



[Press release]

CKI and HK Electric Completed Acquisition of HK\$70 Billion UK Electricity Distribution Asset

(1 November, 2010 – Hong Kong) – Following an irrevocable offer made on 30 July, 2010, a consortium led by Cheung Kong Infrastructure Holdings Limited (“CKI”) and Hongkong Electric Holdings Limited (“HK Electric”) have completed the transaction with Electricité de France (“EDF”) to acquire 100% of EDF Energy plc’s ownership of its United Kingdom regulated and non-regulated network activities. Total consideration for the transaction is GBP 5.775 billion, approximately HK\$70 billion.

Both CKI and HK Electric each hold a 40% stake in the investment, with the remaining 20% taken by the Li Ka Shing Foundation Limited and Li Ka Shing (Overseas) Foundation. The consortium has formed a new company, UK Power Networks Holdings Limited (“UK Power Networks”), to own and manage these new UK electricity network activities.

2009 Profit Of EDF Energy plc’s UK Electricity Networks Was GBP500 Million

Mr H L Kam, Group Managing Director of CKI, said: “This acquisition represents a milestone for CKI and HK Electric’s overseas investments. The project is a regulated business which will provide steady income and immediate returns. It will provide considerable profit uplift for CKI and HK Electric.”

Mr Kam commented, “To put this business in context, in 2009, these UK electricity assets reported about GBP500 million in profits. Each of a 40% shareholding in that year would have been entitled to report an earnings of GBP200 million or approximately HK\$2.4 billion in 2009. Both CKI and HK Electric are very excited about the future profit contributions of these UK electricity assets.”

Mr Kam further stated, “CKI has a strong cash position of HK\$5 billion post-transaction. We are well-positioned to consider more acquisitions in the future, including but not limited to, the scope of regulated businesses or UK-based projects. We will continue to drive forward our acquisition momentum and are now studying over ten acquisition opportunities in different sectors around the world. As we are looking at projects both large and small, naturally the complex ones will take more time and the simpler ones will take less.”

Name Change for HK Electric

Mr K S Tso, Group Managing Director of HK Electric, said: “This acquisition represents a milestone achievement for HK Electric’s overseas investments and is expected to make significant profit contributions to the Group in the long run. As the name implies, HK Electric has been focusing its business in Hong Kong since its incorporation over 120 years ago. It was around 1999 when we began expanding our business outside of Hong Kong.”

“At present, about one-third of our profit is derived from businesses outside of Hong Kong. Following this transaction, we expect the ratio to increase to over 50% within one to two years, at a rate much higher than the growth in profit of our local electricity business,” he said.

Mr Tso commented, “Mindful of the development potential of our Hong Kong business and the tremendous opportunities available overseas, we see HK Electric’s future focus as expanding our portfolio outside of Hong Kong. In view of this, we feel that it is befitting that the company name of HK Electric be changed to reflect this new strategic focus. An announcement will be made after a decision has been taken. ”

UK’s Largest Electricity Distributor

The newly acquired asset comprises three regional networks with a distribution area that covers London, South East England and the East of England. Serving around 7.8 million customers, these networks provide nearly a quarter of the electricity in the United Kingdom, representing the country’s largest electricity distributor. In addition, the power networks include a non-regulated business comprising commercial contracts to distribute electricity to a number of privately owned sites. The coverage area of these networks spans 29,165 square kilometers and distributes electricity to a number of renowned UK businesses and landmarks, including four London airports, the London Underground, the Channel Tunnel Rail Link, the London Stock Exchange, as well as several sports facilities, tourist attractions and educational institutions.

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Attachment 1

CKI/HK Electric UK Power Networks Fact Sheet

Attachment 2

CKI/HK Electric UK Power Networks' Geographic Coverage

About CKI

CKI is the largest publicly-listed infrastructure company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure and Infrastructure Related Businesses. With operations in Hong Kong, Mainland China, the United Kingdom, Australia, New Zealand, Canada and the Philippines, CKI is a leading player in the global infrastructure arena.

About HK Electric

HK Electric is the listed vehicle of the Hongkong Electric Group of companies which includes the Hongkong Electric Company Limited ("HEC"), Hongkong Electric International Limited ("HEI") and other subsidiaries. HEC is an electricity utility established in 1889 and is principally engaged in generating and supplying electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HK Electric with investments in Mainland China, the United Kingdom, Australia, New Zealand, Canada and Thailand.

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CKI/HK Electric UK Power Networks

Fact Sheet

- **Energy Distributed:** around 89 TWh each year
- **Number of Customers:** around 7.8 million
- **Network Length:**
 - Underground network - 134,767 km
 - Overhead network - 47,391 km
- **Service Area:** 29,165 sq. km.
- **Network Coverage:**

Comprises three regional networks in

 - London;
 - East of England, incorporating all of the counties of Norfolk, Suffolk and Hertfordshire, most of Cambridgeshire, Essex and Bedfordshire, parts of Buckinghamshire and Oxfordshire, and the northern suburbs of Greater London; and
 - Southeast England, incorporating all of Kent, East Sussex, West Sussex and much of Surrey.
- **Services Extended to the Following Renowned UK Businesses and Operations:**
 - Four London airports, namely Heathrow, Gatwick, Stansted and London City Airport
 - The London Underground, the city's rapid transit system
 - The Channel Tunnel Rail Link
 - The London Stock Exchange in the City of London
 - Sports facilities, including the All England Lawn Tennis & Croquet Club, where the Wimbledon Championships are held; Wembley Stadium, the home venue of the English National Football Team; and English Premier League football stadiums, including Emirates Stadium (Arsenal), Stamford Bridge (Chelsea), White Hart Lane (Tottenham Hotspur), The Boleyn Ground (West Ham United)
 - Tourist attractions, such as the London Eye, Tower Bridge and Buckingham Palace
 - Education institutions, including University of Cambridge, University College London and the London School of Economics and Political Science

CKI/HK Electric UK Power Networks' Geographic Coverage
長建 / 港燈英國電網覆蓋地域

