



CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

**ANNOUNCEMENT
VERY SUBSTANTIAL ACQUISITION
AND
VERY SUBSTANTIAL DISPOSALS
RESULTS OF THE SGM**

RESULTS OF THE SGM

At the SGM held on 14th December, 2004, the ordinary resolutions:

- (i) to approve, inter alia, the Blackwater Acquisition on the terms and subject to the conditions of the Blackwater Acquisition Agreement and the Gas Network Shareholders Agreement;
- (ii) to approve, inter alia, the Alpha Disposal on the terms and subject to the conditions of the Alpha Disposal Agreement; and
- (iii) to approve, inter alia, the 9.9% Disposal on the terms and subject to the conditions of the 9.9% Disposal Agreement,

were duly passed by the Company Shareholders.

RESULTS OF THE HEH EGM

The board of directors of HEH has announced that the ordinary resolution to approve, inter alia, the Alpha Acquisition on the terms and subject to the conditions set out in the Alpha Disposal Agreement was duly passed by the HEH Independent Shareholders at the HEH EGM.

COMPLETION OF THE ALPHA DISPOSAL AGREEMENT

Accordingly, as at the date of this announcement, both of the Alpha Disposal Conditions have been fulfilled. It is currently expected that completion of the Alpha Disposal Agreement will take place on 17th December, 2004, being 3 business days following the date on which the Alpha Disposal Conditions were satisfied.

COMPLETION OF THE 9.9% DISPOSAL AGREEMENT

Furthermore, as at the date of this announcement, all of the 9.9% Disposal Conditions have been fulfilled. It is currently expected that completion of the 9.9% Disposal Agreement will take place on 17th December, 2004, being 3 business days following the date on which the Company Shareholders approved the Blackwater Acquisition.

Reference is made to the Circular. Terms used herein shall have the same meaning as those defined in the Circular unless the context requires otherwise.

RESULTS OF THE SGM

As at the date of the SGM, the issued share capital of the Company comprised 2,254,209,945 Shares, being the total number of Shares entitling the holders to attend and vote for or against the following ordinary resolutions:

- (i) to approve, inter alia, the Blackwater Acquisition on the terms and subject to the conditions of the Blackwater Acquisition Agreement and the Gas Network Shareholders Agreement;
- (ii) to approve, inter alia, the Alpha Disposal on the terms and subject to the conditions of the Alpha Disposal Agreement; and

(iii) to approve, inter alia, the 9.9% Disposal on the terms and subject to the conditions of the 9.9% Disposal Agreement,

each as set out in the notice of SGM set out in the Circular.

As at the date of the SGM, there were no Shares entitling the holders to attend and vote only against Ordinary Resolution (i), Ordinary Resolution (ii) and/or Ordinary Resolution (iii) at the SGM. In addition, the Board confirmed that no persons were required to abstain from voting in respect of Ordinary Resolution (i), Ordinary Resolution (ii) and/or Ordinary Resolution (iii) under the Listing Rules.

At the SGM, Ordinary Resolution (i), Ordinary Resolution (ii) and Ordinary Resolution (iii) were each voted on by poll and duly passed by the Company Shareholders.

The branch share registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the poll at the SGM.

The poll results in respect of Ordinary Resolution (i), Ordinary Resolution (ii) and Ordinary Resolution (iii) are as follows:

| Ordinary Resolution (i) | Number of votes*(%) | |
|--|----------------------------|-----------|
| To approve, inter alia, the Blackwater Acquisition on the terms and subject to the conditions of the Blackwater Acquisition Agreement and the Gas Network Shareholders Agreement | For | Against |
| | 2,028,719,986 (100%) | 0 (0%) |
| As more than 50% of the votes were cast in favour of Ordinary Resolution (i), Ordinary Resolution (i) was duly passed. | | |
| Ordinary Resolution (ii) | Number of votes*(%) | |
| To approve, inter alia, the Alpha Disposal on the terms and subject to the conditions of the Alpha Disposal Agreement | For | Against |
| | 2,028,719,986 (100%) | 0 (0%) |
| As more than 50% of the votes were cast in favour of Ordinary Resolution (ii), Ordinary Resolution (ii) was duly passed. | | |
| Ordinary Resolution (iii) | Number of votes*(%) | |
| To approve, inter alia, the 9.9% Disposal on the terms and subject to the conditions of the 9.9% Disposal Agreement | For | Against |
| | 2,028,719,986 (100%) | 0 (0%) |
| As more than 50% of the votes were cast in favour of Ordinary Resolution (iii), Ordinary Resolution (iii) was duly passed. | | |

* Based on the total number of the Shares held by the Company Shareholders who voted at the SGM in person or by proxy.

RESULTS OF THE HEH EGM

The board of directors of HEH has announced in the HEH Announcement that the HEH Ordinary Resolution to approve, inter alia, the Alpha Acquisition on the terms and subject to the conditions set out in the Alpha Disposal Agreement, and the transactions contemplated thereunder was duly passed by the HEH Independent Shareholders at the HEH EGM.

COMPLETION OF THE ALPHA DISPOSAL AGREEMENT

Accordingly, as at the date of this announcement, both of the Alpha Disposal Conditions have been fulfilled. It is currently expected that completion of the Alpha Disposal Agreement will take place on 17th December, 2004, being 3 business days following the date on which the Alpha Disposal Conditions were satisfied.

COMPLETION OF THE 9.9% DISPOSAL AGREEMENT

Furthermore, as at the date of this announcement, all of the 9.9% Disposal Conditions have been fulfilled. It is currently expected that completion of the 9.9% Disposal Agreement will take place on 17th December, 2004, being 3 business days following the date on which the Company Shareholders approved the Blackwater Acquisition.

COMPLETION OF THE BLACKWATER ACQUISITION AGREEMENT

Subject to the fulfillment of the Blackwater Acquisition Conditions and to the termination rights referred to in the Circular, completion of the Blackwater Acquisition Agreement shall take place on the first day of the month following service of the first (in time) Option Exercise Notice to be served or at such other time as Transco and Gas Network shall agree.

As at the date of this announcement, one of the Blackwater Acquisition Conditions had been fulfilled, being the requirement to obtain the approval of the Company Shareholders to the Blackwater Acquisition. The following Blackwater Acquisition Conditions remain outstanding:

- (i) completion of the Hive Down Agreement in accordance with its terms;
- (ii) HSE having confirmed in writing its acceptance of the amended safety cases of each of Transco and Blackwater in accordance with GS(M)R;
- (iii) the Authority having given its consent to the sale of the Blackwater Shares to Gas Network under Blackwater's gas transporter licence; and
- (iv) notification, if any, of the Blackwater Acquisition to the European Commission under Council Regulation (EC) 139/2004 concerning control of concentrations between undertakings being dealt with by the European Commission in accordance with the Blackwater Acquisition Agreement.

None of the Blackwater Acquisition Conditions may be waived save with the express written agreement of both Transco and Gas Network.

If the Blackwater Acquisition Conditions are not satisfied or waived by 1st July, 2005 (or such later date as Transco and Gas Network, each acting reasonably, may agree), or it is agreed between Transco and Gas Network (acting reasonably) that a Blackwater Acquisition Condition is incapable of being satisfied, the Blackwater Acquisition Agreement shall automatically terminate and the Blackwater Acquisition will not proceed. The Blackwater Acquisition Agreement shall terminate if completion of the Blackwater Acquisition Agreement has not taken place on or before 29th August, 2005, unless such failure to complete by such date is as a result of the parties being unable to agree upon the occurrence of a fundamental adverse change and an independent expert subsequently determines that no fundamental adverse change has occurred.

BOARD COMPOSITION

As at the date of this announcement, the Executive Directors of the Company are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. George Colin MAGNUS (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. KWAN Bing Sing, Eric (Deputy Managing Director), Mrs. CHOW WOO Mo Fong, Susan, Mr. Frank John SIXT and Mr. TSO Kai Sum; and the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina, Mr. Barrie COOK, Mrs. KWOK Eva Lee (Independent Non-executive Director) and Mrs. SNG Sow-Mei (PHOON Sui Moy, alias POON Sow Mei) (Independent Non-executive Director).

DEFINITIONS

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| “Alpha Acquisition” | the acquisition by HEH of the Alpha Sale Share from the Company |
| “Board” | the board of directors of the Company |
| “Circular” | the circular sent by the Company to the Company Shareholders dated 26th November, 2004 |
| “Company” | Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1038) |
| “Company Shareholders” | the shareholders of the Company |
| “HEH” | Hongkong Electric Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 006) |

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

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| “HEH Announcement” | the announcement dated 14th December, 2004 made by HEH |
| “HEH Circular” | the circular sent by HEH to the HEH Shareholders dated 26th November, 2004 |
| “HEH EGM” | the extraordinary general meeting of HEH held on 14th December, 2004 held to approve the HEH Ordinary Resolution |
| “HEH Independent Shareholders” | HEH Shareholders other than the Company and its associates (as defined in the Listing Rules) |
| “HEH Ordinary Resolution” | the ordinary resolution as set out in the notice of HEH EGM contained in the HEH Circular |
| “HEH Shareholders” | the shareholders of HEH |
| “Ordinary Resolution (i)” | the ordinary resolution numbered (i) as set out in the notice of SGM contained in the Circular |
| “Ordinary Resolution (ii)” | the ordinary resolution numbered (ii) as set out in the notice of SGM contained in the Circular |
| “Ordinary Resolution (iii)” | the ordinary resolution numbered (iii) as set out in the notice of SGM contained in the Circular |
| “SGM” | the special general meeting of the Company held on 14th December, 2004 to approve Ordinary Resolution (i), Ordinary Resolution (ii) and Ordinary Resolution (iii) |
| “Shares” | ordinary shares of HK\$1 each in the share capital of the Company |

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

Hong Kong, 14th December, 2004

Please also refer to the published version of this announcement in The Standard dated 15 December 2004.