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CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1038)

VERY SUBSTANTIAL DISPOSALS

SUMMARY

The board of directors of CKI announces that on 8th November, 2005, an Implementation Deed was entered into amongst (inter alia) CKI, the Fund and Newco pursuant to which (i) CKI agreed to procure the sale and the Fund agreed to purchase from CKI a 49% attributable interest in ETSA; and (ii) CKI agreed to procure the sale and the Fund agreed to purchase or procure the purchase from CKI a 49% attributable interest in CHEDHA.

The Consideration will be the aggregate of (i) the gross proceeds of the IPO from the sale of a 49% attributable interest in each of ETSA and CHEDHA which will be based on the IPO Price; and (ii) the proceeds of a bank financing undertaken by the Fund in the amount of approximately A\$425 million (approximately HK\$2,435 million). The Consideration will be payable on Completion. CKI has agreed to use part of the Consideration to settle all costs relating to the IPO and as subscription money to subscribe upon Completion such number of Fund Shares representing 9.9% of the issued stapled securities of the Fund (after giving effect to the IPO) at the IPO Price. The IPO Price will be determined by way of a bookbuilding process and is currently expected to be between A\$1.80 (approximately HK\$10.31) and (but could be more than) A\$2.00 (approximately HK\$11.46) per Fund Share. Based on such price range, the minimum and the maximum Consideration will be approximately A\$2,241 million (approximately HK\$12,841 million) and (but could be more than) approximately A\$2,443 million (approximately HK\$13,998 million) respectively. The Fund is currently applying for a listing on the ASX.

CKI is a diversified infrastructure company with a focus in the development, investment and operation of infrastructure businesses currently in Hong Kong, Mainland China, Australia, the United Kingdom, Canada and the Philippines.

The Disposals constitute very substantial disposal transactions for CKI under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Disposals are conditional upon approval by the CKI Shareholders at the CKI SGM. Prior to Completion, the Fund, Newco and their ultimate beneficial owners are, to the best of the CKI Directors' knowledge, information and belief, after making all reasonable enquiries, Independent Third Parties.

On 9th November, 2005, CKI received from Hutchison Infrastructure Holdings Limited their confirmation that they will vote in favour of the resolution for approving the Disposals at the CKI SGM. Hutchison Infrastructure Holdings Limited (a wholly-owned subsidiary of HWL) holds approximately 84.58% of the issued share capital of CKI which has no interest in the Implementation Deed other than through its equity interest in CKI. A circular containing further information on the Disposals together with a notice of the CKI SGM will be despatched to the CKI Shareholders in accordance with the relevant requirements of the Listing Rules.

IMPLEMENTATION DEED

Date

8th November, 2005

Parties

Including, among others:

- (i) CKI;
- (ii) the Fund; and
- (iii) Newco.

Prior to Completion, the Fund, Newco and their ultimate beneficial owners are, to the best of the CKI Directors' knowledge, information and belief, after making all reasonable enquiries, Independent Third Parties.

Assets to be disposed

CKI's 49% attributable interest in ETSA and 49% attributable interest in CHEDHA.

Consideration

The Consideration will be the aggregate of (i) the gross proceeds of the IPO from the sale of a 49% attributable interest in each of ETSA and CHEDHA which will be based on the IPO Price; and (ii) the proceeds of a bank financing undertaken by the Fund in the amount of approximately A\$425 million (approximately HK\$2,435 million). The Consideration will be payable on Completion. The Fund is currently applying for a listing on the ASX. The IPO Price will be determined by way of a bookbuilding process and is currently expected to be between A\$1.80 (approximately HK\$10.31) and (but could be more than) A\$2.00 (approximately HK\$11.46) per Fund Share. Based on the said price range, the minimum and the maximum Consideration will be approximately A\$2,241 million (approximately HK\$12,841 million) and (but could be more than) approximately A\$2,443 million (approximately HK\$13,998 million) respectively. Such price range was reached as a result of arm's length negotiations between CKI and the Joint Lead Managers with respect to the IPO. CKI has agreed that part of the Consideration shall be used to settle all costs relating to the IPO which are estimated to be approximately A\$136 million (approximately HK\$779 million) and part of the Consideration (between A\$180 million (approximately HK\$1,031 million) and A\$200 million (approximately HK\$1,146 million)) as subscription money to subscribe upon Completion such number of Fund Shares representing 9.9% of the issued stapled securities of the Fund (after giving effect to the IPO) at the IPO Price.

The balance of the Consideration, expected to be between approximately A\$1,925 million (approximately HK\$11,030 million) and (but could be more than) approximately A\$2,107 million (approximately HK\$12,073 million), will be payable to CKI in cash.

The Consideration was determined after arm's length negotiations between CKI and the Fund.

The CKI Directors consider that the terms of the Implementation Deed are fair and reasonable and are in the interest of CKI and the CKI Shareholders as a whole.

Conditions precedent to the Disposals

Completion of the Disposals is conditional upon:

- (i) CKI Shareholders approving at the CKI SGM the Disposals;
- (ii) approval by the CKI Directors of the IPO Price; and
- (iii) the listing of the Fund Shares on the ASX.

If the above conditions are not satisfied on or before 31st December, 2005 (or such later date as is agreed by the parties to the Implementation Deed), the Implementation Deed shall lapse and the Disposals will not proceed.

Completion of the Disposals

Completion of the Disposals will take place on 21st December, 2005 if all the Conditions have been satisfied. The Disposals will take the form of:

- (i) CKI transferring upon Completion its 49% attributable interest in ETSA to the Fund;
- (ii) CKI transferring upon Completion its 50% attributable interest in CHEDHA to Newco; and
- (iii) Newco issuing upon Completion a 2% interest in Newco (equivalent to 1% attributable interest in CHEDHA) to CKI.

INFORMATION ON THE ASSET COMPANIES

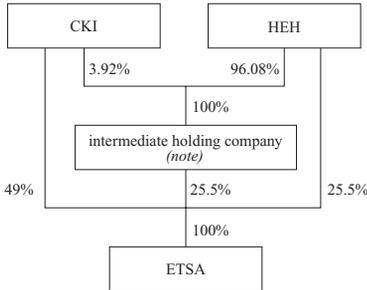
ETSA is the owner and manager of South Australia’s only significant electricity distributor which delivers electricity to approximately 768,000 customers over an area of approximately 178,200 square kilometers.

CHEDHA is the holding company of Powercor and CitiPower. Powercor is the owner and manager of the largest electricity distributor in Victoria, Australia which delivers electricity to approximately 643,000 customers across 150,000 square kilometers in Victoria’s regional west. CitiPower is the owner and manager of the electricity distribution network servicing the Melbourne central business district and inner suburbs. The CitiPower network covers 157 square kilometers and includes distribution to all major offices of the government and private sector within Melbourne’s central business district, as well as other landmarks such as the Melbourne Cricket Ground and Federation Square.

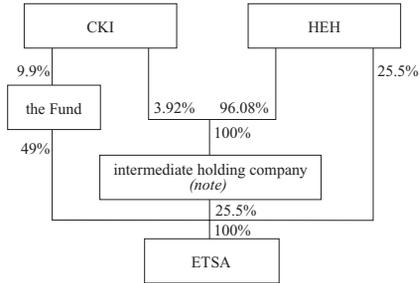
The following charts show the simplified shareholding structures of the Asset Companies before and after the Disposals:

ETSA

Before the Disposals

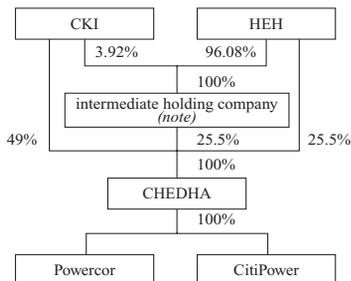


After the Disposals

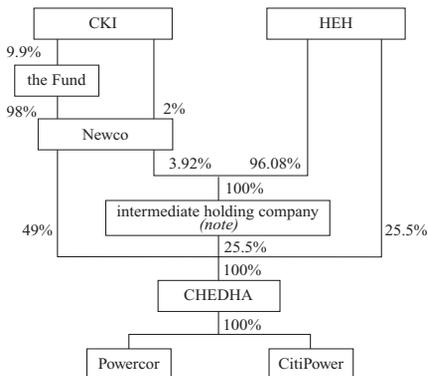


CHEDHA

Before the Disposals



After the Disposals



* the percentage figures set out above are approximate figures only

Note: These intermediate holding companies are investment holding companies only and do not have any assets (other than their respective 25.5% interest in ETSA and CHEDHA) or liabilities. CKI and HEH have procured each of their wholly-owned subsidiaries that are registered holders of their interests in these intermediate holding companies to enter into a shareholders agreement to regulate the affairs of these intermediate holding companies such that all decisions by their boards and shareholders must be unanimous. None of these intermediate holding companies is accounted for as a subsidiary of CKI or HEH.

For the financial year ended 31st December, 2004, the unaudited net profit/(loss) of ETSA and CHEDHA, before and after taxation and extraordinary items, and the corresponding figures for the year ended 31st December, 2003 were as follows:

	For the year ended 31st December, 2003		For the year ended 31st December, 2004	
	before taxation and extraordinary items A\$ million	after taxation and extraordinary items A\$ million	before taxation and extraordinary items A\$ million	after taxation and extraordinary items A\$ million
ETSA	(15)	(22)	2	(10)
CHEDHA	90	54	107	179

The unaudited net asset/(liabilities) values of ETSA and CHEDHA as at 31st December, 2004 and the corresponding figures as at 31st December, 2003 were as follows:

	As at 31st December, 2003 A\$ million	As at 31st December, 2004 A\$ million
	ETSA	(20)
CHEDHA	338	516

CKI's interests in ETSA and CHEDHA are accounted for as "interests in associates" in CKI's accounts since the acquisition of such interests. The results and assets and liabilities of ETSA and CHEDHA are incorporated in CKI's accounts using the equity method of accounting.

PROCEEDS FROM THE DISPOSALS

The net cash proceeds from the Disposals to be received by CKI which are expected to be between approximately A\$1,925 million (approximately HK\$11,030 million) and (but could be more than) approximately A\$2,107 million (approximately HK\$12,073 million) will be used as to not more than approximately A\$1,083 million (approximately HK\$6,206 million) for settling certain bank loans and the balance (which is expected to be between approximately A\$842 million (approximately HK\$4,825 million) and (but could be more than) approximately A\$1,512 million (approximately HK\$8,664 million)) will be held by CKI as working capital (part of which may be used to settle the consideration for the acquisition of an approximate 22.07% attributable interest in each of ETSA and CHEDHA from HEH as mentioned in a separate announcement jointly published by CKI and HEH).

FINANCIAL EFFECTS OF AND REASON FOR THE DISPOSALS

CKI is a diversified infrastructure company with a focus in the development, investment and operation of infrastructure businesses currently in Hong Kong, Mainland China, Australia, the United Kingdom, Canada and the Philippines.

The Fund is a new public vehicle with stapled securities in Australia and is currently applying for a listing on the ASX. The total amount to be raised by the Fund from the IPO (including bank debt of approximately A\$425 million (approximately HK\$2,435 million)) is expected to be between approximately A\$2,241 million (approximately HK\$12,841 million) and (but could be more than) A\$2,443 million (approximately HK\$13,998 million). The net cash proceeds from the IPO described above will be paid to CKI as the balance of the Consideration. Newco is currently a wholly-owned subsidiary of the Fund. Both the Fund and Newco have not carried any active business activities prior to the date of the Implementation Deed.

The Fund will be managed by a newly formed management company which is jointly owned by CKI and Deutsche Asset Management Limited. The Fund's objective is to invest in utility and infrastructure assets in Australia and globally. The investments will largely focus on transmission and distribution assets which offer predictable and stable cash flows, facilitate the payment of predictable distributions to security holders and offer the potential for long term capital growth. The Disposals will enable CKI to re-allocate capital and to pursue new and larger acquisitions in the global utility and infrastructure markets and support further growth. Based on the book value and the Consideration, CKI will record a gain between approximately A\$570 million (approximately HK\$3,266 million) and approximately A\$778 million (approximately HK\$4,458 million). By acquiring a 9.9% interest in the Fund, CKI will be able to maintain its role as an asset owner in the Asset Companies while participating in the growth of the Fund. The CKI Directors believe that the Disposals and the listing of the Fund will enhance the potential growth of CKI through its interest in another publicly listed group in Australia and provide opportunities for the future growth of CKI.

After the Disposals, CKI will retain an indirect 1% interest in the Asset Companies and hold a 9.9% interest in the Fund which will then own a 49% interest in the Asset Companies. CKI's indirect interest in each of ETSA and CHEDHA will be approximately 5.85%. CKI's interests in ETSA, CHEDHA and the Fund will be accounted for as "non-current financial asset held for resale" in CKI's accounts after the Disposals.

The CKI Directors consider that the terms of the Disposals are fair and reasonable and are in the interest of CKI and the CKI Shareholders as a whole.

GENERAL

The Disposals constitute very substantial disposal transactions for CKI under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Disposals are conditional upon approval by the CKI Shareholders at the CKI SGM. To the best of the CKI Directors' knowledge, information and belief, after making all reasonable enquiries, the Fund, Newco and their ultimate beneficial owners are Independent Third Parties and none of the directors, chief executive or substantial shareholders of CKI and its subsidiaries and associates of any of them has any interest in the Disposals, other than through their interest in CKI (if any). No CKI Shareholder is required to abstain from voting in respect of the proposed resolution to approve the Disposals at the CKI SGM. On 9th November, 2005, CKI received from Hutchison Infrastructure Holdings Limited their confirmation that they will vote in favour of the resolution for approving the Disposals at the CKI SGM. Hutchison Infrastructure Holdings Limited (a wholly-owned subsidiary of HWL) holds approximately 84.58% of the issued share capital of CKI which has no interest in the Implementation Deed other than through its equity interest in CKI. A circular containing further information on the Disposals together with a notice of the CKI SGM will be despatched to the CKI Shareholders in accordance with the relevant requirements of the Listing Rules.

DEFINITIONS

“Asset Companies”	ETSA, Powercor and CitiPower
“associate(s)” and “substantial shareholder(s)”	have the meanings ascribed to them under the Listing Rules
“ASX”	Australian Stock Exchange Limited
“CHEDHA”	CKI/HEI Electricity Distribution Holdings (Australia) Pty Ltd., a company incorporated in Australia with limited liability and the holding company of Powercor and CitiPower
“CHEDHA Disposal”	the disposal by CKI of its 49% attributable interest in CHEDHA to Newco
“CitiPower”	the CitiPower electricity distribution business carried on in Victoria, Australia
“CKI”	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)
“CKI Director(s)”	the director(s) of CKI
“CKI SGM”	the special general meeting of CKI to be held for the purpose of approving, inter alia, the Disposals
“CKI Shareholder(s)”	the shareholder(s) of CKI
“Completion”	Completion of the Disposals
“Conditions”	conditions precedent in respect of the Completion
“Consideration”	the aggregate consideration payable by the Fund to CKI for the Disposals
“Disposals”	the ETSA Disposal and the CHEDHA Disposal

“ETSA”	ETSA Utilities, a partnership established in South Australia which owns and manages the ETSA electricity distribution business carried on in South Australia
“ETSA Disposal”	the disposal by CKI of its 49% attributable interest in ETSA to the Fund
“Fund”	the Spark Infrastructure Fund, a stapled group to be listed on the ASX consisting of Spark Infrastructure RE Limited (as responsible entity for the Spark Infrastructure Trust), Spark Infrastructure Holdings No.1 Limited, Spark Infrastructure Holdings No.2 Limited and Spark Infrastructure Holdings International Limited
“Fund Shares”	the stapled securities of the Fund to be listed on the ASX
“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)
“HWL”	Hutchison Whampoa 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: 013)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Implementation Deed”	the implementation deed dated 8th November, 2005 entered into among, inter alia, CKI, the Fund and Newco in relation to the Disposals and the IPO
“IPO”	the initial public offering of the Fund Shares
“IPO Price”	the offer price of the Fund Shares in respect of the initial public offering to be made by the Fund in connection with its proposed listing on ASX
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of and not connected with the directors, chief executive or substantial shareholders of CKI and its subsidiaries and associates of any of them (as defined under the Listing Rules)
“Joint Lead Managers”	Deutsche Bank AG, Merrill Lynch International (Australia) Limited and Citigroup Global Markets Australia Pty Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newco”	CHEDHA Holdings Pty Ltd., a company incorporated in Victoria, Australia with limited liability
“Powercor”	the Powercor electricity distribution business carried on in Victoria, Australia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

For the purpose of illustration only, A\$ to HK\$ is translated at a rate of A\$1.00 = HK\$5.73.

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

Hong Kong, 9th November, 2005

As at the date of this announcement, the Executive Directors of CKI are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (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. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-Mei (PHOON Sui Moy, alias POON Sow Mei) (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina, Mr. Barrie COOK and Mr. George Colin MAGNUS.

Please also refer to the published version of this announcement in The Standard.