



Cheung Kong Infrastructure Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

INTERIM RESULTS FOR 2008

During the first half of 2008, Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Group”) delivered a strong performance and achieved continued growth.

The First Half Results

HK\$ Million	2008	2007	Increase
Group turnover and share of turnover of jointly controlled entities	3,180	2,746	+16%
Profit attributable to shareholders	2,329	2,018	+15%
Earnings per share	HK\$1.03	HK\$0.90	+15%
Interim dividend per share	HK\$0.297	HK\$0.27	+10%

Turnover Increased by 16%

For the six months ended 30th June, 2008, CKI’s group turnover and its share of turnover of jointly controlled entities was HK\$3,180 million, an increase of 16 per cent over the same period last year.

Profit Grew 15%

Unaudited profit after tax attributable to shareholders amounted to HK\$2,329 million, a 15 per cent increase as compared to the first half of 2007. This reflects healthy performances from our quality portfolio of infrastructure investments around the world.

Dividend Up 10%

The Board of Directors of CKI (the “Board”) has declared an interim dividend for 2008 of HK\$0.297 per share (2007: HK\$0.27 per share), representing an increase of 10 per cent over the same period last year and continuing the Group’s dividend growth trend. The interim dividend will be paid on Friday, 26th September, 2008 to shareholders whose names appear on the Register of Members of the Company on Thursday, 25th September, 2008.

HK Electric

For the period under review, CKI’s investment in Hongkong Electric Holdings Limited (“HK Electric”) provided profit contribution of HK\$1,238 million, achieving strong growth of 21 per cent as compared to the same period last year. This was primarily due to a one-off deferred tax credit resulting from the reduction of the corporate tax rate in Hong Kong. The overseas investments of HK Electric delivered satisfactory performances during the first half and provided stable returns.

International Infrastructure Investments

Profit contribution from CKI’s energy and toll road projects in Mainland China was HK\$487 million for the period under review, representing an increase of 5 per cent. This performance reflects a one-off gain of HK\$112 million from the disposal of our interest in the Fushun Cogen Power Plants to our Mainland partner. In terms of operations, a satisfactory performance was achieved by our toll roads in Mainland China, while profit contribution from our power portfolio was adversely impacted by rising coal prices during the period under review.

Profit contribution from our Australian operations increased by 3 per cent over the period under review to HK\$448 million. Our electricity distribution businesses in South Australia and Victoria continued to record secure and attractive returns, while the two Australian-listed companies, Spark Infrastructure Group and Envestra Limited, in which CKI has a strategic investment have recorded stable operating performances during the period.

In the United Kingdom, our investments in gas and water delivered a profit contribution of HK\$271 million, a significant 59 per cent increase over the same period last year. The performance was boosted by the recent expansion of our water portfolio through the acquisition of a strategic stake in Southern Water Group at the end of 2007.

The period under review also marked the first time that CKI has received a profit contribution from TransAlta Power, L.P., which has interests in six power plants in Canada, and was acquired in the last quarter of 2007.

Materials

Profit contribution from CKI's materials business was HK\$116 million. This includes an amount of HK\$71 million arising from the disposal of a cement grinding mill in Shantou during the period under review.

New Market – New Zealand

In the first half of 2008, CKI announced its first investment in New Zealand with the acquisition of the Wellington Electricity Distribution Network. A 50 per cent stake of this investment has since been divested to HK Electric. The Wellington Electricity Distribution Network supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand, with a system length of over 4,592 km. It was acquired from Vector Limited for a consideration of approximately NZ\$785 million (equivalent to about HK\$4.8 billion) and the transaction was completed in July 2008. Generating immediate revenue, the acquisition is expected to further enhance CKI's strong existing portfolio of regulated businesses.

Prospects

With a strong portfolio of investments, CKI is well-placed to continue its growth momentum. Over 80 per cent of the Group's revenue is generated through regulated income. The nature of our regulated infrastructure asset portfolio enables us to be relatively unaffected by the global economic predicament brought about by the subprime mortgage crisis.

CKI has ample resources to pursue new acquisitions. Our balance sheet remains very strong – cash on hand amounted to HK\$8,863 million as at 30th June, 2008, while debt was HK\$8,105 million, resulting in no net debt at the corporate level. Further to our recent acquisition of power assets in Canada and New Zealand, and our water investment in the United Kingdom, we will continue to look for quality infrastructure assets that generate secure and attractive returns.

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 the Group.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 14th August, 2008

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, 2008, total borrowings of the Group amounted to HK\$8,105 million, which are all denominated in foreign currencies. Of the total borrowings, 38 per cent were repayable in 2008, 34 per cent were repayable between 2009 and 2012 and 28 per cent repayable beyond 2012. 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.

The Group continues to have a strong balance sheet. Cash on hand amounted to HK\$8,863 million, while total borrowings of the Group amounted to HK\$8,105 million, resulting in no net debt at the corporate level.

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, 2008, the notional amounts of these derivative instruments amounted to HK\$11,224 million.

Charge on Group Assets

As at 30th June, 2008, the Group's interests in an affiliated company with carrying value of HK\$1,986 million were pledged as part of the security to secure bank borrowings totalling HK\$1,976 million granted to the affiliated company. The Group's obligations under finance leases totalling HK\$47 million were secured by charge over the leased assets with carrying value of HK\$236 million. Moreover, certain plant and machinery of the Group with carrying value of HK\$66 million were pledged to secure bank borrowings totalling HK\$44 million granted to the Group.

Contingent Liabilities

As at 30th June, 2008, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of a bank loan drawn by an affiliated company	2,467
Performance bonds	54
Total	2,521

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,013 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$133 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.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the six months ended 30th June, 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during this period.

Code on Corporate Governance Practices

The 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2008.

Audit Committee

The Company established an audit committee (“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 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 results for the period ended 30th June, 2008 have been reviewed by the Audit Committee.

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.

NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2008

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, 2008 amounted to HK\$2,329 million which represents earnings of HK\$1.03 per share. The Directors have resolved to pay an interim dividend for 2008 of HK\$0.297 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 25th September, 2008. The dividend will be paid on Friday, 26th September, 2008.

The Register of Members of the Company will be closed from Thursday, 18th September, 2008 to Thursday, 25th September, 2008, 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, 17th September, 2008.

By Order of the Board

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

Hong Kong, 14th August, 2008

As at the date hereof, the Executive Directors of the Company are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Andrew John HUNTER, Mrs. CHOW WOO Mo Fong, Susan (also Alternate Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT), Mr. Frank John SIXT and Mr. TSO Kai Sum; the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-mei alias POON Sow Mei (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina, Mr. Barrie COOK and Mr. George Colin MAGNUS; and the Alternate Directors are Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene YEUNG (Alternate Director to Mr. KAM Hing Lam).

Cheung Kong Infrastructure Holdings Limited

CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

HK\$ million	Notes	2008	Unaudited 2007
Group turnover	2	1,021	870
Share of turnover of jointly controlled entities	2	2,159	1,876
		3,180	2,746
Group turnover	2	1,021	870
Other income	3	443	430
Operating costs	4	(896)	(736)
Finance costs		(263)	(277)
Share of results of associates		1,656	1,276
Share of results of jointly controlled entities		414	469
Profit before taxation		2,375	2,032
Taxation	5	(42)	(16)
Profit for the period	6	2,333	2,016
Attributable to:			
Shareholders of the Company		2,329	2,018
Minority interests		4	(2)
		2,333	2,016
Interim dividend		670	609
Earnings per share	7	HK\$1.03	HK\$0.90
Interim dividend per share		HK\$0.297	HK\$0.27

CONSOLIDATED BALANCE SHEET

HK\$ million	Notes	Unaudited 30/6/2008	Audited 31/12/2007
Property, plant and equipment		1,134	1,121
Investment properties		171	160
Leasehold land		285	292
Interests in associates		31,055	30,389
Interests in jointly controlled entities		3,314	3,176
Interests in infrastructure project investments		350	377
Investments in securities		3,786	4,187
Derivative financial instruments		77	55
Goodwill		207	209
Deferred tax assets		5	5
Other non-current assets		19	19
Total non-current assets		40,403	39,990
Inventories		120	75
Interests in infrastructure project investments		135	125
Derivative financial instruments		369	428
Debtors and prepayments	8	425	607
Bank balances and deposits		8,863	8,217
Total current assets		9,912	9,452
Bank and other loans		3,112	2,972
Derivative financial instruments		488	417
Creditors and accruals	9	1,324	1,292
Taxation		112	121
Total current liabilities		5,036	4,802
Net current assets		4,876	4,650
Total assets less current liabilities		45,279	44,640
Bank and other loans		4,993	4,607
Derivative financial instruments		124	187
Deferred tax liabilities		332	373
Other non-current liabilities		15	16
Total non-current liabilities		5,464	5,183
Net assets		39,815	39,457
Representing:			
Share capital		2,254	2,254
Reserves		37,509	37,155
Equity attributable to shareholders of the Company		39,763	39,409
Minority interests		52	48
Total equity		39,815	39,457

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The accounting policies adopted for the preparation of the interim financial statements are consistent with those set out in the Group's annual financial statements for the year ended 31st December, 2007, except for the adoption of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1st January, 2008. 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.

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	
	2008	2007
Sales of infrastructure materials	521	423
Income from the supply of water	144	142
Return from infrastructure project investments	36	45
Interest income from loans granted to associates	238	206
Distribution from investments in securities	82	54
Group turnover	1,021	870
Share of turnover of jointly controlled entities	2,159	1,876
	3,180	2,746

3. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2008	2007
Interest income from banks and debt securities	226	244
Gain on disposals of infrastructure project investments	112	-
Gain on disposal of a subsidiary	71	-
Gain on disposals of listed securities	2	67
Gain on disposals of interests in an associate	-	79

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2008	2007
Depreciation of property, plant and equipment	29	27
Cost of inventories sold	594	476
Change in fair values of investments in securities	105	7
Change in fair values of derivative financial instruments	24	3

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	
	2008	2007
Current taxation – overseas tax	4	10
Deferred taxation	38	6
Total	42	16

6. SEGMENT INFORMATION

By business segment

for the six months ended 30th June

HK\$ million	Investment in HK Electric*		Infrastructure investments		Infrastructure related business		Unallocated items		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Group turnover	-	-	500	447	521	423	-	-	1,021	870
Share of turnover of jointly controlled entities	-	-	1,807	1,588	352	288	-	-	2,159	1,876
	-	-	2,307	2,035	873	711	-	-	3,180	2,746
Segment revenue										
Group turnover	-	-	500	447	521	423	-	-	1,021	870
Others	-	-	14	20	6	7	-	-	20	27
	-	-	514	467	527	430	-	-	1,041	897
Segment result										
Net gain on disposals of interests in an associate, infrastructure project investments and listed securities	-	-	378	338	(48)	(33)	-	-	330	305
Gain on disposal of a subsidiary	-	-	-	-	71	-	-	-	71	-
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	10	-	(139)	(10)	(129)	(10)
Interest income	-	-	44	3	58	66	124	175	226	244
Corporate overheads and others	-	-	-	-	-	-	(44)	(121)	(44)	(121)
Finance costs	-	-	(61)	(16)	-	-	(202)	(261)	(263)	(277)
Share of results of associates and jointly controlled entities	1,238	1,021	808	689	24	35	-	-	2,070	1,745
Profit / (Loss) before taxation	1,238	1,021	1,281	1,093	117	68	(261)	(150)	2,375	2,032
Taxation	-	-	(45)	(16)	3	-	-	-	(42)	(16)
Profit / (Loss) for the period	1,238	1,021	1,236	1,077	120	68	(261)	(150)	2,333	2,016
Attributable to:										
Shareholders of the Company	1,238	1,021	1,236	1,077	116	70	(261)	(150)	2,329	2,018
Minority interests	-	-	-	-	4	(2)	-	-	4	(2)
	1,238	1,021	1,236	1,077	120	68	(261)	(150)	2,333	2,016

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

6. SEGMENT INFORMATION (Cont'd)

By geographic region

for the six months ended 30th June

HK\$ million	Hong Kong		Mainland China		Australia		United Kingdom		Canada and Others		Unallocated items		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Group turnover	358	332	197	136	320	260	144	142	2	-	-	-	1,021	870
Share of turnover of jointly controlled entities	219	245	1,940	1,631	-	-	-	-	-	-	-	-	2,159	1,876
	577	577	2,137	1,767	320	260	144	142	2	-	-	-	3,180	2,746
Segment revenue														
Group turnover	358	332	197	136	320	260	144	142	2	-	-	-	1,021	870
Others	6	7	3	10	-	-	11	10	-	-	-	-	20	27
	364	339	200	146	320	260	155	152	2	-	-	-	1,041	897
Segment result	(57)	(23)	34	27	288	260	65	45	-	(4)	-	-	330	305
Net gain on disposals of interests in an associate, infrastructure project investments and listed securities	-	-	112	-	-	79	-	-	2	-	-	67	114	146
Gain on disposal of a subsidiary	-	-	71	-	-	-	-	-	-	-	-	-	71	-
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	-	-	-	10	-	(139)	(10)	(129)	(10)
Interest income	58	66	-	-	-	-	44	3	-	-	124	175	226	244
Corporate overheads and others	-	-	-	-	-	-	-	-	-	-	(44)	(121)	(44)	(121)
Finance costs	-	-	-	-	-	-	(61)	(16)	-	-	(202)	(261)	(263)	(277)
Share of results of associates and jointly controlled entities	1,265	1,063	390	435	160	95	231	154	24	(2)	-	-	2,070	1,745
Profit / (Loss) for before taxation	1,266	1,106	607	462	448	434	279	186	36	(6)	(261)	(150)	2,375	2,032
Taxation	3	-	(37)	-	-	-	(8)	(16)	-	-	-	-	(42)	(16)
Profit / (Loss) for the period	1,269	1,106	570	462	448	434	271	170	36	(6)	(261)	(150)	2,333	2,016
Attributable to:														
Shareholders of the Company	1,269	1,106	566	464	448	434	271	170	36	(6)	(261)	(150)	2,329	2,018
Minority interests	-	-	4	(2)	-	-	-	-	-	-	-	-	4	(2)
	1,269	1,106	570	462	448	434	271	170	36	(6)	(261)	(150)	2,333	2,016

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$2,329 million (2007: HK\$2,018 million) and on 2,254,209,945 shares (2007: 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\$288 million (HK\$235 million at 31st December, 2007) and their aging analysis is as follows:

HK\$ million	30/6/2008	31/12/2007
Current	206	144
Less than 1 month past due	36	55
1 to 3 months past due	36	24
More than 3 months but less than 12 months past due	20	24
More than 12 months past due	75	71
Amount past due	167	174
Allowance for doubtful debts	(85)	(83)
Total after allowance	288	235

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.

9. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$103 million (HK\$131 million at 31st December, 2007) and their aging analysis is as follows:

HK\$ million	30/6/2008	31/12/2007
Current	62	98
1 month	13	12
2 to 3 months	9	6
Over 3 months	19	15
Total	103	131