

CKI HOLDINGS<1038> & HK ELECTRIC<0006> - Joint Announcement

The Stock Exchange has received a message from Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited which is reproduced as follows:

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CKI Utilities Development Limited, HEI Utilities Development Limited and Utilities Management Pty Ltd (collectively the "Purchasers"), companies each ultimately owned as to 50% by each of Cheung Kong Infrastructure Holdings Limited ("CKI") and Hongkong Electric Holdings Limited ("HEH"), have on 12th December 1999 entered into agreements with the State of South Australia and the state controlled companies ETSA Utilities and ETSA Power, for the right to manage and operate ETSA Utilities for 200 years and the acquisition of ETSA Power. The total consideration for the above transactions is A\$3.4 billion (approximately HK\$16.8 billion).

ETSA Utilities is the major electricity distributor and ETSA Power is the principal electricity retailer in the State of South Australia.

CKI and HEH will guarantee the Purchasers' obligations to complete the transactions on a several basis and pro rata to their respective 50% interests in each of the Purchasers. It is expected that the above transactions will be completed on 28th January 2000 and it is currently intended that funding for the acquisition will be initially provided by bank facilities guaranteed by CKI and HEH on a several basis and pro rata to their respective 50% interests in each of the Purchasers.

Hong Kong, 13th December 1999

By order of the Board
CHEUNG KONG INFRASTRUCTURE
HOLDINGS LIMITED
Eirene Yeung
Company Secretary

By order of the Board
HONGKONG ELECTRIC HOLDINGS
LIMITED

Lillian Wong
Company Secretary"