
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cheung Kong Infrastructure Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

Directors

LI Tzar Kuoi, Victor *Chairman*
KAM Hing Lam *Group Managing Director*

George Colin MAGNUS *Deputy Chairman*
FOK Kin Ning, Canning *Deputy Chairman*
IP Tak Chuen, Edmond *Deputy Chairman*

KWAN Bing Sing, Eric *Deputy Managing Director*

CHOW WOO Mo Fong, Susan *Executive Director*
Frank John SIXT *Executive Director*
TSO Kai Sum *Executive Director*
Barrie COOK *Executive Director*

CHEONG Ying Chew, Henry *Independent Non-executive Director*
LEE Pui Ling, Angelina *Independent Non-executive Director*

Company Secretary

Eirene YEUNG

Registered Office

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Hamilton HM11
Bermuda

Principal Place of Business

12th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

31st March, 2003

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO
ISSUE NEW SHARES AND REPURCHASE SHARES****INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the annual general meeting of the Company to be held on 15th May, 2003 ("Annual General Meeting"). These include the ordinary resolutions granting the Directors general mandates to issue and repurchase shares of the Company.

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

A general mandate is proposed to be unconditionally given to the Directors to issue and dispose of additional shares not exceeding 20% of the issued share capital of the Company at the date of the resolution until the next annual general meeting. The relevant resolution is set out as Ordinary Resolution No. 5(1) in the Notice of Annual General Meeting dated 13th March, 2003 (“Ordinary Resolution No. (1)”) which is contained in the Company’s annual report for the year ended 31st December, 2002 (“Annual Report 2002”).

Concerning Ordinary Resolution No. (1), the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”).

PROPOSAL TO AUTHORISE THE REPURCHASE OF SHARES OF THE COMPANY

At the last annual general meeting of the Company held on 9th May, 2002, a general mandate was given to the Directors to exercise the power of the Company to repurchase shares of HK\$1.00 each of the Company (“Share(s)"). Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. It is therefore proposed to seek your approval of the Ordinary Resolution No. 5(2) (“Ordinary Resolution No. (2)”) as set out in the Notice of Annual General Meeting dated 13th March, 2003 to give a fresh general mandate to the Directors to exercise the power of the Company to repurchase Share(s).

An explanatory statement, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide requisite information to you for your consideration of the proposal to authorise the Directors to exercise the power of the Company to repurchase Share(s) up to a maximum of 10% of the issued share capital of the Company at the date of Ordinary Resolution No. (2) (“Repurchase Proposal”) is set out in the Appendix to this circular.

RECOMMENDATION

The Directors consider that the proposed general mandate to issue new shares and the Repurchase Proposal at the Annual General Meeting are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

LI TZAR KUOI, VICTOR

Chairman

This explanatory statement contains all the information required pursuant to rule 10.06 (1)(b) of the Listing Rules.

1. Share Capital

As at 31st March, 2003 (the latest practicable date prior to the printing of this circular), the issued share capital of the Company comprised 2,254,209,945 Shares of HK\$1.00 each.

Subject to the passing of Ordinary Resolution No. (1) and on the basis that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 225,420,994 Shares.

2. Reasons for Repurchase

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders.

Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its shareholders.

3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and the applicable laws of Bermuda. Such purchases may only be effected out of the capital paid up on the purchased Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

In the event that the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period, the working capital or gearing position of the Company might be materially different as compared with the position disclosed in the audited consolidated financial statements contained in the Annual Report 2002. However, the Directors do not propose to exercise the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. Share Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:-

		Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
March	2002	12.70	12.20
April	2002	12.95	12.25
May	2002	13.00	12.25
June	2002	13.30	12.35
July	2002	13.30	12.45
August	2002	14.30	12.50
September	2002	14.20	13.10
October	2002	14.05	13.20
November	2002	14.30	13.50
December	2002	13.95	13.25
January	2003	14.20	13.30
February	2003	14.20	13.30

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to Ordinary Resolution No. (2) and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Proposal if such is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders.

6. Rule 8.08 of the Listing Rules

As at 31st March, 2003 (the latest practicable date prior to the printing of this circular), each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Li Ka-Shing Unity Holdings Limited, Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust, Cheung Kong (Holdings) Limited, Hutchison Whampoa Limited, Hutchison International Limited and Hutchison Infrastructure Holdings Limited, are deemed to be interested in the same block of 1,906,681,945 Shares, representing approximately 84.6% of the issued share capital of the Company. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust additionally owns 5,428,000 Shares, representing approximately 0.2% of the issued share capital of the Company. To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the issued share capital of the Company.

As announced by the Company on 8th January, 1997 and 17th February, 1997, the Stock Exchange has granted a waiver from strict compliance with Rule 8.08 of the Listing Rules to the Company on 9th January, 1997 subject to approximately not less than 15.2% of the issued share capital of the Company being held in public hands.

In the event that the Directors exercise the power to repurchase Shares which is proposed to be granted pursuant to Ordinary Resolution No. (2) and (if the present shareholdings otherwise remained the same), the attributable shareholding of each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Li Ka-Shing Unity Holdings Limited, Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust, Cheung Kong (Holdings) Limited, Hutchison Whampoa Limited, Hutchison International Limited and Hutchison Infrastructure Holdings Limited in the Company would be increased to a percentage which would result in the number of Shares in public hands to be below 15.2% of the issued share capital of the Company. The Company may not exercise the power to repurchase if it would constitute a breach of the condition upon which the waiver from strict compliance with Rule 8.08 of the Listing Rules was granted by the Stock Exchange. The Directors have no present intention to exercise the Repurchase Proposal.

7. Takeover Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("Takeover Code"). As a result, a shareholder or group of shareholders acting in concert may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchase made under the Repurchase Proposal.

8. Share Purchase made by the Company

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

This circular (in both English and Chinese versions) (“Circular”) has been posted on the Company’s website at <http://www.cki.com.hk>.

Shareholders may at any time choose to change your choice of language of the Company’s corporate communication to be despatched in the future (“Corporate Communication”) by notice in writing to the Company’s Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Corporate Communication includes any document to be given or issued by or on behalf of the Company for your information or action, including but not limited to, annual report, summary financial report (where applicable), interim report, notice of meeting and circular.

Shareholders who have chosen to receive printed copy of the Corporate Communication in either English or Chinese version will receive both English and Chinese versions of this Circular since both languages are bound together into one booklet.