



[Press Release]

CKI and Power Assets Expand into Renewable Energy Power Transmission in Australia

(3 September, 2012, Hong Kong) – Cheung Kong Infrastructure Holdings Limited (“CKI”) and Power Assets Holdings Limited (“Power Assets”) jointly announced today that they are expanding into the renewable energy power transmission in Australia by investing A\$33.6 million (HK\$268.1 million) in a power transmission link in Victoria.

A new 50/50 joint venture formed by the two companies called Transmission Operations Australia (“TOA”) will construct, own and operate the transmission link which transports renewable energy from the wind turbines at the 130 megawatt Mt Mercer Wind Farm to Victoria’s power grid.

On completion, the high voltage network will comprise 21km of overhead power line, two transformers, as well as a terminal station. Construction of the network is expected to begin in October 2012, and completion is scheduled for November 2013.

25-Year Off-Take Agreement Guarantees Stable Returns

As part of the arrangement, TOA has signed a 25-year off-take agreement with the owner of the wind farm, Mt Mercer Windfarm Pty Ltd (“MMW”). This contract may be extended for up to a further 25 years at the option of MMW.

Currently, CKI and Power Assets have a strong portfolio of power distribution business in Australia. This comprises *SA Power Networks* (previously called *ETSA Utilities*), the primary electricity distributor in the State of South Australia; *CitiPower* and *Powercor*, two of the five electricity distributors in Victoria.

Extension of Energy Achievements

Mr. H L Kam, Group Managing Director of CKI said, “We have been very pleased with our investments in Australia’s power distribution industry. This transaction marks an extension of the achievements we have made in the country’s energy sector. The new venture will be a springboard for CKI and Power Assets to get into Australia’s growing electricity transmission markets. It will enrich our portfolio and widen our energy experience, further strengthening our capabilities for future growth.”

According to Australian Government Department of Climate Change and Energy Efficiency’s Renewable Energy Target (RET) scheme, the Australian Government is committed to ensure that the equivalent of at least 20 per cent of Australia’s electricity comes from renewable sources by 2020.

It is expected that the RET scheme will lead to a growth in wind generation and an increase in demand for new connecting lines and terminal stations for transmission.

Poised to Capture Growing Renewable Energy Industry

“We hope that the Mt Mercer Wind Farm transmission project in Victoria is the first of many transmission projects of our new company, TOA. We look forward to capturing more opportunities in the burgeoning renewable energy industry in the country,” said Mr. K S Tso, Group Managing Director of Power Assets, adding that the investment would also generate a stable, long-term income secured by a long-term contract.

Second Investment This Year

The new electricity transmission venture marks CKI and Power Assets’ second energy investment in the past two months, closely following the announced acquisition of UK’s *Wales & West Utilities* for GBP 1.957 billion (approximately HK\$23.5 billion) in July.

-End-