



(Incorporated in Bermuda with limited liability)

INTERIM REPORT FOR 2003

Interim Results

8.5% Growth in Profit Before Tax

HK\$ Million (unaudited)	2003 <u>1st half</u>	2002 <u>1st half</u>	% <u>Change</u>
Profit Before Taxation	1,854	1,709	+8.5%
Less: Taxation	(456)	(271)*	+68.3%
Add: Minority interests	<u>5</u>	<u>5</u>	<u>-</u>
Profit Attributable to Shareholders	1,403	1,443*	-2.8%

* Restated due to implementation of new deferred tax policy.

We are pleased to report that Cheung Kong Infrastructure Holdings Limited (“CKI”) recorded an 8.5 per cent. growth in profit before tax during the first six months ended 30th June, 2003. As a result of a change in accounting rules relating to deferred tax policy and an increase in corporate tax rate in Hong Kong, profit attributable to shareholders after tax turned into a slight decline of 2.8 per cent.

The unaudited consolidated profit attributable to shareholders for the first six months ended 30th June, 2003 for CKI was HK\$1,403 million, and earnings per share were HK\$0.62.

The Board of Directors has declared an interim dividend for 2003 of HK\$0.215 per share (2002: HK\$0.215). The interim dividend will be paid on Friday, 3rd October, 2003 to shareholders whose names appear on the Register of Members on Thursday, 2nd October, 2003.

Solid Core Businesses

1. Hongkong Electric

Hongkong Electric Holdings Limited (“Hongkong Electric”) has been a reliable, long-term income driver for CKI since 1997 when the investment was made. During the period under review, a drop of 6 per cent. in accounting profit was recorded due to a change in accounting rules which involves the revised Statement of Standard Accounting Practice on Income Taxes relating to deferred taxation provision, the increase in corporate tax rate as announced by the SAR Government in March 2003, and the sluggish domestic economy caused by the Severe Acute Respiratory Syndrome epidemic.

2. Infrastructure Investments

Energy and transportation investments in Australia and Mainland China continued to deliver impressive performances, achieving a profit growth of 10 per cent. compared with the same period last year.

Australian Infrastructure Experienced Solid Organic Growth

The Australian portfolio accounted for approximately 28 per cent. of the Group’s profit contribution. Envestra Limited, ETSA Utilities and Powercor Australia Limited continued to generate stable and significant income, while CitiPower I Pty Ltd., the newly acquired investment made in August 2002, brought in a meaningful 5 per cent. additional profit during the first half of the financial year.

China Power Witnessed High Demand

The 1,900 MW China power portfolio delivered considerable cash inflow and profit for the Group during the period. Power supply shortages and high demand growth in Mainland China - especially in the Pearl River Delta Region - have led to new power generation records for the Group’s Zhuhai Power Plant. During the same period, the Group’s other three coal-fired power plants and cogen plants in Mainland China operated smoothly and made steady contributions to CKI.

Cheung Kong Infrastructure Holdings Limited

China Transportation Saw Double-Digit Growth

High traffic growth was recorded for the Group's transportation projects in Mainland China resulting in double-digit growth in revenue.

Asset Consolidation Made Good Progress

Divestment of certain assets in Mainland China continued during the period. The Group's interests in the Yueyang Water Plants in Hunan Province have been disposed of with a capital gain of HK\$11 million, and divestments of the Jiangmen Jianghe Highway and Shenyang roads are in progress.

Strong Financial Position

Prudent financial management and the steady cash flow generated by the maturing investment portfolio, have provided CKI with a strong balance sheet capable of supporting new growth initiatives. As of 30th June, 2003, the Group's financial position is as follows :

- Cash position of HK\$6,633 million.
- Net debt of HK\$4,931 million.
- Net debt to equity ratio of 18 per cent.
- "A-" credit rating by Standard & Poor's.

Outlook

Looking ahead, CKI will continue its efforts to maximise profit through organic growth and new investment. Construction of the Sydney Cross City Tunnel - a major infrastructure project in New South Wales, Australia - is making good progress and is expected to be completed by the end of 2005. CKI is equipped with strong financials which will enable it to capitalise on new infrastructure investment opportunities. The soft global economic environment has presented a number of quality assets that offer secure returns and steady income. The Group is keeping a close eye on a number of potential energy, transportation and water projects spanning Australia, Canada, the United Kingdom and Mainland China.

Cheung Kong Infrastructure Holdings Limited

I would like to thank the Board, management and all staff for their hard work and dedication, as well as our shareholders for their support and confidence in the Group.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 14th August, 2003