



Press Release
30 October 2007

CKI and HEH Reach Agreement on TransAlta Power Acquisition

Cheung Kong Infrastructure Holdings Ltd. (CKI) and Hongkong Electric Holdings Ltd. (HEH) announced today (30 October 2007) that they have entered into an agreement for HEH to acquire from CKI, 50% of the units of TransAlta Power L.P. following CKI's recent announcement to acquire all of the issued and outstanding units of TransAlta Power.

The consideration will be determined on the same basis as CKI's acquisition of TransAlta Power - at HK\$68.05 (CAD\$8.38) per unit. HEH's commitment is therefore approximately HK\$2,556 million (CAD\$314.9 million).

The transaction is contingent upon CKI's successful takeover bid requiring acceptance by at least 66 2/3% of TransAlta Power unitholders by 4 December 2007. In addition, completion of the transaction is subject to approval by HEH independent shareholders in an Extraordinary General Meeting as CKI is a substantial shareholder of HEH and is regarded as a connected person under Hong Kong listing rules.

TransAlta Power currently owns a 49.99% interest in six power plants in Canada with a total attributable generating capacity of 809MW. When the transaction is completed, each of CKI and HEH will have an approximate 24.995% in this portfolio of 5 gas-fired cogeneration plants in Alberta, Ontario and Saskatchewan and a coal-fired facility in Alberta.

Group Managing Director of CKI, Mr. H L Kam, said: "We have a strong record in partnering with HEH on energy projects in Australia and the United Kingdom. Following the announcement of our takeover bid of TransAlta Power, we are pleased to invite HEH to participate in this project with us and expect to benefit from HEH's extensive electricity generation expertise. We look forward to extending our partnership into North America."

Group Managing Director of HEH, Mr. Tso Kai-sum, said he is delighted with the acquisition which represents HEH's first foray into the Canadian energy market. He is confident that the TransAlta Power acquisition will provide HEH with a platform from which to further invest in North America.

“HEH has had a long and successful partnership with CKI, I am sure we will continue to leverage on our experience and expertise in the electricity business to benefit both groups,” Mr. Tso added.

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About CKI

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

About HEH

Hongkong Electric Holdings Ltd. (HEH) is the listed vehicle of the Hongkong Electric Group of companies which includes The Hongkong Electric Company, Limited (HEC), Hongkong Electric International Limited (HEI) and other subsidiaries. HEC is an electricity utility established in 1889 and its principal activity is to generate and supply electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HEH, pursuing investment opportunities outside Hong Kong.

Media Enquiries:

Cheung Kong Infrastructure Holdings Ltd.
Carolina Cheung
Corporate Affairs Manager
Tel: 2122 2150

Hongkong Electric Holdings Ltd.
Elaine Wong
Assistant Public Affairs Manager
Tel: 2843 3229