



Press Release
1 September 2004

Hongkong Electric in Discussion with CKI on North England Gas Acquisition

Hongkong Electric Holdings Ltd. (the Company) confirmed today that it is in discussions with Cheung Kong Infrastructure Holdings Limited (CKI) regarding the purchase of part of its interest in the recently announced acquisition of the North England Gas Distribution Network (NEG).

Mr. Andrew Hunter, the Company's Group Finance Director, said that such discussions are in progress. CKI announced yesterday that it intends to on-sell part of its interest in NEG.

"The Company has been studying the British energy market for some time and would be delighted to have an opportunity to participate in this acquisition," Mr. Hunter added.

A formal announcement will be made when agreement is reached with CKI. As any such acquisition would constitute a connected transaction under the Hong Kong listing rules, the Company will comply with the relevant requirements of the listing rules relating to connected transactions including, where required, shareholders approval.

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About Hongkong Electric Holdings

Hongkong Electric Holdings Ltd. (HEH) 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 its principal activity is to generate and supply electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HEH, pursuing investment opportunities outside Hong Kong.

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