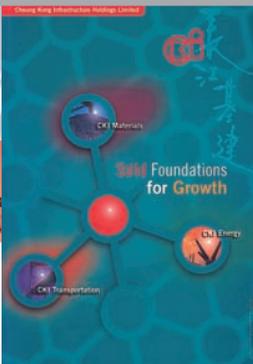
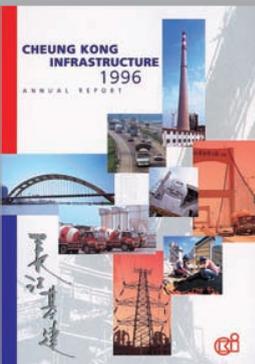
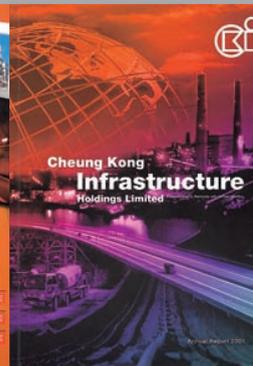
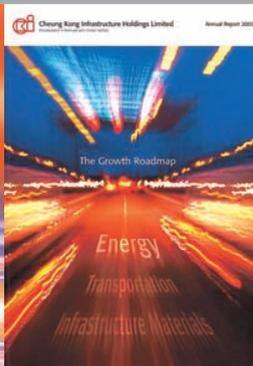
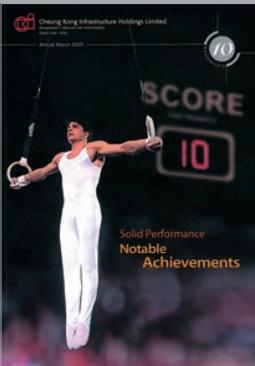




CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 1038)

# POWERING INTO OUR SECOND DECADE



## **INTERIM REPORT 2007**

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure and Infrastructure Related Business. Operating in Hong Kong, Mainland China, Australia, the United Kingdom, Canada and the Philippines, it is a leading player in the global infrastructure arena.

### **THE HALF YEAR AT A GLANCE**

Profit attributable to shareholders (HK\$ million)	2,018
Earnings per share (HK\$)	0.90
Interim dividend per share (HK\$)	0.27

# CONTENTS

Interim Results	2
Financial Review	5
Consolidated Income Statement	7
Consolidated Balance Sheet	8
Condensed Consolidated Cash Flow Statement	9
Consolidated Statement of Recognised Income and Expense	10
Notes to the Interim Financial Statements	11
Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures	20
Interests and Short Positions of Shareholders	28
Corporate Governance	31
Other Information	34
Notice of Payment of Interim Dividend, 2007	36
Corporate Information and Key Dates	37



## INTERIM RESULTS

# GROWTH MOMENTUM CONTINUES

For the six months ended 30th June, 2007, Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Group”) achieved good results, sustaining our pace of growth. Unaudited profit after tax attributable to shareholders amounted to HK\$2,018 million, an increase of 27 per cent. over the same period of last year. This reflects the overall encouraging performances recorded by our diverse portfolio of businesses from across various industries and markets.

The Board of Directors of CKI (the “Board”) has declared an interim dividend for 2007 of HK\$0.27 per share (2006: HK\$0.25 per share), representing an increase of 8 per cent. The interim dividend will be paid on Friday, 28th September, 2007 to shareholders whose names appear on the Register of Members on Thursday, 27th September, 2007.

### **Hongkong Electric**

CKI’s investment in Hongkong Electric Holdings Limited (“Hongkong Electric”) delivered a profit contribution of HK\$1,021 million for the period under review, maintaining a solid growth of 7 per cent. compared to the same period last year.

In Hong Kong, sound results were achieved and the world-class supply reliability of 99.999 per cent. was maintained. Overseas businesses also performed well and boosted growth.

### **International Infrastructure Investments**

CKI’s portfolio of energy and toll road projects in Mainland China have delivered very encouraging results during the first half of 2007. Profit contribution reached HK\$465 million, representing an increase of 24 per cent.

The performance of our energy portfolio was greatly enhanced by the commissioning of a new HK\$6 billion power plant in Zhuhai, in which CKI has a 45 per cent. stake. The new power plant has added 1,200MW of capacity, bringing the total electricity generation capacity of our Mainland energy investments to 2,950MW. This power plant started to bring profit contribution to CKI in February this year when operations commenced.



## INTERIM RESULTS

The other Mainland energy investments, including the existing power plant in Zhuhai and the Siping Cogen Power Plants, also recorded good performances on the back of soaring demand for electricity in Mainland China.

Our toll roads in Mainland China performed solidly during the first half, in line with expectations.

The Group's regulated businesses in Australia and the United Kingdom – which span electricity distribution, gas distribution and water – recorded secure and attractive returns. Through proactive initiatives, the non-regulated income of these businesses grew significantly.

The Group's portfolio in Australia and the United Kingdom has performed very well, with profit contribution increasing 45 per cent. to HK\$604 million.

### **Materials**

With the activity of the property and construction markets in Hong Kong and Mainland China, our materials business reported a satisfactory performance during the first half of 2007.

Profit contribution from materials was HK\$70 million, an increase of 6 per cent.

### **Strong Financial Platform**

We have a strong financial platform and ample cash to pursue new expansion opportunities. As at 30th June, 2007, cash on hand amounted to HK\$11,030 million and net debt to equity ratio was 0.2 per cent. Our "A-" rating was re-affirmed by Standard & Poor's for the 11th consecutive year.



# INTERIM RESULTS

## **Subsequent Event**

*Earlier this month, CKI signed an agreement to sell its stake in the Guangzhou East-South-West Ring Road to our Chinese partner. This transaction is expected to be completed on 31st August. Upon completion of the sale, the Group is expected to book a profit of approximately HK\$810 million.*

## **Prospects**

It has always been CKI's strategy to acquire the right assets at the right price, with the aim of generating attractive and predictable returns to shareholders.

CKI will continue to apply a disciplined approach to making new investments and acquisitions. With strong cash reserves, experienced professionals, renowned industry reputation and extensive network, we remain well placed to pursue new acquisitions to expand our portfolio of infrastructure investments. Currently, a few projects are being studied in different continents.

In addition to driving new acquisitions, we continue to devote tremendous efforts to maximising organic growth in existing businesses to increase shareholder value.

I would like to take this opportunity to thank the Board, management and staff for their dedication, as well as our shareholders for their steadfast support and confidence in the Group.

## **Li Tzar Kuoi, Victor**

Chairman

Hong Kong, 16th August, 2007



## FINANCIAL REVIEW

### Financial Resources, Treasury Activities and Gearing Ratio

The Group's capital expenditure and investments were funded from cash on hand, internal cash generation, syndicated loans, notes issued and other project loans.

As at 30th June, 2007, total borrowings of the Group amounted to HK\$11,089 million, which included a Hong Kong dollar syndicated loan of HK\$3,800 million and foreign currency borrowings of HK\$7,289 million. Of the total borrowings, 34 per cent. are repayable in September 2007, 49 per cent. are repayable between 2008 and 2011 and 17 per cent. are repayable beyond 2011. The Group's financing activities continue to be fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed on short-term deposit denominated in U.S. dollars, Hong Kong dollars, Australian dollars or Pound Sterling. The Group's liquidity and financing requirements are reviewed regularly. The Group will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As at 30th June, 2007, the Group had a gearing ratio of 0.2 per cent., based on a net debt of HK\$59 million and shareholders' equity of HK\$37,004 million. This ratio was lower than the gearing ratio of 4 per cent. at the year end of 2006, mainly due to shareholders' loan repayments from China infrastructure projects and divestment proceeds received during the period.

To minimise currency exposure in respect of its investments in other countries, the Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of those countries. The Group also entered into certain interest rate and currency swaps to mitigate interest rate and exchange rate risks. As at 30th June, 2007, the contractual notional amounts of these derivative instruments amounted to HK\$8,734 million.



# FINANCIAL REVIEW

## Charge on Group Assets

As at 30th June, 2007, the Group's interest in an affiliated company with carrying value of HK\$1,751 million were pledged as part of the security to secure bank borrowings totalling HK\$2,485 million granted to the affiliated company. Moreover, the Group's obligations under finance leases totalling HK\$16 million were secured by charge over the leased assets with carrying value of HK\$230 million.

## Contingent Liabilities

As at 30th June, 2007, the Group was subject to the following contingent liabilities:

HK\$ million	
Performance bonds	140

## Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,040 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$130 million. The Group ensures that the remuneration levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company was given to those employees who had subscribed for shares of HK\$1.00 each in the Company at HK\$12.65 per share on the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

# CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

HK\$ million	Notes	Unaudited	
		2007	2006
Group turnover	2	870	900
Share of turnover of jointly controlled entities	2	1,876	1,492
		<b>2,746</b>	2,392
<b>Group turnover</b>	2	<b>870</b>	900
Other income	3	430	218
Operating costs	4	(736)	(757)
Finance costs		(277)	(254)
Share of results of associates		1,276	1,120
Share of results of jointly controlled entities		469	359
<b>Profit before taxation</b>		<b>2,032</b>	1,586
Taxation	5	(16)	3
<b>Profit for the period</b>	6	<b>2,016</b>	1,589
<b>Attributable to:</b>			
Shareholders of the Company		2,018	1,589
Minority interests		(2)	–
		<b>2,016</b>	1,589
<b>Interim dividend</b>		<b>609</b>	564
<b>Earnings per share</b>	7	<b>HK\$0.90</b>	HK\$0.70
<b>Interim dividend per share</b>		<b>HK\$0.27</b>	HK\$0.25

# CONSOLIDATED BALANCE SHEET

HK\$ million	Notes	Unaudited 30/6/2007	Audited 31/12/2006
Property, plant and equipment		1,001	991
Investment properties		130	130
Leasehold land		296	301
Interests in associates		28,787	29,382
Interests in jointly controlled entities		3,432	4,238
Interests in infrastructure project investments		425	490
Investments in securities		4,152	3,064
Derivative financial instruments		58	38
Goodwill		211	205
Other non-current assets		13	13
<b>Total non-current assets</b>		<b>38,505</b>	38,852
Inventories		91	99
Interests in infrastructure project investments		130	127
Derivative financial instruments		369	369
Debtors and prepayments	8	922	455
Bank balances and deposits		11,030	7,720
<b>Total current assets</b>		<b>12,542</b>	8,770
Bank and other loans		5,365	3,813
Derivative financial instruments		577	485
Creditors and accruals	9	1,580	1,245
Taxation		105	105
<b>Total current liabilities</b>		<b>7,627</b>	5,648
<b>Net current assets</b>		<b>4,915</b>	3,122
<b>Total assets less current liabilities</b>		<b>43,420</b>	41,974
Bank and other loans		5,724	5,514
Derivative financial instruments		203	179
Deferred tax liabilities		434	401
Other non-current liabilities		16	15
<b>Total non-current liabilities</b>		<b>6,377</b>	6,109
<b>Net assets</b>		<b>37,043</b>	35,865
Representing:			
Share capital	10	2,254	2,254
Reserves	11	34,750	33,570
<b>Equity attributable to shareholders of the Company</b>		<b>37,004</b>	35,824
Minority interests	11	39	41
<b>Total equity</b>		<b>37,043</b>	35,865



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30th June

HK\$ million	Unaudited	
	2007	2006
Net cash from operating activities	957	447
Net cash from / (utilised in) investing activities	2,662	(210)
Net cash utilised in financing activities	(309)	(1,723)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,310</b>	<b>(1,486)</b>
Cash and cash equivalents at 1st January	7,720	8,110
<b>Cash and cash equivalents at 30th June</b>		
<b>Bank balances and deposits</b>	<b>11,030</b>	6,624

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the six months ended 30th June

HK\$ million	Unaudited	
	2007	2006
Gain / (Loss) from fair value changes of available-for-sale financial assets	187	(14)
Loss from fair value changes of derivatives designated as effective cash flow hedges	(66)	(73)
Actuarial gains of defined benefit retirement schemes	69	–
Exchange differences on translation of financial statements of foreign operations	634	245
Cumulative impact from adoption of Amendment to HKAS 19	–	(141)
Surplus on revaluation of properties upon transfer to investment properties	–	4
Net gain recognised directly in equity	824	21
Hedging and exchange translation reserves released upon disposals of interests in an associate	28	–
Profit for the period	2,016	1,589
<b>Total recognised income and expense for the period</b>	<b>2,868</b>	1,610
<b>Attributable to:</b>		
Shareholders of the Company	2,870	1,610
Minority interests	(2)	–
	<b>2,868</b>	1,610

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. Basis of Preparation

The interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies adopted are consistent with those set out in the Group’s annual financial statements for the year ended 31st December, 2006, except for the adoption of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (“new HKFRSs”) issued by the HKICPA which are effective to the Group for accounting periods beginning on or after 1st January, 2007. The adoption of the new HKFRSs has no material impact on the Group’s results and financial position for the current or prior periods.

## 2. Group Turnover and Share of Turnover of Jointly Controlled Entities

Group turnover represents net sales of infrastructure materials, income from the supply of water, return from infrastructure project investments, interest income from loans granted to associates, and distribution from investments in securities classified as infrastructure investments, net of withholding tax, where applicable.

In addition, the Group presents its proportionate share of turnover of jointly controlled entities. Turnover of associates is not included.

The Group turnover and share of turnover of jointly controlled entities for the current period is analysed as follows:

HK\$ million	Six months ended 30th June	
	2007	2006
Sales of infrastructure materials	423	520
Income from the supply of water	142	122
Return from infrastructure project investments	45	57
Interest income from loans granted to associates	206	188
Distribution from investments in securities	54	13
<b>Group turnover</b>	<b>870</b>	900
<b>Share of turnover of jointly controlled entities</b>	<b>1,876</b>	1,492
	<b>2,746</b>	2,392

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 3. Other Income

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2007	2006
Interest income from banks and debt securities	244	177
Finance lease income	–	1
Gain on disposals of interests in an associate	79	–
Gain on disposals of listed securities	67	–

## 4. Operating Costs

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2007	2006
Depreciation of property, plant and equipment	27	25
Cost of inventories sold	476	530
Change in fair values of investments in securities	7	53
Change in fair values of derivative financial instruments	3	21

## 5. Taxation

Overseas tax is provided for at the applicable tax rate on the estimated assessable profits less available tax losses. Deferred taxation is provided on temporary differences under the liability method using tax rates applicable to the Group's operations in different countries.

HK\$ million	Six months ended 30th June	
	2007	2006
Current taxation – overseas tax	10	7
Deferred taxation	6	(10)
	16	(3)

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 6. Segment Information

### By business segment

for the six months ended 30th June

HK\$ million	Investment in Hongkong Electric*		Infrastructure investments		Infrastructure related business		Unallocated items		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Group turnover	-	-	447	380	423	520	-	-	870	900
Share of turnover of jointly controlled entities	-	-	1,588	1,214	288	278	-	-	1,876	1,492
	-	-	2,035	1,594	711	798	-	-	2,746	2,392
<b>Segment revenue</b>										
Group turnover	-	-	447	380	423	520	-	-	870	900
Others	-	-	20	26	7	4	-	-	27	30
	-	-	467	406	430	524	-	-	897	930
<b>Segment result</b>										
Gain on disposals of interests in an associate and listed securities	-	-	79	-	-	-	67	-	146	-
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	(9)	(10)	(65)	(10)	(74)
Interest and finance lease income	-	-	3	1	66	61	175	116	244	178
Corporate overheads and others	-	-	-	-	-	-	(121)	(33)	(121)	(33)
Finance costs	-	-	(16)	(8)	-	-	(261)	(246)	(277)	(254)
Share of results of associates and jointly controlled entities	1,021	950	689	504	35	25	-	-	1,745	1,479
<b>Profit / (Loss) before taxation</b>	<b>1,021</b>	<b>950</b>	<b>1,093</b>	<b>798</b>	<b>68</b>	<b>66</b>	<b>(150)</b>	<b>(228)</b>	<b>2,032</b>	<b>1,586</b>
Taxation	-	-	(16)	3	-	-	-	-	(16)	3
<b>Profit / (Loss) for the period</b>	<b>1,021</b>	<b>950</b>	<b>1,077</b>	<b>801</b>	<b>68</b>	<b>66</b>	<b>(150)</b>	<b>(228)</b>	<b>2,016</b>	<b>1,589</b>
<b>Attributable to:</b>										
Shareholders of the Company	1,021	950	1,077	801	70	66	(150)	(228)	2,018	1,589
Minority interests	-	-	-	-	(2)	-	-	-	(2)	-
	1,021	950	1,077	801	68	66	(150)	(228)	2,016	1,589

\* During the period, the Group has a 38.87 per cent. equity interest in Hongkong Electric Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 6. Segment Information (Cont'd)

### By geographic region

for the six months ended 30th June

HK\$ million	Hong Kong		Mainland China		Australia		UK and Others		Unallocated items		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Group turnover	332	372	136	130	260	201	142	197	-	-	870	900
Share of turnover of jointly controlled entities	245	222	1,631	1,270	-	-	-	-	-	-	1,876	1,492
	577	594	1,767	1,400	260	201	142	197	-	-	2,746	2,392
<b>Segment revenue</b>												
Group turnover	332	372	136	130	260	201	142	197	-	-	870	900
Others	7	3	10	11	-	-	10	16	-	-	27	30
	339	375	146	141	260	201	152	213	-	-	897	930
<b>Segment result</b>	(23)	(7)	27	42	260	201	41	54	-	-	305	290
Gain on disposals of interests in an associate and listed securities	-	-	-	-	79	-	-	-	67	-	146	-
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	-	-	(9)	(10)	(65)	(10)	(74)
Interest and finance lease income	66	61	-	-	-	-	3	1	175	116	244	178
Corporate overheads and others	-	-	-	-	-	-	-	-	(121)	(33)	(121)	(33)
Finance costs	-	-	-	-	-	-	(16)	(8)	(261)	(246)	(277)	(254)
Share of results of associates and jointly controlled entities	1,063	983	435	334	95	(23)	152	185	-	-	1,745	1,479
<b>Profit / (Loss) before taxation</b>	1,106	1,037	462	376	434	178	180	223	(150)	(228)	2,032	1,586
Taxation	-	-	-	-	-	-	(16)	3	-	-	(16)	3
<b>Profit / (Loss) for the period</b>	1,106	1,037	462	376	434	178	164	226	(150)	(228)	2,016	1,589
<b>Attributable to:</b>												
Shareholders of the Company	1,106	1,037	464	376	434	178	164	226	(150)	(228)	2,018	1,589
Minority interests	-	-	(2)	-	-	-	-	-	-	-	(2)	-
	1,106	1,037	462	376	434	178	164	226	(150)	(228)	2,016	1,589

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 7. Earnings Per Share

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$2,018 million (2006: HK\$1,589 million) and on 2,254,209,945 shares (2006: 2,254,209,945 shares) in issue during the interim period.

## 8. Debtors and Prepayments

Included in debtors and prepayments are trade debtors of HK\$273 million (HK\$240 million at 31st December, 2006) and their aging analysis is as follows:

HK\$ million	30/6/2007	31/12/2006
Current	78	89
1 month	69	69
2 to 3 months	37	28
Over 3 months	190	176
<b>Gross total</b>	<b>374</b>	362
Allowance	(101)	(122)
<b>Total after allowance</b>	<b>273</b>	240

Trade with customers for infrastructure materials is carried out largely on credit, except for new customers and customers with unsatisfactory payment records, where payment in advance is normally required. Trade with metered customers for water supply is carried out largely on credit and with unmetered customers largely by payment in advance. Invoices are normally payable within 1 month of issuance, except for certain well-established customers, where the terms are extended to 2 months, and certain customers with disputed items, where the terms are negotiated individually. Each customer has a maximum credit limit, which was granted and approved by senior management in accordance with the laid-down credit review policy and procedures.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 9. Creditors and Accruals

Included in creditors and accruals are trade creditors of HK\$88 million (HK\$150 million at 31st December, 2006) and their aging analysis is as follows:

HK\$ million	30/6/2007	31/12/2006
Current	51	103
1 month	14	22
2 to 3 months	5	8
Over 3 months	18	17
<b>Total</b>	<b>88</b>	150

## 10. Share Capital

There were no movements in the share capital of the Company in the six months ended 30th June, 2007 and 2006, respectively.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 11. Reserves and Minority Interests

HK\$ million	Attributable to shareholders of the Company									
	Share premium	Contributed surplus	Property revaluation reserve	Investment revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total	Minority interests	Total
At 1st January, 2007	3,836	6,062	56	76	(146)	981	22,705	33,570	41	33,611
Gain from fair value changes										
of available-for-sale financial assets	-	-	-	187	-	-	-	187	-	187
Loss from fair value changes										
of derivatives designated as effective cash flow hedges	-	-	-	-	(90)	-	24	(66)	-	(66)
Actuarial gains of defined benefit retirement schemes	-	-	-	-	-	-	69	69	-	69
Exchange translation differences	-	-	-	-	-	634	-	634	-	634
Net gain / (loss) recognised directly in equity	-	-	-	187	(90)	634	93	824	-	824
Disposals of interests in an associate	-	-	-	-	95	(67)	-	28	-	28
Profit for the period	-	-	-	-	-	-	2,018	2,018	(2)	2,016
Total recognised income and expense for the period	-	-	-	187	5	567	2,111	2,870	(2)	2,868
Dividend paid	-	-	-	-	-	-	(1,690)	(1,690)	-	(1,690)
<b>At 30th June, 2007</b>	<b>3,836</b>	<b>6,062</b>	<b>56</b>	<b>263</b>	<b>(141)</b>	<b>1,548</b>	<b>23,126</b>	<b>34,750</b>	<b>39</b>	<b>34,789</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 11. Reserves and Minority Interests (Cont'd)

HK\$ million	Attributable to shareholders of the Company									
	Share premium	Contributed surplus	Property revaluation reserve	Investment revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total	Minority interests	Total
At 1st January, 2006	3,836	6,062	12	34	1	153	21,146	31,244	38	31,282
Loss from fair value changes										
of available-for-sale financial assets	-	-	-	(14)	-	-	-	(14)	-	(14)
Loss from fair value changes										
of derivatives designated as effective cash flow hedges	-	-	-	-	(73)	-	-	(73)	-	(73)
Exchange translation differences	-	-	-	-	-	245	-	245	-	245
Cumulative impact from adoption of Amendment to HKAS 19	-	-	-	-	-	-	(141)	(141)	-	(141)
Surplus on revaluation of properties upon transfer to investment properties	-	-	4	-	-	-	-	4	-	4
Net gain / (loss) recognised										
directly in equity	-	-	4	(14)	(73)	245	(141)	21	-	21
Profit for the period	-	-	-	-	-	-	1,589	1,589	-	1,589
Total recognised income and expense for the period	-	-	4	(14)	(73)	245	1,448	1,610	-	1,610
Dividend paid	-	-	-	-	-	-	(1,596)	(1,596)	-	(1,596)
At 30th June, 2006	3,836	6,062	16	20	(72)	398	20,998	31,258	38	31,296

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 12. Commitments

The Group's capital commitments outstanding at 30th June, 2007 and not provided for in the financial statements are as follows:

HK\$ million	Contracted but not provided for		Authorised but not contracted for	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Investment in an associate	41	13	-	-
Plant and machinery	7	4	48	33
Other investment	-	-	72	-
<b>Total</b>	<b>48</b>	17	<b>120</b>	33

## 13. Contingent Liabilities

HK\$ million	30/6/2007	31/12/2006
Guarantee in respect of performance bonds	140	141
Guarantee in respect of bank loans drawn by a jointly controlled entity	-	586
<b>Total</b>	<b>140</b>	727

## 14. Subsequent Event

Subsequent to the period end, the Group announced on 9th August, 2007 that it had entered into an agreement to dispose of its entire equity interest in and shareholder's loan to Guangzhou E-S-W Ring Road Company Limited, a jointly controlled entity of the Group, for a consideration of approximately HK\$1,258 million. The transaction is expected to be completed on 31st August, 2007. The expected gain to be derived from the disposal will amount to approximately HK\$810 million.

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2007, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

## (1) Long Positions in Shares

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interests	Family Interests	Corporate Interests	Other Interests		
Company	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 1)	1,912,109,945	84.82%
	Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%
Hutchison Whampoa Limited	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	-	-	1,086,770 (Note 3)	2,141,698,773 (Note 2)	2,142,785,543	50.26%
	Kam Hing Lam	Beneficial owner	60,000	-	-	-	60,000	0.001%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	4,310,875 (Note 5)	-	4,310,875	0.10%
	Chow Woo Mo Fong, Susan	Beneficial owner	150,000	-	-	-	150,000	0.003%
	Frank John Sixt	Beneficial owner	50,000	-	-	-	50,000	0.001%
	Lan Hong Tsung, David	Beneficial owner	20,000	-	-	-	20,000	0.0004%
	Lee Pui Ling, Angelina	Beneficial owner	38,500	-	-	-	38,500	0.0009%
	George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	-	950,100 (Note 6)	1,000,000	0.02%

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

## (1) Long Positions in Shares (Cont'd)

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interests	Family Interests	Corporate Interests	Other Interests		
Hongkong Electric Holdings Limited	Li Tzar Kuoi, Victor	Interest of child or spouse & beneficiary of trusts	-	151,000	-	829,599,612 (Note 4)	829,750,612	38.87%
	Lee Pui Ling, Angelina	Beneficial owner	8,800	-	-	-	8,800	0.0004%
Hutchison Harbour Ring Limited	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	5,000,000 (Note 5)	-	5,000,000	0.07%
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 (Note 5)	-	5,100,000	0.75%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.15%
Hutchison Telecommunications International Limited	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	-	-	2,519,250 (Note 3)	2,440,115,597 (Note 7)	2,442,634,847	51.15%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,202,380 (Note 5)	-	1,202,380	0.025%
	Chow Woo Mo Fong, Susan	Beneficial owner	250,000	-	-	-	250,000	0.005%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	-	-	13,333	0.0003%

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

## (2) Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interests	Family Interests	Corporate Interests	Other Interests	
Company	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	31,644,803 (Note 8)	31,644,803
Hutchison Whampoa Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	18,613,202 (Note 9)	18,613,202
Hongkong Electric Holdings Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	20,990,201 (Note 10)	20,990,201
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	134,000	-	1,340,001 (Note 5)	-	1,474,001 (Note 11)
Hutchison Telecommunications International Limited	Frank John Sixt	Beneficial owner	255,000 (Note 12)	-	-	-	255,000
Partner Communications Company Ltd.	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	225,000 (Note 13)	-	225,000
	George Colin Magnus	Beneficial owner	25,000 (Note 14)	-	-	-	25,000

## (3) Short Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interests	Family Interests	Corporate Interests	Other Interests	
Company	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	31,644,801 (Note 8(b))	31,644,801
Hutchison Whampoa Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	18,613,202 (Note 9)	18,613,202
Hongkong Electric Holdings Limited	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	20,990,201 (Note 10)	20,990,201

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

## (4) Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interests	Family Interests	Corporate Interests	Other Interests	
Hutchison Whampoa International (01/11) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$12,000,000 7% Notes due 2011 (Note 3)	-	US\$12,000,000 7% Notes due 2011
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$21,000,000 6.5% Notes due 2013 (Note 3)	-	US\$21,000,000 6.5% Notes due 2013
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	US\$2,500,000 6.5% Notes due 2013 (Note 5)	-	US\$2,500,000 6.5% Notes due 2013
Hutchison Whampoa International (03/33) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$8,000,000 6.25% Notes due 2014 (Note 3)	-	US\$8,000,000 6.25% Notes due 2014
		Interest of controlled corporation	-	-	US\$15,000,000 7.45% Notes due 2033 (Note 3)	-	US\$15,000,000 7.45% Notes due 2033
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	US\$2,500,000 5.45% Notes due 2010 (Note 5)	-	US\$2,500,000 5.45% Notes due 2010
		Interest of controlled corporation	-	-	US\$2,500,000 6.25% Notes due 2014 (Note 5)	-	US\$2,500,000 6.25% Notes due 2014
		Interest of controlled corporation	-	-	US\$2,000,000 7.45% Notes due 2033 (Note 5)	-	US\$2,000,000 7.45% Notes due 2033

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Notes:

1. The 1,912,109,945 shares in the Company comprise 1,906,681,945 shares held by a subsidiary of Hutchison Whampoa Limited ("HWL") and 5,428,000 shares held by Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1").

The discretionary beneficiaries of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2") are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. TUT1 as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies") hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). Certain subsidiaries of CKH in turn together hold more than one-third of the issued share capital of HWL.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

By virtue of the above and as a discretionary beneficiary of each of DT1 and DT2 and as a director of CKH, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the shares of CKH held by TUT1 as trustee of UT1 and TUT1 related companies, the shares of HWL held by the subsidiaries of CKH and the shares of the Company held by each of the subsidiary of HWL and TUT1 as trustee of UT1 under the SFO as a Director of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a director of CKH and has no duty of disclosure in relation to the shares of CKH held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

2. The 2,141,698,773 shares in HWL comprise:
  - (a) 2,130,202,773 shares held by certain subsidiaries of CKH. By virtue of the interests in shares of CKH in relation to which Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of CKH as described in Note 1 above and as a Director of the Company, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of HWL under the SFO; and
  - (b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3"). The discretionary beneficiaries of each of the two discretionary trusts ("DT3" and "DT4") are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Each of the trustees of DT3 and DT4 holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust.

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Notes (Cont'd):

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of HWL by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of HWL independently without any reference to Castle Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

By virtue of the above and as a discretionary beneficiary of each of DT3 and DT4 and as a director of HWL, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of HWL held by TUT3 as trustee of UT3 under the SFO as a Director of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco and is a discretionary beneficiary of each of DT3 and DT4, he is not a Director of the Company and has no duty of disclosure in relation to the shares of HWL held by TUT3 as trustee of UT3 under the SFO.

3. Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
4. By virtue of being a Director of the Company and his deemed interest in those shares of the Company as described in Note 1 above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to those shares of Hongkong Electric Holdings Limited ("Hongkong Electric") held through the Company under the SFO.
5. These interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
6. Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
7. Such shares of Hutchison Telecommunications International Limited ("HTIL") comprise:
  - (a) 2,439,962,317 ordinary shares of which 52,092,587 ordinary shares and 2,387,869,730 ordinary shares are held by certain wholly-owned subsidiaries of CKH and HWL respectively. By virtue of the interests in the shares of CKH and HWL in relation to which Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of CKH and HWL as described in Notes 1 and 2 above and as a Director of the Company, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares of HTIL under the SFO; and

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Notes (Cont'd):

- (b) 153,280 ordinary shares held by TUT3 as trustee of UT3. By virtue of being a discretionary beneficiary of each of DT3 and DT4 for the purpose of SFO and his interest in TUT3 as trustee of UT3 as described in Note 2(b) above, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said shares under the SFO.

In addition, according to the disclosures made to the Company pursuant to and solely for the purposes of the SFO, Mr. Li Tzar Kuoi, Victor appeared to be taken as being interested in the 917,759,172 ordinary shares of HTIL beneficially owned by Orascom Telecom Eurasia Limited ("Orascom"), a substantial shareholder of HTIL and controlled exclusively by Orascom and Orascom Telecom Holding S.A.E. ("OTH"), another substantial shareholder of HTIL as a result of the application of Sections 317 and 318 of the SFO by virtue of HWL, one of the abovementioned wholly-owned subsidiaries of HWL, OTH and Orascom being parties to a shareholders' agreement dated 21st December, 2005 that imposes obligations or restrictions on any party with respect to their use, retention or disposal of their ordinary shares of HTIL even though no ordinary shares of HTIL have been acquired in pursuance of that agreement.

8. Such underlying shares of the Company are held by an indirect wholly-owned subsidiary of CKH comprising:

- (a) 2 underlying shares by virtue of the HK\$300,000,000 capital guaranteed notes due 2009; and
- (b) 31,644,801 underlying shares by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme.

By virtue of the interests in the shares of CKH taken to have by Mr. Li Tzar Kuoi, Victor under the SFO as described in Note 1 above and as a Director of the Company, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said interest and short position in the underlying shares of the Company under the SFO.

9. Such underlying shares of HWL are held by an indirect wholly-owned subsidiary of CKH comprising:

- (a) 10,463,201 underlying shares by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme; and
- (b) 8,150,001 underlying shares by virtue of the HK Dollar equity-linked notes due 2008 issued under HK\$10,000,000,000 retail note issuance programme.

# DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Notes (Cont'd):

By virtue of the interests in the shares of CKH taken to have by Mr. Li Tzar Kuoi, Victor under the SFO as described in Note 1 above and as a Director of the Company, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said interest and short position in the underlying shares of HWL under the SFO.

10. Such underlying shares of Hongkong Electric are held by an indirect wholly-owned subsidiary of CKH by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme.

By virtue of the interests in the shares of CKH taken to have by Mr. Li Tzar Kuoi, Victor under the SFO as described in Note 1 above and as a Director of the Company, Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to the said interest and short position in the underlying shares of Hongkong Electric under the SFO.

11. Such underlying shares in Hutchison Telecommunications (Australia) Limited are derived from the listed and physically settled 5.5% unsecured convertible notes due 2007 issued by Hutchison Telecommunications (Australia) Limited.
12. Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTIL beneficially owned by Mr. Frank John Sixt.
13. Such underlying shares are derived from the 225,000 American Depositary Shares (each representing one ordinary share) in Partner Communications Company Ltd. ("Partner Communications") held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
14. Such underlying shares are derived from the 25,000 American Depositary Shares (each representing one ordinary share) in Partner Communications beneficially owned by Mr. George Colin Magnus.

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 above, is deemed to be interested in those securities of subsidiaries and associated companies of the Company held through the Company and in those securities of the subsidiaries of HWL held through HWL under the SFO.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30th June, 2007, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Directors or chief executives of the Company, as at 30th June, 2007, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### (1) Long Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company

Name	Capacity	Number of Ordinary Shares	Number of Underlying Shares	Total	Approximate % of Shareholding
Hutchison Infrastructure Holdings Limited	Beneficial owner	1,906,681,945 (Note i)	–	1,906,681,945	84.58%
Hutchison International Limited	Interest of controlled corporation	1,906,681,945 (Note ii)	–	1,906,681,945	84.58%
Hutchison Whampoa Limited	Interest of controlled corporations	1,906,681,945 (Note ii)	–	1,906,681,945	84.58%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	1,906,681,945 (Note iii)	31,644,803 (Note vi)	1,938,326,748	85.98%
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,912,109,945 (Note iv)	31,644,803 (Note vi)	1,943,754,748	86.22%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	1,912,109,945 (Note v)	31,644,803 (Note vi)	1,943,754,748	86.22%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,912,109,945 (Note v)	31,644,803 (Note vi)	1,943,754,748	86.22%
Li Ka-shing	Founder of discretionary trusts	1,912,109,945 (Note v)	31,644,803 (Note vi)	1,943,754,748	86.22%

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

### (2) Short Positions of Substantial Shareholders in the Underlying Shares of the Company

Name	Capacity	Number of Underlying Shares
Cheung Kong (Holdings) Limited	Interest of controlled corporation	31,644,801 (Note vi(b))
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	31,644,801 (Note vi(b))
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	31,644,801 (Note vi(b))
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	31,644,801 (Note vi(b))
Li Ka-shing	Founder of discretionary trusts	31,644,801 (Note vi(b))

Notes:

- i. 1,906,681,945 shares of the Company are held by Hutchison Infrastructure Holdings Limited, a subsidiary of HWL. Its interests are duplicated in the interests of HWL in the Company described in Note ii below.
- ii. HWL is deemed to be interested in the 1,906,681,945 shares of the Company referred to in Note 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. CKH is deemed to be interested in the 1,906,681,945 shares of the Company referred to in Note ii above as certain subsidiaries of CKH hold more than one-third of the issued share capital of HWL.
- iv. TUT1 as trustee of UT1 is deemed to be interested in those shares of the Company described in Note iii above as TUT1 as trustee of UT1 and TUT1 related companies hold more than one-third of the issued share capital of CKH and TUT1 as trustee of UT1 holds 5,428,000 shares of the Company.



## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

Notes (Cont'd):

- v. By virtue of the SFO, each of Mr. Li Ka-shing, being the settlor and may being regarded as a founder of each DT1 and DT2 for the purpose of the SFO, TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is deemed to be interested in the same block of shares TUT1 as trustee of UT1 is deemed to be interested in as referred to in Note iv above as all issued and outstanding units in UT1 are held by TDT1 as trustee of DT1 and by TDT2 as trustee of DT2. More than one-third of the issued share capital of TUT1 and of the trustees of the said discretionary trusts are owned by Unity Holdco. Mr. Li Ka-shing owns one-third of the issued share capital of Unity Holdco.
- vi. Such underlying shares of the Company are held by an indirect wholly-owned subsidiary of CKH comprising:
  - (a) 2 underlying shares by virtue of the HK\$300,000,000 capital guaranteed notes due 2009; and
  - (b) 31,644,801 underlying shares by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme.

By virtue of the SFO, each of Mr. Li Ka-shing, TDT1, TDT2 and TUT1 is deemed to be interested in the same block of interest and short position in the 31,644,803 underlying shares and 31,644,801 underlying shares of the Company respectively held by CKH as described in Note v above.

Save as disclosed above, as at 30th June, 2007, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



# CORPORATE GOVERNANCE

The Board of Directors of the Company (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (“Code on CG Practices”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th June, 2007.

## **(1) Board Composition and Board Practices**

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board consists of a total of sixteen Directors, comprising eight Executive Directors, three Non-executive Directors and five Independent Non-executive Directors. More than one Independent Non-executive Directors have appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years in accordance with the Company’s Bye-laws and the Code on CG Practices.

The positions of the Chairman of the Board (“Chairman”) and the Group Managing Director are held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group’s business.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman has meetings with the Non-executive Directors (including Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and for ensuring that the Board is briefed on all legislative, regulatory and corporate governance developments and that the Board has regard to them when making decisions. The Company Secretary is also directly responsible for the Group’s compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, SFO and other applicable laws, rules and regulations.



## CORPORATE GOVERNANCE

### **(2) Model Code for Securities Transactions by Directors**

The Company has adopted the model code for securities transactions by directors of listed issuers set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions, effective 31st March, 2004. Confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code during the six months ended 30th June, 2007.

### **(3) Internal Controls**

The Company has an internal audit function in place to provide an independent assessment of the Group's internal control system and review of its effectiveness in accordance with the Code on CG Practices. The Group Internal Audit prepares its audit plan using a risk based methodology in consultation with, but independent of, the management for review by the audit committee of the Company ("Audit Committee"). The audit work focuses on financial, operational and compliance controls review and those areas of the Group's activities with significant perceived risks. An integral part of the internal audit function is to monitor and ensure effective implementation of these internal control systems.

The Board, through the Audit Committee, has conducted a review of the effectiveness of internal control system of the Group for the six months ended 30th June, 2007.

### **(4) Audit Committee**

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The Audit Committee comprises five members all of whom are Independent Non-executive Directors, namely, Mr. Colin Stevens Russel (Chairman of the Audit Committee), Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditors of the Company.

The Group's interim report for the six months ended 30th June, 2007 has been reviewed by the Audit Committee.



## CORPORATE GOVERNANCE

### **(5) Remuneration Committee**

According to the Code on CG Practices, the Company established its remuneration committee (“Remuneration Committee”) on 1st January, 2005 with a majority of the members being Independent Non-executive Directors. The Remuneration Committee comprises the Chairman of the Board, Mr. Li Tzar Kuoi, Victor (Chairman of the Remuneration Committee), and two Independent Non-executive Directors, namely, Mr. Colin Stevens Russel and Mr. Cheong Ying Chew, Henry.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company’s policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all Executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

### **(6) Investor Relations and Communication with Shareholders**

The Company establishes different communication channels with shareholders and investors, including (i) regular despatch of printed copies of corporate communication (including but not limited to annual report, interim report, notice of meeting, circular and proxy form) required under the Listing Rules to the shareholders of the Company, (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board, (iii) updated and key information on the Group is available on the website of the Company, (iv) the Company’s website offers a communication channel between the Company and its shareholders and investors, (v) regular press conferences and briefing meetings with analysts from the investment sectors are set up from time to time on updated performance information of the Group, (vi) the Company’s Branch Share Registrars deal with shareholders for share registration and related matters, and (vii) Corporate Affairs Department of the Company handles enquiries from shareholders, and investors generally.



## OTHER INFORMATION

### **Purchase, Sale or Redemption of Shares**

The Company has not redeemed any of its shares during the six months ended 30th June, 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during this period.

### **Disclosure under Chapter 13 of the Listing Rules**

The following information is disclosed in accordance with Rules 13.21 and 13.22 of Chapter 13 of the Listing Rules:

- (1) 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, 2007. The facility will mature in September 2007. Under the provision of the loan agreement, it is an event of default if HWL (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.
- (2) A sponsors/shareholders' undertaking referred to under the section headed "Continuing Connected Transactions" in the Company's 2006 Annual Report has been provided by HWL, the Zhuhai Foreign Party and the other parties in relation to two loan facilities of US\$125.5 million and US\$670 million granted to the PRC project company undertaking the Zhuhai Power Plant. The two loans with the outstanding amounts of US\$14.2 million and US\$304.5 million as at 30th June, 2007, are repayable by installments with the final repayment due in 2008 and 2012 respectively. It is an event of default for both facilities if CKH and HWL collectively own directly or indirectly less than 51 per cent. of the shareholding in the Zhuhai Foreign Party. The obligation has been complied with.
- (3) The Group has entered into a long term syndicated facility agreement of A\$400 million with the loan balance of A\$209.9 million remained outstanding as at 30th June, 2007. The facility will mature in 2008. Under the provision of the loan agreement, it is an event of default if HWL ceases to own (directly or indirectly) at least 30 per cent. of the issued share capital of the Company. The obligation has been complied with.



## OTHER INFORMATION

### Disclosure under Chapter 13 of the Listing Rules (Cont'd)

- (4) The Group has entered into a long term syndicated facility agreement of A\$300 million, of which the whole amount was drawn as at 30th June, 2007. The facility will mature in 2009. Under the provision of the loan agreement, it is an event of default if HWL ceases to own (directly or indirectly) at least 30 per cent. of the issued share capital of the Company. The obligation has been complied with.
- (5) As at 30th June, 2007, the Group's financial assistance to certain affiliated companies exceeded the assets ratio of 8 per cent. A combined balance sheet of the affiliated companies as at 30th June, 2007 is set out below:

HK\$ million

Non-current assets	69,482
Current assets	3,696
Current liabilities	(8,954)
Non-current liabilities	(60,081)
Net assets	4,143
Share capital	1,116
Reserves	3,027
Capital and reserves	4,143

As at 30th June, 2007, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$7,107 million.



## NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2007

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited profit after tax attributable to shareholders for the six months ended 30th June, 2007 amounted to HK\$2,018 million which represents earnings of HK\$0.9 per share. The Directors have resolved to pay an interim dividend for 2007 of HK\$0.27 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 27th September, 2007. The dividend will be paid on Friday, 28th September, 2007.

The Register of Members of the Company will be closed from Thursday, 20th September, 2007 to Thursday, 27th September, 2007, 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, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 19th September, 2007.

By Order of the Board

**CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED**

**Eirene Yeung**

Company Secretary

Hong Kong, 16th August, 2007

# CORPORATE INFORMATION AND KEY DATES

## DIRECTORS

### Executive Directors

LI Tzar Kuoi, Victor (Chairman)

FOK Kin Ning, Canning (Deputy Chairman)  
CHOW WOO Mo Fong, Susan\*  
Frank John SIXT  
TSO Kai Sum

KAM Hing Lam (Group Managing Director)  
IP Tak Chuen, Edmond (Deputy Chairman)  
Andrew John HUNTER (Chief Operating Officer)

\* also alternate to FOK Kin Ning, Canning and Frank John SIXT

### Independent Non-executive Directors

CHEONG Ying Chew, Henry  
KWOK Eva Lee  
SNG Sow-mei alias POON Sow Mei  
Colin Stevens RUSSEL  
LAN Hong Tsung, David

### Non-executive Directors

LEE Pui Ling, Angelina  
Barrie COOK  
George Colin MAGNUS

### AUDIT COMMITTEE

Colin Stevens RUSSEL (Chairman)  
CHEONG Ying Chew, Henry  
KWOK Eva Lee  
SNG Sow-mei alias POON Sow Mei  
LAN Hong Tsung, David

### REMUNERATION COMMITTEE

LI Tzar Kuoi, Victor (Chairman)  
Colin Stevens RUSSEL  
CHEONG Ying Chew, Henry

### COMPANY SECRETARY

Eirene YEUNG

### QUALIFIED ACCOUNTANT

CHAN Loi Shun, Dominic

### AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond  
Eirene YEUNG

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of Nova Scotia  
Barclays Bank PLC  
Bayerische Landesbank  
BNP Paribas  
Commonwealth Bank of Australia  
Deutsche Bank AG  
The Hongkong and Shanghai Banking Corporation Limited

### AUDITORS

Deloitte Touche Tohmatsu

### LEGAL ADVISERS

Woo, Kwan, Lee & Lo

### REGISTERED OFFICE

Clarendon House, Church Street,  
Hamilton HM11, Bermuda

### PRINCIPAL PLACE OF BUSINESS

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

### PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited,  
Rosebank Centre,  
11 Bermudiana Road,  
Pembroke HM08,  
Bermuda

### BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited,  
Rooms 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Hong Kong

### STOCK CODES

Stock Exchange of Hong Kong: 1038  
Bloomberg: 1038 HK  
Reuters: 1038.HK

### WEBSITE

[www.cki.com.hk](http://www.cki.com.hk)



# CORPORATE INFORMATION AND KEY DATES

## INVESTOR RELATIONS

For further information about Cheung Kong Infrastructure Holdings Limited, please contact:

**Ivan CHAN**

Cheung Kong Infrastructure Holdings Limited,  
12th Floor, Cheung Kong Center,  
2 Queen's Road Central, Hong Kong  
Telephone: (852) 2122 3986  
Facsimile: (852) 2501 4550  
Email: [contact@cki.com.hk](mailto:contact@cki.com.hk)

## KEY DATES

Interim Results Announcement	16th August, 2007
Closure of Register of Members	20th to 27th September, 2007 <i>(both days inclusive)</i>
Record Date for Interim Dividend	27th September, 2007
Payment of Interim Dividend	28th September, 2007

*This interim report 2007 ("Interim Report 2007") (in both English and Chinese versions) has been posted on the Company's website at [www.cki.com.hk](http://www.cki.com.hk).*

*Shareholders may at any time choose to change your choice of the language of the Company's corporate communication (including but not limited to annual report, interim report, notice of meeting, circular and proxy form) 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.*

*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 Interim Report 2007 since both languages are bound together into one booklet.*