



Cheung Kong
Infrastructure
Holdings Limited (Incorporated in Bermuda with limited liability)

Interim Report 2002



Global Investment

CKI is the largest publicly listed infrastructure company in Hong Kong with investment in Hongkong Electric, infrastructure investments, infrastructure materials and infrastructure-related businesses. The Company has operations in Hong Kong, Mainland China, Australia, Canada and the Philippines.

TO OUR SHAREHOLDERS:

Cheung Kong Infrastructure Holdings Limited (“CKI”)’s unaudited consolidated profit attributable to shareholders for the first six months ended 30th June, 2002, was HK\$1,491 million. Earnings per share were HK\$0.66, a slight drop of 1.2 per cent. as compared to the same period in 2001. If all the one-off items such as the gain derived from the sale of the retail business of Powercor Australia Limited (“Powercor”) in 2001 are excluded, CKI would have achieved a growth of 10.7 per cent. when compared to the same period last year. *(Please see Note 1 in the “Financial Review”)*

As of 30th June, 2002, CKI had over HK\$6 billion cash in hand. The net debt-to-equity ratio was 14 per cent. That ratio is low when compared to those of other international infrastructure groups. The Group has ample capital liquidity and is in a strong financial position.

The Board of Directors has declared an interim dividend for 2002 of HK\$0.215 per share (2001: HK\$0.21). The interim dividend will be paid on Friday, 4th October, 2002 to shareholders whose names appear on the Register of Members on Thursday, 3rd October, 2002.

NEW OVERSEAS INVESTMENTS

1. CitiPower in Melbourne

- In July 2002, CKI and Hongkong Electric Holdings Limited (“Hongkong Electric”) successfully acquired CitiPower I Pty Ltd. (“CitiPower”) for A\$1,418 million, and this electricity utility serves approximately 265,000 customers in Melbourne, Victoria and its surrounding suburbs.
- CitiPower is CKI and Hongkong Electric’s second investment in electricity distribution in the state of Victoria, Australia. This acquisition, together with CKI and Hongkong Electric’s investments made in 2000 in Victoria’s largest power distributor, Powercor, and the sole power distributor in South Australia, ETSA Utilities, have made CKI and Hongkong Electric the largest electricity distributor in the country. CKI and Hongkong Electric’s investments in power distribution currently serve a total of 1.65 million customers in Australia.

2. Cross City Tunnel in Sydney

- In February 2002, a consortium led by CKI with a 50 per cent. interest, was named the preferred tenderer to construct the Cross City Tunnel, which will connect Sydney’s eastern suburbs with the western side of the city. The financial closing for this A\$800 million project is expected to take place in the second half of the year. Construction is scheduled to commence before the end of 2002, and the tunnel will be operational by the end of 2006. The Cross City Tunnel will be the first transportation infrastructure project undertaken by CKI in Australia and will be the Group’s first infrastructure project in the state of New South Wales.

ASSETS CONSOLIDATION

As the investment environment changes, there has been decreasing demand for capital for infrastructure projects in the Mainland leading to some of CKI's local partners buying back the Group's shares in the projects. Against this backdrop, CKI has been divesting some of its Mainland China investments. During the period under review, CKI continued to consolidate its assets:

- Zengcheng Lixin Road was sold for HK\$132 million, achieving an internal rate of return of 20 per cent.
- Divestment of Shantou Power Plants was concluded at HK\$239 million, generating an internal rate of return of 10 per cent.
- The sale of the Nanhai Road Network is progressing well. The disposal is expected to be completed before the end of 2002.

CORE BUSINESSES

1. Investment in Hongkong Electric

- Hongkong Electric continues to provide a long-term and reliable income base for CKI. During the first half of 2002, Hongkong Electric accounted for 52 per cent. of CKI's profit contribution.
- Hongkong Electric's core businesses recorded satisfactory growth compared to the same period last year, before taking into account the one-off gain from the sale of the Powercor retail business in 2001.

2. Investment in infrastructure

- The three ventures in Australia - Envestra Limited, ETSA Utilities and Powercor - continue to provide steady and substantial income for CKI. The completion of the CitiPower transaction later this year will also bring immediate income to the Group. Earnings generated from the investment portfolio in Australia are playing an increasingly significant role in the Group's results.
- The investments made in power plants, toll roads and bridges span many provinces and cities across the Mainland. They continue to generate considerable cash income and profit for the Group.

3. Infrastructure materials and infrastructure-related businesses

- The construction industry remained sluggish. However, the infrastructure materials and infrastructure-related businesses continued to make meaningful contributions to the Group's income following a streamlining of their operations.

GROWTH FROM SOLID FOUNDATION VENTURE TOWARDS NEW HEIGHTS

Since its initial public offering in 1996, CKI has recorded growth year on year in terms of earnings per share, dividend per share and net book value per share. The Group is currently in an exceptionally cash-rich position and enjoys a very low gearing ratio. With such robust financials in today's unstable global economic situation, CKI is in an enviable position to forge ahead with its development plans by examining the many quality assets in the market. CKI continues to pursue its globalisation strategy to capture quality investment opportunities in Hong Kong, the Mainland and other countries in the world in order to maintain reasonable returns and to create additional value for shareholders.

At the same time, the Group continues to restructure its investments in the Mainland. This will consolidate the Group's investment portfolio on the one hand, and strengthen the Group's cash position for expansion on the other.

Given the Group's strong financial position, CKI is in a unique and exciting position to venture to new heights in the capital-intensive infrastructure market.

I would like to take this opportunity to thank the Board of Directors and staff for their contribution and hard work, and to all the shareholders for their support and confidence in the Group.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 15th August, 2002

FINANCIAL RESOURCES, TREASURY ACTIVITIES AND GEARING RATIO

The Group's capital expenditure and investments were funded from cash in hand, internal cash generation, syndicated loans and other project loans.

The Group maintained bank balances and cash totalling HK\$6,313 million as at 30th June, 2002, of which more than 80 per cent. were denominated in Hong Kong dollars or U.S. dollars.

As at 30th June, 2002, total borrowings of the Group amounted to HK\$10,124 million, which included Hong Kong dollar syndicated loan of HK\$3.1 billion, foreign currency borrowings of HK\$6,926 million and RMB bank loans of HK\$98 million. Of the total borrowings, 31 per cent. were repayable in 2002, 50 per cent. repayable in 2003 to 2007 and 19 per cent. repayable beyond 2007. Committed borrowing facilities available to the Group, but not yet drawn as at 30th June, 2002, amounted to HK\$3,854 million. Of these undrawn facilities, 99 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, 2002, the Group maintained a gearing ratio of 14 per cent. which was based on its net debt of HK\$3,811 million and equity of HK\$27,316 million. This ratio was slightly lower than the gearing ratio of 16 per cent. at the year end of 2001. For potential project financing requirements from business growth, the Group issued foreign currency fixed rate notes totalling HK\$1,813 million in March 2002 under the Group's US\$2 billion medium term note programme established in March 2001. In addition, the Group has entered into a syndicated loan facility agreement of HK\$3.8 billion in May 2002 to refinance the HK\$3.1 billion syndicated loan maturing in September 2002.

To minimise currency risk exposure in respect of its investments in other countries, the Group has a policy of hedging those investments with the appropriate level of borrowings denominated in the local currencies of those countries. As at 30th June, 2002, the Group has swapped the floating interest rates of its borrowings totalling HK\$4,763 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.

CHARGE ON GROUP ASSETS

As at 30th June, 2002, certain of the Group's land and buildings, and other assets with carrying values totalling HK\$81 million were pledged to secure bank borrowings totalling HK\$34 million.

CONTINGENT LIABILITIES

As at 30th June, 2002, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of bank loan drawn by an affiliated company	696
Performance bonds	25
Total	721

EMPLOYEES

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,988 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$188 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 was given to those 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 the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

Note 1

HK\$ million	Six months ended 30th June		Changes
	2002	2001	
Profit attributable to shareholders	1,491	1,509	-1.2%
Additional information on special items			
Gain on disposals of infrastructure investments	49	572	
Provision against interests in infrastructure investments	–	(500)	
Share of Hongkong Electric's gain on disposal of Powercor's retail business	–	134	
	49	206	
Profit before special items	1,442	1,303	+10.7%

Consolidated Income Statement

for the six months ended 30th June

HK\$ million	Notes	2002 (unaudited)	2001 (unaudited)
Turnover	2		
Group turnover		1,028	1,196
Share of turnover of jointly controlled entities		847	705
		1,875	1,901
Group turnover	2	1,028	1,196
Other revenue	3	461	1,334
Operating costs	4	(918)	(2,217)
Operating profit	5	571	313
Finance costs		(299)	(307)
Share of results of associates		1,211	1,438
Share of results of jointly controlled entities		226	191
Profit before taxation		1,709	1,635
Taxation	6	(223)	(138)
Profit after taxation		1,486	1,497
Minority interests		5	12
Profit attributable to shareholders	5	1,491	1,509
Proposed interim dividend		485	473
Earnings per share	7	HK\$0.66	HK\$0.67
Proposed interim dividend per share		HK\$0.215	HK\$0.21

Consolidated Balance Sheet

HK\$ million	Notes	As at 30th June 2002 (unaudited)	As at 31st December 2001 (audited)
Property, plant and equipment		2,070	2,137
Interests in associates		20,657	20,035
Interests in jointly controlled entities		4,815	4,606
Interests in infrastructure project investments		2,542	3,469
Investments in securities		820	759
Other non-current assets		39	43
Total non-current assets		30,943	31,049
Inventories		187	206
Retention receivables		27	16
Debtors and prepayments	8	894	925
Bank balance, pledged		-	23
Bank balances and cash		6,313	4,023
Total current assets		7,421	5,193
Bank loans		485	3,930
Creditors and accruals	9	601	695
Taxation		102	101
Total current liabilities		1,188	4,726
Net current assets		6,233	467
Total assets less current liabilities		37,176	31,516
Bank and other loans		9,639	4,499
Other non-current liabilities		1	6
Total non-current liabilities		9,640	4,505
Minority interests		220	224
Net assets		27,316	26,787
Representing:			
Share capital	10	2,254	2,254
Reserves	11	25,062	24,533
Capital and reserves		27,316	26,787

Consolidated Statement of Changes in Equity

for the six months ended 30th June

HK\$ million	Note	2002 (unaudited)	2001 (unaudited)
Total equity at 1st January		26,787	24,764
(Deficit)/surplus on revaluation of non-trading securities	11	(53)	50
Exchange translation differences	11	38	(12)
Net (loss)/gain not recognised in the consolidated income statement		(15)	38
Net profit for the period	11	1,491	1,509
Previously recognised revaluation deficit realised upon disposals of non-trading securities	11	-	27
Final dividend for the year 2001/2000 paid	11	(947)	(902)
Total equity at 30th June		27,316	25,436

Condensed Consolidated Cash Flow Statement

for the six months ended 30th June

HK\$ million	2002 (unaudited)	2001 (unaudited)
Net cash inflow/(outflow) from operating activities	189	(59)
Net cash inflow from investing activities	2,073	3,740
Net cash inflow/(outflow) from financing activities	28	(2,619)
Net increase in cash and cash equivalents	2,290	1,062
Cash and cash equivalents at 1st January	4,023	2,117
Cash and cash equivalents at 30th June		
Bank balances and cash	6,313	3,179

Notes to the Interim Financial Statements

1. BASIS OF PREPARATION

The interim financial statements are prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The presentation and 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, 2001, except the Group has adopted the new and revised SSAPs which became effective on 1st January, 2002. The adoption of these new and revised SSAPs had no material effect on the Group’s results.

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

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	2002 Share of turnover of jointly controlled entities			2001 Share of turnover of jointly controlled entities		Total
	Group turnover	Group turnover	Total	Group turnover	Group turnover	
Infrastructure investments	196	847	1,043	238	705	943
Infrastructure materials and infrastructure-related businesses	832	-	832	958	-	958
Total	1,028	847	1,875	1,196	705	1,901

2. TURNOVER (Cont'd)

By geographic region

for the six months ended 30th June

HK\$ million	2002			2001		
	Group turnover	Share of turnover of jointly controlled entities	Total	Group turnover	Share of turnover of jointly controlled entities	Total
Hong Kong	618	–	618	817	–	817
Mainland China	353	847	1,200	359	705	1,064
Others	57	–	57	20	–	20
Total	1,028	847	1,875	1,196	705	1,901

3. OTHER REVENUE

Other revenue includes the following:

HK\$ million	Six months ended 30th June	
	2002	2001
Interest income	326	364
Finance lease income	3	3
Distribution from listed stapled securities	20	18
Dividend from other listed securities	–	2
Gain on disposals of subsidiaries	49	221
Gain on disposals of listed securities	–	10
Charterhire service income	28	688

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2002	2001
Depreciation	94	95
Amortisation of costs of investments in infrastructure projects	74	87
Provision against interests in infrastructure investments	–	500
Cost of charterhire services rendered	28	686
Cost of inventories sold	552	645

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	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Segment revenue										
Group turnover	-	-	196	238	832	958	-	-	1,028	1,196
Charterhire service income	-	-	-	-	28	688	-	-	28	688
Others	-	-	8	6	27	22	-	-	35	28
	-	-	204	244	887	1,668	-	-	1,091	1,912
Segment result	-	-	108	124	112	130	-	-	220	254
Provision against interests in infrastructure investments	-	-	-	(500)	-	-	-	-	-	(500)
Gain on disposals of subsidiaries	-	-	49	221	-	-	-	-	49	221
Interest and finance lease incomes	-	-	259	288	44	52	26	27	329	367
Other revenue	-	-	20	30	-	-	-	-	20	30
Net corporate overheads	-	-	-	-	-	-	(47)	(59)	(47)	(59)
Operating profit	-	-	436	163	156	182	(21)	(32)	571	313
Finance costs	-	-	-	-	-	-	(299)	(307)	(299)	(307)
Share of results of associates and jointly controlled entities	1,104	1,073	334	556	(1)	-	-	-	1,437	1,629
Taxation	(167)	(118)	(44)	(1)	(12)	(19)	-	-	(223)	(138)
Minority interests	-	-	-	-	5	12	-	-	5	12
Profit attributable to shareholders	937	955	726	718	148	175	(320)	(339)	1,491	1,509

* 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.

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	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Segment revenue												
Group turnover	618	817	353	359	-	-	57	20	-	-	1,028	1,196
Charterhire service income	-	14	-	68	-	5	28	601	-	-	28	688
Others	22	18	8	6	-	-	5	4	-	-	35	28
	640	849	361	433	-	5	90	625	-	-	1,091	1,912
Segment result	135	207	87	57	-	-	(2)	(10)	-	-	220	254
Provision against interests in infrastructure investments	-	-	-	(500)	-	-	-	-	-	-	-	(500)
Gain on disposals of subsidiaries	-	-	49	221	-	-	-	-	-	-	49	221
Interest and finance lease incomes	44	52	-	-	259	288	-	-	26	27	329	367
Other revenue	-	12	-	-	20	18	-	-	-	-	20	30
Net corporate overheads	-	-	-	-	-	-	-	-	(47)	(59)	(47)	(59)
Operating profit	179	271	136	(222)	279	306	(2)	(10)	(21)	(32)	571	313
Finance costs	-	-	-	-	-	-	-	-	(299)	(307)	(299)	(307)
Share of results of associates and jointly controlled entities	1,112	1,082	229	196	96	351	-	-	-	-	1,437	1,629
Taxation	(180)	(138)	(18)	-	(25)	-	-	-	-	-	(223)	(138)
Minority interests	-	-	4	10	-	-	1	2	-	-	5	12
Profit attributable to shareholders	1,111	1,215	351	(16)	350	657	(1)	(8)	(320)	(339)	1,491	1,509

6. TAXATION

HK\$ million	Six months ended 30th June	
	2002	2001
Company and subsidiaries		
Hong Kong profits tax – current	12	20
– deferred	–	(1)
	12	19
Associates		
Hong Kong profits tax – current	167	118
– deferred	1	1
Overseas tax – current	25	–
	193	119
Jointly controlled entities		
Overseas tax – current	18	–
Total	223	138

Hong Kong profits tax is provided for at the rate of 16 per cent. (2001: 16 per cent.) on the estimated assessable profits for the period.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$1,491 million (2001: HK\$1,509 million) and on 2,254,209,945 shares (2001: 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, 2002 and 2001 were fully converted into shares of a non-wholly owned subsidiary which issued the debentures.

8. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors and infrastructure project receivables of HK\$663 million (HK\$750 million as at 31st December, 2001) and their ageing analysis is as follows:

HK\$ million	As at 30th June 2002	As at 31st December 2001
Current	234	511
One month	108	139
Two to three months	48	52
Over three months	418	258
Gross total	808	960
Provision	(145)	(210)
Total after provision	663	750

Trading 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\$82 million (HK\$141 million as at 31st December, 2001) and their ageing analysis is as follows:

HK\$ million	As at 30th June 2002	As at 31st December 2001
Current	30	82
One month	13	19
Two to three months	9	6
Over three months	30	34
Total	82	141

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, 2002 and 2001 respectively.

11. RESERVES

HK\$ million	Share premium	Contributed surplus	Investment revaluation reserve	Exchange translation reserve	Retained profits	Proposed dividends	Total
At 1st January, 2002	3,836	7,632	108	(22)	12,032	947	24,533
Final dividend for the year 2001 paid	-	-	-	-	-	(947)	(947)
Deficit on revaluation of investments in securities	-	-	(53)	-	-	-	(53)
Exchange translation differences	-	-	-	38	-	-	38
Profit for the period	-	-	-	-	1,491	-	1,491
Proposed interim dividend	-	-	-	-	(485)	485	-
At 30th June, 2002	3,836	7,632	55	16	13,038	485	25,062
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 on 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

12. CAPITAL COMMITMENTS

The Group's capital commitments outstanding at 30th June, 2002 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 2002	As at 31st December 2001	As at 30th June 2002	As at 31st December 2001
Investment in an associate	16	16	-	-
Infrastructure investments in Mainland China	23	29	-	-
Plant and machinery	23	14	141	153
Others	-	-	2	2
Total	62	59	143	155

13. CONTINGENT LIABILITIES

HK\$ million	As at 30th June 2002	As at 31st December 2001
Guarantee in respect of bank loan drawn by a jointly controlled entity	696	682
Performance bonds	25	25
Total	721	707

Out of the above amounts as at 31st December, 2001, a performance bond of HK\$23 million was secured by a fixed deposit of HK\$23 million pledged to a bank.

Directors' Interests

As at 30th June, 2002, 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 (Note 1)	1,912,109,945
	Kam Hing Lam	100,000	-	-	-	100,000
Hutchison Whampoa Limited	Li Tzar Kuoi, Victor	-	-	1,086,770 (Note 5)	2,140,672,773 (Note 2)	2,141,759,543
	George Colin Magnus	950,100	9,900	-	-	960,000
	Fok Kin Ning, Canning	-	-	1,260,875 (Note 6)	-	1,260,875
	Kam Hing Lam	60,000	-	-	-	60,000
	Chow Woo Mo Fong, Susan	50,000	-	-	-	50,000
	Frank John Sixt	50,000	-	-	-	50,000
	Lee Pui Ling, Angelina	38,500	-	-	-	38,500
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	100,000	-	1,000,000 (Note 6)	-	1,100,000

Directors' Interests (Cont'd)

Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Hongkong Electric Holdings Limited	Li Tzar Kuoi, Victor	–	151,000	–	829,599,612 (Note 3)	829,750,612
	Lee Pui Ling, Angelina	8,800	–	–	–	8,800
Hutchison Harbour Ring Limited	Fok Kin Ning, Canning	–	–	5,000,000 (Note 6)	–	5,000,000
Husky Energy Inc.	Li Tzar Kuoi, Victor	–	–	–	137,457,074 (Note 7)	137,457,074
		–	–	–	216,462 Transferable Warrants (Note 7)	216,462 Transferable Warrants
	Fok Kin Ning, Canning	–	–	300,000 (Note 6)	–	300,000
Partner Communications Company Ltd.	Li Tzar Kuoi, Victor	–	–	US\$5,000,000 13% Bonds due 2010 (Note 8)	US\$27,830,000 13% Bonds due 2010 (Note 9)	US\$32,830,000 13% Bonds due 2010
	George Colin Magnus	25,000	–	–	–	25,000
	Fok Kin Ning, Canning	–	–	225,000 (Note 6)	–	225,000
		–	–	US\$2,170,000 13% unsecured senior subordinated Notes due 2010 (Note 6)	–	US\$2,170,000 13% unsecured senior subordinated Notes due 2010

Directors' Interests (Cont'd)

Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Believewell Limited	Li Tzar Kuoi, Victor	–	–	–	1,000 (Note 4)	1,000
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\$32,500,000 7% Notes due 2011 (Note 6)	–	US\$32,500,000 7% Notes due 2011

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 2,140,672,773 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) 10,470,000 shares are held by a unit trust and company controlled by such 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 10,470,000 shares in Hutchison Whampoa by virtue of his interests as described in this paragraph as a discretionary beneficiary of certain discretionary trusts.
- (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 interests 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.
- (9) Such interests are held by a subsidiary of Cheung Kong Holdings. By virtue of being a Director of the Company and the interests in the shares of Cheung Kong Holdings taken to be held by Mr. Li Tzar Kuoi, Victor under the SDI Ordinance as described in Note 1(a) above which represent more than one-third of the issued share capital of Cheung Kong Holdings, Mr. Li Tzar Kuoi, Victor is also deemed to be interested in the 13% Bonds issued by Partner Communications Company Ltd., an associated company of the Company, held through Cheung Kong Holdings under the SDI Ordinance.

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 securities of subsidiaries and associated companies of the Company held through the Company and in those securities 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, 2002 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, 2002 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June, 2002. 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, 2002. The facility will mature in September 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 (i) of the Connected Transactions in the Company's 2001 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, 2002. 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, 2002. 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, 2002. 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.
- (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, 2002. 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, 2002. 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) The Group has entered into a syndicated loan facility agreement of HK\$3.8 billion of which the whole amount remained undrawn as at 30th June, 2002. The facility will mature in 2007. 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.

- (i) As at 30th June, 2002, the Group has granted relevant advances to certain affiliated companies totalling HK\$6,730 million, equivalent to approximately 25 per cent. of the Group's net assets. Proforma combined balance sheet of the affiliated companies as at 30th June, 2002 is set out below:

HK\$ million

Non-current assets	33,411
Current assets	1,817
Current liabilities	(5,011)
Non-current liabilities	(30,193)
Net assets	24
Share capital	1,004
Reserves	(980)
Capital and reserves	24

As at 30th June, 2002, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$7,680 million.

AUDIT COMMITTEE

The Group's interim report for the six months ended 30th June, 2002 was reviewed by the Audit Committee ("Committee"). Regular meetings have been held by the Committee since its establishment and it meets 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, 2002

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited consolidated profit attributable to shareholders for the six months ended 30th June, 2002 amounted to HK\$1,491 million which represents earnings of HK\$0.66 per share. The Directors have resolved to pay an interim dividend for 2002 of HK\$0.215 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 3rd October, 2002. The dividend will be paid on Friday, 4th October, 2002.

The Register of Members of the Company will be closed from Thursday, 26th September, 2002 to Thursday, 3rd October, 2002, 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, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 25th September, 2002.

By Order of the Board

Eirene Yeung

Company Secretary

Hong Kong, 15th August, 2002

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

CHOW WOO Mo Fong, Susan

Executive Director

Frank John SIXT

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

* Members of Audit Committee

COMPANY SECRETARY

Eirene YEUNG

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITORS

Deloitte Touche Tohmatsu

BANKERS

Canadian Imperial Bank of Commerce

BNP Paribas

The Hongkong and Shanghai Banking Corporation Limited

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>

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited,
Rosebank Centre,
11 Bermudiana Road,
Pembroke,
Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services 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