



Press Release  
16 May 2008

### **CKI and HEH Reach Agreement on Wellington Network Acquisition**

Cheung Kong Infrastructure Holdings Ltd. (CKI) and Hongkong Electric Holdings Ltd. (HEH) announced today (16 May 2008) that they have entered into an agreement for HEH to acquire from CKI, a 50% interest in a company formed by CKI for the acquisition of the Wellington electricity distribution network from Vector Limited.

The consideration for the Wellington Network is about NZ\$785 million (approximately HK\$4,673.7 million) and HEH's commitment is about NZ\$392.5 million (approximately HK\$2336.85 million). The acquisition by CKI is expected to be completed by July this year.

As CKI is a substantial shareholder of HEH and is regarded as a connected person under Hong Kong listing rules, approval from independent shareholders of HEH for the agreement will be required at an Extraordinary General Meeting scheduled around end-June.

The Wellington network, the fourth largest electricity distribution network in New Zealand, has a system length of over 4,592 km and is serving the Wellington, Porirua and Hutt Valley regions.

Group Managing Director of CKI, Mr. H L Kam said: "CKI and HEH have worked together on a number of joint venture projects in the past. The previous experience of working together successfully made HEH an appropriate entity to co-invest in the Wellington Network. We expect the Transaction will allow CKI to retain a significant attributable interest in the Wellington Network and at the same time benefit from this partnership."

Group Managing Director of HEH, Mr. Tso Kai-sum said: "HEH has been studying the New Zealand energy market for some time with a view to expanding our overseas investment portfolio. This acquisition has allowed us to set foot on this new market and we hope to leverage on our expertise in the power industry, and in transmission and distribution sector in particular, for the benefit of both CKI and HEH."

"The Transaction reflects HEH's strategy of investing in infrastructure projects outside Hong Kong. We will continue to look for investment opportunities in order to increase the proportion of earnings derived from activities outside Hong Kong," Mr. Tso added.

### **About CKI**

CKI is the largest publicly listed infrastructure investment company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure and Infrastructure Related Business. Operating in Hong Kong, Mainland China, Australia, the United Kingdom, Canada and the Philippines, it is a leading player in the global infrastructure arena.

### **About HEH**

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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