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CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1038)

**MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
VECTOR WELLINGTON ELECTRICITY NETWORK LIMITED
AND RESUMPTION OF TRADING**

On 28th April, 2008, the Purchaser, being an indirect wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement with the Vendor and the Covenantor pursuant to which, among other things, (i) the Purchaser agreed to acquire from the Vendor the entire issued share capital of VWE Network, being the owner of the entire issued share capital of VWE Management; (ii) the Company agreed to guarantee the performance of the Purchaser's obligations under the Sale and Purchase Agreement on the terms thereof; and (iii) the Covenantor, being the ultimate holding company of the Vendor, agreed to guarantee the performance of the Vendor's obligations under the Sale and Purchase Agreement on the terms thereof. The Sale and Purchase Agreement has been entered into before the commencement of the trading hours of the Stock Exchange on 28th April, 2008.

As the revenue ratio in respect of the Acquisition is greater than 25% and less than 100% under Rule 14.07 of the Listing Rules, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company under the Listing Rules. A circular containing, among other things, information relating to the Sale and Purchase Agreement and the Acquisition will be dispatched to the shareholders of the Company in accordance with the relevant requirements of the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. As no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition, and as the Company has obtained a written approval of the Acquisition from Hutchison Infrastructure Holdings Limited (which currently holds 1,906,681,945 shares in the Company, representing approximately 84.58% of the issued share capital of the Company), pursuant to Rule 14.44 of the Listing Rules, there is no need for the Company to convene a general meeting for approving the Acquisition.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 28th April, 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 29th April, 2008.

INTRODUCTION

On 28th April, 2008, the Purchaser, being an indirect wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement with the Vendor and the Covenantor pursuant to which, among other things, (i) the Purchaser agreed to acquire from the Vendor the entire issued share capital of VWE Network, being the owner of the entire issued share capital of VWE Management; (ii) the Company agreed to guarantee the performance of the Purchaser's obligations under the Sale and Purchase Agreement on the terms thereof; and (iii) the Covenantor, being the ultimate holding company of the Vendor, agreed to guarantee the performance of the Vendor's obligations under the Sale and Purchase Agreement on the terms thereof. The Sale and Purchase Agreement has been entered into before the commencement of the trading hours of the Stock Exchange on 28th April, 2008.

Following Completion, the Purchaser will be the beneficial owner of the entire issued share capital of VWE Network, which has entered into an agreement with the Covenantor for the purchase of the Wellington Network as described in the section headed "Information on the interest being acquired" below.

The principal terms and conditions of the Sale and Purchase Agreement are described below:

SALE AND PURCHASE AGREEMENT

Date

28th April, 2008

Parties

- (1) The Purchaser
- (2) The Company
- (3) The Vendor
- (4) The Covenantor

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, the Vendor and the Covenantor and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules). The Directors also confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with the Vendor, the Covenantor or their respective ultimate beneficial owners which requires aggregation under Rule 14.22 of the Listing Rules.

Interest to be acquired

The Purchaser agreed to acquire 100 ordinary shares in VWE Network, representing the entire issued share capital of VWE Network, from the Vendor free from any encumbrance and together with all rights attaching and accruing thereto from the date of Completion.

Consideration

The Purchase Price for the Acquisition is an amount equal to NZ\$785 million (approximately HK\$4,798.4 million), which amount shall be subject to adjustment pursuant to the terms of the Sale and Purchase Agreement. The Purchase Price shall be paid by the Purchaser to the Vendor on the date of Completion free of any deduction, withholding and counter-claim and in same day cleared funds with an undertaking from the bank transferring the funds that they are cleared funds and will not be reversed. The Company shall satisfy the Purchase Price partly from its internal resources and partly from external bank borrowings.

The Purchase Price was determined after taking into account the Company's internal valuation of VWE Network conducted by reference to various factors, including but not limited to the asset value and the historical financial information regarding the performance of VWE Network, and arm's length negotiations between the Company and the Vendor on normal commercial terms.

On execution of the Sale and Purchase Agreement, the Purchaser will establish, or will procure the establishment of, a Letter of Credit and deliver the same to the Vendor's solicitors. The Letter of Credit will be provided to the Vendor's solicitors to be held by them and be released to the Vendor if the Sale and Purchase Agreement is cancelled due to the Purchaser's default in accordance with the terms of the Sale and Purchase Agreement, or returned to the Purchaser upon payment of the Purchase Price or upon cancellation of the Sale and Purchase Agreement due to default of the Vendor or the Covenantor or due to non-satisfaction of the conditions described in the section headed "Conditions" below (provided that the Purchaser has not defaulted) in accordance with the terms of the Sale and Purchase Agreement.

Conditions

Completion of the Acquisition is conditional upon:

- (i) receipt by the Company, in writing, of its shareholders' approval to implement the Sale and Purchase Agreement in accordance with the Listing Rules;
- (ii) receipt by the Purchaser, in writing on terms satisfactory to the Purchaser (acting reasonably), of all consents required under the New Zealand Overseas Investment Regulations 2005 to implement the Sale and Purchase Agreement; and
- (iii) receipt in writing that the Vendor and the Covenantor have all consents required from their shareholders to implement the Sale and Purchase Agreement.

If either of the conditions set out in (i) or (iii) above is not waived or satisfied (by the Purchaser in the case of (i) or by the Vendor in the case of (iii)) by 15th June, 2008, then the Vendor (in the case of (i)) or the Purchaser (in the case of (iii)) may elect by notice to the other parties to postpone Completion to a date that is no later than 1st October, 2008 and in the absence of such election, that party may terminate the Sale and Purchase Agreement by notice in writing to the other parties.

If the condition set out in (ii) above is not satisfied or waived by 1st July, 2008, and the Purchaser has submitted its application for consent under the New Zealand Overseas Investment Regulations 2005 and has used all reasonable endeavours to obtain consent under the New Zealand Overseas Investment Regulations 2005, Completion will be postponed automatically to a date that is the earlier of (a) 10 Business Days after the condition set out in (ii) is satisfied or (b) 1st October, 2008.

The date of Completion may not be postponed to a date any later than 1st October, 2008 except with the agreement of all parties to the Sale and Purchase Agreement. If the conditions mentioned above have not been fulfilled or, where possible, waived by the postponed date of Completion (if any), the Sale and Purchase Agreement will terminate.

If all the conditions mentioned above shall have been fulfilled without postponement, Completion will take place on 1st July, 2008 or such later date (a) being the 5th Business Day after consents from Transpower New Zealand Limited, the owner and operator of the national grid of New Zealand, for the Acquisition and the acquisition of the Wellington Network by VWE Network pursuant to the terms of certain transmission agreements between, among other parties, Transpower New Zealand Limited and the Covenantor shall have been obtained; (b) the obtaining by VWE Network of certain regulatory New Zealand approvals required to be maintained by electricity distribution network operators; or (c) as agreed by the Purchaser and the Vendor in writing. The Vendor and the Covenantor have agreed to procure the obtaining of the aforesaid regulatory approvals and consents from Transpower New Zealand Limited.

The Acquisition is not conditional upon completion of the acquisition of the Wellington Network by VWE Network. However, pursuant to the Sale and Purchase Agreement, the Vendor and the Covenantor warrant to the Purchaser that VWE Network and the Covenantor will execute an agreement for the acquisition of the Wellington Network in an agreed form.

Guarantee

The Company guarantees to the Vendor (i) payment by the Purchaser to the Vendor of the Purchase Price; (ii) the advance of funds by the Purchaser to VWE Network in an amount equal to the Intercompany Debt and payment of such funds to the Vendor; and (iii) the due and punctual performance of the obligations of the Purchaser contained in the relevant provisions of the Sale and Purchase Agreement.

The Covenantor guarantees to the Purchaser and will procure the due and punctual performance of each obligation of the Vendor contained in the Sale and Purchase Agreement.

INFORMATION ON VENDOR AND COVENANTOR

The Covenantor is listed on New Zealand Stock Exchange and owns infrastructure assets throughout New Zealand including electricity networks, gas distribution systems and gas transmission businesses.

The Vendor owns all the ordinary shares in VWE Network.

INFORMATION ON THE GROUP

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

INFORMATION ON THE INTEREST BEING ACQUIRED

VWE Network and VWE Management were incorporated on 9th September, 2003 and 27th March, 2008 respectively. Since their respective incorporation dates up to the date of this announcement, they have not commenced any operation or business activities save and except the entering into of the agreement by VWE Network as described in the following paragraph.

On 28th April, 2008, VWE Network has entered into an agreement with the Covenantor for the purchase of the electricity network assets which form part of the Covenantor's electricity lines business in the Wellington, Porirua and Hutt Valley regions in New Zealand, having a system length of over 4,592 km ("Wellington Network"). The Wellington Network currently distributes electricity to residential, commercial and industrial customers in the region.

VWE Management is a wholly-owned subsidiary of VWE Network and is a dormant company as at the date of this announcement.

The unaudited net book value of the Wellington Network on the proforma basis as at 30th June, 2007 is approximately NZ\$463.9 million (approximately HK\$2,835.6 million). The unaudited net profits before interest and tax attributable to the Wellington Network on the proforma basis for the year ended 30th June, 2006 and the year ended 30th June, 2007 were approximately NZ\$85.6 million (approximately HK\$523.2 million) and approximately NZ\$86.1 million (approximately HK\$526.3 million) respectively. The unaudited net profits after interest and tax attributable to the Wellington Network on the proforma basis for the year ended 30th June, 2006 and the year ended 30th June, 2007 were approximately NZ\$56.0 million (approximately HK\$342.3 million) and approximately NZ\$55.9 million (approximately HK\$341.7 million) respectively.

It is the Company's intention to on-sell part of its interest in VWE Network to Hongkong Electric Holdings Limited prior to Completion. However, no formal agreement has yet been reached with Hongkong Electric Holdings Limited. Further announcements will be made in relation to this possible transaction if and when appropriate in compliance with the applicable requirements of the Listing Rules.

REASONS FOR THE ACQUISITION

The Company is a diversified infrastructure investment company with a focus on the development, investment and operation of infrastructure businesses in Hong Kong, the Mainland, Australia, Canada, Phillipines 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 position and solid experience in infrastructure.

The Directors (including Independent Non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the revenue ratio in respect of the Acquisition is greater than 25% and less than 100% under Rule 14.07 of the Listing Rules, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company under the Listing Rules. A circular containing, among other things, information relating to the Sale and Purchase Agreement and the Acquisition will be dispatched to the shareholders of the Company in accordance with the relevant requirements of the Listing Rules.

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition by the Purchaser from the Vendor of 100 ordinary shares in the share capital of VWE Network, representing the entire issued share capital of VWE Network, and the repayment of the Intercompany Debt on and subject to the terms and conditions of the Sale and Purchase Agreement
“Business Day”	means Monday to Friday, excluding public holidays in Hong Kong, Auckland and Wellington
“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”	completion of the Acquisition in accordance with the terms of the Sale and Purchase Agreement
“Covenantor”	Vector Limited, a company incorporated under the laws of New Zealand and the ultimate holding company of the Vendor

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Intercompany Debt”	the amount owing by VWE Network to the Covenantor as at the date of Completion as described in the Sale and Purchase Agreement
“Letter of Credit”	an irrevocable standard letter or letters of credit in favour of the Vendor issued by an acceptable bank or acceptable banks for, in aggregate, an amount of NZ\$39 million (approximately HK\$238.4 million) in the form agreed by the Vendor in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchase Price”	the total consideration for the Acquisition under and in accordance with the terms of the Sale and Purchase Agreement
“Purchaser”	Wellington Electricity Distribution Network Limited, a company incorporated under the laws of New Zealand and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	a conditional sale and purchase agreement dated 28th April, 2008 entered into between the Purchaser, the Company, the Vendor and the Covenantor in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Vector Metering Data Services Limited, a company incorporated under the laws of New Zealand
“VWE Management”	Vector Wellington Electricity Management Limited, a company incorporated under the laws of New Zealand and a wholly-owned subsidiary of VWE Network
“VWE Network”	Vector Wellington Electricity Network Limited, a company incorporated under the laws of New Zealand and a wholly-owned subsidiary of the Vendor as at the date of the Sale and Purchase Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“NZ\$”

New Zealand dollar, the lawful currency of New Zealand

Note: The figures in NZ\$ are converted into HK\$ at the rate of NZ\$1:HK\$6.1126 throughout this announcement for indication purposes only.

By Order of the Board
CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED
Law Kai Chung, Edmund
Company Secretary

Hong Kong, 28th April, 2008

As at the date hereof, 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 Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT), Mr. Frank John SIXT and Mr. TSO Kai Sum; 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; and the Alternate Directors are Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene YEUNG (Alternate Director to Mr. KAM Hing Lam).