
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you have sold or transferred all your shares in Hutchison Whampoa Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

DISCLOSEABLE TRANSACTIONS

A letter from the Board is set out on pages 6 to 23 of this circular.

26 November, 2004

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DEFINITIONS

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

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| “Able Venture” | Able Venture Profits Limited, a company incorporated in the British Virgin Islands with limited liability and which is an indirect wholly-owned subsidiary of CKI |
| “Alpha” | Alpha Central Profits Limited, a company incorporated in the British Virgin Islands with limited liability and which, until completion of the Alpha Disposal Agreement, is a wholly-owned subsidiary of CKI |
| “Alpha Disposal” | the sale and purchase of the Alpha Sale Share on the terms of, and subject to the conditions set out in, the Alpha Disposal Agreement |
| “Alpha Disposal Agreement” | the agreement dated 10 September, 2004 and made between HEH and CKI relating to the sale and purchase of the Alpha Sale Share and the transaction documents to be entered into under such agreement |
| “Alpha Disposal Announcement” | the joint announcement of HWL, CKI and HEH dated 10 September, 2004 relating to the Alpha Disposal Agreement |
| “Alpha Disposal Conditions” | the conditions to completion of the Alpha Disposal Agreement |
| “Alpha Sale Share” | one ordinary share of US\$1.00 in the share capital of Alpha, being the entire issued share capital of Alpha at the date of the Alpha Disposal Agreement |
| “Amended and Restated Gas Network Shareholders Agreement” | the amended and restated shareholders agreement to be entered into among CKI, Alpha, Able Venture, Goldia Resources, the Foundation, UUU, UUC, HEH, the 9.9% Buyers and Deutsche Asset Management (Australia) Limited (to the best of the knowledge, information and belief of the HWL Directors having made all reasonable enquiries, Deutsche Asset Management (Australia) Limited, and its ultimate beneficial owner, are: (i) third parties independent of HWL and of connected persons of HWL; and (ii) not connected persons of HWL) |
| “Authority” | the Gas and Electricity Markets Authority for the United Kingdom |
| “Bank Undertaking Letter” | a letter relating to the financing facilities for the business to be acquired by Blackwater pursuant to the Hive Down Agreement to be delivered by the 9.9% Buyers to CKI on completion of the Blackwater Acquisition |
| “Blackwater” | Blackwater F Limited (registered in England with registered number 5167070) |

DEFINITIONS

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| “Blackwater Acquisition” | the acquisition of Blackwater Shares on the terms of, and subject to the conditions set out in, the Blackwater Acquisition Agreement |
| “Blackwater Acquisition Agreement” | the agreement dated 31 August, 2004 and made among Gas Network, Transco and Blackwater relating to the sale and purchase of the Blackwater Shares and the transaction documents to be entered into under such agreement |
| “Blackwater Acquisition Announcement” | the announcement of HWL dated 8 September, 2004 relating to the Blackwater Acquisition Agreement |
| “Blackwater Acquisition Conditions” | the conditions to completion of the Blackwater Acquisition Agreement |
| “Blackwater Shares” | 100 ordinary shares of £1.00 each in the share capital of Blackwater, being the entire issued share capital of Blackwater at the date of the Blackwater Acquisition Agreement |
| “Board” | the board of HWL Directors |
| “Challenger Life” | Challenger Life No.2 Limited, a company incorporated in Australia |
| “Circular Despatch Announcement” | the joint announcement of HWL, CKI and HEH dated 21 September, 2004 relating to the extension of the dates for, among other things, the despatch of this circular |
| “CKI” | Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038) |
| “CKI Blackwater Acquisition Announcement” | the announcement of CKI dated 31 August, 2004 relating to the Blackwater Acquisition Agreement |
| “CKI Circular” | the circular of CKI to be sent to the CKI Shareholders in respect of the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal |
| “CKI Directors” | the directors of CKI |
| “CKI Group” | CKI and its subsidiaries |
| “CKI SGM” | the special general meeting of CKI to be held to approve, inter alia, the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal on the terms of, and subject to the conditions set out in, the Blackwater Acquisition Agreement, the Alpha Disposal Agreement and the 9.9% Disposal Agreement respectively, notice of which is set out at the end of the CKI Circular |
| “CKI Shareholders” | shareholders of CKI |

DEFINITIONS

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| “connected person” | shall have the meaning ascribed to that expression in the Listing Rules |
| “Costs Undertaking Letter” | a letter of undertaking relating to costs incurred by Gas Network and its shareholders in relation to the bid for Blackwater from each of the 9.9% Buyers to CKI |
| “DeAM” | SAS Trustee Corporation, a client of Deutsche Asset Management (Australia) Limited |
| “Enlarged CKI Group” | the CKI Group and Blackwater |
| “the Foundation” | Li Ka Shing (Overseas) Foundation, a company limited by guarantee incorporated in the Cayman Islands for charitable purposes |
| “Gas Network” | Gas Network Limited (registered in England with registered number 5213525), currently a non wholly-owned subsidiary of CKI (CKI’s stated intention is to reduce its shareholding in Gas Network to below 50% prior to completion of the Blackwater Acquisition and this will be achieved upon completion of the Alpha Disposal, accordingly, for the purposes of preparing the pro forma financial information set out in Appendices III to VI (inclusive) to the CKI Circular, Gas Network is treated as an associate of CKI) |
| “Gas Network Shareholders Agreement” | the shareholders agreement dated 31 August, 2004 and made among CKI, Alpha, Able Venture, Goldia Resources, the Foundation, UUC and UUC relating to their interests in, and management of, Gas Network as shall be replaced and superseded by the Amended and Restated Gas Network Shareholders Agreement |
| “Goldia Resources” | Goldia Resources Limited, a company incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Foundation |
| “GS(M)R” | the Gas Safety (Management) Regulations 1996 of the United Kingdom |
| “HEH” | Hongkong Electric Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 006) |
| “HEH EGM” | an extraordinary general meeting of HEH to be held to approve the Alpha Disposal and related transactions and the matters contemplated under the Alpha Disposal Agreement and the Gas Network Shareholders Agreement |
| “HEH Independent Board Committee” | an independent committee of the board of directors of HEH to be formed to advise the HEH Independent Shareholders in respect of the Alpha Disposal |

DEFINITIONS

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| “HEH Independent Shareholders” | HEH Shareholders other than CKI and its associates (as that term is defined in the Listing Rules) |
| “HEH Shareholders” | shareholders of HEH |
| “Hive Down Agreement” | the agreement dated 31 August, 2004 relating to the acquisition by Blackwater of the North of England Gas Distribution Network business of Transco |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “HSE” | the Health and Safety Executive of the United Kingdom |
| “HWL” | Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 013) |
| “HWL Directors” | directors of HWL |
| “HWL Group” | HWL and its subsidiaries |
| “HWL Shareholders” | shareholders of HWL |
| “Latest Practicable Date” | 19 November, 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “NGT” | National Grid Transco plc, whose shares are listed on the London Stock Exchange and New York Stock Exchange |
| “9.9% Buyers” | the buyers of the 9.9% Sale Shares being Challenger Life (as to the portion of the 9.9% Sale Shares representing 5.8 per cent. of the issued share capital of Gas Network) and DeAM (as to the portion of the 9.9% Sale Shares representing 4.1 per cent. of the issued share capital of Gas Network) both of whom are independent third parties unconnected to CKI or HWL and are not connected persons of CKI or HWL |
| “9.9% Disposal” | the sale and purchase of the 9.9% Sale Shares on the terms of, and subject to the conditions set out in, the 9.9% Disposal Agreement |
| “9.9% Disposal Agreement” | the agreement dated 12 November, 2004 made among CKI, Able Venture and the 9.9% Buyers relating to the sale and purchase of the 9.9% Sale Shares and the transaction documents to be entered into under such agreement |
| “9.9% Disposal Announcement” | the joint announcement of HWL and CKI dated 12 November, 2004 relating to the 9.9% Disposal Agreement |

DEFINITIONS

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| “9.9% Disposal Conditions” | the conditions to completion of the 9.9% Disposal Agreement |
| “9.9% Sale Shares” | 99 ordinary shares of £1.00 each in the share capital of Gas Network, constituting 9.9 per cent, of the entire issued share capital of Gas Network as at the date of the 9.9% Disposal Agreement |
| “Option Exercise Notice” | the call option exercise notice or put option exercise notice, as the case may be, to be given in accordance with the terms of the Blackwater Acquisition Agreement |
| “PRC” | The People’s Republic of China |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transco” | Transco plc (registered in England with registered number 2006000), a wholly-owned subsidiary of NGT |
| “Transco Undertaking Letter” | a letter of undertaking relating to the obligations and costs associated with termination of the Blackwater Acquisition Agreement from each of the 9.9% Buyers to CKI to be delivered on completion of the 9.9% Disposal Agreement |
| “United Utilities” | United Utilities plc, whose shares are listed on the London Stock Exchange |
| “UUC” | United Utilities Contract Solutions Limited, a company incorporated under the laws of England and Wales, a wholly-owned subsidiary of United Utilities |
| “UUO” | United Utilities Operations Limited, a company incorporated under the laws of England and Wales, a wholly-owned subsidiary of United Utilities |
| “Warranties” | the warranties given by Able Venture to the 9.9% Buyers under the 9.9% Disposal Agreement relating to, inter alia, the incorporation of Gas Network, certain other matters in relation to Gas Network and the validity of the 9.9% Sale Shares |
| “A\$” | Australian dollars, the lawful currency of Australia |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “£” | Pounds Sterling, the lawful currency of the United Kingdom |
| “US\$” | United States Dollars, the lawful currency of the United States of America |

Note: the figures in £ are converted into HK\$ at the rate of £1.00 = HK\$14 throughout this circular for indication purposes only.

LETTER FROM THE BOARD



HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

Directors:

LI Ka-shing, *Chairman*
LI Tzar Kuoi, Victor, *Deputy Chairman*
FOK Kin-ning, Canning, *Group Managing Director*
CHOW WOO Mo Fong, Susan,
Deputy Group Managing Director
Frank John SIXT, *Group Finance Director*
LAI Kai Ming, Dominic, *Executive Director*
George Colin MAGNUS, *Executive Director*
KAM Hing Lam, *Executive Director*
Michael David KADOORIE, *Independent Non-Executive Director*
Holger KLUGE, *Independent Non-Executive Director*
Simon MURRAY, *Independent Non-Executive Director*
OR Ching Fai, Raymond, *Independent Non-Executive Director*
William SHURNIAK, *Non-Executive Director*
Peter Alan Lee VINE, *Independent Non-Executive Director*
WONG Chung Hin, *Independent Non-Executive Director*

Registered Office:

Hutchison House, 22nd Floor
10 Harcourt Road
Hong Kong

26 November, 2004

To the HWL Shareholders

DISCLOSEABLE TRANSACTIONS

INTRODUCTION

On 8 September, 2004, HWL stated in the Blackwater Acquisition Announcement that Gas Network, a non wholly-owned subsidiary of CKI, which in turn is a non wholly-owned subsidiary of HWL, had entered into a conditional agreement with Transco and Blackwater, pursuant to which Gas Network has an option to require Transco to sell to it, and Transco has an option to require Gas Network to purchase from it, the Blackwater Shares. Further details of the Blackwater Acquisition, including the Blackwater Acquisition Conditions, are set out in the section headed "Blackwater Acquisition Agreement" in Part A of this letter.

Blackwater is a newly formed wholly-owned subsidiary of Transco that will, at completion of the Hive Down Agreement, own the North of England Gas Distribution Network business in the United Kingdom presently carried on by Transco.

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On 10 September, 2004, HWL stated in the Alpha Disposal Announcement that CKI had entered into a conditional agreement with HEH, pursuant to which CKI agreed to procure the sale, and HEH agreed to purchase, or procure the purchase by its wholly-owned subsidiary, of the Alpha Sale Share. Alpha is a newly formed wholly-owned indirect subsidiary of CKI that owns 19.9 per cent. of the entire issued share capital of Gas Network. Further details of the Alpha Disposal, including the Alpha Disposal Conditions, are set out in the section headed "Alpha Disposal Agreement" in Part B of this letter.

On 12 November, 2004, HWL and CKI further announced in the 9.9% Disposal Announcement that CKI and Able Venture, a wholly-owned subsidiary of CKI, had entered into the 9.9% Disposal Agreement, pursuant to which Able Venture agreed to sell, and the 9.9% Buyers agreed to purchase between them, the 9.9% Sale Shares. Further details of the 9.9% Disposal, including the 9.9% Disposal Conditions, are set out in the section headed "9.9% Disposal Agreement" in Part C of this letter.

As stated in the Circular Despatch Announcement, under Rule 14.38 of the Listing Rules, a circular in relation to the Blackwater Acquisition was required to be sent to the HWL Shareholders within 21 days of the date of publication of the Blackwater Acquisition Announcement, being in this case on or before 30 September, 2004; and a circular in relation to the Alpha Disposal was required to be sent to the HWL Shareholders within 21 days of the date of publication of the Alpha Disposal Announcement, being in this case on or before 4 October, 2004. Given the fact that the Blackwater Acquisition and the Alpha Disposal are closely linked and given the large amount of common information that would be included in their respective circulars, the HWL Directors had decided to cover both the Blackwater Acquisition and the Alpha Disposal in this circular. With the entering into of the 9.9% Disposal Agreement on 12 November, 2004, this circular will cover the 9.9% Disposal as well. Further, as stated in the Circular Despatch Announcement, the HWL Directors considered it appropriate to extend the period for posting of this circular on the Blackwater Acquisition and the Alpha Disposal to coincide with that of the CKI Circular in order to allow the HWL Shareholders to have access to the additional detailed information relating to Blackwater which will be provided to the CKI Shareholders on the Blackwater Acquisition and the Alpha Disposal, as a result of the classification of those transactions for CKI under the Listing Rules. Accordingly, an application has been made by HWL to the Stock Exchange for, and HWL has been granted by the Stock Exchange, a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of this circular, covering both the Blackwater Acquisition and the Alpha Disposal, to no later than 3 December, 2004.

The purpose of this circular is to provide you with further information in relation to the proposed transactions outlined above. The additional detailed information relating to Blackwater in the form of (i) the Accountants' Report on the financial information regarding Blackwater for each of the three years ended 31 March, 2002, 2003 and 2004 and the three months ended 30 June, 2004; (ii) the unaudited pro forma financial information of the Enlarged CKI Group following completion of the Blackwater Acquisition but not taking account of the Alpha Disposal and/or the 9.9% Disposal; (iii) the unaudited pro forma financial information of the Enlarged CKI Group following completion of the Blackwater Acquisition and the Alpha Disposal but not taking account of the 9.9% Disposal; (iv) the unaudited pro forma financial information of the Enlarged CKI Group following completion of the Blackwater Acquisition and the 9.9% Disposal but not taking account of the Alpha Disposal; and (v) the unaudited pro forma financial information of the Enlarged CKI Group following the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal are set out in Appendices II, III, IV, V and VI

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respectively to the CKI Circular which is enclosed for the ease of reference of the HWL Shareholders. The Accountants' Report on the audited consolidated financial results for the three years ended 31 December, 2003 and the interim results for the six-month period ended 30 June, 2004 (together with the accompanying notes) for CKI are set out in Appendix I to the enclosed copy of the CKI Circular.

PART A

BLACKWATER ACQUISITION AGREEMENT

Date

31 August, 2004

Parties

Gas Network
Transco
Blackwater

Conditions precedent

Completion of the Blackwater Acquisition Agreement is conditional upon:

- (i) completion of the Hive Down Agreement in accordance with its terms;
- (ii) HSE having confirmed in writing its acceptance of the amended safety cases of each of Transco and Blackwater in accordance with GS(M)R;
- (iii) the Authority having given its consent to the sale of the Blackwater Shares to Gas Network under Blackwater's gas transporter licence;
- (iv) the approval of the transaction contemplated by the Blackwater Acquisition Agreement by the CKI Shareholders or, if permitted under the Listing Rules, obtaining a written consent or approval of the transaction contemplated by the Blackwater Acquisition Agreement by a CKI Shareholder or group of CKI Shareholders together holding over 50 per cent. of the issued shares of CKI; and
- (v) notification, if any, of the Blackwater Acquisition to the European Commission under Council Regulation (EC) 139/2004 concerning control of concentrations between undertakings being dealt with by the European Commission in accordance with the Blackwater Acquisition Agreement.

None of the Blackwater Acquisition Conditions may be waived save with the express written agreement of both Transco and Gas Network. As at the Latest Practicable Date, none of the Blackwater Acquisition Conditions has been satisfied.

Prior to completion of the Blackwater Acquisition Agreement, Transco may terminate the transaction if (a) the Authority indicates that it will require Transco to place its retained gas distribution business into separate legal entities; or (b) the Authority decides that any income received by Transco in respect of services to be provided to Blackwater is not permissible revenue under the terms of Transco's gas transporter licence; or (c) there is a change in

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applicable pensions legislation in the United Kingdom which has the effect of requiring an employer to make a payment on ceasing to participate in an occupational pension scheme; or (d) there is a reasonable likelihood that Transco will be required to make any payment on the cessation of the participation of the employees of Blackwater in Transco's occupational pension scheme in respect of the period prior to the hive down of the North of England Gas Distribution Network business to Blackwater; or (e) Transco's occupational pension scheme is terminated between the date of the hive down of the North of England Gas Distribution Network business to Blackwater and the date of completion of the Blackwater Acquisition Agreement. If Transco exercises its right to terminate the transaction on the basis of (a), (b), (c), (d) or (e) above, it shall pay to Gas Network a fee of £13,980,000 (HK\$195,720,000). This fee will also be payable by Transco to Gas Network if the Blackwater Acquisition Agreement is terminated as a result of Transco failing to use all reasonable endeavours to procure the satisfaction of the Blackwater Acquisition Conditions referred to in paragraphs (i), (ii) and (iii) above.

Gas Network will be obliged to pay to Transco a break fee of £13,980,000 (HK\$195,720,000) if (a) Gas Network fails to pay the consideration payable for the Blackwater Shares or procure the repayment by Blackwater of the outstanding intra-group indebtedness at completion of the Blackwater Acquisition Agreement; or (b) the Blackwater Acquisition Agreement is terminated as a result of Gas Network failing to use all reasonable endeavours to procure the satisfaction of the Blackwater Acquisition Conditions referred to in paragraphs (ii), (iii), (iv) and (v) above; or (c) the Blackwater Acquisition Condition referred to in paragraph (iii) above is not satisfied as a result of Gas Network being the proposed owner of the North of England Gas Distribution Network business or as a result of the proposed financing structure adopted by Gas Network; or (d) the Blackwater Acquisition Condition referred to in paragraph (iv) is not satisfied. If a break fee becomes payable by Gas Network as a result of the Blackwater Acquisition Condition set out in paragraph (iv) above not being satisfied, CKI agrees to pay the proportion of such fee which would otherwise be attributable to the Foundation and United Utilities.

In addition, if prior to completion of the Blackwater Acquisition Agreement, a fundamental adverse change under the terms of the Blackwater Acquisition Agreement occurs which Transco fails to remedy, Gas Network shall be entitled to terminate the transaction. No break fee will be payable by Transco or Gas Network in such circumstances.

Completion

Subject to the fulfilment of the Blackwater Acquisition Conditions and to the termination rights referred to above, completion of the Blackwater Acquisition Agreement shall take place on the first day of the month following service of the first (in time) Option Exercise Notice to be served or at such other time as Transco and Gas Network shall agree.

If the Blackwater Acquisition Conditions are not satisfied or waived by 1 July, 2005 (or such later date as Transco and Gas Network, each acting reasonably, may agree), or it is agreed between Transco and Gas Network (acting reasonably) that a Blackwater Acquisition Condition is incapable of being satisfied, the Blackwater Acquisition Agreement shall automatically terminate and the Blackwater Acquisition will not proceed. The Blackwater Acquisition Agreement shall terminate if completion of the Blackwater Acquisition Agreement has not taken place on or before 29 August, 2005, unless such failure to complete by such date is as a result of the parties being unable to agree upon the occurrence of a fundamental adverse change and an independent expert subsequently determines that no fundamental adverse change has occurred.

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CONSIDERATION FOR THE BLACKWATER ACQUISITION

The consideration for the Blackwater Shares, which will be payable by Gas Network to Transco in cash on completion of the Blackwater Acquisition Agreement, is £1,393,700,000 (HK\$19,511,800,000) less the aggregate amount of intra-group indebtedness which is expected to be approximately £870,000,000 (HK\$12,180,000,000). The net consideration will therefore be approximately £524,000,000 (HK\$7,336,000,000). At completion of the Blackwater Acquisition Agreement, Gas Network will procure that Blackwater repays to Transco intra-group indebtedness of an amount of approximately £870,000,000 (HK\$12,180,000,000). Blackwater will fund this payment through an external bank facility. The facility is non-recourse to CKI and the other shareholders of Gas Network. The consideration for the Blackwater Shares will be payable in cash and both the cash consideration and the repayment of outstanding indebtedness to Transco will be subject to adjustment following the preparation of completion accounts. The adjustment is not subject to a cap. The consideration will be funded by shareholders equity of Gas Network in proportion to their respective shareholdings in Gas Network and by external bank borrowings.

CKI has undertaken to Transco that it will procure that Alpha and Able Venture, its subsidiaries, will subscribe in cash at par for not less than (a) if Gas Network is obliged to pay a break fee to Transco as a result of a failure by Gas Network to satisfy the Blackwater Acquisition Condition referred to in paragraph (iv) under the section headed "Conditions precedent" above, 13,980,000 shares of £1.00 each of Gas Network (equal to 100 per cent. of the entire issued share capital of Gas Network); or (b) in all other circumstances, 9,758,040 shares of £1.00 each of Gas Network (equal to 69.8 per cent. of the entire issued share capital of Gas Network) prior to completion of the Blackwater Acquisition Agreement or the date on which any break fee is payable by Gas Network to Transco (whichever is earlier). The reason for this is that if a break fee becomes payable by Gas Network as a result of the Blackwater Acquisition Condition set out in paragraph (iv) under the section headed "Conditions precedent" above not being satisfied, CKI agrees to pay the proportion of such fee which would otherwise be attributable to the Foundation and United Utilities.

The consideration was arrived at following a competitive auction process conducted by NGT and after arm's length negotiations between Gas Network and NGT.

GENERAL NATURE OF THE BLACKWATER ACQUISITION

Summary

NGT, through its wholly-owned subsidiary, Transco, owns, operates and develops the substantial majority of the natural gas transmission and distribution system in the United Kingdom. NGT publicly announced in December 2003 that it was seeking indicative offers for five of the eight regional gas distribution networks in the United Kingdom. Following a successful bidding process, Gas Network was chosen as the preferred bidder for the North of England Gas Distribution Network. As a result, on 31 August, 2004, Gas Network, a non wholly-owned subsidiary of CKI, Transco and Blackwater entered into the Blackwater Acquisition Agreement, pursuant to which Gas Network has an option to require Transco to sell to it, and Transco has an option to require Gas Network to purchase from it, the entire issued share capital of Blackwater. On or prior to completion of the Blackwater Acquisition Agreement, the North of England Gas Distribution Network business in the United Kingdom presently carried on by Transco will be sold to Blackwater in accordance with the terms of the Hive Down Agreement.

Gas Network is a consortium vehicle, the shareholders of which comprise wholly-owned subsidiaries of the Foundation and United Utilities, and Alpha and Able Venture. As a result of

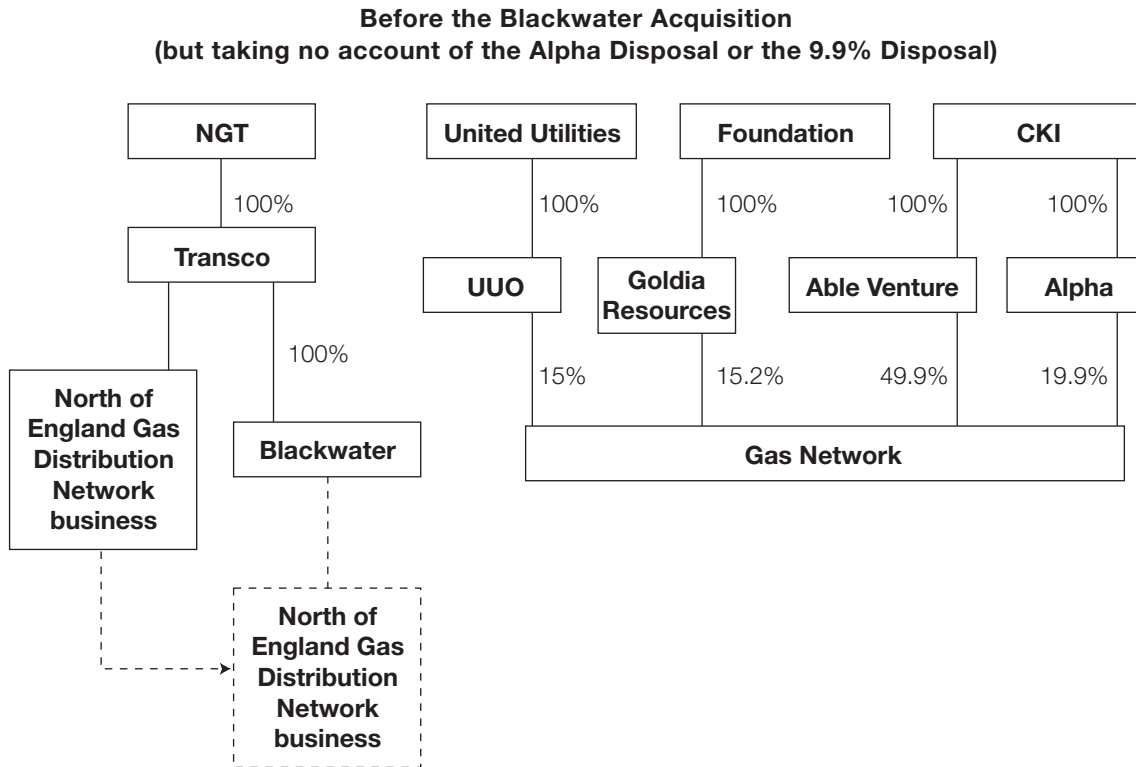
LETTER FROM THE BOARD

the aggregate shareholding interests of Alpha and Able Venture, Gas Network is a non wholly-owned subsidiary of CKI. Each of Alpha and Able Venture, and the wholly-owned subsidiaries of the Foundation and United Utilities (namely Goldia Resources and UUU respectively) have entered into the Gas Network Shareholders Agreement to govern their relationship as shareholders in Gas Network.

The terms of the Blackwater gas transporter licence have not yet been finalised. However, assuming that the terms of such licence are similar to those set out in the Transco gas transporter licence, such terms may indirectly restrict the persons to whom shares in Blackwater may be transferred. However, such restrictions will not affect the Blackwater Acquisition, the Alpha Disposal or the 9.9% Disposal.

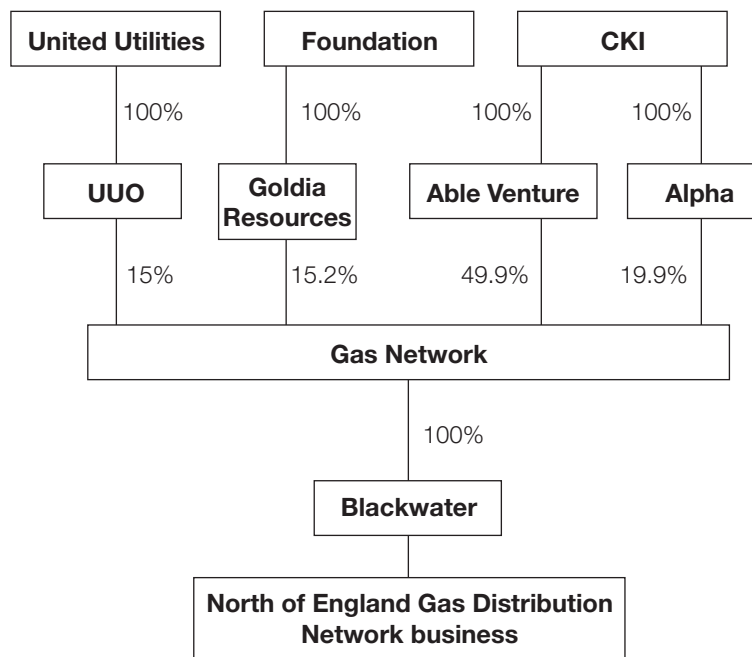
Structure

The following is the relevant shareholding structure of Blackwater before and after the Blackwater Acquisition (but taking no account of the Alpha Disposal or the 9.9% Disposal):



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**After the Blackwater Acquisition
(but taking no account of the Alpha Disposal or the 9.9% Disposal)**



Parts B and C of this letter set out the additional structural changes that would be brought about by the Alpha Disposal and the 9.9% Disposal respectively.

For the financial year ended 31 March 2004, the unaudited operating profit, before taxation and interest (adjusted to accounting principles generally accepted in Hong Kong), of the North of England Gas Distribution Network business was £137,600,000 (HK\$1,926,400,000). The corresponding figure for the year ended 31 March 2003 was £104,800,000 (HK\$1,467,200,000).

Following completion of the Blackwater Acquisition Agreement, but taking no account of the Alpha Disposal or the 9.9% Disposal, CKI will have a 69.8% shareholding in Gas Network. The Alpha Disposal and the 9.9% Disposal outlined in Parts B and C respectively of this letter are not conditional upon one another but are each conditional upon CKI Shareholders' approval at the CKI SGM. Accordingly, it is possible that either one or both of the Alpha Disposal and the 9.9% Disposal may not complete. Provided that the Alpha Disposal and the 9.9% Disposal are approved by CKI Shareholders and completed, CKI's interest in Gas Network will be reduced to 40 per cent. Furthermore, if the Alpha Disposal does complete, but the 9.9% Disposal does not complete for any reason, CKI's interest in Gas Network will reduce to 49.9 per cent. In either such case, the results and assets and liabilities of Blackwater will accordingly be incorporated in CKI's financial statements using the equity method of accounting. If both the Alpha Disposal and the 9.9% Disposal do not complete for any reason, CKI's interest in Gas Network will remain at 69.8 per cent. Furthermore, if the 9.9% Disposal does complete, but the Alpha Disposal does not complete for any reason, CKI's interest in Gas Network will reduce to 59.9 per cent. Although CKI's interest in Gas Network would be over 50%, in either such case, the results and assets and liabilities of Blackwater will be incorporated in CKI's financial statements using the equity method of accounting as it is currently (and was at the time the Blackwater Acquisition Agreement was entered into) CKI's intention to on-sell, prior to completion of the Blackwater Acquisition Agreement, part of its interest in Blackwater so that its resulting interest in Blackwater will be less than 50%.

LETTER FROM THE BOARD

INFORMATION ON BLACKWATER AND THE NORTH OF ENGLAND GAS DISTRIBUTION NETWORK

Blackwater is a newly formed wholly-owned subsidiary of Transco that will, at completion of the Hive Down Agreement, own the North of England Gas Distribution Network business in the United Kingdom presently carried on by Transco. The assets included in the business include (i) the pipeline infrastructure required to transport the gas from the national gas transmission network in the United Kingdom to consumer's premises within the network's region – comprising approximately 36,000 kilometres of distribution gas mains; (ii) the property, warehouses and fleet utilised in the network's operations; (iii) the contracts, intellectual property rights, policies and procedures and licences necessary to operate the network; and (iv) a network management team with significant knowledge of the gas transportation industry and extensive experience in running gas distribution networks in the United Kingdom.

The region serviced by the North of England Gas Distribution Network business extends south from the Scottish border to South Yorkshire and has coastlines on both the east and west sides of the region. The region contains a mixture of large cities (Newcastle, Middlesbrough, Leeds and Bradford) and a significant rural area including North Yorkshire and Cumbria, and has a total population of approximately 6.7 million. The region benefits from Leeds' growing position as an important regional financial and commercial centre, the rapid expansion of development along the River Tyne, and a number of large industrial consumers based along the North Sea coastline.

The regulatory assets value of the North of England Gas Distribution Network business as at 31 March, 2004 was £1,207,000,000 (HK\$16,898,000,000).

NGT, of which Transco is a wholly-owned subsidiary, whose shares are listed on the London Stock Exchange and the New York Stock Exchange, is an international energy delivery business, whose principal activities are in the regulated electricity and gas industries. In the United Kingdom, NGT owns and operates the high-voltage electricity transmission network in England and Wales, and the United Kingdom's natural gas transportation system. To the best of the knowledge, information and belief of the HWL Directors having made all reasonable enquiries: Transco and NGT, and their respective ultimate beneficial owners, are third parties independent of HWL and connected persons of HWL and none of these persons is a connected person of HWL.

FINANCIAL EFFECTS OF THE BLACKWATER ACQUISITION

As the financial results of CKI will be consolidated in HWL accounts, the effect of the Blackwater Acquisition on the earnings, assets and liabilities of HWL, before taking into account the minority interests in CKI of approximately 15.42%, will be the same as the effect which such transaction has on the earnings, assets and liabilities of CKI (as set out on pages 14 and 15 of the enclosed CKI Circular).

REASONS FOR AND BENEFITS OF THE BLACKWATER ACQUISITION

CKI is a diversified infrastructure investment company with a focus in the development, investment and operation of infrastructure businesses currently in Hong Kong, Mainland China, Australia, the United Kingdom, Canada and the Philippines.

The Blackwater Acquisition reflects CKI's strategy of investing in infrastructure opportunities around the world, leveraging the CKI Group's strong financial position and solid experience in infrastructure.

LETTER FROM THE BOARD

CKI has long seen the United Kingdom as an important market offering attractive investment opportunities. The Blackwater Acquisition represents consolidation of CKI's position in the United Kingdom following its acquisition of Cambridge Water PLC earlier this year.

It was stated in the CKI Blackwater Acquisition Announcement that the CKI Directors believed the terms of the Blackwater Acquisition are fair and reasonable and in the interests of the CKI Shareholders as a whole.

The HWL Directors also believe that the terms of the Blackwater Acquisition are fair and reasonable and in the interests of the HWL Shareholders as a whole. The HWL Directors endorse the reasons for entering into the Blackwater Acquisition and the benefits which are expected to accrue to the HWL Group (of which CKI forms part) as a result of the Blackwater Acquisition as stated above.

DISCLOSEABLE TRANSACTION

To the best of the knowledge, information and belief of the HWL Directors having made all reasonable enquiries, as at the time of formation of Gas Network: (i) none of Transco, Blackwater, the Foundation and United Utilities was a connected person of HWL; (ii) the formation of Gas Network, with the Foundation and United Utilities as indirect shareholders, did not constitute a connected transaction (as defined under the Listing Rules) of HWL; and (iii) none of the connected persons of HWL had control over the Foundation nor had any beneficial interest in the Foundation.

Applying the relevant percentage ratios resulting from the calculations set out in Rule 14.07 of the Listing Rules, the Blackwater Acquisition constitutes a discloseable transaction for HWL under the Listing Rules.

PART B

ALPHA DISPOSAL AGREEMENT

Date

10 September, 2004

Parties

CKI
HEH

Conditions precedent

Completion of the Alpha Disposal Agreement is conditional upon:

- (i) the CKI Shareholders approving at the CKI SGM: (a) the transactions contemplated by the Blackwater Acquisition Agreement and the Gas Network Shareholders Agreement; and (b) the Alpha Disposal; and
- (ii) the HEH Independent Shareholders approving the Alpha Disposal and the related transactions and matters contemplated under the Alpha Disposal Agreement and the Gas Network Shareholders Agreement.

LETTER FROM THE BOARD

Neither of the Alpha Disposal Conditions may be waived by either party. As at the Latest Practicable Date, neither of the Alpha Disposal Conditions had been satisfied.

Completion

Subject to satisfaction of the Alpha Disposal Conditions, completion of the Alpha Disposal Agreement shall take place on the date which is three business days following the date on which the Alpha Disposal Conditions are satisfied.

If (a) at the CKI SGM, the CKI Shareholders fail to give the approvals contemplated in Alpha Disposal Condition (i) above; or (b) at the HEH EGM, the HEH Independent Shareholders fail to give the approval contemplated in Alpha Disposal Condition (ii) above, then upon the first occurrence of either of (a) or (b) the Alpha Disposal Agreement shall automatically terminate and the Alpha Disposal will not proceed.

If the Alpha Disposal Agreement has not already terminated as a result of (a) or (b) above then it will automatically terminate if the Alpha Disposal Conditions have not been satisfied before 30 August, 2005.

CONSIDERATION FOR THE ALPHA DISPOSAL

The consideration for the Alpha Sale Share, which will be payable in cash on completion of the Alpha Disposal Agreement, is HK\$1.00. HEH will also assume certain obligations of CKI under the Gas Network Shareholders Agreement, in respect of Alpha. Prior to completion of the Blackwater Acquisition, Alpha will subscribe approximately £104,276,000 (HK\$1,459,864,000) for new share capital in Gas Network, which will represent approximately 19.9 per cent. of the net consideration payable by Gas Network on completion of the Blackwater Acquisition. This will be met from HEH's internal cash resources and/or bank borrowing.

As explained in Part A of this letter, the consideration for the Blackwater Shares under the Blackwater Acquisition Agreement was arrived at following a competitive auction process conducted by NGT, of which Transco is a wholly-owned subsidiary, and after arm's length negotiations between CKI and Transco.

The consideration payable under the Alpha Disposal Agreement is a nominal amount of HK\$1.00. In addition, Alpha is required to fund its pro rata share of the net consideration payable by Gas Network on completion of the Blackwater Acquisition. Therefore, no gain or loss will be realised by CKI from the Alpha Disposal and the consideration payable for the Alpha Sale Share is not greater or less than its net book value. In addition, there will be no sale proceeds to CKI other than the HK\$1.00.

Under the Gas Network Shareholders Agreement, CKI has undertaken to procure compliance by Alpha with its obligation to subscribe for shares in Gas Network, as referred to above. This undertaking of CKI will be assumed by HEH on completion of the Alpha Disposal Agreement. In addition, termination of the Blackwater Acquisition Agreement will, in the circumstances referred to in Part A of this letter, give rise to a break fee of £13,980,000 (HK\$195,720,000) becoming payable by Gas Network to Transco. Alpha has undertaken in the Gas Network Shareholders Agreement to subscribe 19.9 per cent. of this amount for shares in Gas Network in the event of such termination, for the purposes of enabling Gas Network to pay the break fee. CKI has undertaken in the Gas Network Shareholders Agreement to procure compliance by Alpha with this obligation. This undertaking of CKI will also be assumed by HEH on completion of the Alpha Disposal Agreement.

LETTER FROM THE BOARD

GENERAL NATURE OF THE ALPHA DISPOSAL

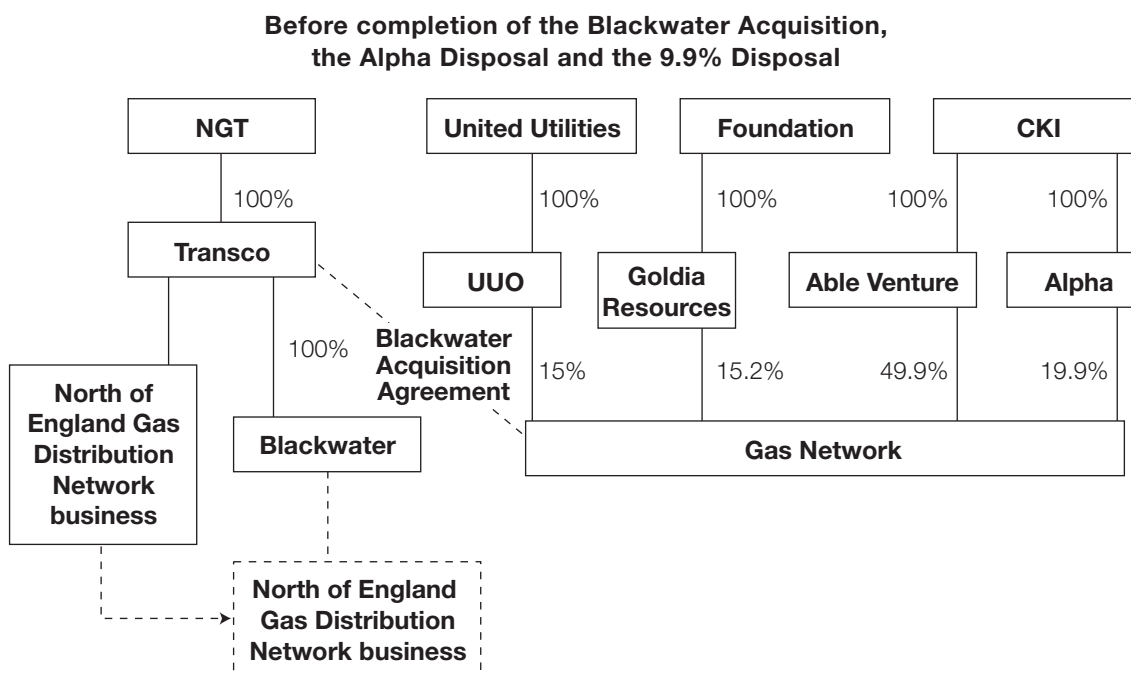
Summary

Reference is made to the statements contained in the section headed “General Nature of the Blackwater Acquisition” in Part A of this letter (page 10).

Completion of the Alpha Disposal is expected to take place shortly after the conclusion of the CKI SGM and the HEH EGM. As a result, HEH will own, indirectly through Alpha, 19.9 per cent. of the issued share capital of Gas Network and CKI’s interest in Gas Network will decrease from 69.8 per cent. to 49.9 per cent. (taking no account of the 9.9% Disposal). Accordingly, both Alpha and Gas Network shall cease to be subsidiaries of CKI. After the Alpha Disposal and the 9.9% Disposal, the remaining shares in Gas Network will be retained.

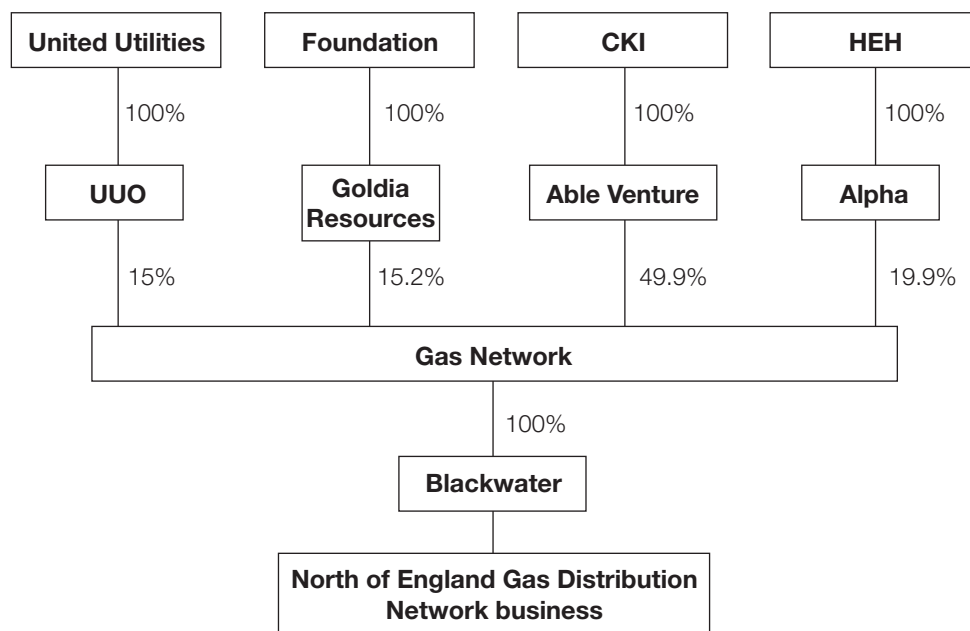
Structure

The following is the shareholding structure of Gas Network and Blackwater before the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal and following completion of the Blackwater Acquisition and the Alpha Disposal (but taking no account of the 9.9% Disposal):



LETTER FROM THE BOARD

**Following completion of the Blackwater Acquisition and the Alpha Disposal
(but taking no account of the 9.9% Disposal)**



Reference is made to the statements contained in the section headed “General Nature of the Blackwater Acquisition” contained in Part A of this letter (page 10).

INFORMATION ON ALPHA, BLACKWATER, THE NORTH OF ENGLAND GAS DISTRIBUTION NETWORK AND HEH

Following completion of the Alpha Disposal, HEH or its nominee will own the Alpha Sale Share. Alpha is a newly formed wholly-owned subsidiary of CKI that owns 19.9 per cent. of the issued share capital of Gas Network. Following completion of the Blackwater Acquisition, Blackwater will become a wholly-owned subsidiary of Gas Network.

Reference is made to the statements contained in the section headed “Information on Blackwater and the North of England Gas Distribution Network” contained in Part A of this letter (page 13).

The principal activity of the HEH group is the generation of electricity and its transmission and distribution to Hong Kong Island. HEH is also a joint partner in several power-related businesses in Australia with CKI.

To the best of the knowledge, information and belief of the HWL Directors having made all reasonable enquiries, HEH is not a connected person of HWL notwithstanding that CKI holds approximately 39% of the issued share capital of HEH.

REASONS FOR AND BENEFITS OF THE ALPHA DISPOSAL

As disclosed in the CKI Blackwater Acquisition Announcement and the Blackwater Acquisition Announcement, at the time of entering into the Blackwater Acquisition Agreement, CKI intended to on-sell part of its interest in Blackwater. CKI and HEH have worked together on a number of joint venture projects in the past and this previous experience of working together

LETTER FROM THE BOARD

successfully made HEH the most suitable purchaser of the Alpha Sale Share. CKI will retain an indirect 49.9 per cent. shareholding interest in Blackwater following completion of the Alpha Disposal. CKI's indirect shareholding will be further reduced to 40 per cent. following completion of the Alpha Disposal and the 9.9% Disposal.

It was stated in the Alpha Disposal Announcement that the CKI Directors and HEH Directors believed the terms of the Alpha Disposal are fair and reasonable and in the interests of the CKI Shareholders and HEH Shareholders as a whole respectively.

The HWL Directors believe the terms of the Alpha Disposal are fair and reasonable and in the interests of the HWL Shareholders as a whole. The HWL Directors endorse the reasons for entering into the Alpha Disposal and the benefits which are expected to accrue to the HWL Group (of which CKI forms part) as a result of the Alpha Disposal as stated above.

FINANCIAL EFFECTS OF THE ALPHA DISPOSAL

As the financial results of CKI will be consolidated in HWL accounts, the effect of the Alpha Disposal on the earnings, assets and liabilities of HWL, before taking into account the minority interests in CKI of approximately 15.42%, will be the same as the effect which such transaction has on the earnings, assets and liabilities of CKI (as set out on page 20 of the enclosed CKI Circular).

DISCLOSEABLE TRANSACTION

The Alpha Disposal constitutes a discloseable transaction for HWL under the Listing Rules.

PART C

9.9% DISPOSAL AGREEMENT

Date

12 November, 2004

Parties

CKI
Able Venture
The 9.9% Buyers

Conditions precedent

Completion is conditional upon the satisfaction (or waiver by the 9.9% Buyers) of the following 9.9% Disposal Conditions:

- (i) CKI Shareholders approving at the CKI SGM the transactions contemplated by the Blackwater Acquisition Agreement;
- (ii) CKI Shareholders approving the transactions contemplated by the 9.9% Disposal Agreement (if required);

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- (iii) no: (a) breach of certain specific Warranties; and (b) material breach (meaning a breach the effect of which would be to cause direct loss or damage to Gas Network of in excess of £50,000,000 (HK\$700,000,000) of the Warranties and/or certain undertakings contained in the 9.9% Disposal Agreement relating to the exercise by Able Venture of voting rights in Gas Network having occurred and, where such breach is capable of remedy, having not been remedied within a period of 21 days from the date of notice to Able Venture; and
- (iv) no material default by Gas Network or any of the shareholders of Gas Network subsisting under the terms of the Bank Letters (as defined in the 9.9% Disposal Agreement) and/or the Implementation Agreement (as defined in the 9.9% Disposal Agreement) at a time when the 9.9% Disposal Conditions set out in (i) and (ii) above have been satisfied and no event having occurred which would result in the lenders to Gas Network under such agreements being entitled to refuse to drawdown thereunder.

Completion

Subject to satisfaction of the 9.9% Disposal Conditions, completion of the 9.9% Disposal Agreement shall take place on a date which is no later than three business days following the date on which the 9.9% Disposal Condition (i) above is satisfied.

If any of the 9.9% Disposal Conditions are not satisfied or waived, or 9.9% Disposal Conditions (i) and (ii) have not been satisfied or waived on or before 1 July, 2005 (or such later date as is agreed for satisfaction of the Blackwater Acquisition Conditions) then the 9.9% Disposal Agreement shall terminate and the 9.9% Disposal will not proceed.

Guarantees

The obligations of Able Venture under the 9.9% Disposal Agreement are guaranteed by CKI.

CONSIDERATION

The consideration for the 9.9% Sale Shares will be payable in two tranches, with the first tranche of £4,240,000 (HK\$59,360,000) payable in cash on completion of the 9.9% Disposal Agreement and the second tranche of £350,000 (HK\$4,900,000) payable in cash on completion of the Blackwater Acquisition Agreement. Such amounts will be paid by the 9.9% Buyers pro rata to their respective interests in Gas Network (being 5.8 per cent and 4.1 per cent). The 9.9% Buyers will also assume certain obligations of Able Venture pro rata to their respective interests in Gas Network under the Bank Undertaking Letter, the Cost Undertaking Letter and the Transco Undertaking Letter. Prior to completion of the Blackwater Acquisition, the shareholders of Gas Network will subscribe approximately £524,000,000 (HK\$7,336,000,000) for new share capital in Gas Network, representing 100 per cent. of the net consideration payable by Gas Network on completion of the Blackwater Acquisition. Following completion of the 9.9% Disposal, the 9.9% Buyers will hold between them 9.9 per cent. of the share capital of Gas Network (5.8 per cent being held by one 9.9% Buyer and 4.1 per cent. being held by the other). The 9.9% Buyers will accordingly subscribe between them 9.9 per cent. of this amount, amounting to approximately £51,876,000 (HK\$726,264,000) pro rata to their respective interests in Gas Network. This will reduce the percentage of the consideration to be subscribed by Able Venture to 40 per cent., equal to approximately £209,600,000 (HK\$2,934,400,000). It will also reduce the potential liability under the guarantee given by CKI in respect of Able Venture's subscription obligations under the Gas Network Shareholders Agreement.

The consideration payable under the 9.9% Disposal Agreement, totalling £4,590,000 (HK\$64,260,000), was arrived at after arm's length negotiations between CKI and the 9.9% Buyers. In addition, the 9.9% Buyers will assume between them 9.9 per cent. of Able Venture's

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subscription obligation under the Gas Network Shareholders Agreement pro rata to their interests in Gas Network, as referred to above. Therefore, a gross gain of £4,589,901 (HK\$64,258,614) will be realised by CKI from the 9.9% Disposal and the consideration payable for the 9.9% Sale Shares exceeds their net book value by £4,589,901 (HK\$64,258,614). The costs associated with the 9.9% Disposal amount to £350,000 (HK\$4,900,000). Accordingly, a net gain of £4,239,901 (HK\$59,358,614) will be realised by CKI from the 9.9% Disposal.

CKI intends to use the proceeds of the 9.9% Disposal as working capital.

If, following completion of the 9.9% Disposal Agreement one of the following events occurs, the 9.9% Buyers will have a right to transfer the 9.9% Sale Shares back to Able Venture: (i) the Blackwater Acquisition Agreement is terminated in accordance with its terms (including on the expiry of the long stop date for completion thereof being 29 August, 2005); or (ii) an agreed form assets services agreement between Gas Network and a service provider has not been signed or initialled by Gas Network and UUC or any other wholly-owned subsidiary of UUC one month prior to the date of completion of the Blackwater Acquisition Agreement; or (iii) at any time prior to one month prior to the date of completion of the Blackwater Acquisition Agreement, the estimated transaction costs of Gas Network exceed a certain level.

The amount of consideration payable to the 9.9% Buyers by Able Venture on such a transfer will depend on the circumstances. However, such consideration will not exceed the amount paid by the 9.9% Buyers to Able Venture on completion of the 9.9% Disposal Agreement. In the case of (i) above, the 9.9% Buyers will remain liable for the payment of 9.9 per cent. of the break fee of £13,980,000 (HK\$195,720,000) if it becomes payable in accordance with the terms of the Blackwater Acquisition Agreement. Subject to a liability cap, the 9.9% Buyers will remain liable for the payment of 9.9 per cent. of the transaction costs of Gas Network or its shareholders under the Costs Undertaking Letter up to the date on which the 9.9% Buyers serve upon Able Venture a notice to exercise their transfer back rights in cases (ii) and (iii) above.

On or before completion of the 9.9% Disposal, CKI will enter into the Amended and Restated Gas Network Shareholders Agreement with Alpha, Able Venture, Goldia Resources, HEH, the Foundation, UUC, UUC, the 9.9% Buyers and Deutsche Asset Management (Australia) Limited. The Amended and Restated Gas Network Shareholders Agreement will set out the terms on which Alpha, Able Venture, Goldia Resources, UUC, and the 9.9% Buyers will agree to subscribe for shares of Gas Network. It will also set out the manner in which parties to that agreement will agree to regulate the operation and management of Gas Network and its subsidiaries and the relationship between Alpha, Able Venture, Goldia Resources, UUC and the 9.9% Buyers. In particular, the Amended and Restated Gas Network Shareholders Agreement will contain provisions governing, amongst other things, the composition of the board of directors of Gas Network, the conduct of the board and meeting of shareholders of Gas Network and general prohibition in respect of transfers of shares in Gas Network.

GENERAL NATURE OF THE 9.9% DISPOSAL

Summary

Reference is made to the statements contained in the section headed "General Nature of the Blackwater Acquisition" in Part A of this letter (page 10).

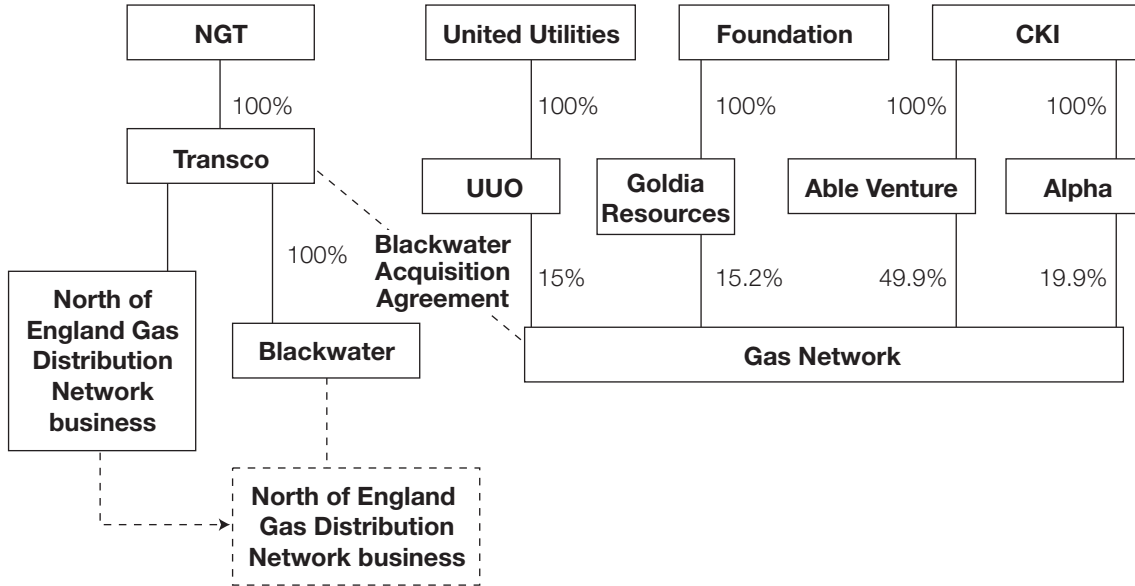
Completion of the sale and purchase of the 9.9% Sale Shares is expected to take place shortly after the conclusion of the CKI SGM. As a result, the 9.9% Buyers will between them own 9.9 per cent. of the issued share capital of Gas Network and CKI's interest in Gas Network (assuming completion of the Alpha Disposal has occurred) will decrease from 49.9% to 40%. Accordingly, the 9.9% Disposal will not result in Gas Network ceasing to be a subsidiary of CKI.

LETTER FROM THE BOARD

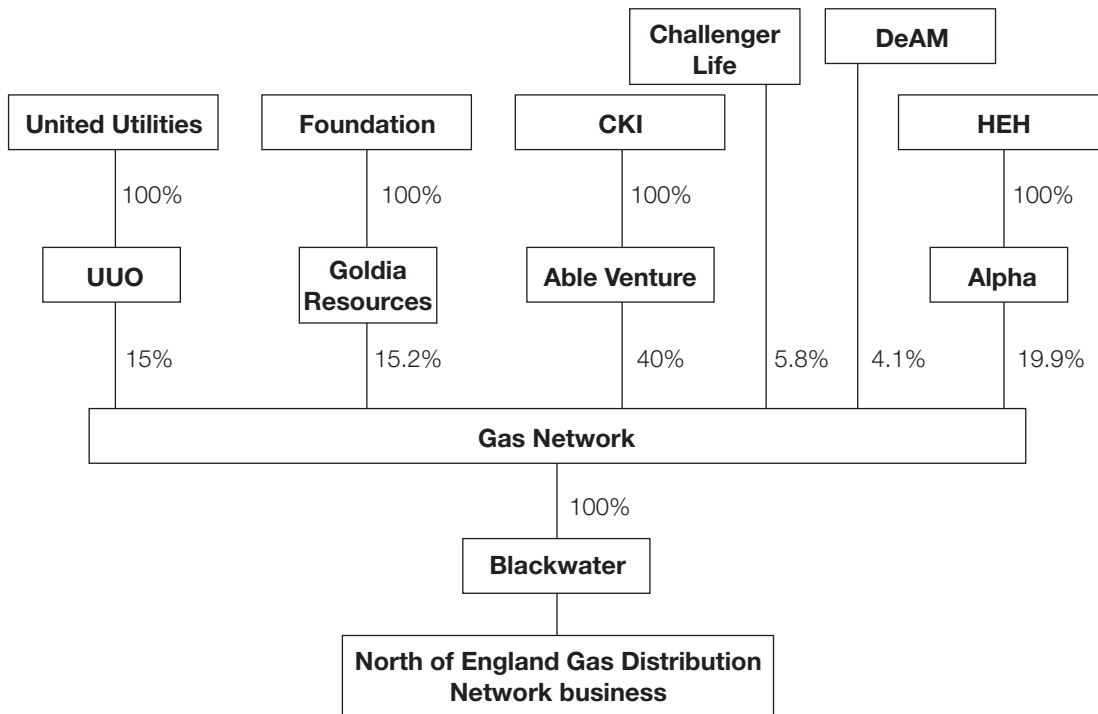
Structure

The following two charts show the shareholding structures of Gas Network and Blackwater before completion of the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal and after completion of the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal:

Before completion of the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal



After completion of the Blackwater Acquisition, the Alpha Disposal and the 9.9% Disposal



LETTER FROM THE BOARD

Reference is made to the statements contained in the section headed "General Nature of the Blackwater Acquisition" contained in Part A of this letter (page 10).

INFORMATION ON 9.9% BUYERS, BLACKWATER AND THE NORTH OF ENGLAND GAS DISTRIBUTION NETWORK

Following completion of the 9.9% Disposal Agreement, the 9.9% Buyers will together own the 9.9% Sale Shares, constituting 9.9 per cent. of the entire issued share capital of Gas Network. Following completion of the Blackwater Acquisition, Blackwater will become a wholly-owned subsidiary of Gas Network.

Reference is made to the statements contained in the section headed "Information on Blackwater and the North of England Gas Distribution Network" contained in Part A of this letter (page 13).

One of the 9.9% Buyers, Challenger Life is part of the Challenger Financial Services Group, a financial services group based in Australia. Challenger Financial Services Group is comprised of three core businesses, Challenger Life, Challenger Wholesale Finance and Challenger Wealth Management. The Challenger group is listed on the Australian Stock Exchange and at 30 September, 2004 its assets under management and administration totalled A\$26.72 billion. The principal activity of Challenger Life is investing in a wide range of investment products financed through a combination of debt, annuitant obligations and equity. The other 9.9% Buyer, DeAm, is the trustee of an overseas government pension fund. Such 9.9% Buyer's principal functions are to: administer the fund, invest and manage its funds, provide for the custody of the assets and securities of the fund and ensure fund benefits are properly paid.

To the best of the knowledge, information and belief of the HWL Directors having made all reasonable enquiries, neither of the 9.9% Buyers, nor their respective ultimate beneficial owners, is a connected person of HWL.

REASONS FOR AND BENEFITS OF THE 9.9% DISPOSAL

CKI regarded the 9.9% Disposal as a good opportunity to expand the consortium and for CKI to align with quality strategic partners for this joint venture.

The CKI Directors believe the terms of the 9.9% Disposal are fair and reasonable and in the interests of CKI Shareholders as a whole.

The HWL Directors also believe the terms of the 9.9% Disposal are fair and reasonable and in the interests of HWL Shareholders as a whole. The HWL Directors endorse the reasons for entering into the 9.9% Disposal Agreement and the benefits which are expected to accrue to the HWL Group (of which CKI forms a part) as a result of the 9.9% Disposal as stated above.

FINANCIAL EFFECTS OF THE 9.9% DISPOSAL

As the financial results of CKI will be consolidated in HWL accounts, the effect of the 9.9% Disposal on the earnings, assets and liabilities of HWL, before taking into account the minority interests in CKI of approximately 15.42%, will be the same as the effect which such transaction has on the earnings, assets and liabilities of CKI (as set out on page 26 of the enclosed CKI Circular).

LETTER FROM THE BOARD

DISCLOSEABLE TRANSACTION

As a result of the Stock Exchange's ruling that the 9.9% Disposal should be aggregated with the Alpha Disposal, the 9.9% Disposal constitutes a discloseable transaction for HWL under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board

FOK Kin-ning, Canning
Group Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to HWL. The HWL Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF HWL DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions, if any, of each HWL Director and chief executive of HWL in the shares, underlying shares and debentures of HWL and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to HWL and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the HWL Directors or chief executives of HWL were deemed or taken to have under such provisions of the SFO); or which were required to be and were recorded in the register required to be kept by HWL pursuant to Section 352 of the SFO; or as otherwise required to be notified to HWL and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by HWL (the "Model Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of HWL

Long positions in the shares/underlying shares of HWL

| Name of HWL Director | Capacity | Nature of interests | Number of shares held | Number of underlying shares held | Total | Approximate % of shareholding | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|-------------------------|------------------------------|----------------------------------|---------------|-------------------------------|-----------------------|--------------------------------------|--------------------|------------------------------|------------------------|---------------|----------|--|-------------------------|--------------------------|---------|-----------------------|--------------------------------------|--------------------|--------------------------|------------------------|-----------|---------|-------------------------|------------------|-------------------|---------|
| Li Ka-shing | (i) Founder of discretionary trusts | (i) Other interest | 2,141,698,773 ⁽¹⁾ | -) | 2,177,275,773 | 51.0694% | | | | | | | | | | | | | | | | | | | | | | |
| | (ii) Interest of controlled corporations | (ii) Corporate interest | 35,577,000 ⁽²⁾ | -) | | | Li Tzar Kuoi, Victor | (i) Beneficiary of trusts | (i) Other interest | 2,141,698,773 ⁽¹⁾ | -) | 2,142,785,543 | 50.2604% | (ii) Interest of controlled corporations | (ii) Corporate interest | 1,086,770 ⁽³⁾ | -) | Fok Kin-ning, Canning | Interest of a controlled corporation | Corporate interest | 2,510,875 ⁽⁴⁾ | 757,939 ⁽⁵⁾ | 3,268,814 | 0.0767% | Chow Woo Mo Fong, Susan | Beneficial owner | Personal interest | 150,000 |
| Li Tzar Kuoi, Victor | (i) Beneficiary of trusts | (i) Other interest | 2,141,698,773 ⁽¹⁾ | -) | 2,142,785,543 | 50.2604% | | | | | | | | | | | | | | | | | | | | | | |
| | (ii) Interest of controlled corporations | (ii) Corporate interest | 1,086,770 ⁽³⁾ | -) | | | Fok Kin-ning, Canning | Interest of a controlled corporation | Corporate interest | 2,510,875 ⁽⁴⁾ | 757,939 ⁽⁵⁾ | 3,268,814 | 0.0767% | Chow Woo Mo Fong, Susan | Beneficial owner | Personal interest | 150,000 | - | 150,000 | 0.0035% | | | | | | | | |
| Fok Kin-ning, Canning | Interest of a controlled corporation | Corporate interest | 2,510,875 ⁽⁴⁾ | 757,939 ⁽⁵⁾ | 3,268,814 | 0.0767% | | | | | | | | | | | | | | | | | | | | | | |
| Chow Woo Mo Fong, Susan | Beneficial owner | Personal interest | 150,000 | - | 150,000 | 0.0035% | | | | | | | | | | | | | | | | | | | | | | |

| Name of HWL Director | Capacity | Nature of interests | Number of shares held | Number of underlying shares held | Total | Approximate % of shareholding |
|------------------------|---|---|---------------------------------|----------------------------------|------------|-------------------------------|
| Frank John Sixt | Beneficial owner | Personal interest | 50,000 | – | 50,000 | 0.0012% |
| Lai Kai Ming, Dominic | Beneficial owner | Personal interest | 50,000 | – | 50,000 | 0.0012% |
| George Colin Magnus | (i) Beneficial owner (ii) Interest of spouse | (i) Personal interest (ii) Family interest | 990,100 9,900 | – – | 1,000,000 | 0.0235% |
| Kam Hing Lam | Beneficial owner | Personal interest | 60,000 | – | 60,000 | 0.0014% |
| Michael David Kadoorie | Beneficiary of trust(s) | Other interest | 15,984,095 ⁽⁶⁾ | – | 15,984,095 | 0.3749% |
| Holger Kluge | Beneficial owner | Personal interest | 40,000 | – | 40,000 | 0.0009% |
| Simon Murray | (i) Beneficial owner (ii) Founder of a discretionary trust | (i) Personal interest (ii) Other interest | 25,000 35,000 ⁽⁷⁾ | – – | 60,000 | 0.0014% |
| William Shurniak | Beneficial owner | Personal interest | 165,000 | – | 165,000 | 0.0039% |
| Peter Alan Lee Vine | Beneficial owner | Personal interest | 33,000 | – | 33,000 | 0.0008% |

Notes:

(1) The two references to 2,141,698,773 shares of HWL relate to the same block of shares comprising:

- (a) 2,130,202,773 shares held by certain subsidiaries of Cheung Kong (Holdings) Limited (“Cheung Kong”). Mr Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust (“UT1”) but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, *inter alia*, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings (“TUT1 related companies”) hold more than one-third of the issued share capital of Cheung Kong.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of Cheung Kong by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of Cheung Kong independently without any reference to Unity Holdco or any of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies and the said shares of HWL held by the subsidiaries of Cheung Kong under the SFO as directors of Cheung Kong. Although Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a director of Cheung Kong and has no duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

- (b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3").

Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of HWL by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of HWL independently without any reference to Castle Holdco or any of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HWL held by TUT3 as trustee of UT3 under the SFO as HWL Directors. Although Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco and is a discretionary beneficiary of each of DT3 and DT4, he is not a HWL Director and has no duty of disclosure in relation to the shares of HWL held by TUT3 as trustee of UT3 under the SFO.

- (2) Such shares are held by certain companies of which Mr Li Ka-shing is interested in the entire issued share capital.
- (3) Such shares are held by certain companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (4) Such shares are held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.
- (5) Such underlying shares are the maximum number of shares that may be interested in under the US\$5,000,000 notes due 2005 issued by BNP Paribas and are held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.

- (6) *The Hon Michael David Kadoorie is deemed to be interested by virtue of the SFO in 15,984,095 shares of HWL.*
- (7) *Such shares are held by an offshore discretionary family trust of which Mr Simon Murray is the founder.*

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of HWL

Long positions in the shares, underlying shares and debentures of the associated corporations of HWL

As at the Latest Practicable Date, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as HWL Directors, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or HWL as described in Note (1) above:

- (i) (a) 1,912,109,945 shares, representing approximately 84.824% of the then issued share capital, in CKI of which 1,906,681,945 shares were held by a wholly-owned subsidiary of HWL and 5,428,000 shares were held by TUT1 as trustee of UT1; and
- (b) 2 underlying shares in CKI by virtue of the HK\$300,000,000 capital guaranteed notes due 2009 held by a wholly-owned subsidiary of Cheung Kong;
- (ii) 3,185,589,325 ordinary shares, representing approximately 70.791% of the then issued share capital, in Hutchison Telecommunications International Limited (“Hutchison Telecommunications International”) of which 28,402,698 ordinary shares and 3,157,033,347 ordinary shares were held by certain wholly-owned subsidiaries of each of Cheung Kong and HWL respectively and 153,280 ordinary shares were held by TUT3 as trustee of UT3;
- (iii) (a) 3,875,632,628 ordinary shares, representing approximately 56.136% of the then issued share capital, in Hutchison Global Communications Holdings Limited (“Hutchison Global Communications”) of which 248,743,835 ordinary shares and 3,626,888,793 ordinary shares were held by a wholly-owned subsidiary of Cheung Kong and a 70.16% owned subsidiary of HWL respectively; and
- (b) 4,374,999,999 underlying shares in Hutchison Global Communications of which 3,333,333,333 underlying shares and 1,041,666,666 underlying shares were derived from a nominal amount of HK\$3,200,000,000 in the 1% unsecured convertible notes due 2009 and the facility convertible notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000 respectively held by certain 70.16% owned subsidiaries of HWL;
- (iv) 829,599,612 shares, representing approximately 38.871% of the then issued share capital, in HEH which shares were held by certain wholly-owned subsidiaries of CKI;

- (v) 1,429,024,545 shares, representing approximately 36.736% of the then issued share capital, in TOM Group Limited of which 476,341,182 shares and 952,683,363 shares were held by a wholly-owned subsidiary of each of Cheung Kong and HWL respectively;
- (vi) 146,794,919 common shares, representing approximately 34.648% of the then issued share capital, in Husky Energy Inc. (“Husky Energy”) and 41,584 underlying common shares derived from 22,393 unlisted and physically settled transferable warrants in Husky Energy which were held by a wholly-owned subsidiary of HWL;
- (vii) a nominal amount of US\$33,700,000 in the 13% unsecured senior subordinated notes due 2010 (the “Partner Communications Notes”) issued by Partner Communications Company Ltd. (“Partner Communications”) which notes were held by a wholly-owned subsidiary of Cheung Kong; and
- (viii) all the shares, underlying shares and debentures of the subsidiary and associated companies of HWL held by HWL and its subsidiary companies.

As Mr Li Ka-shing may be regarded as a founder of DT3 for the purpose of SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of DT3 as disclosed in Note (1) above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as HWL Directors, were deemed to be interested in 152,786,548 common shares, representing approximately 36.062% of the then issued share capital, in Husky Energy and 43,281 underlying common shares derived from 23,307 unlisted and physically settled transferable warrants in Husky Energy which were held by a company in respect of which TDT3 as trustee of DT3 is indirectly entitled to substantially all the net assets thereof and of which Mr Li Ka-shing is additionally entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings. In addition, Mr Li Ka-shing had, as at the Latest Practicable Date, corporate interests in (i) 4,600 class C common shares, representing approximately 53.315% of the then issued share capital, in Husky Oil Holdings Limited; (ii) 245,546 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International; (iii) 286,312,000 ordinary shares, representing approximately 4.147% of the then issued share capital, in Hutchison Global Communications; and (iv) a nominal amount of US\$1,500,000 in the Partner Communications Notes, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at the Latest Practicable Date, the following interests:

- (i) family interests in 151,000 shares, representing approximately 0.007% of the then issued share capital, in HEH held by his spouse; and
- (ii) corporate interests in (a) 14,489 ordinary shares, representing approximately 0.0003% of the then issued share capital, in Hutchison Telecommunications International; (b) 26,300,000 ordinary shares, representing approximately 0.381% of the then issued share capital, in Hutchison Global Communications; (c) a nominal amount of US\$11,000,000 in the 6.5% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited; (d) a nominal amount of US\$2,000,000 in the 7% Notes due 2011 issued by Hutchison Whampoa International (01/11) Limited; and (e) a nominal amount of US\$10,989,000 in the Partner Communications Notes, which were held by companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

Mr Fok Kin-ning, Canning had, as at the Latest Practicable Date, the following interests:

- (i) (a) 1,100,000 ordinary shares, representing approximately 0.162% of the then issued share capital, in Hutchison Telecommunications (Australia) Limited (“Hutchison Telecommunications Australia”) comprising personal and corporate interests in 100,000 and 1,000,000 ordinary shares respectively; and
- (b) 1,474,001 underlying shares in Hutchison Telecommunications Australia comprising personal and corporate interests in 134,000 and 1,340,001 underlying shares respectively on conversion of the listed and physically settled 5.5% Unsecured Convertible Notes due 2007 issued by Hutchison Telecommunications Australia;
- (ii) corporate interests in 250,000 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International;
- (iii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.075% of the then issued share capital, in Hutchison Harbour Ring Limited;
- (iv) corporate interests in 10,000,000 ordinary shares, representing approximately 0.145% of the then issued share capital, in Hutchison Global Communications;
- (v) corporate interests in 300,000 common shares, representing approximately 0.071% of the then issued share capital, in Husky Energy;
- (vi) corporate interests in 225,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.123% of the then issued share capital, in Partner Communications; and
- (vii) corporate interests in a nominal amount of Eur 20,900,000 in the 5.875% Notes due 2013 issued by Hutchison Whampoa Finance (03/13) Limited, a nominal amount of US\$4,000,000 in the Partner Communications Notes and a nominal amount of US\$6,500,000 in the 6.25% Notes due 2014 issued by Hutchison Whampoa International (03/33) Limited.

Mr Fok Kin-ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally owned by Mr Fok and his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in 250,000 ordinary shares, representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in 17,000 American Depositary Shares (each representing 15 ordinary shares), representing approximately 0.006% of the then issued share capital, in Hutchison Telecommunications International.

Mr George Colin Magnus had, as at the Latest Practicable Date, the following interests:

- (i) personal interests in 25,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.014% of the then issued share capital, in Partner Communications held in his capacity as a beneficial owner; and
- (ii) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in Hutchison Telecommunications International comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse.

Mr Kam Hing Lam in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in 100,000 shares, representing approximately 0.004% of the then issued share capital, in CKI.

Mr Holger Kluge in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in (a) 200,000 ordinary shares, representing approximately 0.030% of the then issued share capital, in Hutchison Telecommunications Australia and (b) 10,000 common shares, representing approximately 0.002% of the then issued share capital, in Husky Energy.

Mr Peter Alan Lee Vine in his capacity as a beneficial owner had, as at the Latest Practicable Date, personal interests in 80,000 shares, representing approximately 0.004% of the then issued share capital, in HEH.

Save as disclosed above, as at the Latest Practicable Date, none of the HWL Directors and chief executive of HWL and their respective associates had any interest or short positions in the shares, underlying shares and debentures of HWL or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to HWL and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to HWL and the Stock Exchange.

Certain HWL Directors held qualifying shares in certain subsidiaries of HWL on trust for other subsidiaries.

3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

So far as is known to any HWL Directors or chief executives of HWL, as at the Latest Practicable Date, other than the interests and short positions of the HWL Directors or chief executives of HWL as disclosed above, the following persons had interests or short positions in the shares or underlying shares of HWL which would fall to be disclosed to HWL under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by HWL under Section 336 of the SFO:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of HWL

Long positions in the shares of HWL

| Name | Capacity | Number of shares held | Approximate % of shareholding |
|--|-------------------------------------|------------------------------|-------------------------------|
| Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") | Trustee and beneficiary of a trust | 2,130,202,773 ⁽¹⁾ | 49.97% |
| Li Ka-Shing Unity Trustcorp Limited ("TDT2") | Trustee and beneficiary of a trust | 2,130,202,773 ⁽¹⁾ | 49.97% |
| Li Ka-Shing Unity Trustee Company Limited ("TUT1") | Trustee | 2,130,202,773 ⁽¹⁾ | 49.97% |
| Cheung Kong (Holdings) Limited ("Cheung Kong") | Interest of controlled corporations | 2,130,202,773 ⁽¹⁾ | 49.97% |
| Continental Realty Limited | Beneficial owner | 465,265,969 ⁽²⁾ | 10.91% |

(II) Interests and short positions of other persons in the shares and underlying shares of HWL

Long positions in the shares of HWL

| Name | Capacity | Number of shares held | Approximate % of shareholding |
|-----------------------------|-------------------------------------|----------------------------|-------------------------------|
| Honourable Holdings Limited | Interest of controlled corporations | 322,942,375 ⁽²⁾ | 7.57% |
| Winbo Power Limited | Beneficial owner | 236,260,200 ⁽²⁾ | 5.54% |
| Polycourt Limited | Beneficial owner | 233,065,641 ⁽²⁾ | 5.47% |
| Well Karin Limited | Beneficial owner | 226,969,600 ⁽²⁾ | 5.32% |

Notes:

- (1) The four references to 2,130,202,773 shares of HWL relate to the same block of shares of HWL which represent the total number of shares of HWL held by certain wholly-owned subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under the SFO. In addition, by virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same 2,130,202,773 shares of HWL held by Cheung Kong as described in Note (1)(a) above.
- (2) These are wholly-owned subsidiaries of Cheung Kong and their interests in the shares of HWL are duplicated in the interests of Cheung Kong.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a HWL Director or chief executive of HWL), who had an interest or short position in the shares and underlying shares of HWL which would fall to be disclosed to HWL under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the HWL Group.

4. COMPETING BUSINESS INTERESTS OF HWL DIRECTORS

As at the Latest Practicable Date, the HWL Directors have interests in companies of which their businesses compete or are likely to compete, either directly or indirectly, with the businesses of HWL as required to be disclosed pursuant to Rule 8.10 of the Listing Rules, by virtue of either (i) their directorship in a number (in excess of 100) of associated companies or other companies in which HWL has less than 20% shareholding interest, as a result of their nomination by HWL to the board of such companies; or (ii) their deemed interests in the following companies:

| Name | Name of company | Nature of competing business |
|-------------------------------------|--|--|
| Li Ka-shing Li Tzar Kuoi, Victor | Cheung Kong and its associated companies | <ul style="list-style-type: none"> – Property development and investment – Hotels ownership, management, operations and related services – Research, manufacture and sale of biotechnological and pharmaceutical products – Finance and investment |
| | Husky Energy | – Integrated oil and gas business |
| | TOM Group Limited | <ul style="list-style-type: none"> – Telecom value added services, including an Internet portal delivering Internet infotainment content and services – Development of software and computer network systems – Broadband content and service provision |

Save as disclosed above, as at the Latest Practicable Date, none of the HWL Directors was interested in any business apart from the HWL Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the HWL Group.

5. LITIGATION

So far as the HWL Directors are aware, as at the Latest Practicable Date, neither HWL nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against HWL or any of its subsidiaries.

6. MISCELLANEOUS

- (a) The HWL Group operates and invests in five core businesses: ports and related services; telecommunications; property and hotels; retail and manufacturing; and energy, infrastructure, finance and investments.
- (b) As at the Latest Practicable Date, none of the HWL Directors had any service contract with HWL or any of its subsidiaries.
- (c) The company secretary of HWL is Ms Edith Shih, a solicitor admitted in Hong Kong, England and Wales and Victoria, Australia. Ms Shih is also a Fellow of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries. She holds a Bachelor of Science degree in Education and a Master of Arts degree from the University of the Philippines, a Master of Arts degree and a Master of Education degree from Columbia University, New York.
- (d) The qualified accountant of HWL is Mr Donald Jeffrey Roberts, Certified Public Accountant, Member (Associate) of the Hong Kong Institute of Certified Public Accountants and Member of the Canadian Institute of Chartered Accountants. Mr Roberts holds a Bachelor of Commerce degree from the University of Calgary, Canada.