



[Press Release]

CKI Sells Stake In Guangzhou E-S-W Ring Road To Chinese Partner

[9 August, 2007 – Guangzhou] – Cheung Kong Infrastructure Holdings Limited (“CKI”) has signed in Guangzhou today a Shares Transfer Agreement to transfer its stake in the Guangzhou East-South-West Ring Road (“Guangzhou E-S-W”) to its Chinese partner.

Under the agreement, the Chinese partner, Guangzhou City Tongda Highway Company Limited, will pay CKI approximately HK\$1.26 billion for its stake in the project and assume all of its liabilities.

Completion of the transaction is targeted to take place on 31st August, 2007. Upon completion, CKI is expected to book a profit of approximately HK\$810 million from the shares transfer.

Mr H L Kam, Group Managing Director of CKI, commented: “In the late 90’s, we were invited to participate in this project, which is a vital part of Guangzhou’s infrastructure network. Since then, we have invested approximately HK\$1.5 billion in the Guangzhou E-S-W and we have observed that the project has greatly contributed to the rapid urban and economic development of Guangzhou.”

“Recently, we have been advised by the Guangzhou Municipal Government of its new traffic management strategy, which includes rationalizing the entire network of toll roads in Guangzhou. At our Chinese partner’s request, CKI is pleased to facilitate and support this programme by realizing our investment in Guangzhou E-S-W.”

“After the disposal of the Guangzhou E-S-W, which is around 39 kilometres, CKI’s portfolio in Mainland China will comprise toll road projects that span approximately 400 kilometres and energy investments with a total electricity generation capacity of around 3,000 MW.”

“CKI is very bullish about the prospects of the Chinese infrastructure market. We have always considered this major market to be one of our core investment areas. The cash proceeds from this divestment will further enhance our capability to pursue new investment opportunities in Mainland China. Earlier this year, we have completed construction of a new power plant in Zhuhai. Several other projects in Mainland China are currently being negotiated.

“As an integral part of CKI’s portfolio, we remain fully committed to this fast-developing China market,” Mr Kam concluded.

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For more information, please contact Mrs Wendy Tong Barnes or Ms Winnie Cheong at (852) 2122 2150.

About CKI

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure and Infrastructure Related Business. Operating in Hong Kong, Mainland China, Australia, the United Kingdom and the Philippines, it is a leading player in the global infrastructure arena.

Photo Caption

The signing ceremony for the shares transfer agreement for the Guangzhou East-South-West Ring Road was attended by Mr Lun Pak Lam, Head of China Infrastructure of Cheung Kong Infrastructure Holdings Limited (*second left*); Mr Wang Dong, Deputy Secretary-General of The People's Government of Guangzhou Municipality (*centre*); and Mr Zhong Qian, General Manager of Guangzhou City Tongda Highway Company Limited (*second right*).