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CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

ANNOUNCEMENT

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement (“Announcement”) issued by the Company on 1st September, 2004 relating to its acquisition of 69.8% interest in Blackwater which will hold the North of England Gas Distribution Network. Terms defined in the Announcement have the same meaning when used in this announcement unless otherwise defined herein.

As stated in the Announcement, it is the Company’s intention, prior to Completion, to on-sell part of its interest in Blackwater (“Sale”) so that its interest will be less than 50%. The Company confirms that it is in discussion with Hongkong Electric Holdings Limited (“Hongkong Electric”) regarding the Sale. No formal agreements have yet been reached with Hongkong Electric. Further announcements will be made in relation to the Sale if and when appropriate in compliance with the applicable requirements of the Listing Rules. **Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

As at the date hereof, 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 (Independent Non-executive Director) and Mr. Barrie COOK.

By Order of the Board

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

Hong Kong, 2nd September, 2004

Please also refer to the published version of this announcement in The Standard dated 3 September 2004.