

CHAIRMAN'S LETTER



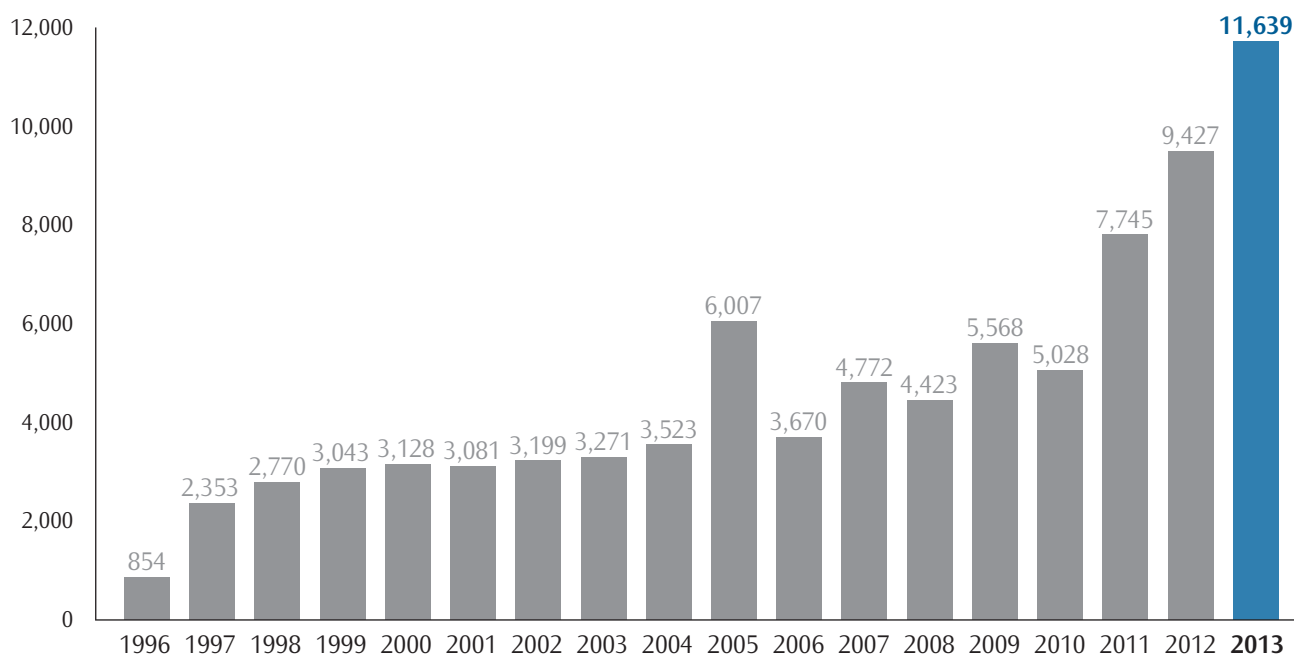
2013 MARKS ANOTHER RECORD YEAR

	Year ended 31st December, 2013 HK\$ million	Year ended 31st December, 2012 HK\$ million	Variance
Profit attributable to shareholders	11,639	9,427	+23%
Dividends per share	HK\$1.86	HK\$1.66	+12%

I am pleased to announce that for the year ended 31st December, 2013, Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Group”) achieved record profit of HK\$11,639 million, a 23% increase over 2012.

Profit Attributable to Shareholders since Listing

(HK\$ million)

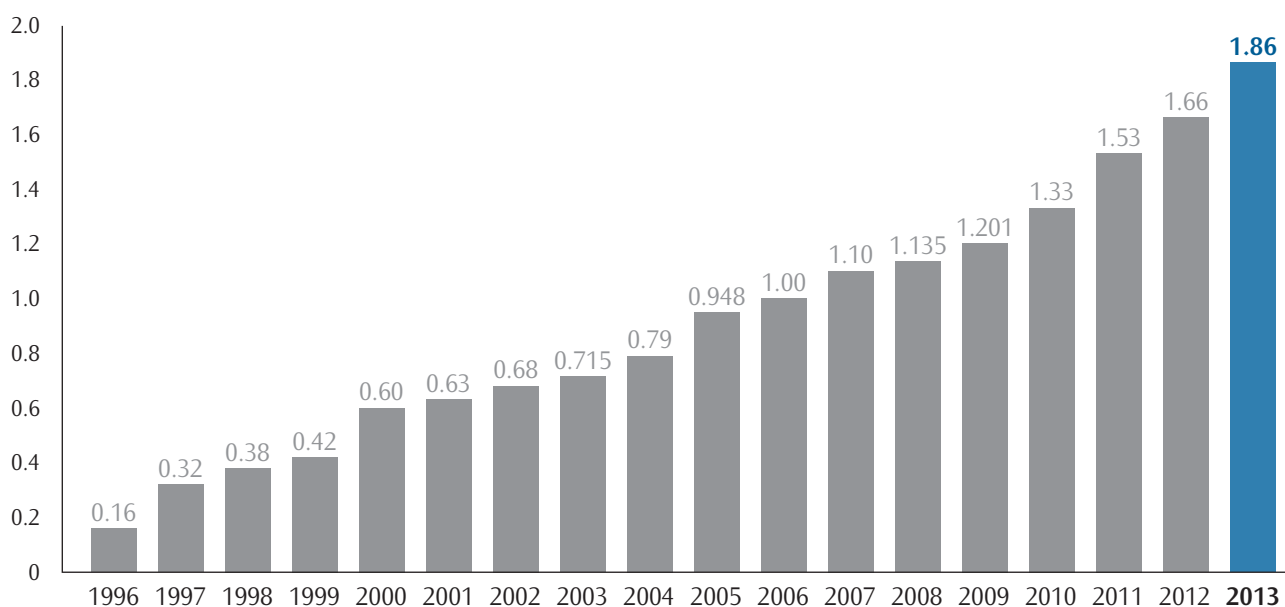


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The Board of Directors of CKI (the "Board") has recommended a final dividend of HK\$1.36 per share. Together with the interim dividend of HK\$0.50 per share, this will bring the total dividend for the year to HK\$1.86 per share, amounting to a 12% increase over the previous year. This represents the 17th consecutive year of dividend growth since CKI's listing in 1996. The proposed dividend will be paid on 3rd June, 2014 following approval at the 2014 Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company at close of business on 21st May, 2014.

17 Years of Continuous Dividend Growth since Listing

(HK\$)



ACQUISITIONS FUEL GROWTH OF GLOBAL PORTFOLIO

2013 was a milestone year for CKI in terms of business development. Two acquisitions were concluded, extending the Group's business scope into waste management. These two assets enriched the Group's portfolio in New Zealand, and expanded the Group's footprint into continental Europe.

The 100% acquisition of EnviroWaste was completed in April 2013 for a consideration of approximately HK\$3.2 billion (approximately NZ\$490 million). EnviroWaste is one of the leading waste management businesses in New Zealand and the operator of Hampton Downs, the largest landfill in the country. It has provided immediate and steady returns to CKI since acquisition.

In August 2013, the Group led a consortium comprising Cheung Kong (Holdings) Limited, Power Assets and Li Ka Shing Foundation Limited to complete the acquisition of AVR in the Netherlands. CKI holds a 35% shareholding in this business, which was acquired for a total enterprise value of approximately HK\$9.7 billion (approximately EUR940 million). AVR is the largest energy-from-waste player in the Netherlands. This acquisition extends the Group's reach to continental Europe for the first time.

These two waste management businesses, together with the sludge treatment facilities of the Group's Northumbrian Water in the United Kingdom, have resulted in CKI becoming a significant player in the waste management industry.

2013 also saw the expansion of CKI's wholly-owned Yunfu cement facilities in Guangdong. With an investment of HK\$1.2 billion, the project was completed in December. The new facilities have added 1.5 million tonnes per annum of production capacity to the Group's materials business.

DIVERSE INFRASTRUCTURE PORTFOLIO UNDERPINS GROWTH MOMENTUM

CKI's portfolio of infrastructure businesses – which spans across Hong Kong, Mainland China, the United Kingdom, Australia, New Zealand, Canada and the Netherlands – has generated good results in 2013.

Power Assets Maintained Overseas Growth Momentum

In 2013, the profit contribution from CKI's 38.87% stake in the Hong Kong-listed Power Assets was HK\$4,315 million, an increase of 15% over the previous year.

Power Assets reported a full year profit of HK\$11,165 million in 2013, an increase of 15% over last year. The performance was boosted by the continued growth of Power Assets' businesses outside of Hong Kong. Profit from the overseas portfolio grew by 25% to HK\$6,386 million, accounting for 57% of the total. This growth was mostly attributed to the strong performance of its businesses in the United Kingdom.

The Hong Kong operations of Power Assets remained stable, continuing to provide steady cashflow. Profit was HK\$4,779 million, an increase of HK\$158 million over 2012.

Power Assets unlocked the value of its Hong Kong business by listing its Hong Kong electricity operations on the Main Board of The Stock Exchange of Hong Kong Limited in January 2014. Following the spin-off, Power Assets maintains a 49.9% stake in the Hong Kong electricity business. Power Assets is set to continue to pursue investment opportunities in energy-related projects around the world based on its strong financial position.

Continued Growth from UK Portfolio

The profit contribution from the Group's businesses in the United Kingdom amounted to HK\$7,508 million, representing a 37% increase over the same period last year. All of the Group's businesses in this market have achieved sound operating performances. Results were also enhanced by a reduction in corporate tax rate in the United Kingdom, giving rise to favourable deferred tax adjustments.

The Group's largest overseas business, UK Power Networks, continued to perform well. During the year, the business invested about GBP650 million to enhance its regulated networks.

Northumbrian Water delivered strong organic growth. It was named the much coveted "Utility of the Year" at the Utility Week Achievement Awards 2013.

In 2013, Northern Gas Networks achieved good results. The year under review also marked the first full year of profit contribution from Wales & West Utilities. Both these assets completed their regulatory resets in 2013; these provide frameworks for predictability of returns through to 2021.

Seabank Power, which owns an electricity generation plant near Bristol, also reported satisfactory results.

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Stable Performance from Australian Investments

The Australian portfolio's earnings in Australian dollars were comparable to that of 2012. However, due to the impact of exchange rates, the profit contribution, when translated to Hong Kong dollars, marked a 2% decline over last year to HK\$1,126 million.

During the year, the operational performances of SA Power Networks and Victoria Power Networks were satisfactory.

Steady Returns Generated from Other Businesses

Steady returns were generated by the Group's other businesses, including those in Mainland China, Canada, New Zealand, and the Netherlands; as well as its materials business.

Profit contribution from the Mainland China portfolio was HK\$395 million, similar to that of last year. The operation of the Group's toll road investments remained stable and delivered good cash returns to CKI.

Contribution from Canada was HK\$88 million, a 22% decline over 2012. This was mainly due to the planned outage of a major power plant and a softening in market prices.

Profit contribution from New Zealand increased 161% to HK\$154 million. The results benefited from the contribution generated from the newly acquired waste management business, EnviroWaste.

Following its acquisition in the second half of 2013, AVR, the energy-from-waste company in the Netherlands, made an immediate contribution of HK\$28 million for the period after completion.

The Group's materials business remained relatively stable, with profit contribution increasing 6%. The Yunfu cement facilities in Guangdong commenced operations at the end of 2013.

OUTLOOK

CKI continues to adhere to a simple and effective set of strategies for growth:

- (1) Growing existing businesses organically;
- (2) Acquiring new businesses with good and stable returns; and
- (3) Maintaining a strong balance sheet.

In 2013, CKI has achieved another record performance. This was bolstered by strong organic growth from our existing businesses as well as contributions from recent acquisitions, namely Wales & West Utilities, EnviroWaste and AVR. This provides the basis for future growth.

The Group has a strong financial platform that will enable us to seek continued expansion opportunities. As at 31st December, 2013, CKI had cash on hand of HK\$5,958 million, while gearing remained low with a net debt to net total capital ratio of 8%. We have earned our reputation as one of the leading global infrastructure players and are privy to many of the major acquisition opportunities around the world. CKI will continue to study and pursue attractive projects that will enhance shareholder value, while as always, we will not approach these new investment opportunities with a must-win mentality but will remain steadfast in adhering to our prudent investment criteria.

I would like to take this opportunity to thank the Board, management and staff for their hard work and efforts, as well as our shareholders for their support and confidence.

LI TZAR KUOI, VICTOR

Chairman

Hong Kong, 25th February, 2014