

SUSTAINING GROWTH THROUGH DIVERSIFICATION AND CONSOLIDATION

We are pleased to report that Cheung Kong Infrastructure Holdings Limited ("CKI") recorded satisfactory earnings growth in the first half of 2001. The unaudited consolidated net profit after tax for the first six months ended 30th June, 2001 was HK\$1,509 million, up 8.6 per cent. from the same period last year. Earnings per share were HK\$0.67 (2000: HK\$0.62).

The Board of Directors has declared an interim dividend for 2001 of HK\$0.21 per share (2000: HK\$0.20). The interim dividend will be paid on Thursday, 11th October, 2001 to shareholders whose names appear on the Register of Members on Wednesday, 10th October, 2001.

SOLID GROWTH IN INFRASTRUCTURE INVESTMENTS

CKI's infrastructure investments in energy and transportation reported satisfactory growth of 13 per cent. in profit contribution for the first half of the year attributable to the good performance of the various investments:

- Profit contribution from the Group's investment in Hongkong Electric Holdings Limited ("Hongkong Electric") was a 24 per cent. increase over the same period last year arising from the increased shareholding in and performance of Hongkong Electric.
- Profit contributions from Australian infrastructure businesses have exceeded initial projections.

- The Group's divestment programme brought a gain of HK\$572 million, of which HK\$351 million was attributable to the sale of Powercor Australia Limited retail business in Australia and HK\$221 million from the disposal of Nanhai Power Plant I investment in China. Divestment of the Group's interest in Nanhai Road Network is in progress.
- The Group has decided to take a more conservative and prudent accounting policy, and has decided to make a provision of HK\$500 million against the Group's China infrastructure portfolio of approximately HK\$8 billion.

REPOSITIONING INFRASTRUCTURE-RELATED BUSINESSES

Softening infrastructure materials prices continued to put pressure on profit margins resulting in a reduction of 24 per cent. in profit contribution from this business over the same period last year.

The Group continued to refocus its initiatives on other infrastructure-related businesses. In the environmental industry, CKI obtained an exclusive license to develop and to market in Mainland China the environmentally friendly polymer modified asphalt, a patented technology owned by Polyphalt Inc., a Canadian listed company of which CKI is the majority shareholder. On the electronic infrastructure front, efforts on integrating smart card applications with biometrics, such as fingerprint matching and facial recognition technologies, have been carried out through the Group's newly established subsidiary, bioSecure Systems Limited.

Interim Results (Cont'd)

STRONG FINANCIAL POSITION

As of 30th June, 2001, key financial figures and our credit rating are as follows:

- Cash position of HK\$3,213 million.
- Net debt of HK\$5,196 million.
- Net debt to equity ratio of 20 per cent.
- S&P credit rating of "A-/Stable".

SUSTAINING GROWTH THROUGH DIVERSIFICATION AND CONSOLIDATION

In the face of the fast-changing market place, we have adopted strategies to reposition ourselves to be even more responsive in the infrastructure business arena. The Group is currently in a very strong financial position to pursue capital intensive infrastructure projects aggressively.

- The significant and steady contributions from CKI infrastructure investments continue to provide the Group with a broad profit and cash base. It is expected that the existing energy portfolio will continue to be the major profit generator for the Group. Adequate resources will be allocated to ensure such contributions to be sustained. In addition, initiatives will be carried out to identify energy investment opportunities around Asia, Europe and North America. Meanwhile, we aim to expand the transportation portfolio aggressively both in terms of geography and industry diversification. We have the extensive knowledge, experience and financial resources necessary to invest in the capital intensive transportation industry. We are currently studying a number of investment opportunities in roads, bridges, tunnels, airports and rail systems in markets including Hong Kong, Mainland China, South Korea, and Australia.

- The infrastructure materials business has been facing increasing pressure with declining volumes due to a slowdown of government housing and domestic infrastructure developments. Profit enhancement and overhead containment programmes are being implemented to optimise the profit and cash contribution from this maturing business, while it faces the challenges at the bottom of its industry cycle.
- The infrastructure materials and infrastructure-related businesses sector has just been repositioned. We believe that there is large market potential in the environmental industry and electronic infrastructure business. A number of opportunities in clean energy, waste-to-energy, waste handling, biometrics and smart card application are being studied.
- In addition to investigating new investment opportunities, the Group will continue to capitalise on divestment opportunities at preferential terms.

With the broad and secure foundation established over the past five years, we aim to continue sustaining the Group's growth through diversification and consolidation in the coming years.

I would like to thank the Board of Directors and our staff for their hard work and dedication, and our shareholders for their continued support of our vision.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 16th August, 2001

Financial Review

FINANCIAL RESOURCES, TREASURY ACTIVITIES AND GEARING RATIO

The Group's capital expenditure and investments for the period were funded from cash on hand, internal cash generation, the syndication loan drawn since September 1997 and new project loans drawn during the period.

The Group maintained bank balances and cash totalling HK\$3,213 million as at 30th June, 2001, of which more than 90 per cent. were denominated in Hong Kong dollars or U.S. dollars.

As at 30th June, 2001, total borrowings of the Group amounted to HK\$8,409 million, which included Hong Kong dollar syndication loan of HK\$3,800 million, foreign currency bank and other borrowings of HK\$4,477 million and RMB bank loans of HK\$132 million. Of the total borrowings, 47 per cent. were repayable in 2002, 4 per cent. repayable in 2003 and the remaining portion repayable in 2004 to 2006. Committed borrowing facilities available to the Group, but not yet drawn as at 30th June, 2001, amounted to HK\$25 million. Of these undrawn facilities, 37 per cent. will expire in 2002 and the remaining portion will expire in 2003. The Group's financing activities continue to be well received and fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in Hong Kong or U.S. dollars. The Group's liquidity and financing requirements are reviewed regularly. The Group will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As at 30th June, 2001, the Group maintained a gearing ratio at 20 per cent. which was based on its net debt of HK\$5,196 million and equity of HK\$25,436 million. This ratio was lower than the gearing ratio of 34 per cent. at the end of 2000, mainly because of the repayment of a short-term Australian dollar bridging loan during the period. In view of the expiry of the HK\$3,800 million syndication loan in 2002 and potential project financing requirements from business growth, the Group has established a medium term note programme of up to US\$2 billion in March 2001.

To minimise currency risk exposure, the Group has a policy of hedging its investments in other countries with the appropriate level of borrowings denominated in the local currencies of those countries. As at 30th June, 2001, the Group has swapped the floating interest rates of its borrowings totalling HK\$4,294 million into fixed interest rates. The Group will consider entering into further interest and currency swap transactions to hedge against its interest rate and currency risk exposures, as appropriate.

Financial Review (Cont'd)

CHARGE ON GROUP ASSETS

As at 30th June, 2001, certain of the Group's land and buildings and a fixed deposit with net book values totalling HK\$59 million were pledged to secure a bank loan and a performance bond totalling HK\$61 million.

The assets of a non-wholly owned subsidiary with a net book value of HK\$52 million were pledged as a floating charge to secure debentures with a face value totalling HK\$5 million issued by the aforesaid subsidiary. In addition to the floating charge, a second charge on the subsidiary's land and buildings with a net book value of HK\$7 million was created to secure a mortgage loan of HK\$7 million borrowed by the subsidiary.

CONTINGENT LIABILITIES

As at 30th June, 2001, the Group was subject to outstanding performance bonds totalling HK\$25 million.

EMPLOYEES

The Group, including its subsidiaries but excluding associated companies, employs a total of 2,352 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$217 million. The Group ensures that the pay levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company had been given to its employees who had submitted the pink application forms to subscribe for shares of HK\$1.00 each in the Company at HK\$12.65 per share on flotation of the Company in 1996. The Group does not have any share option scheme for employees.

Consolidated Income Statement

for the six months ended 30th June

HK\$million	Notes	2001 (unaudited)	2000 (unaudited)
Turnover	2		
Group turnover		1,196	1,342
Share of turnover of jointly controlled entities		705	249
		1,901	1,591
Group turnover	2	1,196	1,342
Other revenue	3	1,334	584
Operating costs	4	(2,217)	(1,247)
Operating profit*	5	313	679
Finance costs		(307)	(281)
Share of results of associates		1,438	850
Share of results of jointly controlled entities		191	240
Profit before taxation		1,635	1,488
Taxation	6	(138)	(106)
Profit after taxation		1,497	1,382
Minority interests		12	7
Profit attributable to shareholders	5	1,509	1,389
Proposed interim dividend		473	451
Earnings per share	7	HK\$0.67	HK\$0.62
Proposed interim dividend per share		HK\$0.21	HK\$0.20

* Operating profit is stated after a provision (see notes 4 and 5).

Consolidated Balance Sheet

HK\$million	Notes	As at 30th June 2001 (unaudited)	As at 31st December 2000 (audited)
Property, plant and equipment		2,220	2,267
Interests in associates		18,836	20,378
Interests in jointly controlled entities		4,697	4,791
Infrastructure project investments		3,303	4,294
Investments in securities		723	754
Other non-current assets		50	39
Total non-current assets		29,829	32,523
Inventories		235	222
Amounts due from customers for contract work		1	2
Retention receivables		22	21
Debtors and prepayments	8	1,526	1,620
Bank balance, pledged		34	52
Bank balances and cash on hand		3,179	2,117
Total current assets		4,997	4,034
Bank loans		85	3,539
Creditors and accruals	9	617	881
Provision for taxation		117	106
Total current liabilities		819	4,526
Net current assets/(liabilities)		4,178	(492)
Total assets less current liabilities		34,007	32,031
Bank loans		8,319	7,002
Debentures		5	5
Deferred taxation		3	4
Total non-current liabilities		8,327	7,011
Minority interests		244	256
Net assets		25,436	24,764
Representing:			
Share capital	10	2,254	2,254
Reserves	11	23,182	22,510
Capital and reserves		25,436	24,764

Consolidated Statement of Recognised Gains and Losses

for the six months ended 30th June

HK\$million	2001 (unaudited)	2000 (unaudited)
Surplus/(deficit) on revaluation of non-trading securities	50	(36)
Exchange translation differences	(12)	(1)
Net gain/(loss) not recognised in the consolidated income statement	38	(37)
Net profit for the period	1,509	1,389
Add: previously recognised revaluation deficit realised upon disposals of non-trading securities	27	–
Total recognised gains and losses	1,574	1,352
Elimination of goodwill against reserves arising from acquisition of a subsidiary	–	(20)
Elimination of goodwill against reserves arising from acquisition of interest in an associate	–	(230)
	1,574	1,102

Condensed Consolidated Cash Flow Statement

for the six months ended 30th June

HK\$million	2001 (unaudited)	2000 (unaudited)
Net cash (outflow)/inflow from operating activities	(51)	103
Net cash inflow/(outflow) from returns on investments and servicing of finance	484	(262)
Profits tax paid	(9)	(11)
Net cash inflow/(outflow) before investing activities	424	(170)
Net cash inflow/(outflow) from investing activities	2,226	(3,326)
Net cash inflow/(outflow) before financing	2,650	(3,496)
Net cash (outflow)/inflow from financing	(1,588)	3,450
Net increase/(decrease) in cash and cash equivalents	1,062	(46)
Cash and cash equivalents at 1st January	2,117	1,443
Cash and cash equivalents at 30th June	3,179	1,397
Representing:		
Bank balances and cash on hand at 30th June	3,179	1,397

Notes to the Interim Financial Statements

1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants (“HKSA”) and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In addition, the Group has presented segment revenues and results as defined in SSAP 26 “Segment Reporting” with comparative figures for the six months ended 30th June, 2000 in note 5 below.

The accounting policies used in preparation of the interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31st December, 2000, except for the following changes pursuant to new SSAPs issued by HKSA which are effective for accounting periods commencing on or after 1st January, 2001:

In accordance with SSAP 30 “Business Combinations”, the Group has elected not to restate the goodwill arising from acquisition of subsidiaries, associates and jointly controlled entities previously eliminated against reserves. The goodwill arising from acquisition of subsidiaries, associates and jointly controlled entities on or after 1st January, 2001 is now recognised as an asset and amortised on a straight-line basis over its estimated useful life. Any impairment loss identified is recognised as an expense immediately.

In accordance with SSAP 9 (revised) “Events After The Balance Sheet Date”, the Group now recognises dividend proposed or declared after the balance sheet date as a separate component of equity. This accounting policy has been applied retrospectively, and the proposed final dividend of HK\$902 million previously recognised as a current liability as at 31st December, 2000 has been restated to conform to the current period’s presentation.

Notes to the Interim Financial Statements (Cont'd)

2. TURNOVER

Group turnover represents net sales from infrastructure materials businesses, return on investments and interest income received and receivable from infrastructure project investments, net of withholding tax, where applicable.

In addition, the Group also accounts for its proportionate share of turnover of jointly controlled entities. Turnover of associates are not included.

By business segment

for the six months ended 30th June

HK\$million	Group turnover	2001 Share of turnover of jointly controlled entities	Total	Group turnover	2000 Share of turnover of jointly controlled entities	Total
Infrastructure investments	238	705	943	308	249	557
Infrastructure materials and infrastructure-related businesses	958	–	958	1,034	–	1,034
Total	1,196	705	1,901	1,342	249	1,591

By geographic region

for the six months ended 30th June

HK\$million	Group turnover	2001 Share of turnover of jointly controlled entities	Total	Group turnover	2000 Share of turnover of jointly controlled entities	Total
Hong Kong	817	–	817	879	–	879
Mainland China	359	705	1,064	456	249	705
Others	20	–	20	7	–	7
Total	1,196	705	1,901	1,342	249	1,591

The comparative figures of turnover for the six months ended 30th June, 2000 have been restated to conform to the current period's presentation.

Notes to the Interim Financial Statements (Cont'd)

3. OTHER REVENUE

Other revenue includes the following:

HK\$million	Six months ended 30th June	
	2001	2000
Interest income	364	316
Finance lease income	3	2
Distribution from listed stapled securities	18	20
Dividend from other listed securities	2	–
Gain on disposals of other listed securities	10	–
Gain on disposal of a subsidiary	221	–
Charterhire service income	688	208

4. OPERATING COSTS

Operating costs include the following:

HK\$million	Six months ended 30th June	
	2001	2000
Depreciation	95	92
Amortisation of costs of investments in infrastructure projects	87	93
Provision against infrastructure project investments	500	–
Cost of charterhire services rendered	686	206
Cost of inventories sold	645	688

Notes to the Interim Financial Statements (Cont'd)

5. SEGMENT INFORMATION

By business segment

for the six months ended 30th June

HK\$million	Investment in Hongkong Electric*		Infrastructure investments		Infrastructure materials and infrastructure- related businesses		Unallocated items		Consolidated	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Segment revenue										
Group turnover	-	-	238	308	958	1,034	-	-	1,196	1,342
Charterhire service income	-	-	-	-	688	208	-	-	688	208
Others	-	-	6	15	22	23	-	-	28	38
	-	-	244	323	1,668	1,265	-	-	1,912	1,588
Segment result	-	-	124	194	130	193	-	-	254	387
Provision	-	-	(500)	-	-	-	-	-	(500)	-
Gain on disposal of a subsidiary	-	-	221	-	-	-	-	-	221	-
Interest and finance lease incomes	-	-	288	249	52	58	27	11	367	318
Other revenue	-	-	30	20	-	-	-	-	30	20
Net corporate overheads	-	-	-	-	-	-	(59)	(46)	(59)	(46)
Operating profit	-	-	163	463	182	251	(32)	(35)	313	679
Finance costs	-	-	-	-	-	-	(307)	(281)	(307)	(281)
Share of results of associates and jointly controlled entities	1,073	860	556	241	-	(11)	-	-	1,629	1,090
Taxation	(118)	(89)	(1)	-	(19)	(17)	-	-	(138)	(106)
Minority interests	-	-	-	-	12	7	-	-	12	7
Profit attributable to shareholders	955	771	718	704	175	230	(339)	(316)	1,509	1,389

* During the period, the Group has a 38.87 per cent. equity interest in Hongkong Electric Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited.

Notes to the Interim Financial Statements (Cont'd)

5. SEGMENT INFORMATION (Cont'd)

By geographic region

for the six months ended 30th June

HK\$million	Hong Kong		Mainland China		Australia		Others		Unallocated items		Consolidated	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Segment revenue												
Group turnover	817	879	359	456	-	-	20	7	-	-	1,196	1,342
Charterhire service income	14	7	68	83	5	-	601	118	-	-	688	208
Others	18	23	6	15	-	-	4	-	-	-	28	38
	849	909	433	554	5	-	625	125	-	-	1,912	1,588
Segment result	207	228	57	159	-	(3)	(10)	3	-	-	254	387
Provision	-	-	(500)	-	-	-	-	-	-	-	(500)	-
Gain on disposal of a subsidiary	-	-	221	-	-	-	-	-	-	-	221	-
Interest and finance lease incomes	52	58	-	-	288	249	-	-	27	11	367	318
Other revenue	12	-	-	-	18	20	-	-	-	-	30	20
Net corporate overheads	-	-	-	-	-	-	-	-	(59)	(46)	(59)	(46)
Operating profit	271	286	(222)	159	306	266	(10)	3	(32)	(35)	313	679
Finance costs	-	-	-	-	-	-	-	-	(307)	(281)	(307)	(281)
Share of results of associates and jointly controlled entities	1,082	860	196	241	351	-	-	(11)	-	-	1,629	1,090
Taxation	(138)	(106)	-	-	-	-	-	-	-	-	(138)	(106)
Minority interests	-	-	10	7	-	-	2	-	-	-	12	7
Profit attributable to shareholders	1,215	1,040	(16)	407	657	266	(8)	(8)	(339)	(316)	1,509	1,389

Notes to the Interim Financial Statements (Cont'd)

6. TAXATION

HK\$million	Six months ended 30th June	
	2001	2000
Company and subsidiaries		
Hong Kong profits tax – current	20	19
– deferred	(1)	(2)
	19	17
Associates		
Hong Kong profits tax – current	118	89
– deferred	1	–
	119	89
Total	138	106

(a) Hong Kong profits tax is provided for at the rate of 16 per cent. (2000: 16 per cent.) on the estimated assessable profits for the period less available tax relief for losses brought forward.

(b) Tax deferred or accelerated by the effects of timing differences is provided, using the liability method, to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$1,509 million (2000: HK\$1,389 million) and on 2,254,209,945 shares (2000: 2,254,209,945 shares) in issue during the interim period.

Diluted earnings per share has not been shown as there was no dilutive effect on the earnings per share if the convertible debentures outstanding during the six months ended 30th June, 2001 and 2000 were fully converted into shares of a non-wholly owned subsidiary which issued the debentures.

Notes to the Interim Financial Statements (Cont'd)

8. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors and infrastructure project receivables of HK\$1,244 million (HK\$1,275 million as at 31st December, 2000) and their ageing analysis is as follows:

HK\$million	As at 30th June 2001	As at 31st December 2000
Current	549	797
One month	32	56
Two to three months	18	21
Three months and more	857	607
Gross total	1,456	1,481
Provision	(212)	(206)
Total after provision	1,244	1,275

Trading terms with customers are largely on credit, except for new customers and customers with unsatisfactory payment records, where payment in advance is normally required. Invoices are normally payable within one month of issuance, except for certain well-established customers, where the terms are extended to two months, and certain customers with disputed items, where the terms are negotiated individually. Each customer has a maximum credit limit, which was granted and approved by senior management in accordance with the laid-down credit review policy and procedures.

Infrastructure project receivables are mainly derived from return from infrastructure project investments, which is predetermined in accordance with provisions of the relevant agreements. The return is contractually payable annually or semi-annually to the Group within a specified period.

9. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$142 million (HK\$166 million as at 31st December, 2000) and their ageing analysis is as follows:

HK\$million	As at 30th June 2001	As at 31st December 2000
Current	74	88
One month	13	9
Two to three months	10	6
Three months and more	45	63
Total	142	166

Notes to the Interim Financial Statements (Cont'd)

10. SHARE CAPITAL

There were no movements in the share capital of the Company in the six months ended 30th June, 2001 and 2000 respectively.

11. RESERVES

HK\$million	Share premium	Contributed surplus	Investment revaluation reserve	Exchange translation reserve	Retained profits	Proposed dividends	Total
At 1st January, 2001	3,836	7,632	19	(8)	10,129	902	22,510
Final dividend for the year 2000 paid	-	-	-	-	-	(902)	(902)
Surplus on revaluation of investments in securities	-	-	50	-	-	-	50
Revaluation deficit realised upon disposals of non-trading securities	-	-	27	-	-	-	27
Exchange translation differences	-	-	-	(12)	-	-	(12)
Profit for the period	-	-	-	-	1,509	-	1,509
Proposed interim dividend	-	-	-	-	(473)	473	-
At 30th June, 2001	3,836	7,632	96	(20)	11,165	473	23,182

Notes to the Interim Financial Statements (Cont'd)

12. CAPITAL COMMITMENTS

The Group's capital commitments outstanding at 30th June and not provided for in the financial statements are as follows:

HK\$million	Contracted but not provided for		Authorised but not contracted for	
	As at 30th June 2001	As at 31st December 2000	As at 30th June 2001	As at 31st December 2000
Investment in an associate	16	16	–	–
Investments in jointly controlled entities	433	433	–	–
Infrastructure project investments	29	29	–	–
Plant and machinery	21	29	153	218
Others	–	–	2	6
Total	499	507	155	224

13. CONTINGENCIES

HK\$million	As at 30th June 2001	As at 31st December 2000
Performance bonds	25	5

14. DISPOSAL OF A SUBSIDIARY

During the period, the Group disposed of a subsidiary with sales proceeds of HK\$408 million and a net gain of HK\$221 million. The subsidiary did not make any significant contribution to the results of the Group during the periods ended 30th June, 2001 and 2000.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

Directors' Interests

As at 30th June, 2001, the interests of the Directors in the shares and debentures of the Company and its associated corporations as required to be recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

No. of Ordinary Shares/Amount of Debentures

Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Company	Li Tzar Kuoi, Victor	-	-	-	1,912,109,945	1,912,109,945
					(Note 1)	
	Kam Hing Lam	100,000	-	-	-	100,000
Hutchison Whampoa Limited	Li Tzar Kuoi, Victor	-	-	1,086,770	2,139,002,773	2,140,089,543
				(Note 5)	(Note 2)	
	George Colin Magnus	880,000	9,900	-	-	889,900
	Fok Kin Ning, Canning	962,597	-	148,278	-	1,110,875
				(Note 6)		
	Lee Pui Ling, Angelina	38,500	-	-	-	38,500
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	100,000	-	-	-	100,000
Hongkong Electric Holdings Limited	Li Tzar Kuoi, Victor	-	-	-	829,599,612	829,599,612
					(Note 3)	
	Lee Pui Ling, Angelina	8,800	-	-	-	8,800

Directors' Interests (Cont'd)

Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Husky Energy Inc.	Li Tzar Kuoi, Victor	-	-	-	137,107,613 (Note 7)	137,107,613
		-	-	-	628,599 Transferable Warrants (Note 7)	628,599 Transferable Warrants
	Fok Kin Ning, Canning	-	-	300,000 (Note 6)	-	300,000
Partner Communications Company Ltd.	George Colin Magnus	25,000	-	-	-	25,000
	Fok Kin Ning, Canning	-	-	225,000 (Note 6)	-	225,000
Believewell Limited	Li Tzar Kuoi, Victor	-	-	-	1,000 (Note 4)	1,000
Hutchison Whampoa Finance (CI) Limited	Fok Kin Ning, Canning	-	-	US\$11,000,000 6.95% Notes due 2007 (Note 6)	-	US\$11,000,000 6.95% Notes due 2007
		-	-	US\$5,000,000 7% Notes due 2011 (Note 8)	-	US\$5,000,000 7% Notes due 2011
Hutchison Whampoa International (01/11) Limited	Li Tzar Kuoi, Victor	-	-	US\$5,000,000 7% Notes due 2011 (Note 8)	-	US\$5,000,000 7% Notes due 2011
	Fok Kin Ning, Canning	-	-	US\$6,000,000 7% Notes due 2011 (Note 6)	-	US\$6,000,000 7% Notes due 2011

Directors' Interests (Cont'd)

Notes:

(1) The 1,912,109,945 shares in the Company comprise:

(a) 1,906,681,945 shares are held by a subsidiary of Hutchison Whampoa Limited ("Hutchison Whampoa"). Certain subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong Holdings") hold more than one-third of the issued share capital of Hutchison Whampoa. Li Ka-Shing Unity Trustee Company Limited ("TUT") as trustee of The Li Ka-Shing Unity Trust (the "LKS Unity Trust") and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of Cheung Kong Holdings. All issued and outstanding units in the LKS Unity Trust are held by Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, his wife and two daughters, and Mr. Li Tzar Kai, Richard. Mr. Li Tzar Kuoi, Victor, as a discretionary beneficiary of such discretionary trusts and a Director of the Company, is taken to be interested in those shares of Cheung Kong Holdings and in those shares of Hutchison Whampoa as held by the subsidiaries of Cheung Kong Holdings and in those shares of the Company as held by the subsidiary of Hutchison Whampoa as aforesaid.

(b) 3,603,000 shares are held by Pennywise Investments Limited ("Pennywise") and 1,825,000 shares are held by Triumphant Investments Limited ("Triumphant"). Pennywise and Triumphant are companies controlled by TUT as trustee of the LKS Unity Trust. Mr. Li Tzar Kuoi, Victor is deemed to be interested in such shares of the Company held by Pennywise and Triumphant by virtue of his interests as a discretionary beneficiary of certain discretionary trusts as described in Note 1(a) above and as a Director of the Company.

(2) The 2,139,002,773 shares in Hutchison Whampoa comprise:

(a) 2,130,202,773 shares are held by certain subsidiaries of Cheung Kong Holdings. Mr. Li Tzar Kuoi, Victor, as a Director of the Company, is taken to be interested in such shares in Hutchison Whampoa held by the subsidiaries of Cheung Kong Holdings by virtue of his deemed interests in the shares of Cheung Kong Holdings as a discretionary beneficiary of certain discretionary trusts as described in Note 1(a) above; and

(b) 8,800,000 shares are held by a unit trust. All issued and outstanding units of such unit trust are held by discretionary trusts. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, his wife and two daughters, and Mr. Li Tzar Kai, Richard. Accordingly Mr. Li Tzar Kuoi, Victor, as a Director of the Company, is deemed to be interested in such 8,800,000 shares in Hutchison Whampoa by virtue of his interests as described in this paragraph as a discretionary beneficiary of certain discretionary trusts.

Directors' Interests (Cont'd)

- (3) The 829,599,612 shares in Hongkong Electric Holdings Limited ("Hongkong Electric") are held by certain subsidiaries of the Company. Mr. Li Tzar Kuoi, Victor, as a Director of the Company, is taken to be interested in such shares in Hongkong Electric held by the subsidiaries of the Company by virtue of his deemed interests in the shares of the Company as a discretionary beneficiary of certain discretionary trusts as described in Note 1(a) above.
- (4) This company is an associated company of Hutchison Whampoa. By virtue of being a Director of the Company and his interests as a discretionary beneficiary of certain discretionary trusts as described in Note 1(a) above, Mr. Li Tzar Kuoi, Victor is deemed to be interested in those shares of subsidiaries and associated companies of the Company and Hutchison Whampoa which are held by TUT (and companies it controls) as trustee of the LKS Unity Trust.
- (5) These shares are beneficially owned by certain companies in which Mr. Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings.
- (6) These interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
- (7) These interests are held by a company in respect of which a trust company as trustee of The Li Ka-Shing Castle Discretionary Trust is indirectly entitled to substantially all the net assets thereof. Mr. Li Tzar Kuoi, Victor may be deemed to be interested in such shares and transferable warrants by virtue of his interests as a discretionary beneficiary of certain discretionary trusts as described in Note 2(b) above.
- (8) Such Notes are held by a company in which Mr. Li Tzar Kuoi, Victor is entitled to control one-third or more of the voting rights at its general meetings.

Mr. Li Tzar Kuoi, Victor, by virtue of being a Director of the Company and his interests in the share capital of the Company as a discretionary beneficiary of certain discretionary trusts as described in Note 1(a) above, is deemed to be interested in those shares of subsidiaries and associated companies of the Company held through the Company and in those shares of the subsidiaries and associated companies of Hutchison Whampoa held through Hutchison Whampoa under the provisions of the SDI Ordinance.

Apart from the above, as at 30th June, 2001 there was no other interest or right recorded in the register required to be kept under Section 29 of the SDI Ordinance.

Substantial Shareholders

In addition to the interests disclosed above in respect of the Directors, the Company was notified of the following interests in the issued ordinary share capital of the Company as at 30th June, 2001 as required to be recorded in the register maintained under Section 16(1) of the SDI Ordinance:

- (i) 1,906,681,945 shares of the Company are held by Hutchison Infrastructure Holdings Limited, a subsidiary of Hutchison Whampoa. Its interests are duplicated in the interests of Hutchison Whampoa in the Company described in (ii) below.
- (ii) Hutchison Whampoa is deemed to be interested in the 1,906,681,945 shares of the Company referred to in (i) above as it holds more than one-third of the issued share capital of Hutchison International Limited, which holds more than one-third of the issued share capital of Hutchison Infrastructure Holdings Limited.
- (iii) Cheung Kong Holdings is deemed to be interested in the 1,906,681,945 shares of the Company referred to in (ii) above as certain subsidiaries of Cheung Kong Holdings hold more than one-third of the issued share capital of Hutchison Whampoa.
- (iv) TUT as trustee of the LKS Unity Trust is deemed to be interested in those shares of the Company described in (iii) above as TUT and companies it controls as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of Cheung Kong Holdings and in the 3,603,000 shares and 1,825,000 shares of the Company respectively held by Pennywise and Triumphant as Pennywise and Triumphant are companies controlled by TUT as trustee of the LKS Unity Trust.
- (v) Each of Mr. Li Ka-shing, Li Ka-Shing Unity Holdings Limited and Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust is deemed to be interested in the same block of shares TUT as trustee of the LKS Unity Trust is deemed to be interested in as referred to in (iv) above as all issued and outstanding units in the LKS Unity Trust are held by the Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. More than one-third of the issued share capital of TUT and of the trustees of the said discretionary trusts are owned by Li Ka-Shing Unity Holdings Limited. Mr. Li Ka-shing owns more than one-third of the issued share capital of Li Ka-Shing Unity Holdings Limited.

Other Information

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June, 2001. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during this period.

PRACTICE NOTE 19 TO THE STOCK EXCHANGE LISTING RULES

The following information is disclosed in accordance with the Practice Note 19:

- (a) The Group has entered into a syndicated loan facility agreement of HK\$3.8 billion of which the whole amount was drawn as at 30th June, 2001. The facility will mature in 2002. Under the provision of the loan agreement, it is an event of default if Hutchison Whampoa (the Company's controlling shareholder) ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (b) A sponsors/shareholders' undertaking referred to in paragraph (ii) of the Connected Transactions in the Company's 2000 Annual Report has been provided by Hutchison Whampoa, the Zhuhai Foreign Party and the other parties in relation to two loan facilities of the PRC project company undertaking the Zhuhai Power Plant. The two loans, in the amounts of US\$125.5 million and US\$670 million are repayable by installments with the final repayment due in 2008 and 2012 respectively. It is an event of default for both facilities if Cheung Kong Holdings and Hutchison Whampoa collectively own directly or indirectly less than 51 per cent. of the shareholding in the Zhuhai Foreign Party. The obligation has been complied with.
- (c) The Group has entered into a transferable loan facility agreement of A\$33 million of which the whole of the loan amount was drawn as at 30th June, 2001. The facility will mature in 2003. Under the provision of the loan agreement, it is an event of default if Hutchison Whampoa ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (d) The Group has entered into a loan facility agreement of A\$75 million of which A\$4 million remained undrawn as at 30th June, 2001. The facility will mature in 2003. Under the provision of the loan agreement, it is an event of default if Hutchison Whampoa ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (e) The Group has entered into a long term syndicated facility agreement of A\$500 million of which the whole amount was drawn as at 30th June, 2001. The facility will mature in 2004. Under the provision of the loan agreement, it is an event of default if Hutchison Whampoa ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.

Other Information (Cont'd)

- (f) The Group has entered into two long term loan facility agreements of A\$45 million and A\$90 million, respectively, of which the whole amounts were drawn as at 30th June, 2001. The facilities will mature in 2004 and 2005, respectively. Under the provision of the loan agreements, it is an event of default if Hutchison Whampoa ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (g) The Group has entered into a long term syndicated facility agreement of A\$405 million of which the whole amount was drawn as at 30th June, 2001. The facility will mature in 2006. Under the provision of the loan agreement, it is an event of default if Hutchison Whampoa ceases to own (directly or indirectly) at least 35 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (h) As at 30th June, 2001, the Group has granted to certain affiliated companies loans and advances totalling HK\$6,670 million, equivalent to approximately 26 per cent. of the Group's net assets. Proforma combined balance sheet of the affiliated companies as at 30th June, 2001 is set out below:

HK\$million	
Non-current assets	30,259
Current assets	2,272
Current liabilities	(6,294)
Non-current liabilities	(26,349)
Net assets	(112)
Share capital	839
Reserves	(951)
Capital and reserves	(112)

As at 30th June, 2001, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$7,423 million.

AUDIT COMMITTEE

The Group's interim report for the six months ended 30th June, 2001 was reviewed by the Audit Committee ("Committee"). Regular meetings have been held by the Committee since its establishment and it shall meet at least twice each year.

CODE OF BEST PRACTICE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this interim report, in compliance with Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notice of Payment of Interim Dividend, 2001

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited consolidated net profit after tax for the six months ended 30th June, 2001 amounted to HK\$1,509 million which represents earnings of HK\$0.67 per share. The Directors have resolved to pay an interim dividend for 2001 of HK\$0.21 per share to shareholders whose names appear on the Register of Members of the Company on Wednesday, 10th October, 2001. The dividend will be paid on Thursday, 11th October, 2001.

The Register of Members of the Company will be closed from Wednesday, 3rd October, 2001 to Wednesday, 10th October, 2001, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Branch Share Registrars, Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 28th September, 2001.

By Order of the Board

Eirene Yeung

Company Secretary

Hong Kong, 16th August, 2001

Corporate Information

DIRECTORS

LI Tzar Kuoi, Victor

Chairman

George Colin MAGNUS

Deputy Chairman

FOK Kin Ning, Canning

Deputy Chairman

KAM Hing Lam

Group Managing Director

IP Tak Chuen, Edmond

Executive Director

Frank John SIXT

Executive Director

CHOW WOO Mo Fong, Susan

Executive Director

TSO Kai Sum

Executive Director

Barrie COOK

Executive Director

KWAN Bing Sing, Eric

Executive Director

CHEONG Ying Chew, Henry

Independent Non-executive Director

LEE Pui Ling, Angelina

Independent Non-executive Director

COMPANY SECRETARY

Eirene YEUNG

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITORS

Deloitte Touche Tohmatsu

BANKERS

Canadian Imperial Bank of Commerce

BNP Paribas

HSBC

REGISTERED OFFICE

Clarendon House, Church Street,

Hamilton HM11, Bermuda

PRINCIPAL PLACE OF BUSINESS

12th Floor, Cheung Kong Center,

2 Queen's Road Central, Hong Kong

INTERNET ADDRESS

<http://www.cki.com.hk>

Corporate Information (Cont'd)

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Corporate Services Limited,
Rosebank Centre,
11 Bermudiana Road,
Pembroke,
Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Central Registration Hong Kong Limited,
Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

SHARE LISTING

The Company's shares are listed on
The Stock Exchange of Hong Kong Limited.
The stock codes are:
The Stock Exchange of Hong Kong Limited – 1038;
Reuters – 1038.HK;
Bloomberg – 1038 HK.

INVESTOR RELATIONS

For further information about Cheung Kong
Infrastructure Holdings Limited, please contact:

Ivan CHAN

Cheung Kong Infrastructure Holdings Limited,
12th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong
Telephone: (852) 2122 3986
Facsimile: (852) 2501 4550
Email: contact@cki.com.hk