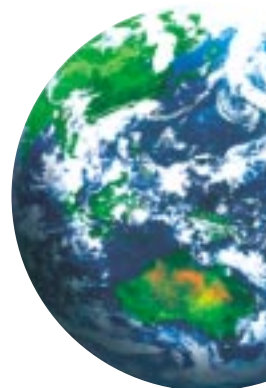




CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED INTERIM REPORT 2000

(Incorporated in Bermuda with limited liability)



CKI

**GROWTH AND
GLOBALISATION**
WITH A SOLID FOUNDATION

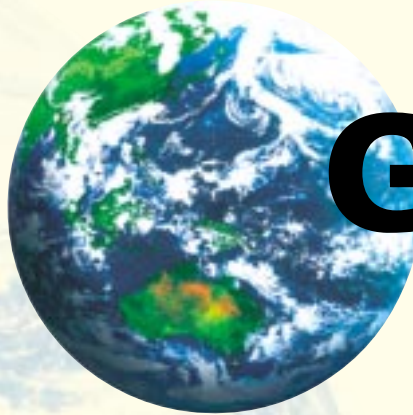


Growth and Globalisation with a Solid Foundation

CKI's achievements reflect both the fundamental strengths of the Group's existing infrastructure portfolio as well as the results of the globalisation and diversification initiatives. Going from strength to strength, CKI has built a solid foundation from which the Group can take advantage to develop new horizons at home and abroad.

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Interim Results



Grow

with a

Cheung Kong Infrastructure Holdings Limited ("CKI") has emerged as a global infrastructure player as it steps into the 21st century. CKI is making good progress with our diversification and globalisation initiatives in line with the strategy outlined in our latest Annual Report.

The net profit for the first six months ended 30th June, 2000 was HK\$1,389 million. Earnings per share were HK\$0.62 (1999: HK\$0.60).

In light of CKI's healthy financial position and strong recurrent cash inflow, the Board of Directors has declared an interim dividend for 2000 of HK\$0.20 per share (1999: HK\$0.13), up 54 per cent. over the same period last year. The interim

dividend will be paid on Thursday, 12th October, 2000 to shareholders whose names appear on the Register of Members on Wednesday, 11th October, 2000.

CKI ENERGY

The Energy business reported strong 28 per cent. contribution growth for the first half of this year, and continues to be the business sector with the largest contribution to the Group's profit. Much of this growth was attributable to new contributions from our interests in ETSA and Envestra Limited ("Envestra") in Australia.

In less than 12 months, CKI, together with Hongkong Electric Holdings Limited ("HKE"), made two major acquisitions in Australia - the first being the acquisition of ETSA which has the right to operate electricity distribution in the state of South Australia for a period of 200 years; and the second being the purchase of Powercor Australia Limited ("Powercor"), an electricity distribution and retail operation in the state of Victoria. These two acquisitions, which amount to HK\$27 billion in investment, will make CKI/HKE the largest electricity distributor in Australia, serving over 1.3 million customers. ETSA has been making a contribution during the period under review with a performance

th and Globalisation

Solid Foundation

better than projected.

Powercor will start making a contribution after the scheduled completion in the middle of September 2000.

Our RMB 1.4 billion equity investment in Zhuhai Power Plant will be bringing in revenue this year as the plant is becoming operational.

CKI TRANSPORTATION

CKI Transportation reported contribution growth at 2 per cent. for the period under review. This is a reflection of organic growth.

The Guangzhou East-South-West Ring Road project was completed nearly a year ahead of schedule and became fully operational on 26th June, 2000.

With an investment amount of RMB 2 billion, it is expected that this investment will become one of CKI Transportation's important revenue contributors.

Growth of the transportation business is expected to improve in the coming months based on continuing organic growth, as well as new contributions from the Guangzhou East-South-West Ring Road.

CKI MATERIALS

Challenging market conditions during the first half of 2000 affected turnover in the materials business. Further erosion of prices in the materials industry dampened performance of CKI Materials

during the period under review, resulting in a 28 per cent. drop in contribution from this business area.

During the period under review, as part of our globalisation initiatives, CKI acquired a 65 per cent. stake in Polyphalt Inc., a Canadian-listed company engaged in the development and commercialisation of polymer modified asphalt products. Following this acquisition, CKI Materials now have operations in Hong Kong, Mainland China, Philippines and Canada.

Outlook

Business has been quick to react with an increasingly global focus as technology breaks down the barriers of space and time. "Growth and Globalisation with a Solid Foundation" will continue to be CKI's expansion strategy.

CKI is now a leading infrastructure player in its major markets of Hong Kong, Mainland China and Australia, as a result of our globalisation strategy.

With HK\$10 billion investments to date in Mainland China and over 90 per cent. of our portfolio of PRC projects being operational, it is expected that there will be improved steady income from the PRC portfolio in the next few years.

The Envestra, ETSA and Powercor investments in Australia have brought our investment in Australia to HK\$14 billion, making Australia home to CKI's largest investment outside of Hong

Kong. These investments have also expanded our industry expertise from power generation to distribution and from electricity to gas. We will carry on examining opportunities in energy businesses globally in pursuit of this strategy.

Industry-wise, we are also continuing to explore opportunities in electronic infrastructure and environmentally-friendly industries. Our recently formed partnership with Israeli-based, German-listed On Track Innovations Limited, has given rise to an Asia Pacific-wide initiative for the implementation of smart card technology.

At present, we have dedicated teams identifying and evaluating promising projects around the world in four regions namely Asia, Australia, North America and Europe. With our strong financial foundation, we are confident that we are well placed to secure attractive investment projects with solid returns.

These are exciting times for CKI as we expand into the global arena. Our recent moves towards globalisation and diversification are making CKI a global player in the infrastructure sector.

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

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 17th August, 2000

Consolidated Income Statement

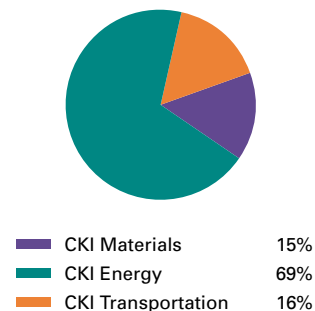
for the six months ended 30th June 2000

The unaudited consolidated income statement for the six months ended 30th June 2000 and the comparisons with last year are set out below:

Year ended 31st December (audited)	HK\$ million	Notes	Six months ended 30th June (unaudited) 2000	1999
3,063	Turnover	1	1,540	1,461
1,331	Operating profit		596	666
	Share of results			
2,004	of associates		850	763
	Share of results of jointly			
49	controlled entities		42	19
3,384	Profit before taxation		1,488	1,448
(245)	Taxation	2	(106)	(90)
3,139	Profit after taxation		1,382	1,358
2	Minority interests		7	–
	Profit attributable			
3,141	to shareholders		1,389	1,358
(947)	Dividends		(451)	(293)
	Profit for the			
2,194	period retained		938	1,065
HK\$1.39	Earnings per share	3	HK\$0.62	HK\$0.60
HK\$0.42	Dividends per share		HK\$0.20	HK\$0.13

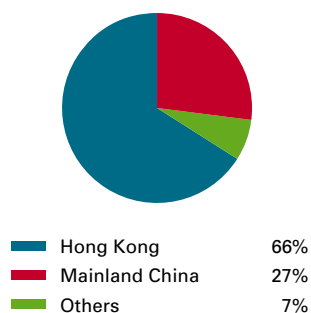
PROFIT CONTRIBUTION BY BUSINESS SEGMENT

Six months ended 30th June 2000



PROFIT CONTRIBUTION BY GEOGRAPHIC REGION

Six months ended 30th June 2000



Consolidated Income Statement (continued)

NOTES:

1. TURNOVER

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.

2. TAXATION

Year ended 31st December 1999	HK\$ million		Six months ended 30th June 2000	1999
Company and Subsidiaries				
59	Hong Kong profits tax	– current	19	18
1		– deferred	(2)	2
60			17	20
Associates				
182	Hong Kong profits tax	– current	89	70
3		– deferred	–	–
185			89	70
245	Total		106	90

(a) Hong Kong profits tax is provided for at the rate of 16 per cent. (1999: 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.

3. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$1,389 million (1999: HK\$1,358 million) and on 2,254,209,945 shares (1999: 2,254,209,945 shares) in issue during the period.

Directors' Interests

As at 30th June, 2000, the interests of the Directors in the shares 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 :-

Name of Company	Name of Director	No. of Ordinary Shares				Total
		Personal Interests	Family Interests	Corporate Interests	Other Interests	
Company	Li Tzar Kuoi,	-	-	-	1,912,109,945	1,912,109,945
	Victor				(Note 1)	
	Kam Hing Lam	100,000	-	-	-	100,000
Hutchison Whampoa Limited	Li Tzar Kuoi,	-	-	971,000	2,139,002,773	2,139,973,773
	Victor			(Note 5)	(Note 2)	
	George Colin Magnus	880,000	9,900	-	-	889,900
	Fok Kin Ning,	962,597	-	38,500	-	1,001,097
	Canning			(Note 6)		
	Lee Pui Ling, Angelina	35,000	-	-	-	35,000
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	100,000	-	-	-	100,000
Hongkong Electric Holdings Limited	Li Tzar Kuoi,	-	-	-	829,599,612	829,599,612
	Victor				(Note 3)	
	Lee Pui Ling, Angelina	8,800	-	-	-	8,800
Partner Communications Company Ltd.	George Colin Magnus	25,000	-	-	-	25,000
	Fok Kin Ning, Canning	-	-	25,000	-	25,000
				(Note 6)		
Believewell Limited	Li Tzar Kuoi, Victor	-	-	-	1,000	1,000
					(Note 4)	
Queboton Limited	Li Tzar Kuoi, Victor	-	-	-	1,000	1,000
					(Note 4)	

Directors' Interests (continued)

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,

Directors' Interests *(continued)*

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.

- (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) These companies are associated companies 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 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 its general meetings.
- (6) These interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.

As at 30th June, 2000, Mr. Fok Kin Ning, Canning had a corporate interest in a notional amount of US\$11,000,000 in the 6.95% Notes due 2007 issued by Hutchison Whampoa Finance (CI) Limited held through a company which is equally owned by him and his wife.

As at 30th June, 2000, Mr. Frank John Sixt had a personal interest in a nominal amount of US\$530,000 in the 7% convertible bond due 2001 issued by Hutchison Delta Finance Limited.

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, 2000 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, 2000 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, 2000. 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, 2000. 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 1999 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. Pursuant to the sponsors/shareholders' undertaking, Hutchison Whampoa, together with the other parties, shall undertake certain obligations and inter alia, shall be severally liable for providing funds for cost overrun of the Zhuhai Power Plant, if any. The liabilities and obligations of Hutchison Whampoa have been counter-indemnified by the Company pursuant to the deed of counter-indemnity referred to in paragraph (ii) of the Connected Transactions in the Company's 1999 Annual Report. There is no breach in respect of all of the obligations under the sponsors/shareholders' undertaking.
- (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, 2000. 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, 2000. 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

Other Information *(continued)*

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 short term syndicated facility agreement of A\$1,250 million of which the whole amount was drawn in January 2000. 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. The loan was fully repaid in April 2000.
- (f) 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, 2000. 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.
- (g) On 12th December, 1999, CKI Utilities Development Limited, HEI Utilities Development Limited and Utilities Management Pty Ltd (collectively as "Purchasers"), affiliated companies being ultimately owned as to 50 per cent. by the Company and 50 per cent. by Hongkong Electric, entered into agreements with the vendors, namely, the State of South Australia and ETSA Utilities for the acquisition of the right to manage and operate ETSA Utilities for 200 years. To fund the acquisition, a wholly owned subsidiary of the Company advanced A\$1,750 million (approximately HK\$8,873 million, equivalent to about 40 per cent. of the Group's net assets as at 31st December, 1999) to the Purchasers on 28th January, 2000. The aforesaid advance is funded by the two facilities obtained by the Group as set out in paragraphs (e) and (f) above. Details of the facilities are set out in paragraphs (e) and (f). Under each of the said facilities, the Company guarantees the due and punctual payment of all amounts due under the facilities.
- (h) 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, 2000. 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.

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, 2000

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, 2000 amounted to HK\$1,389 million which represents earnings of HK\$0.62 per share. The Directors have resolved to pay an interim dividend for 2000 of HK\$0.20 per share to shareholders whose names appear on the Register of Members of the Company on Wednesday, 11th October, 2000. The dividend will be paid on Thursday, 12th October, 2000.

The Register of Members of the Company will be closed from Wednesday, 4th October, 2000 to Wednesday, 11th October, 2000, 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 Tuesday, 3rd October, 2000.

By Order of the Board

Eirene Yeung

Company Secretary

Hong Kong, 17th August, 2000

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

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITORS

Deloitte Touche Tohmatsu

BANKERS

Canadian Imperial Bank of
Commerce

BNP Paribas

HSBC

COMPANY SECRETARY

Eirene YEUNG

REGISTERED OFFICE

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Church Street,
Hamilton HM11, Bermuda

PRINCIPAL PLACE OF BUSINESS

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Cheung Kong Center,
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Hong Kong

INTERNET ADDRESS

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

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

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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
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