



CKI and HK Electric Granted Exclusivity for a HK\$70 Billion Electricity Distribution Asset in the United Kingdom

(30 July, 2010 – Hong Kong) – A consortium led by Cheung Kong Infrastructure Holdings Limited ("CKI") and Hongkong Electric Holdings Limited ("HK Electric") have made an irrevocable offer to Electricité de France ("EDF") for 100% of EDF Energy plc's ownership in its United Kingdom regulated and non-regulated network activities with a total offer price of GBP 5.775 billion, approximately HK \$70 billion.

In exchange for this offer, EDF have granted the CKI/HK Electric Consortium a period of exclusivity for finalisation of the transaction.

The offer is subject to acceptance by EDF and shall remain open for acceptance until 24 October 2010. EDF have advised that their decision will depend on, amongst other things, the completion of their consultation with its European Works Council.

If the offer is accepted by EDF, the proposed transaction will be conditional upon approval from shareholders of CKI and independent shareholders of HK Electric respectively. In addition, it will be further conditional upon the Commission of the European Union deciding that there is no merger control issue that needs to be referred to a competent competition authority.

It is expected that both CKI and HK Electric will each hold a 40% stake in the proposed investment, with the remaining 20% stake being taken by the Li Ka Shing Foundation Limited and Li Ka Shing (Overseas) Foundation.

EDF's electricity distribution assets in the United Kingdom comprise three regional networks with a distribution area that covers London, South East England and the East of England. Serving around 7.8 million customers, these networks provide nearly a quarter of the electrical power in the United Kingdom, representing the country's largest electricity distributor. In addition EDF's

business includes a non-regulated business comprising commercial contracts to distribute electricity to a number of privately owned sites.

The proposed transaction, if completed, will further strengthen CKI and HK Electric's global portfolio of electricity investments, which currently comprises premium assets in Australia, the United Kingdom, Canada, New Zealand, Mainland China, and Thailand.

Furthermore, the proposed transaction, if completed, will greatly strengthen CKI and HK Electric's presence in the United Kingdom. With existing investments in the country amounting to approximately GBP1.67 billion (over HK\$20 billion), the acquisition of EDF's electricity distribution businesses, upon completion, will significantly extend the scale of CKI and HK Electric's investment in the United Kingdom.

Mr H L Kam, Group Managing Director of CKI, commented: "We are very pleased to be granted exclusivity by EDF for its United Kingdom electricity distribution assets. If and when our offer is accepted and the proposed transaction executed, the consideration involved in the transaction represents the largest investment made by CKI since listing."

Mr Kam said: "This project, upon completion, will provide CKI with immediate profit contribution as well as stable and steady returns, meeting the stringent investment criteria of CKI."

"CKI has always been attracted to the regulated industries in the United Kingdom due to the regulatory regime, financial infrastructure and rule of law. We are delighted to further extend our presence in this market," he continued.

Mr Kam concluded: "This project is our fourth deal this year. We will continue to drive forward our acquisition momentum and study a number of infrastructure investment opportunities around the world. Different strategies and different timelines will be adopted according to the size and scale of the projects. It is our aim to continue to make new investments to enhance CKI's asset portfolio and generate stable and steady returns for our shareholders."

Mr K S Tso, Group Managing Director of HK Electric, said: "This proposed transaction, upon completion, will be the largest acquisition HK Electric has made."

"In addition to our gas distribution investment in Northern Gas Networks and power plant investment in Seabank Power in the United Kingdom, HK Electric is delighted to have this opportunity to expand our portfolio with EDF's electricity distribution businesses in the nation," continued Mr Tso.

"This proposed transaction, upon completion, will significantly enrich our earnings from investments outside of Hong Kong from the current 35.5% recorded in the first half of 2010. Through these attractive assets, we will continue to diversify our profit base outside of Hong Kong and achieve growth," expressed Mr Tso.

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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 United Kingdom, Canada and the Philippines, CKI is a leading player in the global infrastructure arena.

About HK Electric

HK Electric is the listed vehicle of the Hongkong Electric Group of companies which includes the Hongkong Electric Company Limited ("HEC"), Hongkong Electric International Limited ("HEI") and other subsidiaries. HEC is an electricity utility established in 1889 and is principally engaged in generating and supplying electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HEH and pursues investment opportunities outside of Hong Kong.

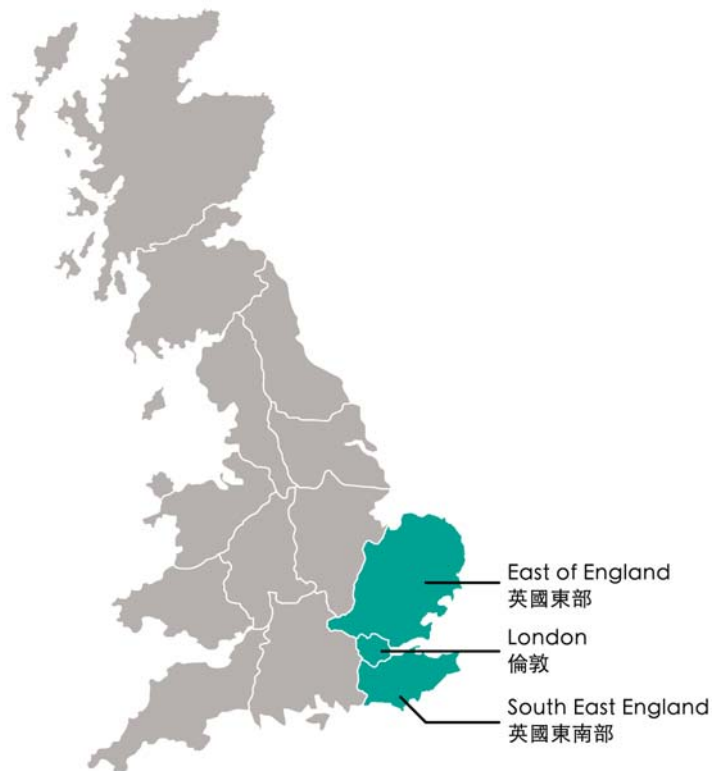
About EDF Energy

EDF Energy is the largest electricity supplier in Britain. The company's distribution network comprises three regional networks in London, Eastern England and Southeast England. EDF Energy provides power to nearly a quarter of the UK's population through its electricity networks and supplies electricity to 7.8 million customers.

For enquiries, please contact Mrs Wendy Tong Barnes of CKI at (852)2122-2150 or Miss Mimi Yeung of Hongkong Electric at (852) 2843-3268.

EDF Energy Electricity Distribution Network in the UK

Fact Sheet



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

EDF owns and operates three regional networks in

 - London;
 - East of England, incorporating all of the counties of Norfolk, Suffolk and Hertfordshire, most of Cambridgeshire, Essex and Bedfordshire, parts of Buckinghamshire and Oxfordshire, and the northern suburbs of Greater London; and
 - Southeast England, incorporating all of Kent, East Sussex, West Sussex and much of Surrey.

- **Services Extended to the Following Renowned UK Businesses and**

- Operations:**

- Four London airports, namely Heathrow, Gatwick, Stansted and London City Airport
 - The London Underground, the city's rapid transit system
 - The Channel Tunnel Rail Link
 - The London Stock Exchange in the City of London
 - Sports facilities, including the All England Lawn Tennis & Croquet Club, where the Wimbledon Championships are held; Wembley Stadium, the home venue of the English National Football Team; and English Premier League football stadiums, including Emirates Stadium (Arsenal), Stamford Bridge (Chelsea), White Hart Lane (Tottenham Hotspur), The Boleyn Ground (West Ham United)
 - Tourist attractions, such as the London Eye, Tower Bridge and Buckingham Palace
 - Education institutions, including University of Cambridge, University College London and the London School of Economics and Political Science

Chronology of CKI & HK Electric Investments in the UK

<u>Date</u>	<u>Event</u>
April, 2004	CKI acquired 100% of Cambridge Water for a consideration of about GBP 51.38 million.
June, 2005	CKI completed acquisition of 40% interest in Northern Gas Networks for a consideration of approximately GBP557.5 million. HK Electric also completed acquisition of 19.9% interest in Northern Gas Networks for a consideration of approximately GBP 277.3 million.
December, 2007	CKI acquired a 4.879% stake in Southern Water for a consideration of GBP62.6 million. (current shareholding: 4.75%)
November, 2009	CKI and HK Electric spent approximately GBP75.8 million to increase their joint stake in Northern Gas Networks from around 75.1% to 88.4%.
May, 2010	CKI acquired a 50% stake in Seabank Power for a consideration of about GBP211.7 million.
June, 2010	CKI sold 25% of Seabank Power to HK Electric.
July, 2010	A consortium led by CKI and HK Electric was granted exclusivity for EDF electricity distribution asset in the United Kingdom at GBP5.775 billion.

Date: July 30, 2010

CKI & HK Electric Global Energy Investments

1. Electricity Generation Portfolio

Country/Region	Project	Installed Capacity
Hong Kong	HK Electric	3,736 MW
Mainland China	Siping Cogen Power Plants	200 MW
Mainland China	Zhuhai Power Plant (Units 1 & 2)	1,400 MW
Mainland China	Zhuhai Jinwan Phase 1 Power Plant Project	1,200 MW
Mainland China	Zhuhai Jinwan Phase 2 Power Plant Project (not yet in operation)	2,000 MW
Mainland China	Dali and Leting Wind Farms	97.5MW
Canada	Sheerness Generation Plant	780 MW
Canada	Fort Saskatchewan Cogen Plant	118 MW
Canada	Meridian Cogen Plant	220 MW
Canada	Mississauga Cogen Plant	108 MW
Canada	Ottawa Cogen Plant	68 MW
Canada	Windsor Cogen Plant	68 MW
UK	Seabank Power Station	1,140 MW
Thailand	Ratchaburi Power Company Ltd	1,400MW

Total: 12,535.5 MW

2. Electricity Distribution Networks

Country	Project	Network Length	No. of Customer
Australia	ETSA Utilities	86,276 km	over 800,000
Australia	Powercor Australia Limited	82,653 km	around 700,000
Australia	CitiPower I Pty Ltd	6,445 km	over 310,000
New Zealand	Wellington Electricity Lines Limited	4,592 km	over 160,000
UK	EDF Energy	182,158 km	around 7.8 million

3. Gas Distribution Networks

Country	Project	Network Length	No. of Customer
Australia	Envestra Limited	21,000 km	over 1 million
UK	Northern Gas Networks Limited	37,000 km	around 2.6 million

Date: July 30, 2010