

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

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CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT PURSUANT TO PRACTICE NOTE 19

This announcement is made pursuant to Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement is made by Cheung Kong Infrastructure Holdings Limited (“Company”) pursuant to Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in view of the fact that the amount of financial assistance granted to its affiliated companies is in excess of 25% of the consolidated net tangible asset value of the Company together with its subsidiaries (“Group”) as at 31st December, 2001.

In compliance with paragraph 3.3 of the Practice Note 19, the following information is disclosed:

- (1) The Group’s investments were made in the form of capital contribution and advances to affiliated companies. The principal investments were included under the headings “Principal Associates” and “Principal Jointly Controlled Entities” as disclosed in the 2001 Annual Report of the Company. Details of the Group’s investments are disclosed below:

Loans/advances granted to affiliated companies	Amount (as at 19/7/2002) (in HK\$ million)	Percentage of interest indirectly held by the Company
Guangdong Shantou Bay Bridge Co., Ltd.	113.2	30.0
Guangdong Shenzhen-Shantou Highway (East) Co., Ltd.	762.4	33.5
Guangzhou E-S-W Ring Road Co., Ltd.	949.7	44.5
Guangzhou Panyu Beidou Bridge Co., Ltd.	33.8	40.0
Jiangmen Chaolian Bridge Co., Ltd.	39.1	50.0

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

24 July 2002

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

ETSA Utilities Partnership	*2,755.9	50.0
CKI/HEI Electricity Distribution Pty Ltd	*1,757.7	50.0
Smart Time Holdings Limited	18.7	50.0
Legend Power Limited	12.0	50.0
Happy Way Resources Limited	2.3	20.0
Biella Enterprises Limited	0.4	20.0
Lazi Bay Resources Development Inc.	163.5	40.0
Anderson Asphalt Philippines Inc.	11.6	40.0
Panjin Petro-China Liaohe Asphalt Co Ltd	4.3	45.0
	6,624.6	

- (2) Of the above outstanding loans and advances to affiliated companies, approximately HK\$1.1 billion are interest-free and approximately HK\$5.5 billion bear interest with reference to the Hong Kong Dollar Prime Rate, the London Interbank Offer Rate, or the average bid rate in respect of Australian Bill Bank Swap Reference Rate.

Except for a loan of approximately HK\$93.6 million to an affiliated company which is secured by total assets of the affiliated company, the Group's loans and advances to all affiliated companies are unsecured. Moreover, repayment of loans granted to certain affiliated companies totalling approximately HK\$4.5 billion are subordinated to other lenders of these affiliated companies.

Except for loans and advances totalling approximately HK\$114.9 million which have no fixed repayment terms, approximately HK\$4.3 million which are repayable by December 2002 and approximately HK\$2 billion which are repayable after five years, the Group's loans and advances to all affiliated companies are repayable on demand.

- (3) The loans and advances to the investments were funded by internal resources and by bank borrowings of the Group for general working capital purposes.
- (4) The Group has provided a guarantee of approximately HK\$696.1 million to a bank in respect of bank facilities utilized by a jointly controlled entity.

The total relevant advances to affiliated companies as at 19th July, 2002, amounted to, in aggregate, approximately HK\$7.3 billion, representing about 27% of the Group's net tangible asset value as at 31st December, 2001. Taking into account of the financial assistance of approximately HK\$1.8 billion* to be granted incidental to the acquisition of CitiPower I Pty Ltd. (as announced on 19th July, 2002), which is to be completed prior to 1st September, 2002, the total estimated relevant

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

advances to affiliated companies are expected to be increased to HK\$9.1 billion, representing about 34% of the Group's net tangible asset value as at 31st December, 2001.

Disclosure will be included in the interim and annual reports of the Company according to paragraph 3.10 of the Practice Note 19 for so long as the obligation continues to exist.

By Order of the Board

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

Hong Kong, 23rd July, 2002

Note: * the figures are translated from Australian dollars to Hong Kong dollars by reference to the exchange rate of A\$1=HK\$4.34 on 19th July, 2002

Please also refer to the published version of this announcement in The Standard dated 24 July 2002.