial services and outsourced services sector businesses in Australia and New Zealand. The beneficial holders of the Ironbridge Fund II A and Ironbridge Fund II B include Australian superannuation funds.

Envirowaste Holdings NV is a company incorporated under the laws of Belgium, which is an investment holding company.

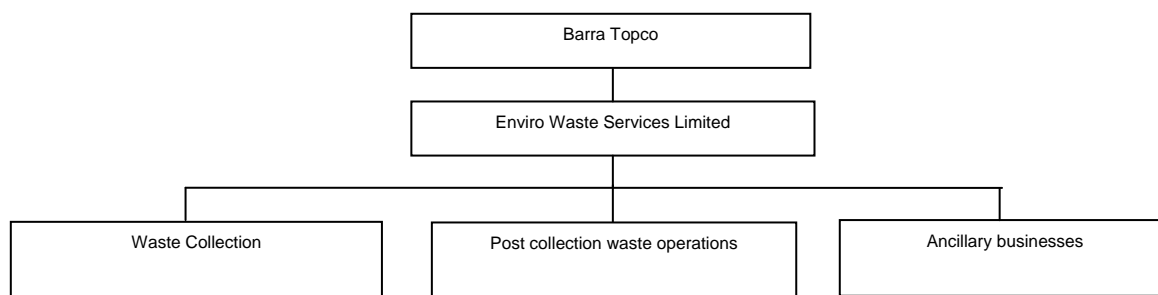
The Individual Vendors are a group of individuals who work as the directors and/or management of Enviro Waste Services Limited, some of whom are the trustees of the respective trusts or entities associated with such persons.

## INFORMATION ON THE GROUP

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

## INFORMATION ON THE INTERESTS BEING ACQUIRED

Barra Topco, through its operating subsidiaries and joint venture companies, is a diversified, vertically integrated waste management business that has national coverage across New Zealand. It is one of only two vertically integrated waste collection and disposal companies operating throughout New Zealand, offering waste-related services to approximately half a million commercial and residential customers via collection services, landfills and transfer stations. Set forth below is the simplified structure of the main business lines of the Barra Group:



Enviro Waste Services Limited, one of the operating subsidiaries of the Barra Group, owns and manages a range of waste management infrastructure in New Zealand including waste collection facilities, a network of transfer stations and landfills. In addition, it also owns and operates ancillary business such as bulk waste haulage and landfill gas-to-electricity generation. Set out below is the financial information attributable to the entire issued share capital of Barra Topco (on a consolidated basis) as stated in its audited financial statements which were prepared in accordance with the New Zealand Generally Accepted Accounting Practice and International Financial Reporting Standards.

The audited net liability value of Barra Topco as at 30<sup>th</sup> June, 2012 was approximately NZ\$47,024,000 (equivalent to approximately HK\$305,373,856). The audited net profits before interest and tax attributable to Barra Topco for the two years ended 30<sup>th</sup> June, 2011 and 30<sup>th</sup> June, 2012 were approximately NZ\$25,445,000 (equivalent to approximately HK\$165,239,830) and NZ\$32,158,000 (equivalent to approximately HK\$208,834,052) respectively. The audited net loss after interest and tax attributable to Barra Topco for the two years ended 30<sup>th</sup> June, 2011 and 30<sup>th</sup> June, 2012 were approximately NZ\$11,659,000 (equivalent to approximately HK\$75,713,546) and NZ\$18,976,000 (equivalent to approximately HK\$123,230,144) respectively.

## **REASONS FOR THE ACQUISITION**

The Company is a diversified infrastructure investment company with a focus on the development, investment and operation of infrastructure businesses in Hong Kong, Mainland China, the United Kingdom, Australia, New Zealand and Canada. The Acquisition reflects the Company's strategy of investing in infrastructure opportunities around the world, leveraging the Group's strong financial position and solid experience in infrastructure.

The Directors (including Independent Non-executive Directors) consider that the terms of the Share Sale Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition is greater than 25% and less than 100%, as calculated under Rule 14.07 of the Listing Rules, the entering into of the Share Sale Agreement constitutes a major transaction for the Company under the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition, and the Company will obtain a written approval of the Acquisition from Hutchison Infrastructure Holdings Limited (which as at the date of this announcement held 1,906,681,945 shares in the Company, representing approximately 76.39% of the issued share capital of the Company), pursuant Rule 14.44 of the Listing Rules, after the obtaining of the aforesaid written approval, the Company is not required to convene a general meeting for approving the Acquisition.

In order to allow sufficient time to prepare the financial information to be included in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the Circular to be despatched to the Shareholders within 15 business days after the publication of the announcement. The Circular will be despatched to the Shareholders on or before 30<sup>th</sup> April, 2013.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition by the Purchaser from the Vendors of the Sale Shares on and subject to the terms and conditions of the Share Sale Agreement
“Actual Net Asset Amount”	the actual amount of net assets of Barra Topco as shown in the Completion Balance Sheet
“Adjustment Date”	the date being 5 Business Days following the date on which the Completion Balance Sheet is approved, deemed to be approved, agreed or determined under the Share Sale Agreement
“Barra Group”	Barra Topco and its subsidiaries
“Barra Group Companies”	the companies in the Barra Group
“Barra Joint Venture Companies”	the joint venture companies in which any of the Barra Group Companies (directly or indirectly) own shares
“Barra Topco”	Barra Topco II Limited, a limited liability company registered in New Zealand
“Business Day(s)”	means any day banks are open for business in Auckland and Hong Kong other than a Saturday, Sunday or statutory public holiday in Auckland or Hong Kong
“Circular”	a circular of the Company containing, among other things, information relating to the Share Sale Agreement and the Acquisition
“Company”	Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038), the guarantor of the Purchaser under the Share Sale Agreement
“Completion”	completion of the Acquisition in accordance with the terms of the Share Sale Agreement
“Completion Balance Sheet”	the statement of financial position of Barra Topco immediately following Completion in order to establish the Actual Net Asset Amount

“Completion Date”	the date of Completion, a date which is 10 Business Days after the satisfaction of the conditions (i) and (ii) (as set out in the paragraph headed “Conditions Precedent” in this announcement) or such other date as the Vendors and the Purchaser may agree in writing
“Directors”	the directors of the Company
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Individual Vendors”	the individual vendors of the Share Sale Agreement, who are the directors and/or management of Enviro Waste Services Limited, an indirect wholly-owned subsidiary of Barra Topco
“Key Warranty(ies)”	certain key warranties given by the Vendors to the Purchaser under the Share Sale Agreement including but not limited to the legal and beneficial titles of the Sale Shares, the capacity of the Vendors and the information of the Barra Group Companies and Barra Joint Venture Companies
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Event”	<p>(a) an event or circumstance or a series of related or unrelated events or circumstances which occur during the period from the date of the Share Sale Agreement to the Completion Date and which has had or will have the effect of reducing the:</p> <p>(i) EBITDA of the Barra Group Companies (including a proportionate share of the EBITDA of the Barra Joint Venture Companies) in aggregate in the 12 month period following the occurrence of the relevant event or circumstance by 15% or more compared with the EBITDA for that period as shown in the financial model of Barra Group and with the result that the EBITDA of the Barra Group Companies (including a proportionate share of the EBITDA of the Barra Joint Venture Companies) in aggregate in that period will be less than NZ\$50,200,000 (equivalent to approximately HK\$325,998,800); and/or</p>

(ii) net assets of the Barra Group Companies (including a proportionate share of the net assets of the Barra Joint Venture Companies) in aggregate by 15% or more; and/or

(b) a material loss of access to and/or use of the Hampton Downs landfill occurs during the period from the date of the Share Sale Agreement to the Completion Date and which continues, or is reasonably likely to continue, for longer than three months,

but, for the avoidance of doubt, excludes changes in general economic, financial, political or regulatory conditions and events or circumstances arising directly from the same, and events or circumstances which affect all businesses in New Zealand carrying on the same business as the businesses carried on by the Barra Group Companies and the Barra Joint Venture Companies.

“NZ\$”	New Zealand dollars, the lawful currency of New Zealand
“percentage ratios”	shall have the meaning ascribed to such term in Chapter 14 of the Listing Rules
“Purchase Price”	the consideration in the amount of NZ\$490,000,000 (equivalent to approximately HK\$3,182,060,000) payable by the Purchaser for the Acquisition (subject to the adjustment) in accordance with the terms of the Share Sale Agreement
“Purchaser”	NZ Holdings (2012) Limited, a company incorporated in New Zealand with limited liability and an indirect wholly owned subsidiary of the Company
“Sale Shares”	the entire issued share capital of Barra Topco as at Completion
“Share Consideration”	the consideration payable by the Purchaser to the Vendors for the sale and purchase of the Sale Shares under the Share Sale Agreement
“Share Sale Agreement”	a conditional agreement for sale and purchase of the Sale Shares dated 14 <sup>th</sup> January, 2013 entered into amongst the Purchaser, the Company and the Vendors in respect of the Acquisition
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Vendors”

the vendors to the Share Sale Agreement, comprising Ironbridge Capital II A Pty Limited, Ironbridge Capital II B Pty Limited, Envirowaste Holdings NV, and the Individual Vendors

Note: The figures in NZ\$ are converted into HK\$ at the rate of NZ\$1 : HK\$6.494 throughout this announcement for indicative purpose only.

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

Hong Kong, 15<sup>th</sup> January, 2013

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