



Press Release

4 June 2010

CKI and HEH Reach Agreement on Seabank Power Acquisition

Cheung Kong Infrastructure Holdings Ltd. (CKI) and Hongkong Electric Holdings Ltd. (HEH) announced today (4 June 2010) that they have entered into an agreement for HEH to acquire from CKI, a 50% interest in a company holding a 50% stake in Seabank Power Limited (Seabank), an electricity-generating company located near Bristol in the United Kingdom (UK).

Pursuant to an announcement by CKI dated 28 April 2010, CKI has acquired a 50% stake in Seabank from BG Energy Holdings Limited, a wholly owned subsidiary of BG Group plc. The remaining 50% stake in Seabank will continue to be owned by Scottish and Southern Energy plc (SSE).

The maximum total consideration for the HEH acquisition is approximately HK\$1.234 billion (approximately GBP108.1 million). After the acquisition which is expected to be completed by 10 June, HEH and CKI will each have an effective 25% stake in Seabank.

Seabank owns and operates Seabank Power Station, which comprises two combined-cycle gas turbine generation units with an aggregate capacity of approximately 1,140 MW. All electricity generated by Seabank will be sold to SSE Energy Supply Ltd., a wholly-owned subsidiary of SSE, under a long-term contract.

The acquisition is expected to provide long-term stable earnings and cash flow to HEH immediately. With this transaction, HEH will have interests in 10,526MW of total generating capacity inside and outside Hong Kong.

CKI and HEH already have investments in the UK and the investment in Seabank represents their first foray into the UK power generation market. The addition of Seabank is consistent with the strategies of CKI and HEH to leverage their strong financial positions and operational expertise to acquire new assets located in attractive markets around the world.

Commenting on the acquisition, Mr H L Kam, Group Managing Director of CKI said, “CKI and HEH have worked together on a number of joint venture projects in the past and our previous experience of working successfully together made HEH a natural fit in the partnership for the Seabank investment. We believe that HEH’s participation in the Seabank project will be another chapter in the successful partnership between our two companies.”

Group Managing Director of HEH, Mr. Tso Kai-sum said, “The Seabank transaction is an excellent transaction for HEH, allowing us to acquire very high quality generating assets with stable return.”

“We have a long and successful partnership with CKI and are delighted to have the opportunity to participate in another joint venture project. We hope to make the best use of our experience and expertise in the power industry for the benefit of both CKI and HEH,” he added.

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About CKI

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

About HEH

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 is principally engaged in generating and supplying electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HEH and pursues investment opportunities outside Hong Kong.

Media Enquiries:

Cheung Kong Infrastructure Holdings Ltd.
Mrs. Wendy Tong Barnes
Chief Corporate Affairs Officer
Tel: 2122 1250

Hongkong Electric Holdings Ltd.
Ms Esme Lau
Public Affairs Manager
(Media & Community)
Tel: 2843 3225/6339 0296