



CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)



STEADY
PERFORMANCE
SUSTAINING
GROWTH

INTERIM REPORT 2009

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, New Zealand, 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)	3,885
Earnings per share (HK\$)	1.72
Interim dividend per share (HK\$)	0.321



Teamwork • Dynamism • Vision

People are the driving force of CKI's achievements

CONTENTS

INTERIM RESULTS	2
FINANCIAL REVIEW	6
DIRECTORS' BIOGRAPHICAL INFORMATION	8
CONSOLIDATED INCOME STATEMENT	17
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	18
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	19
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	20
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	22
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	23
DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES	33
INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS	41
CORPORATE GOVERNANCE	43
OTHER INFORMATION	46
NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2009	48
CORPORATE INFORMATION AND KEY DATES	49

HK\$ Million	1H 2009	1H 2008	Variance
Profit contribution from operations	3,603	2,590	+ 39%
– HK Electric	1,024	1,238	- 17%
– China	1,658	487	+ 240%
– Australia	404	448	- 10%
– United Kingdom	369	271	+ 36%
– Canada, New Zealand and others	75	30	+ 150%
– Materials	73	116	- 37%
Profit attributable to shareholders	3,885	2,329	+ 67%
Interim dividend per share	HK\$0.321	HK\$0.297	+ 8.1%

Despite the continued uncertainty in global markets arising from the financial crisis, as well as lower returns permitted under the new Scheme of Control Agreement which affects Hongkong Electric Holdings Limited's ("HK Electric") performance, Cheung Kong Infrastructure Holdings Limited ("CKI" or the "Group") achieved solid results during the period under review. Unaudited profit after tax attributable to shareholders amounted to HK\$3,885 million, up by 67 per cent over the corresponding period in 2008. This significant growth can be attributed to a one-off gain from the divestment of three power plants, steady operational performance from CKI's portfolio of infrastructure investments, and improved results from treasury activities.

During the period under review, the Group divested three power plants in Mainland China to HK Electric, resulting in a one-off gain of HK\$1,314 million. The divestment of the three power plants enabled CKI to realise the value of some of the mature projects in the portfolio and further enhanced its financial capacity for future expansion opportunities.

Operations performed well during the period, highlighting the resilient nature of the Group's infrastructure businesses.



CKI's 2009 interim profit has also been buoyed by a significant improvement in treasury activities. As market conditions stabilised in the first half of 2009, a favourable foreign exchange adjustment of HK\$436 million was recorded, comprising mostly of unrealised mark-to-market adjustments arising from foreign currency deposits and a 30-year Yen borrowing.

The Board of Directors of CKI (the "Board") has declared an interim dividend for 2009 of HK\$0.321 per share (2008: HK\$0.297), representing an increase of 8.1 per cent over the same period last year and maintaining the Group's dividend growth trend. The interim dividend will be paid on Friday, 18th September, 2009 to shareholders whose names appear on the Register of Members of the Company on Thursday, 17th September, 2009.

2009 INTERIM BUSINESS REVIEW

HK Electric

CKI's investment in HK Electric provided profit contribution of HK\$1,024 million for the period under review, a 17 per cent decrease as compared to the same period last year. Despite a stable performance by HK Electric's overseas investments in the first half, its business in Hong Kong was adversely affected by the lower returns stipulated in the new Scheme of Control Agreement, which took effect at the beginning of the year.

China Infrastructure

Profit contribution from investments in Mainland China projects was HK\$1,658 million for the period under review, a significant increase of 240 per cent as compared with the corresponding period last year. A one-off gain of HK\$1,314 million was booked upon completion of the divestment of three power plants in Mainland China to HK Electric, and results included approximately three months of contributions from the three power plants in Mainland China prior to their divestment to HK Electric in April and full six-month contributions from the Group's toll road portfolio.



Australia Infrastructure

The Group's businesses in Australia performed well during the period. In Australian currency terms, profit contribution increased by 17 per cent as compared to the same period last year. When translated into Hong Kong dollars, a profit contribution of HK\$404 million was reported for the period, representing a 10 per cent decrease as a result of the weakening of the Australian dollars. Overall, the regulated and non-regulated businesses of ETSA Utilities, CitiPower and Powercor performed in line with expectations; and the investments in Envestra and Spark Infrastructure continued to provide cashflow and profit contribution to CKI.

United Kingdom Infrastructure

The water and gas businesses in the United Kingdom provided profit contribution of HK\$369 million, a 36 per cent increase as compared to the same period last year. Although contributions were negatively impacted by currency conversion, a tax adjustment of Northern Gas Networks fuelled an increase in overall results.

New Markets – Canada and New Zealand

The combined profit contribution from Canada and New Zealand was HK\$75 million. As a result of interest savings, Canadian operations performed better than last year. The period under review also represented the first interim contribution from the investment in Wellington Electricity Distribution Network in New Zealand, which is performing in line with expectations.

Materials Business

The Group's materials business achieved a profit contribution of HK\$73 million in the first half of 2009, a 37 per cent decrease as compared to the same period last year. Excluding the one-off HK\$71 million disposal gain in the 2008 interim period, the materials business recorded a 62 per cent increase in recurring income during the period. The prospects for the Group's materials business are increasingly positive as both Hong Kong and Mainland China have committed to boosting their economies by infrastructure investments. At the same time, raw materials costs and freight charges have declined, resulting in improved margins.



STRONG FINANCIAL POSITION

Following completion of the divestment of the three Mainland China power plants, the Group has cash and deposits totalling HK\$10,342 million as at 30th June, 2009. With debt of HK\$7,286 million, CKI has a net cash position. This strong balance sheet, bolstered by steady cashflow from regulated infrastructure businesses, provides CKI with a strong financial capability to take advantage of acquisition opportunities in the future.

OUTLOOK

While there have been signs of an upturn in the global financial situation, a full recovery in the overall business environment may take some time.

High gearing and refinancing concerns continue to be major issues facing the infrastructure industry. At the same time, these issues could give rise to investment and acquisition opportunities.

Following the divestment of the three Mainland China power plants, CKI now has more than HK\$10 billion cash on hand. With such a strong cash position, we are uniquely positioned to capitalise on large-scale acquisition opportunities for quality projects and to support any refinancing needs. We will continue to pursue new acquisitions that generate secure and attractive returns for our shareholders. While studying acquisition targets, we will maintain stringent investment criteria in order to maximise our advantage in today's financial conditions.

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

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 6th August, 2009



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, 2009, total borrowings of the Group amounted to HK\$7,286 million, which were all denominated in foreign currencies. Of the total borrowings, 26 per cent were repayable in 2009, 41 per cent were repayable between 2010 and 2013 and 33 per cent repayable beyond 2013. The Group's financing activities continue to be well received and 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 in short-term deposits mostly denominated in U.S. dollars, Hong Kong dollars, Australian dollars or Pounds Sterling. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans.

As at 30th June, 2009, the Group has changed to a net cash position from the 3 per cent gearing of net debt to shareholders' equity at the year end of 2008. Such change was mainly due to proceeds from disposal of interests in three power plants in Mainland China to HK Electric in April 2009.

To minimise currency risk 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 other currency exposure risks. As at 30th June, 2009, the notional amounts of these derivative instruments amounted to HK\$9,787 million.



CHARGES ON GROUP ASSETS

As at 30th June, 2009:

- the Group's cash deposit of HK\$1,302 million was pledged to secure bank borrowing of HK\$1,302 million granted to the Group;
- the Group's obligations under finance leases totalling HK\$32 million were secured by charges over the leased assets with carrying value of HK\$196 million; and
- certain plant and machinery of the Group with carrying value of HK\$55 million were pledged to secure bank borrowings totalling HK\$34 million granted to the Group.

CONTINGENT LIABILITIES

As at 30th June, 2009, the Group was subject to the following contingent liabilities:

HK\$ million	
Guarantee in respect of a bank loan drawn by an affiliated company	969
Performance bonds	6
Total	975

EMPLOYEES

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,033 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$124 million. The Group ensures that the pay 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.



DIRECTORS' BIOGRAPHICAL INFORMATION

LI Tzar Kuoi, Victor, aged 45, has been the Chairman of the Company since its incorporation in May 1996. He is the Chairman of the Remuneration Committee of the Company since March 2005. He is also the Managing Director and Deputy Chairman of Cheung Kong (Holdings) Limited, Deputy Chairman of Hutchison Whampoa Limited, the Chairman of CK Life Sciences Int'l., (Holdings) Inc., an Executive Director of Hongkong Electric Holdings Limited, Co-Chairman of Husky Energy Inc. and a Director of The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). Except for HSBC, all the companies mentioned above are listed companies. Mr. Victor Li serves as a member of the Standing Committee of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Commission on Strategic Development, the Greater Pearl River Delta Business Council and the Council for Sustainable Development of the Hong Kong Special Administrative Region, and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Victor Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"). He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Structural Engineering and an honorary degree (Doctor of Laws, honoris causa (LL.D.)). Mr. Victor Li is a son of Mr. Li Ka-shing, a substantial shareholder of the Company within the meaning of Part XV of the SFO, and a nephew of Mr. Kam Hing Lam, the Group Managing Director of the Company.

KAM Hing Lam, aged 62, has been the Group Managing Director of the Company since its incorporation in May 1996. He has also been the Deputy Managing Director of Cheung Kong (Holdings) Limited since February 1993. He is also the President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc., an Executive Director of Hutchison Whampoa Limited and Hongkong Electric Holdings Limited, and a Non-executive Director of Spark Infrastructure Group. All the companies mentioned above are listed companies. Mr. Kam is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Mr. Kam is a member of the 11th Beijing Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman of the Company.



DIRECTORS' BIOGRAPHICAL INFORMATION

IP Tak Chuen, Edmond, aged 57, has been an Executive Director of the Company since its incorporation in May 1996 and Deputy Chairman of the Company since February 2003. He is also Deputy Managing Director of Cheung Kong (Holdings) Limited. In addition, he is the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of TOM Group Limited, ARA Asset Management Limited, AVIC International Holding (HK) Limited (formerly known as CATIC International Holdings Limited), Excel Technology International Holdings Limited, The Ming An (Holdings) Company Limited and Shougang Concord International Enterprises Company Limited. All the companies mentioned above are listed companies. Mr. Ip is also a Director of ARA Asset Management (Singapore) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the Singapore Exchange Limited ("SGX"), and of ARA Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX. He is also a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

FOK Kin Ning, Canning, aged 57, has been an Executive Director and Deputy Chairman of the Company since March 1997. He is currently the Group Managing Director of Hutchison Whampoa Limited and a Non-executive Director of Cheung Kong (Holdings) Limited. In addition, Mr. Fok is the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications International Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited, Hongkong Electric Holdings Limited and Partner Communications Company Ltd. and Co-Chairman of Husky Energy Inc. All the companies mentioned above are listed companies. Mr. Fok is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Australian Institute of Chartered Accountants.



DIRECTORS' BIOGRAPHICAL INFORMATION

Andrew John HUNTER, aged 50, has been an Executive Director and Chief Operating Officer of the Company since December 2006. Mr. Hunter is currently the Chief Financial Officer of Cheung Kong (Holdings) Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Hunter is also an Executive Director of Hongkong Electric Holdings Limited and a Non-executive Director of Spark Infrastructure Group. All the companies mentioned above are listed companies. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Prior to the appointment to the board of Hongkong Electric Holdings Limited in 1999, Mr. Hunter was the Finance Director of the Hutchison Property Group. He holds a Master of Arts degree and a Master's degree in Business Administration. He is a member of the Institute of Chartered Accountants of Scotland and of the Hong Kong Institute of Certified Public Accountants. He has over 26 years of experience in accounting and financial management.

CHOW WOO Mo Fong, Susan, aged 55, has been an Executive Director of the Company since March 1997. She is the Deputy Group Managing Director of Hutchison Whampoa Limited. She is also an Executive Director of Hutchison Harbour Ring Limited and Hongkong Electric Holdings Limited, a Non-executive Director of Hutchison Telecommunications International Limited, Hutchison Telecommunications Hong Kong Holdings Limited and TOM Group Limited and a Director of Hutchison Telecommunications (Australia) Limited and Partner Communications Company Ltd. All the companies mentioned above are listed companies. She is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. She also holds directorships in certain companies controlled by certain substantial shareholders of the Company. She is a solicitor and holds a Bachelor's degree in Business Administration.



DIRECTORS' BIOGRAPHICAL INFORMATION

Frank John SIXT, aged 57, has been an Executive Director of the Company since its incorporation in May 1996. He is a Non-executive Director of Cheung Kong (Holdings) Limited and the Group Finance Director of Hutchison Whampoa Limited. He is also the Non-executive Chairman of TOM Group Limited, an Executive Director of Hongkong Electric Holdings Limited, a Non-executive Director of Hutchison Telecommunications International Limited and Hutchison Telecommunications Hong Kong Holdings Limited and a Director of Hutchison Telecommunications (Australia) Limited, Husky Energy Inc. and Partner Communications Company Ltd. All the companies mentioned above are listed companies. Mr. Sixt is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.

TSO Kai Sum, aged 78, has been an Executive Director of the Company since March 1997. He is also the Group Managing Director of Hongkong Electric Holdings Limited, a listed company. He also holds directorships in certain companies controlled by a substantial shareholder of the Company. Mr. Tso initially worked with the Hongkong Electric Group from 1966 to 1981, holding the positions of Chief Project Engineer of The Hongkong Electric Company, Limited and Executive Director of Associated Technical Services Limited. In 1981, he joined International City Holdings Limited as an Executive Director. In 1987, he joined the Hutchison Whampoa Group as the Group Managing Director of Hutchison Whampoa Properties. In 1997, he re-joined the Hongkong Electric Group as Group Managing Director. Mr. Tso holds a Bachelor of Science degree in Civil Engineering and is also a Chartered Engineer. He is a member of the Institute of Civil Engineers and the Institute of Structural Engineers in the United Kingdom.



DIRECTORS' BIOGRAPHICAL INFORMATION

CHEONG Ying Chew, Henry, aged 61, has been an Independent Non-executive Director of the Company since its incorporation in May 1996. He has been a member of the Audit Committee of the Company since December 1998 and acted as the Chairman of the Audit Committee from December 1998 to December 2006. Mr. Cheong is also a member of the Remuneration Committee of the Company. He is also an Independent Non-executive Director of Cheung Kong (Holdings) Limited, Hutchison Telecommunications Hong Kong Holdings Limited, TOM Group Limited, CNC International Limited, Excel Technology International Holdings Limited, New World Department Store China Limited and SPG Land (Holdings) Limited. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited, and was previously an Independent Non-executive Director of FPP Japan Fund Inc. All the companies mentioned above are listed companies. He is also a director of a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Cheong is a member of the Securities and Futures Appeals Tribunal, a member of the Advisory Committee of the Securities and Futures Commission and a member of the Disciplinary Panel (Panel A) of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

KWOK Eva Lee, aged 67, has been an Independent Non-executive Director of the Company since September 2004. She is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). She currently serves as Chair and Chief Executive Officer of Amara International Investment Corporation ("Amara"). Mrs. Kwok also acts as an Independent Director for Husky Energy Inc. Mrs. Kwok currently sits on the Compensation Committee and Corporate Governance Committee of Husky Energy Inc., and the Audit Committee and the Remuneration Committee of CK Life Sciences Int'l., (Holdings) Inc. and the Audit Committee of the Company. Except for LKS Canada Foundation and Amara, all the companies mentioned above are listed companies. In addition, she was an Independent Director for Bank of Montreal, a listed company, and previously sat on the Audit Committee and Pension Fund Society of the Bank of Montreal, the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company and the Corporate Governance Committee of Air Canada.



DIRECTORS' BIOGRAPHICAL INFORMATION

SNG Sow-mei alias POON Sow Mei, aged 68, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since September 2004. She has been an Independent Director of ARA Asset Management (Singapore) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the SGX, since 23rd June, 2003, an Independent Director of ARA Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX, since 28th October, 2004, an Independent Non-executive Director of ARA Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited, since 2nd October, 2005 and a director of INFA Systems Ltd. since 14th September, 2007. Since 2001, Mrs. Sng has been the Senior Consultant (International Business) of Singapore Technologies Electronics Ltd. Concurrently, she is an Advisor of InfoWave Pte Ltd. Prior to her appointment with Singapore Technologies Pte Ltd. where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs. Sng was the Managing Director of CapitalLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs. Sng was the Centre Director and then as Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. Mrs. Sng was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997. Mrs. Sng holds a Bachelor of Arts degree from the Nanyang University in Singapore and has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs. Sng was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore.



DIRECTORS' BIOGRAPHICAL INFORMATION

Colin Stevens RUSSEL, aged 68, has been an Independent Non-executive Director and a member of the Remuneration Committee of the Company since January 2005. He has been a member of the Audit Committee of the Company since January 2005 and the Chairman of the Audit Committee of the Company since January 2007. He is also an Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc. and ARA Asset Management Limited, and a Non-executive Director of Husky Energy Inc. All the companies mentioned above are listed companies. Mr. Russel is the founder and Managing Director of Emerging Markets Advisory Services Ltd., a company which provides advisory services to organisations on business strategy and planning, market development, competitive positioning and risk management. He is also Managing Director of EMAS (HK) Ltd. He was the Canadian Ambassador to Venezuela, Consul General for Canada in Hong Kong, Director for China of the Department of Foreign Affairs, Ottawa, Director for East Asia Trade in Ottawa, Senior Trade Commissioner for Canada in Hong Kong, Director for Japan Trade in Ottawa, and was in the Trade Commissioner Service for Canada in Spain, Hong Kong, Morocco, the Philippines, London and India. He was Project Manager for RCA Ltd in Liberia, Nigeria, Mexico and India and electronic equipment development engineer in Canada with RCA Ltd and in Britain with Associated Electrical Industries. Mr. Russel is a Professional Engineer and Qualified Commercial Mediator. He received his Master's degree in Business Administration and a degree in electronics engineering from McGill University, Canada.

LAN Hong Tsung, David, aged 69, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since February 2005. He is also an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Harbour Ring Limited and SJM Holdings Limited, all being listed companies, and of ARA Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited. He is currently the Chairman of David H T Lan Consultants Ltd. and holds directorship at Nanyang Commercial Bank Ltd. He is also a Senior Advisor of Mitsui & Co. (H.K.) Ltd. Mr. Lan was the Secretary for Home Affairs of the Hong Kong Special Administrative Region Government until his retirement in July 2000. He had served as civil servant in various capacities for 39 years. He was awarded the Gold Bauhinia Star Medal (GBS) on 1st July, 2000. In January 2003, he was appointed National Committee Member of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Lan is a Chartered Secretary and a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He received his Bachelor of Arts degree in Economics and Law from the University of London and completed the Advanced Management Program (AMP) of the Harvard Business School, Boston. He was also awarded Fellow, Queen Elizabeth House (Oxford).



DIRECTORS' BIOGRAPHICAL INFORMATION

LEE Pui Ling, Angelina, aged 60, acted as an Independent Non-executive Director of the Company from May 1996 to September 2004 and has been a Non-executive Director of the Company since September 2004. She is a practising solicitor, has a Bachelor of Laws degree and is a Fellow of the Institute of Chartered Accountants in England and Wales. She is active in public service and is a Non-executive Director of the Securities and Futures Commission, a Member of the Takeover and Mergers Panel and Takeovers Appeal Committee, and a Non-executive Director of the Mandatory Provident Fund Management Board. She is also a Non-executive Director of TOM Group Limited and Henderson Land Development Company Limited and an Independent Non-executive Director of Great Eagle Holdings Limited. All the companies mentioned above are listed companies.

Barrie COOK, aged 67, acted as an Executive Director of the Company from 2000 to September 2003 and has been a Non-executive Director of the Company since October 2003. He is the Honorary Chairman of the Hong Kong Construction Materials Association. Mr. Cook is a past Chairman of the East Asian Cement Forum, the Hong Kong Cement Association and the Hong Kong Government's Waste Reduction Committee. He was previously a member of the Hong Kong Government's Advisory Council on the Environment and the Hong Kong Government's Council on Sustainable Development and was the Convenor of the Hong Kong Business Coalition on the Environment. Mr. Cook was very active in community affairs through his work with the Hong Kong General Chamber of Commerce. Mr. Cook holds a Bachelor of Science Degree in Civil Engineering, and he is a Member of the Institution of Civil Engineers of the United Kingdom and a Fellow of the Chartered Management Institute of the United Kingdom.

George Colin MAGNUS, aged 73, acted as an Executive Director and Deputy Chairman of the Company from May 1996 to October 2005 and has been a Non-executive Director of the Company since November 2005. He is also a Non-executive Director of Cheung Kong (Holdings) Limited, Hutchison Whampoa Limited and Hongkong Electric Holdings Limited. All the companies mentioned above are listed companies. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He holds a Master's degree in Economics.



DIRECTORS' BIOGRAPHICAL INFORMATION

MAN Ka Keung, Simon, aged 52, has been an Alternate Director to Mr. Ip Tak Chuen, Edmond, Deputy Chairman of the Company, since February 2008. He joined the Cheung Kong Group in December 1987 and has been the Chief Manager of the Accounts Department of Cheung Kong (Holdings) Limited, which is a listed company and a substantial shareholder of the Company within the meaning of Part XV of the SFO, since January 1996. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company. He is also Director, Corporate Strategy Unit of Cheung Kong (Holdings) Limited. He has over 28 years of experience in accounting, taxation, financing and auditing. He holds a Bachelor's degree in Economics and is an associate member of The Institute of Chartered Accountant in Australia.

Eirene YEUNG, aged 48, Alternate Director to Mr. Kam Hing Lam, the Group Managing Director of the Company, and the Company Secretary of the Company. She is also Director, Corporate Strategy Unit and Company Secretary of Cheung Kong (Holdings) Limited, a listed company and a substantial shareholder of the Company within the meaning of Part XV of the SFO, and the Company Secretary of CK Life Sciences Int'l., (Holdings) Inc., a listed company. Ms. Yeung is a Director of ARA Asset Management (Singapore) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on the SGX. She also holds directorships in certain companies controlled by certain substantial shareholders of the Company. Ms. Yeung joined the Cheung Kong Group in August 1994. She has extensive experience in corporate and commercial legal work, listing, regulatory and origination compliance and company secretarial field. Ms. Yeung is a member of the Dual Filing Advisory Group of the Securities and Futures Commission, a member of the Board of Review (Inland Revenue Ordinance), a member of the Companies Ordinance Rewrite Advisory Group and a member of the Advisory Group on BBA-JD Programme of The Chinese University of Hong Kong; and was a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region ("HKSAR") from 2005 to 2007. She is a solicitor of the High Court of HKSAR and of the Supreme Court of Judicature in England and Wales, and a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She holds a Master of Science degree in Finance, a Master's degree in Business Administration and a Bachelor's degree in Laws.



CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

HK\$ million	Notes	Unaudited	
		2009	2008
Group turnover	2	924	1,021
Share of turnover of jointly controlled entities	2	1,298	2,159
		2,222	3,180
Group turnover	2	924	1,021
Other income	3	166	372
Operating costs	4	(662)	(968)
Finance costs		(177)	(263)
Gain on disposal of a subsidiary	5	1,314	71
Exchange gain		436	72
Share of results of associates		1,521	1,656
Share of results of jointly controlled entities		365	414
Profit before taxation		3,887	2,375
Taxation	6	(6)	(42)
Profit for the period	7	3,881	2,333
Attributable to:			
Shareholders of the Company		3,885	2,329
Minority interests		(4)	4
		3,881	2,333
Earnings per share	8	HK\$1.72	HK\$1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30th June

HK\$ million	Unaudited	
	2009	2008
Profit for the period	3,881	2,333
Other comprehensive income		
Gain/(Loss) from fair value changes of available-for-sale financial assets	114	(483)
Loss from fair value changes of derivatives designated as effective cash flow hedges	(74)	(24)
Loss from fair value changes of derivatives designated as effective net investment hedges	(543)	–
Exchange differences on translation of financial statements of foreign operations	1,123	530
Surplus on revaluation of properties upon transfer to investment properties	–	9
Share of reserve movements of associates	804	(130)
Reserve released upon disposal of a subsidiary	(12)	(6)
Other comprehensive income for the period	1,412	(104)
Total comprehensive income for the period	5,293	2,229
Attributable to:		
Shareholders of the Company	5,297	2,225
Minority interests	(4)	4
	5,293	2,229

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	Unaudited 30/6/2009	Audited 31/12/2008
Property, plant and equipment		995	904
Investment properties		164	164
Leasehold land		276	281
Interests in associates		30,224	29,067
Interests in jointly controlled entities		630	3,361
Interests in infrastructure project investments		–	477
Investments in securities		4,111	2,597
Derivative financial instruments		–	624
Goodwill		162	143
Pledged bank deposit		–	1,113
Deferred tax assets		12	11
Total non-current assets		36,574	38,742
Inventories		136	140
Interests in infrastructure project investments		–	152
Derivative financial instruments		491	304
Debtors and prepayments	10	1,329	1,303
Pledged bank deposit		1,302	–
Bank balances and deposits		9,040	4,368
Total current assets		12,298	6,267
Bank and other loans		3,203	1,628
Derivative financial instruments		156	1
Creditors and accruals	11	937	1,149
Taxation		92	109
Total current liabilities		4,388	2,887
Net current assets		7,910	3,380
Total assets less current liabilities		44,484	42,122
Bank and other loans		4,083	5,115
Derivative financial instruments		16	50
Deferred tax liabilities		223	201
Other non-current liabilities		28	26
Total non-current liabilities		4,350	5,392
Net assets		40,134	36,730
Representing:			
Share capital	12	2,254	2,254
Reserves		37,829	34,421
Equity attributable to shareholders of the Company		40,083	36,675
Minority interests		51	55
Total equity		40,134	36,730

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30th June 2009

HK\$ million	Attributable to shareholders of the Company										Total
	Share capital	Share premium	Contributed surplus	Property revaluation reserve	Investment revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total	Minority interests	
At 1st January, 2009 (audited)	2,254	3,836	6,062	68	(44)	(427)	(890)	25,816	36,675	55	36,730
Profit for the period	-	-	-	-	-	-	-	3,885	3,885	(4)	3,881
Gain from fair value changes of available-for-sale financial assets	-	-	-	-	114	-	-	-	114	-	114
Loss from fair value changes of derivatives designated as effective cash flow hedges	-	-	-	-	-	(74)	-	-	(74)	-	(74)
Loss from fair value changes of derivatives designated as effective net investment hedges	-	-	-	-	-	-	(543)	-	(543)	-	(543)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	1,123	-	1,123	-	1,123
Share of reserve movements of associates	-	-	-	-	-	320	311	173	804	-	804
Reserve released upon disposal of a subsidiary	-	-	-	-	-	-	(12)	-	(12)	-	(12)
Total comprehensive income for the period	-	-	-	-	114	246	879	4,058	5,297	(4)	5,293
Dividend paid	-	-	-	-	-	-	-	(1,889)	(1,889)	-	(1,889)
At 30th June, 2009 (unaudited)	2,254	3,836	6,062	68	70	(181)	(11)	27,985	40,083	51	40,134

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

for the six months ended 30th June 2008

HK\$ million	Attributable to shareholders of the Company										Total
	Share capital	Share premium	Contributed surplus	Property revaluation reserve	Investment revaluation reserve	Hedging reserve	Exchange translation reserve	Retained profits	Sub-total	Minority interests	
At 1st January, 2008 (audited)	2,254	3,836	6,062	59	144	191	1,596	25,267	39,409	48	39,457
Profit for the period	-	-	-	-	-	-	-	2,329	2,329	4	2,333
Loss from fair value changes of available-for-sale financial assets	-	-	-	-	(483)	-	-	-	(483)	-	(483)
Loss from fair value changes of derivatives designated as effective cash flow hedges	-	-	-	-	-	(24)	-	-	(24)	-	(24)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	530	-	530	-	530
Surplus on revaluation of properties upon transfer to investment properties	-	-	-	9	-	-	-	-	9	-	9
Share of reserve movements of associates	-	-	-	-	-	95	87	(312)	(130)	-	(130)
Reserve released upon disposal of a subsidiary	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Total comprehensive income for the period	-	-	-	9	(483)	71	611	2,017	2,225	4	2,229
Dividend paid	-	-	-	-	-	-	-	(1,871)	(1,871)	-	(1,871)
At 30th June, 2008 (unaudited)	2,254	3,836	6,062	68	(339)	262	2,207	25,413	39,763	52	39,815

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30th June

HK\$ million	Unaudited	
	2009	2008
Net cash from operating activities	716	593
Net cash from investing activities	5,967	2,034
Net cash utilised in financing activities	(2,011)	(1,981)
Net increase in cash and cash equivalents	4,672	646
Cash and cash equivalents at 1st January	4,368	8,217
Cash and cash equivalents at 30th June		
Bank balances and deposits	9,040	8,863

1. BASIS OF PREPARATION

The consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard 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 consolidated annual financial statements for the year ended 31st December, 2008, except for adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective to the Group for accounting periods beginning on or after 1st January, 2009. The adoption of the new HKFRSs has no material impact on the Group’s results and financial position for the current or prior periods. Nevertheless, certain changes in disclosures have been adopted by the Group in compliance with the following new and revised HKFRSs:

- (a) HKFRS 8 “Operating Segments” – A redesignation of certain reportable segments of the Group (note 7) is resulted without any impact on the Group’s results and financial position.
- (b) HKAS 1 (Revised) “Presentation of Financial Statements” – Certain terminology changes (including revised titles for the financial statements) and changes in presentation and disclosure are introduced without any impact on the Group’s results and financial position.

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.

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

2. GROUP TURNOVER AND SHARE OF TURNOVER OF JOINTLY CONTROLLED ENTITIES (CONT'D)

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	
	2009	2008
Sales of infrastructure materials	442	521
Income from the supply of water	116	144
Return from infrastructure project investments	27	36
Interest income from loans granted to associates	272	238
Distribution from investments in securities	67	82
Group turnover	924	1,021
Share of turnover of jointly controlled entities	1,298	2,159
	2,222	3,180

3. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2009	2008
Bank and other interest income	143	226
Gain on disposals of infrastructure project investments	–	112
(Loss)/Gain on disposals of securities	(6)	2

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2009	2008
Depreciation of property, plant and equipment	24	29
Amortisation of prepayment for leasehold land	5	4
Cost of inventories sold	486	594
Change in fair values of investments in securities	(101)	105
Change in fair values of derivative financial instruments	44	24

5. GAIN ON DISPOSAL OF A SUBSIDIARY

During the current period, the Group disposed of a subsidiary holding interests in various power plants in the Mainland to a subsidiary of Hongkong Electric Holdings Limited ("HK Electric") and recorded a gain of HK\$1,314 million. Details of the transaction are set out in note 15.

The comparative gain of HK\$71 million was derived from disposal of a subsidiary engaged in cement manufacturing, sales and distribution in the first half year of 2008.

6. 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	
	2009	2008
Current taxation – overseas tax	–	4
Deferred taxation	6	38
Total	6	42

7. SEGMENT INFORMATION

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of an entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s “system of internal financial reporting to key management personnel” serving only as the starting point for the identification of such segments. As a result, the Group has redesignated certain reportable segments as detailed below since adoption of HKFRS 8.

The Group’s reportable segments under HKFRS 8 do not differ materially from those previously disclosed under HKAS 14. In prior years, segment information reported externally was analysed by the types of the Group’s core activities which consisted of Investment in HK Electric, Infrastructure Investments and Infrastructure Related Business. As information of Infrastructure Investments reported internally to the Group’s Executive Directors for the purposes of resource allocation and assessment of performance is more specifically focused on individual projects in similar jurisdictions, the Group’s information of Infrastructure Investments is further segregated and disclosed under the following reportable segments as required by HKFRS 8:

- Australia
- United Kingdom
- Mainland China
- Canada, New Zealand and others

Information regarding the Group’s reportable segments is presented below. Amounts reported for the prior period have been restated to conform to the requirement of HKFRS 8.

7. SEGMENT INFORMATION (CONT'D)

for the six months ended 30th June

	Infrastructure Investments												Infrastructure related business		Consolidated	
	Investment in HK Electric*		Mainland China and others						Sub-total		Unallocated items		Consolidated			
	2009	2008	Australia	United Kingdom	Mainland China	Canada, New Zealand and others	2009	2008	2009	2008	2009	2008	2009	2008		
Group turnover	-	-	235	128	176	27	36	92	-	482	500	442	521	-	924	1,021
Share of turnover of jointly controlled entities	-	-	-	-	-	1,002	1,807	-	-	1,002	1,807	296	352	-	1,298	2,159
	-	-	235	128	176	1,029	1,843	92	-	1,484	2,307	738	873	-	2,222	3,180
Group turnover	-	-	235	128	176	27	36	92	-	482	500	442	521	-	924	1,021
Gain/(loss) on disposals of infrastructure projects investment and securities	-	-	-	-	-	-	112	-	-	-	112	-	2	(6)	(6)	114
Bank and other interest income	-	-	-	10	44	-	-	-	-	10	44	35	58	98	143	226
Other income	-	-	-	6	3	3	11	-	-	9	14	7	6	13	29	32
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	19	10	38	(139)	(129)
Depreciation and amortisation	-	-	-	(16)	(18)	-	-	-	-	(16)	(18)	(13)	(15)	-	(29)	(33)
Other operating expenses	-	-	-	(84)	(96)	(8)	(22)	-	-	(92)	(118)	(457)	(560)	(141)	(690)	(806)
Finance costs	-	-	-	(21)	(61)	-	-	-	-	(21)	(61)	-	-	(156)	(202)	(263)
Gain on disposal of a subsidiary	-	-	-	-	-	1,314	-	-	-	1,314	-	-	71	-	1,314	71
Exchange gain	-	-	-	-	-	-	-	-	-	-	-	-	-	436	72	436
Share of results of associates and jointly controlled entities	1,024	1,238	169	346	231	329	387	(17)	30	827	808	35	24	-	1,886	2,070
Profit/(Loss) before taxation	1,024	1,238	404	369	279	1,665	524	75	30	2,513	1,281	68	117	282	3,887	2,375
Taxation	-	-	-	-	(8)	(7)	(37)	-	-	(7)	(45)	1	3	-	(6)	(42)
Profit/(Loss) for the period	1,024	1,238	404	369	271	1,658	487	75	30	2,506	1,236	69	120	282	3,881	2,333
Attributable to:																
Shareholders of the Company	1,024	1,238	404	369	271	1,658	487	75	30	2,506	1,236	73	116	282	3,885	2,329
Minority interests	-	-	-	-	-	-	-	-	-	-	-	(4)	4	-	(4)	4
	1,024	1,238	404	369	271	1,658	487	75	30	2,506	1,236	69	120	282	3,881	2,333

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

7. SEGMENT INFORMATION (CONT'D)

Segment profit attributable to shareholders of the Company represents the profit earned by each segment after minority interests without allocation of gains or losses from treasury activities, corporate overheads and other expenses of the Group's head office.

8. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$3,885 million (2008: HK\$2,329 million) and on 2,254,209,945 shares (2008: 2,254,209,945 shares) in issue during the interim period.

9. INTERIM DIVIDEND

The interim dividend declared by the Board of Directors is as follows:

HK\$ million	Six months ended 30th June	
	2009	2008
Interim dividend of HK\$0.321 per share (2008: HK\$0.297 per share)	724	670

10. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK\$264 million (HK\$243 million at 31st December, 2008) and their aging analysis is as follows:

HK\$ million	30/6/2009	31/12/2008
Current	146	139
Less than 1 month past due	38	52
1 to 3 months past due	27	38
More than 3 months but less than 12 months past due	49	25
More than 12 months past due	69	58
Amount past due	183	173
Allowance for doubtful debts	(65)	(69)
Total after allowance	264	243

10. DEBTORS AND PREPAYMENTS (CONT'D)

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 due 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.

11. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$111 million (HK\$139 million at 31st December, 2008) and their aging analysis is as follows:

HK\$ million	30/6/2009	31/12/2008
Current	73	100
1 month	19	24
2 to 3 months	2	1
Over 3 months	17	14
Total	111	139

12. SHARE CAPITAL

There were no movements in the share capital of the Company in the six months ended 30th June, 2009 and 2008, respectively.

13. COMMITMENTS

The Group's capital commitments outstanding at 30th June, 2009 and not provided for in the consolidated financial statements are as follows:

HK\$ million	Contracted but not provided for		Authorised but not contracted for	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Investment in a jointly controlled entity	–	864	–	–
Plant and machinery	26	10	68	72
Total	26	874	68	72

14. CONTINGENT LIABILITIES

HK\$ million	30/6/2009	31/12/2008
Guarantee in respect of bank loan drawn by an associate	969	871
Guarantee in respect of performance bonds	6	–
Total	975	871

15. MATERIAL RELATED PARTY TRANSACTIONS

During the current period, the Group disposed of the entire issued share capital of Outram Limited ("Outram"), a wholly-owned subsidiary of the Group, to a wholly-owned subsidiary of HK Electric for a consideration of HK\$5,467 million. Outram holds 45 per cent equity interest in each of the joint ventures in the Mainland which own and operate three power plants, namely Zhuhai Power Plant in Zhuhai City, the neighbouring Jinwan Phase 1 Power Plant and Siping Cogen Power Plants in the Jilin Province.

15. MATERIAL RELATED PARTY TRANSACTIONS (CONT'D)

The net assets of Outram at the date of disposal were as follows:

HK\$ million

Net assets disposed of:

Interests in jointly controlled entities	2,727
Interests in infrastructure project investments	601
Deferred tax liabilities	(20)
	<hr/> 3,308
Release of exchange translation reserve	(12)
	<hr/> 3,296
Gain on disposal of a subsidiary	1,314
Adjustment for unrealised gain on disposal	844
Provision for consideration adjustment	12
Provision for transaction costs	1
	<hr/> 5,467

Satisfied by:

Cash received	5,467
---------------	--------------

Moreover, during the current period the Group acquired notional HK\$1,115 million unlisted notes in the secondary markets issued by Hutchison Whampoa International (03/33) Limited at a cost of HK\$1,169 million, which is a wholly-owned subsidiary of Hutchison Whampoa Limited, the ultimate holding company of the Company.

15. MATERIAL RELATED PARTY TRANSACTIONS (CONT'D)

Other than the aforementioned, transactions between the Group and other related parties during the period are not significant to the Group.

There have been no material changes in the total amount of outstanding balances with associated companies and jointly controlled entities since 31st December, 2008.

16. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current period's presentation.

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

As at 30th June, 2009, 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 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 & interest of child or spouse	60,000	40,000	-	-	100,000	0.002%
	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%

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		
	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%
	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	2,770 (Note 7)	2,770 (Note 7)	–	–	2,770	0.00006%
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	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	6,399,728,952 (Note 8)	6,399,728,952	71.50%
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	5,000,000 (Note 5)	–	5,000,000	0.05%
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	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	–	–	–	1,000,000	0.007%
Hutchison Telecommunications International Limited	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	2,519,250 (Note 3)	2,958,068,120 (Note 9)	2,960,587,370	61.49%
	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

(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		
Hutchison Telecommunications Hong Kong Holdings Limited	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	2,519,250 (Note 3)	2,958,068,120 (Note 9)	2,960,587,370	61.49%
	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%

(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	
Hutchison Telecommunications International Limited	Frank John Sixt	Beneficial owner	255,000 (Note 10)	–	–	–	255,000
Hutchison Telecommunications Hong Kong Holdings Limited	Frank John Sixt	Beneficial owner	255,000 (Note 10)	–	–	–	255,000
Partner Communications Company Ltd.	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	225,000 (Note 11)	–	225,000
	George Colin Magnus	Beneficial owner	25,000 (Note 12)	–	–	–	25,000

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

(3) 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 (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$10,208,000 6.5% Notes due 2013 (Note 3)	–	US\$10,208,000 6.5% Notes due 2013
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	US\$1,216,000 6.5% Notes due 2013 (Note 5)	–	US\$1,216,000 6.5% Notes due 2013
	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	US\$100,000 6.5% Notes due 2013 (Note 7)	US\$100,000 6.5% Notes due 2013 (Note 7)	–	–	US\$100,000 6.5% Notes due 2013
Hutchison Whampoa International (03/33) Limited	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	US\$200,000 6.25% Notes due 2014 (Note 7)	US\$200,000 6.25% Notes due 2014 (Note 7)	–	–	US\$200,000 6.25% Notes due 2014
Hutchison Whampoa Finance (CI) Limited	Man Ka Keung, Simon	Beneficial owner & interest of child or spouse	US\$100,000 7.45% Notes due 2017 (Note 7)	US\$100,000 7.45% Notes due 2017 (Note 7)	–	–	US\$100,000 7.45% Notes due 2017
Hutchison Whampoa International (09) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$45,792,000 7.625% Notes due 2019 (Note 3)	–	US\$45,792,000 7.625% Notes due 2019
	Fok Kin Ning, Canning	Interest of controlled corporation	–	–	US\$4,000,000 7.625% Notes due 2019 (Note 5)	–	US\$4,000,000 7.625% Notes due 2019

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.

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

Notes (Cont'd):

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.

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.



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

Notes (Cont'd):

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 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 interests are jointly held by Mr. Man Ka Keung, Simon and his wife.
8. Such shares of Hutchison Harbour Ring Limited ("HHR") are held by certain wholly-owned subsidiaries of HWL.

By virtue of the interests in the shares of HWL in relation to which Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of HWL as described in Note 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 HHR under the SFO.

9. Such shares comprise the following interests:
 - (a) 2,957,914,840 ordinary shares of which 52,092,587 ordinary shares and 2,905,822,253 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 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. Mr. Li Tzar Kuoi, Victor, as a Director of the Company, by virtue of being a discretionary beneficiary of each of DT3 and DT4 and his deemed interests in TUT3 as trustee of UT3 as described in Note 2(b) above, is taken to have a duty of disclosure in relation to the said shares under the SFO.
- 10. Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in each of Hutchison Telecommunications International Limited and Hutchison Telecommunications Hong Kong Holdings Limited beneficially owned by Mr. Frank John Sixt.
- 11. 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.
- 12. 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, 2009, 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 Director or chief executive of the Company, as at 30th June, 2009, 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:

LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of Ordinary 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)	1,906,681,945	84.58%
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	1,912,109,945 (Note iv)	1,912,109,945	84.82%
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)	1,912,109,945	84.82%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	1,912,109,945 (Note v)	1,912,109,945	84.82%
Li Ka-shing	Founder of discretionary trusts	1,912,109,945 (Note v)	1,912,109,945	84.82%

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

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.
- 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.

Save as disclosed above, as at 30th June, 2009, 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.



The Board of Directors (“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 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) throughout the six months ended 30th June, 2009.

(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. One of the Executive Directors also acts as Alternate Director to two Executive Directors and two Alternate Directors were appointed. 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 and are subject to re-election 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 currently 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 had meetings with the Non-executive Directors (including Independent Non-executive Directors) without the presence of the 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.

(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 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 31st March, 2004, which will be amended from time to time. 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, 2009.

(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, 2009.

(4) AUDIT COMMITTEE

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference ("Terms of Reference") in accordance with the provisions set out in the Code on CG Practices. The Terms of Reference have been modified in accordance with the amended Code of CG Practices and adopted by the Board effective from 1st January, 2009. The Audit Committee comprises five 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 auditor of the Company.

The Group's interim report for the six months ended 30th June, 2009 has been reviewed by the Audit Committee.



(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) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules; (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 stakeholders; (v) regular press conferences and briefing meetings with analysts are arranged from time to time to update interested parties on the performance 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

During the six months ended 30th June, 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 long term syndicated facility agreement of A\$300 million, of which the whole amount was drawn as at 30th June, 2009. The facility will mature in September 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.
- (2) As at 30th June, 2009, 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, 2009, is set out below:

HK\$ million	
Non-current assets	73,318
Current assets	4,214
Current liabilities	(11,523)
Non-current liabilities	(60,297)
Net assets	5,712
Share capital	2,315
Reserves	3,397
Capital and reserves	5,712

As at 30th June, 2009, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$8,678 million.



OTHER INFORMATION

RISK FACTORS

The Group's businesses, financial conditions, results of operations or growth prospects may be affected by risks and uncertainties pertaining to the Group's businesses. The risk factors set out in the Company's 2008 annual report are those that the Group believes could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown in the Company's 2008 annual report which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this interim report does not constitute a recommendation or advice for you to invest in the shares of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares of the Company.



NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2009

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2009 amounted to HK\$3,885 million which represents earnings of HK\$1.72 per share. The Directors have resolved to pay an interim dividend for 2009 of HK\$0.321 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 17th September, 2009. The dividend will be paid on Friday, 18th September, 2009.

The Register of Members of the Company will be closed from Thursday, 10th September, 2009 to Thursday, 17th September, 2009, 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, 9th September, 2009.

By Order of the Board

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

Hong Kong, 6th August, 2009

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

Alternate Directors

MAN Ka Keung, Simon
(alternate to IP Tak Chuen, Edmond)
Eirene YEUNG
(alternate to KAM Hing Lam)

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

AUDITOR

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 Fulcrum Group (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

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Eirene YEUNG

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond
Eirene YEUNG

CHIEF FINANCIAL OFFICER

CHAN Loi Shun, Dominic

PRINCIPAL BANKERS

Australia and New Zealand
Banking Group Limited
Bank of Nova Scotia
Barclays Bank PLC
BNP Paribas
Commonwealth Bank of Australia
Deutsche Bank AG
The Hongkong and Shanghai
Banking Corporation Limited
The Royal Bank of Scotland plc

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

KEY DATES

Interim Results Announcement	6th August, 2009
Closure of Register of Members	10th to 17th September, 2009 (both days inclusive)
Record Date for Interim Dividend	17th September, 2009
Payment of Interim Dividend	18th September, 2009

This interim report 2009 ("Interim Report 2009") (in both English and Chinese versions) has been posted on the Company's website at <http://www.cki.com.hk> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>.

Shareholders may at any time choose to change your choice of the language of the Company's corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) by reasonable prior notice in writing to the Company c/o the Company's Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of this Interim Report 2009 since both languages are bound together into one booklet.