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Cheung Kong Infrastructure Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTEREST IN, AND SHAREHOLDER'S LOAN TO, GUANGZHOU E-S-W RING ROAD CO., LTD.

On 9th August, 2007 after the trading hours of the Stock Exchange, CKI Guangzhou, an indirect wholly-owned subsidiary of the Company, has entered into the Shares Transfer Agreement with Guangzhou Tongda to dispose of the Sale Interest together with the Shareholder's Loan at an aggregate consideration of RMB1,221.5 million (approximately HK\$1,258.2 million). Upon Completion, the Company will cease to have any interest in Guangzhou E-S-W.

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing further information of the Disposal required under Rule 14.38 of the Listing Rules will be despatched to the Shareholders as soon as possible for information purpose.

THE SHARES TRANSFER AGREEMENT

Date

9th August, 2007

Parties

- (1) CKI Guangzhou (as vendor)
- (2) Guangzhou Tongda (as purchaser)

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, save that Guangzhou Tongda is a PRC partner in Guangzhou E-S-W, Guangzhou Tongda and its ultimate beneficial owners are third parties independent of the Company and its connected persons. There was no prior transaction between Group and Guangzhou Tongda and its ultimate beneficial owner(s) that requires aggregation under Rules 14.22 and 14A.25 of the Listing Rules.

Interest being disposed of

Pursuant to the Shares Transfer Agreement, CKI Guangzhou has agreed to dispose of and Guangzhou Tongda has agreed to acquire:

- (1) the Sale Interest; and
- (2) the Shareholder's Loan.

Consideration

The total consideration for the Disposal is RMB1,221.5 million (approximately HK\$1,258.2 million). The consideration, after deduction of the tax payable by CKI Guangzhou, will be payable in cash by Guangzhou Tongda on or before Completion.

The total consideration for the Disposal was determined after arm's length negotiations between the parties on normal commercial terms, having taking into account the repayment of the Shareholder's Loan, the registered capital contributed by CKI Guangzhou in Guangzhou E-S-W and a premium to be obtained by the Group in the Disposal.

Completion

There is no condition precedent to the Shares Transfer Agreement. Completion will take place on 31st August, 2007. Upon Completion, the Company will cease to have any interest in Guangzhou E-S-W.

Information on the Group, CKI Guangzhou, Guangzhou Tongda and Guangzhou E-S-W

The principal activities of the Group are development, investment and operation of infrastructure businesses in Hong Kong, the PRC, Australia and the United Kingdom.

The principal activity of CKI Guangzhou is investment in Guangzhou E-S-W.

The principal activity of Guangzhou Tongda is the development, construction, operation and maintenance of Guangzhou East South West Ring Road.

The principal activity of Guangzhou E-S-W is the operation of Guangzhou East South West Ring Road. Prior to the Disposal, Guangzhou E-S-W is accounted as a jointly controlled entity of the Company.

According to the latest audited financial statements of Guangzhou E-S-W, the net loss for the year ended 31st December, 2005 and the net profit for the year ended 31st December, 2006 were approximately RMB2.8 million (approximately HK\$2.9 million) and RMB22.3 million (approximately HK\$23.0 million) respectively. The audited total assets of Guangzhou E-S-W as at 31st December, 2006 was approximately RMB3,206.7 million (approximately HK\$3,303.0 million) and the audited net liabilities of Guangzhou E-S-W was approximately RMB174.3 million (approximately HK\$179.5 million). The above accounts were prepared under the PRC GAAP.

REASONS FOR AND BENEFIT OF THE DISPOSAL

In view of the total consideration offered by Guangzhou Tongda, the Board, including the Independent Non-executive Directors of the Company, considers that the Disposal is a good opportunity for the Group to realize its investment in Guangzhou E-S-W and that the terms of the Disposal and the Shares Transfer Agreement, which were negotiated on an arm's length basis, are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

The expected gain to be derived from the Disposal before expenses will amount to approximately HK\$810.0 million, representing the difference between the net consideration for the Disposal of approximately HK\$1,158.0 million and the projected net book value of the Group's interest in Guangzhou E-S-W of approximately HK\$348.0 million as at Completion.

USE OF PROCEEDS

The net proceeds from the Disposal will be held by the Group as working capital.

LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing further details of the Shares Transfer Agreement and the Disposal as required under Rule 14.38 of the Listing Rules will be dispatched to the Shareholders as soon as possible for information purpose.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors of the Company
“CKI Guangzhou”	CKI Guangzhou Ring Roads Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company
“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)
“Completion”	the completion of the Disposal, which will take place on 31st August, 2007
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interest and the Shareholder's Loan
“GAAP”	generally accepted accounting principles
“Group”	the Company and its subsidiaries
“Guangzhou E-S-W”	Guangzhou E-S-W Ring Road Co., Ltd. (廣州東南西環高速公路有限公司), a company incorporated in the PRC
“Guangzhou Tongda”	Guangzhou City Tongda Highway Company Limited (廣州市通達高速公路有限公司), a state-owned enterprise established by the Guangzhou Municipal Government in the PRC

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Sale Interest”	50% of the registered capital of Guangzhou E-S-W
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder’s Loan”	the outstanding amount owed and payable by Guangzhou E-S-W to CKI Guangzhou, in the total amount of RMB17.3 million (approximately HK\$17.8 million) prior to the Disposal
“Shares Transfer Agreement”	the shares transfer agreement dated 9th August, 2007 entered into between CKI Guangzhou and Guangzhou Tongda in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Note: The figures in RMB are converted into HK\$ at the rate of RMB1:HK\$1.03 throughout this announcement for indication purposes only.

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

Hong Kong, 9th August, 2007

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. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Andrew John HUNTER, Mrs. CHOW WOO Mo Fong, Susan (also alternate to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT), 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 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.