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CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1038)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE OUTSTANDING UNITS IN TRANSALTA POWER, L.P. AND RESUMPTION OF TRADING

On 14th October, 2007 (Calgary time), the Company has entered into the Support Agreement with TransAlta Power whereby the Company agrees, either by itself or through one or more of its subsidiaries, to make an Offer to the TransAlta Power Unitholders to acquire all of the outstanding TransAlta Power Units, on the basis of CAD\$8.38 in cash per TransAlta Power Unit, any time before 11:59 p.m. (Calgary time) on 29th October, 2007 (01:59 p.m. (Hong Kong time) on 30th October, 2007). After the Acquisition, the Company shall acquire no less than the Minimum Required Units of TransAlta Power Units.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing further information of the Acquisition required under Rule 14.38 of the Listing Rules will be despatched to the Shareholders as soon as possible for information purpose. This announcement is also made pursuant to Rule 13.09(1) of the Listing Rules.

Trading in Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 15th October, 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16th October, 2007.

THE SUPPORT AGREEMENT

Date

14th October, 2007 (Calgary Time)

Parties

- (1) The Company
- (2) TransAlta Power

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, TransAlta Power, the units of which are listed on the Toronto Stock Exchange, is a third party independent of the Company and its connected persons. There was no prior transaction between the Group and TransAlta Power that requires aggregation under Rules 14.22 and 14A.25 of the Listing Rules.

Subject of the Acquisition

Pursuant to the Support Agreement, the Company has agreed to, either by itself or through one or more direct or indirect wholly-owned subsidiaries of the Company, or any combination thereof, make an offer (the “Offer”) to purchase all of the outstanding TransAlta Power Units from the TransAlta Power Unitholders before 11:59 p.m. (Calgary time) on 29th October, 2007 (01:59 p.m. (Hong Kong time) on 30th October, 2007) in accordance with the Support Agreement and the Applicable Securities Laws subject to the Conditions (as defined below).

Under the Support Agreement, TransAlta Power has agreed to facilitate the Offer through, among other things, taking the following actions:-

- (i) to prepare and mail a directors’ circular to the TransAlta Power Unitholders setting forth, among other things, the unanimous recommendation of the board of directors of the General Partner that, (i) after consultation with its legal and financial advisers, the Offer is fair to the TransAlta Power Unitholders and (ii) it recommends acceptance of the Offer; and
- (ii) to provide reasonable assistance to the Company in connection with the mailing of the Offer Documents to the TransAlta Power Unitholders and to such other persons as are entitled to receive the Offer Documents under the Applicable Securities Laws.

Mechanism of the Acquisition

The Offer to be made pursuant to the Support Agreement will expire on the Initial Expiry Time, except that the Offer may be extended by the Company if the Conditions are not satisfied or waived by the date and time at which the Offer would otherwise expire in accordance with its terms. In addition, if the requisite regulatory approvals are not obtained prior to the Initial Expiry Time, unless such approvals have been denied, the Company has agreed that it will extend the Offer to such period as are necessary, each time for a period of time of not less than 10 days beyond the Initial Expiry Time and the Expiry Time until the earlier of: (i) the date the requisite regulatory approvals have been obtained or denied and (ii) the Outside Date.

Subject to the satisfaction or waiver of the Conditions, the Company has agreed to take-up and pay for all TransAlta Power Units validly deposited (and not properly withdrawn) pursuant to the Offer within 3 Business Days of the Expiry Time. If the Company acquires TransAlta Power Units pursuant to the Offer, but the number of TransAlta Power Units acquired at such time is less than 90% of the outstanding TransAlta Power Units, then the Company agrees to publicly disclose such fact and extend the Offer for at least 10 days; provided that the Company is not subject to such obligation if the Company takes up and pays for at least the Minimum Required Units pursuant to the terms of the Offer and the Second Stage Transaction (as defined below) is consummated immediately thereafter.

The Company has agreed to acquire not less than the Minimum Required Units of the TransAlta Power Units. If the Company takes up and pays for at least the Minimum Required Units pursuant to the terms of the Offer, the Company has agreed to use all commercially reasonable efforts to acquire, and TransAlta Power has agreed to use all commercially reasonable efforts to assist the Company in

acquiring, the balance of the TransAlta Power Units as soon as practicable and in any event within a period of 6 months following the Take-up Date by way of compulsory acquisition, arrangement, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions. TransAlta Power Units can be mandatorily transferred to the Company in the discretion of TransAlta Power or the Company (the “**Second Stage Transaction**”) for a consideration per TransAlta Power Unit not less than the consideration paid pursuant to the Offer.

After the Acquisition, TransAlta Power will withdraw its listing status at the Toronto Stock Exchange.

Consideration

The Company agrees to make the Offer on the basis of CAD\$8.38 (equivalent to approximately HK\$65.95) in cash per TransAlta Power Unit. The Offer price is based on a premium of (i) 15.75% of the closing price of the TransAlta Power Unit for the last trading day; (ii) 16.00% of the average closing prices for last five trading days; and (iii) 15.00% of the average closing prices for the last ten trading days, before signing of the Support Agreement.

The maximum number of all the outstanding TransAlta Power Units to be acquired under the Offer is 75,104,259. On the assumption that the Company is able to acquire all outstanding TransAlta Power Units through the Offer, it is expected that the aggregate consideration of the Offer amounts to approximately CAD\$629.00 million (equivalent to approximately HK\$4,950.23 million). The consideration of the Acquisition was determined after arm’s length negotiations between the parties on normal commercial terms.

It is currently expected that the consideration will be financed by bank borrowings.

Conditions to the Offer

Under the Support Agreement, the Company reserves the right subject to the Support Agreement to withdraw or terminate the Offer and not take up and pay for, or to extend the period of time during which the Offer is open and postpone taking up and paying for, any TransAlta Power Units deposited under the Offer unless all of the following conditions (the “**Conditions**”) are satisfied or waived by the Company:

- (a) at the Expiry Time, and at the time the Company first takes up and pays for TransAlta Power Units under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 66 $\frac{2}{3}$ % of the outstanding TransAlta Power Units (the “**Minimum Condition**”);
- (b) all requisite regulatory approvals, orders, notices, consents and expiries of waiting periods during which applicable regulatory authorities could commence investigations, including, without limitation, those of any stock exchanges and other Securities Authorities, shall have been obtained or occurred on terms and conditions satisfactory to the Company in its sole discretion, acting reasonably, and all applicable statutory or regulatory waiting periods shall have expired or been terminated and no objection or opposition shall have been filed, initiated or made by any governmental agency or regulatory authority during any applicable statutory or regulatory period which shall not have been withdrawn, defeated or overcome which has or will likely have a material adverse effect on the ability of the Company to complete the Offer or any Second Stage Transaction;
- (c) after the date of the Support Agreement,

- (i) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission or by any elected or appointed public official or by any private person in Canada or elsewhere, whether or not having the force of law; and
- (ii) no law, regulation or policy (including applicable tax laws and regulations in those jurisdictions in which TransAlta Power or TA Cogen carries on business) shall have been proposed, enacted, promulgated, amended or applied,

which in either case, in the sole judgement of the Company, acting reasonably:

- (A) has the effect or may have the effect of cease trading the TransAlta Power Units, or enjoining, prohibiting or imposing material limitations, damages or conditions on the Offer, or the purchase by, or the sale to, the Company of the TransAlta Power Units or the right of the Company to own or exercise full rights of ownership of the TransAlta Power Units;
 - (B) has had or, if the Offer was consummated, would reasonably be expected to result in, a Material Adverse Change or, in the case of (ii) above, would have a Material Adverse Effect or a material adverse effect on the Company; or
 - (C) would reasonably be expected to have a material adverse effect on the ability of the Company to effect the Offer or to complete the Offer or any Second Stage Transaction;
- (d) there does not exist any prohibition at law against the Company making the Offer or taking up and paying for all of the TransAlta Power Units under the Offer or completing any Second Stage Transaction in respect of any TransAlta Power Units not acquired under the Offer;
- (e) the Company shall not have determined, acting reasonably, that:
- (i) TransAlta Power breached any of its covenants under the Support Agreement; or
 - (ii) any representation or warranty made in the Support Agreement by TransAlta Power (without giving effect to, applying or taking into consideration any materiality, Material Adverse Change or Material Adverse Effect qualification contained therein) is misleading or untrue or has, since the date of the Support Agreement become misleading or untrue,

which individually or in the aggregate has had or would be reasonably expected to result in a Material Adverse Effect or to have a material adverse effect on the ability of the Company to effect the Offer or to complete the Offer or any Second Stage Transaction;

- (f) the Support Agreement shall not have been terminated in accordance with its terms;
- (g) the Company shall have determined, acting reasonably, that a Material Adverse Change shall not have occurred since the date of the Support Agreement; and

- (h) the agreement among the Company, TransAlta Corporation and TransAlta Energy Corporation dated 14th October, 2007 which provides for, among other things, the amendments of the limited partnership agreement governing TA Cogen shall not have been terminated.

Provided that the Company acquires not less than the Minimum Required Units, it may, in its sole discretion, waive any Condition of the Offer.

Information on TransAlta Power

TransAlta Power is a limited partnership established pursuant to the laws of the Province of Ontario, Canada. It holds investments which are directly or indirectly related to energy supply. TransAlta Power owns 49.99% partnership interest in TA Cogen.

TA Cogen is a limited partnership established pursuant to the laws of the Province of Ontario, Canada. TA Cogen owns interests in five gas-fired cogeneration facilities in Alberta, Ontario and Saskatchewan and in a coal-fired, mine-mouth generation facility in Alberta. The remaining 50.01% partnership interest in TA Cogen is currently held by TransAlta Corporation, a third party independent of the Company and its connected persons.

The Company does not hold any interest in TransAlta Power and TA Cogen before the Acquisition. After the Acquisition, the Company will hold no less than the Minimum Required Units of TransAlta Power Units. It is intended that the Company will account for the results of TransAlta Power as a subsidiary and equity account TA Cogen immediately after the Acquisition.

Based on the accounts of TransAlta Power, the total asset value of TransAlta Power as at 31st December, 2006 was approximately CAD\$515.00 million (approximately HK\$4,053.05 million). The total asset value of TransAlta Power as at 30th June, 2007 was approximately CAD\$442.80 million (approximately HK\$3,484.83 million). The audited net profits before taxation and extraordinary items of TransAlta Power for the two years ended 31st December, 2005 and 31st December, 2006 were approximately CAD\$36.30 million (approximately HK\$285.68 million) and approximately CAD\$34.21 million (approximately HK\$269.15 million) respectively. The audited net loss after taxation and extraordinary items of TransAlta Power for the year ended 31st December, 2005 was approximately CAD\$2.83 million (approximately HK\$22.27 million) and the audited net profits after taxation and extraordinary items of TransAlta Power for the year ended 31st December, 2006 was approximately CAD\$34.21 million (approximately HK\$269.15 million). The unaudited net profits before taxation and extraordinary items of TransAlta Power for the six months ended 30th June, 2007 was approximately CAD\$13.30 million (approximately HK\$104.67 million) and the unaudited net loss after taxation and extraordinary items of TransAlta Power for the six months ended 30th June, 2007 was approximately CAD\$40.60 million (approximately HK\$319.52 million). The above accounts were prepared under the Canadian GAAP.

Information on the Group

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

REASONS FOR THE ACQUISITION

The Company is a diversified infrastructure investment company with a focus in the development, investment and operation of infrastructure business currently in Hong Kong, the PRC, Australia and the United Kingdom.

The Acquisition reflects the Company's strategy of investing in infrastructure opportunities around the world, leveraging the Group's strong financial positions and solid experience in infrastructure.

The Company has long seen Canada as an important market offering attractive investment opportunities. The Acquisition provides the Company with an entry to the North America market, and a platform to further expand in the region.

The Directors (including independent non-executive directors) of the Company consider the terms of the Support Agreement are on normal commercial terms and the Acquisition is in the ordinary and usual course of its business and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

This announcement is also made pursuant to Rule 13.09(1) of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

Trading in Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 15th October, 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16th October, 2007.

DEFINITIONS

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

“Acquisition”	the acquisition of the TransAlta Power Units
“Applicable Securities Laws”	any applicable Canadian provincial securities laws and any other applicable laws and rules, regulations and policies published and/or promulgated thereunder
“CAD\$”	Canadian dollars, the lawful currency of Canada
“Canadian GAAP”	generally accepted accounting principles in Canada
“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) and including, where applicable, the Company's subsidiary that makes the proposed Offer
“Conditions”	has the meaning as set out under the section entitled “Conditions to the Offer” in this announcement

“connected persons”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Expiry Time”	the Initial Expiry Time or the expiry time of the Offer as extended from time to time
“General Partner”	TransAlta Power Ltd., the general partner of TransAlta Power, a corporation incorporated under the Canada Business Corporation Act
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Initial Expiry Time”	05:00 p.m. (Calgary time) on the first business day in the City of Calgary, Alberta, Canada which falls after the 35th day following the mailing date of the Offer Documents to the TransAlta Power Unitholders excluding the mailing day itself
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Change”	any change (or any condition or event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise of TransAlta Power or TA Cogen which is materially adverse to the business, operations, assets or financial condition of TransAlta Power, taken as a whole, other than any matter, action, effect or change relating to or resulting from (i) any matter or prospective matter, either alone or in combination with other matters or prospective matters, which has been disclosed to the Company in writing as of the date of the Support Agreement; (ii) any matter or prospective matter, either alone or in combination with other matters or prospective matters, that relate to or arise out of a matter that has been publicly disclosed as of the date of the Support Agreement; (iii) the announcement of the transactions contemplated by the Offer or the Support Agreement; (iv) any conditions affecting the power generation industry as a whole, and not specifically relating to TransAlta Power and/or TA Cogen, including changes in laws; (v) the failure of TransAlta Power or TA Cogen to meet any projections, forecasts or budgets; (vi) general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; (vii) any change in the market price of power, natural gas or coal; (viii) any changes arising from matters consented to or approved in writing by the Company or permitted under the Support Agreement; or (ix) any change in the market

price of the TransAlta Power Units

“Material Adverse Effect”	any effect that is, or would reasonably be expected to be, material and adverse to the business, operations, assets or financial condition of TransAlta Power, taken as a whole, other than any effect or change relating to or resulting from: (i) any matter or prospective matter, either alone or in combination with other matters or prospective matters, which has been disclosed to the Company in writing as of the date of the Support Agreement; (ii) any matter or prospective matter, either alone or in combination with other matters or prospective matters, that relate to or arise out of a matter that has been publicly disclosed as of the date of the Support Agreement; (iii) the announcement of the transactions contemplated by the Offer or the Support Agreement; (iv) any conditions affecting the power generation industry as a whole, and not specifically relating to TransAlta Power and/or TA Cogen, including changes in laws; (v) the failure of TransAlta Power or TA Cogen to meet any projections, forecasts or budgets; (vi) general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; (vii) any change in the market price of power, natural gas or coal; (viii) any changes arising from matters consented to or approved in writing by the Company or permitted under the Support Agreement; or (ix) any change in the market price of the TransAlta Power Units
“Minimum Condition”	the condition as set out under the section entitled “Conditions to the Offer” in this announcement
“Minimum Required Units”	the number of the outstanding TransAlta Power Units required pursuant to the Minimum Condition unless the Company shall have waived the Minimum Condition in which case “Minimum Required Units” means the number of outstanding TransAlta Power Units which the Company takes up on the Take-up Date, provided that such number of TransAlta Power Units shall not in any circumstance be less than 66⅔% of the issued and outstanding TransAlta Power Units
“Offer”	has the meaning as set out under the section entitled “Subject of the Acquisition” in this announcement
“Offer Documents”	the offer to purchase and take-over bid circular and the related letter of transmittal and notice of guaranteed delivery pursuant to which the Offer is made
“Outside Date”	31st January, 2008 or such later date as agreed between the Company and TransAlta Power
“PRC”	The People’s Republic of China
“Second Stage Transaction”	has the meaning as set out under the section entitled “Mechanism of the Acquisition” in this announcement

“Securities Authorities”	the Toronto Stock Exchange and the appropriate securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof in which any one or more of the TransAlta Power Unitholders may be resident
“Shares”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Support Agreement”	the support agreement dated 14th October, 2007 (Calgary time) entered into between the Company and TransAlta Power
“TA Cogen”	TransAlta Cogeneration, L.P., a limited partnership established pursuant to the laws of the Province of Ontario, Canada
“Take-up Date”	the date on which the Company first takes up and acquires TransAlta Power Units pursuant to the Offer (as defined under the section entitled “Subject of the Acquisition” in this announcement)
“TransAlta Corporation”	TransAlta Corporation, a corporation existing under the laws of the Canada
“TransAlta Power”	TransAlta Power, L.P., a limited partnership established pursuant to the laws of the Province of Ontario, Canada, the units of which are listed on the Toronto Stock Exchange
“TransAlta Power Units”	the limited partnership units of TransAlta Power
“TransAlta Power Unitholders”	the registered holders of TransAlta Power Units from time to time
“%”	per cent.

Note: The figures in CAD\$ are converted into HK\$ at the rate of CAD\$1:HK\$7.87 throughout this announcement for indication purposes only.

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

Hong Kong, 15th October, 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.