



恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED

Stock Code 股份代號：97

Interim Report
中期報告 08/09

Highlights of 2008/2009 Interim Results

	For the six months ended 31 December		Change
	2008 unaudited HK\$ million	2007 unaudited HK\$ million	
Turnover	156	129	+21%
Profit attributable to Shareholders			
– Continuing operations (2007 – restated)	61	67	–9%
– Discontinued operations	–	35,265	
	61	35,332	–100%
	HK\$	HK\$	
Earnings per share – basic and diluted			
– Continuing operations	0.02	0.02	–
– Discontinued operations	–	11.57	
	0.02	11.59	–100%
Interim dividend per share	0.02	0.02	–
	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million	
Net asset value (30 June 2008 – restated) Note	1,591	1,594	–
	HK\$	HK\$	
Net asset value per share (30 June 2008 – restated) Note	0.52	0.52	–

Note: The net asset values referred to above were all attributable to equity shareholders of the Company.

Henderson Investment Limited

Interim Results and Dividend

The Board of Directors announces that, for the six months ended 31 December 2008, the unaudited Group profit attributable to equity Shareholders amounted to HK\$61 million compared to HK\$35,332 million for the same period a year ago. Earnings per share were HK\$0.02 (2007: HK\$11.59).

The decrease in profit was mainly due to the recognition of a one-off gain of HK\$35,265 million from discontinued operations during the corresponding period in 2007. Thus, the Group profit attributable to equity Shareholders from continuing operations for the six months ended 31 December 2008 amounting to HK\$61 million showed a decrease of HK\$6 million or 9% as compared with that of HK\$67 million (after excluding the one-off gain from discontinued operations) for the corresponding period in 2007, reflecting a decline in bank interest income earned by the Group.

The Board has resolved to pay an interim dividend of HK\$0.02 per share (2007: HK\$0.02 per share) to Shareholders whose names appear on the Register of Members of the Company on 22 April 2009.

Closing of Register of Members

The Register of Members of the Company will be closed from Monday, 20 April 2009 to Wednesday, 22 April 2009, both days inclusive, during which period no requests for the transfer of shares will be accepted. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 17 April 2009. Warrants for the interim dividend will be sent to Shareholders on Thursday, 23 April 2009.

Management Discussion and Analysis

Business Review

After divesting its entire interest in The Hong Kong and China Gas Company Limited to Henderson Land Development Company Limited in December 2007, the Group has a more focused business operation and is primarily engaged in infrastructure business in mainland China. At 31 December 2008, it owned a 60% interest in Hangzhou Qianjiang Third Bridge and a 49% interest in Maanshan City Ring Road.

The Group's operation continued to experience steady growth during the period under review. Driven mainly by the increase in traffic volume of the toll bridge during the period and appreciation in the value of Renminbi against Hong Kong Dollars, the Group posted a turnover of HK\$156 million for the six months ended 31 December 2008, an increase of 21% compared to the same period in 2007, as shown in the table below:

	Toll Revenue		Change
	For the six months ended 31 December		
	2008	2007	
	HK\$ million	HK\$ million	
Hangzhou Qianjiang Third Bridge	126	101	+25%
Maanshan City Ring Road	30	28	+7%
Total	156	129	+21%

Located on National Highway No.104 in Zhejiang Province, Hangzhou Qianjiang Third Bridge spans approximately 5.8 km over the Qiantang River in Hangzhou and connects the urban parts of Southern Hangzhou and Xiaoshan and Binjiang. The toll bridge is a major trunk route linking Beijing and Fujian Province. It is also an important nodal point for access to major roads leading to the Hangzhou Airport.

Maanshan City Ring Road is a class I highway that stretches approximately 40.5 km around Maanshan, a leading industrial city in Anhui Province. The toll road is the major artery in the National Highway No. 205 network with connections to Nanjing-Maanshan Expressway in the North and the Wuhu-Maanshan Expressway in the South.

Post Balance Sheet Events

As announced on 12 March 2009, a 70%-owned subsidiary of the Company had entered into an agreement with the joint venture partner of Maanshan Huan Tong Highway Development Limited (the “Maanshan Highway JV”, being the joint venture engaged in the operation of Maanshan City Ring Road) to sell the entire 70% equity interest in the Maanshan Highway JV held by that subsidiary to the Maanshan Highway JV partner for a consideration of RMB122 million. It is estimated that, based on the carrying value of the Group’s interest in the Maanshan Highway JV at 30 June 2008, the Group would recognize a gain on disposal in the amount of approximately HK\$42.1 million (which figure is subject to finalization upon completion of the transaction), based on the consideration of RMB122 million to be received and such carrying value after taking into account the distributions from profits after taxation for 2007 and 2008 of the Maanshan Highway JV.

On the other hand, as stated in the announcement dated 9 January 2009, the Company was informed that the joint venture partner of Hangzhou Henderson Qianjiang Third Bridge Company, Limited (the “Third Bridge JV”, being the joint venture engaged in the operation of Hangzhou Qianjiang Third Bridge) had decided to discontinue the negotiations for the acquisition of the Company’s entire 60% equity interest in the Third Bridge JV.

Prospects

The Group considers that its investment in Hangzhou Qianjiang Third Bridge would continue to provide a satisfactory return given its prime location in Hangzhou.

In view of the global economic downturn, the Central Government has released a RMB 4 trillion stimulus package to bolster the country’s economy. Additionally, local governments have also mapped out related supporting measures. All these are expected to benefit the infrastructure sector. With a strong financial position, the Group will look for appropriate and quality projects in order to expand its portfolio and maximize Shareholders’ value.

Henderson Investment Limited

Condensed Interim Financial Statements

Consolidated Profit and Loss Account – unaudited

	Note	For the six months ended 31 December	
		2008	2007 (restated)
		HK\$ million	HK\$ million
<i>Continuing operations:</i>			
Turnover	6	156	129
Direct costs		(35)	(33)
		121	96
Other income/other gains		13	48
Administrative expenses		(11)	(36)
Profit for the period of disposal group	17	–	5
Net gain on disposal of disposal group	17	–	21
		123	134
Profit from operations		123	134
Finance costs	7(a)	(2)	(4)
		121	130
Profit before taxation	7	121	130
Income tax	8	(19)	(15)
		102	115
Profit for the period from continuing operations		102	115
<i>Discontinued operations:</i>			
Profit for the period from discontinued operations	4	–	35,265
		102	35,380
Profit for the period		102	35,380
Attributable to:			
Equity shareholders of the Company			
– Continuing operations		61	67
– Discontinued operations	4	–	35,265
		61	35,332
Minority interests			
– Continuing operations		41	48
– Discontinued operations		–	–
		41	48
Profit for the period		102	35,380

Condensed Interim Financial Statements

Consolidated Profit and Loss Account – unaudited (cont'd)

	Note	For the six months ended 31 December	
		2008	2007 (restated)
		HK\$ million	HK\$ million
Dividend payable to equity shareholders of the Company attributable to the period			
Distribution approved and paid during the period	9(a)	–	46,575
Interim dividend declared after the interim period end		61	61
		61	46,636
		HK\$	HK\$
Earnings per share – basic and diluted	10		
From continuing operations		0.02	0.02
From discontinued operations		–	11.57
		0.02	11.59

The notes on pages 10 to 25 form part of these condensed interim financial statements.

Henderson Investment Limited

Condensed Interim Financial Statements

Consolidated Balance Sheet

	Note	At 31 December 2008 (unaudited) HK\$ million	At 30 June 2008 (restated) HK\$ million
Non-current assets			
Property, plant and equipment	11	3	4
Intangible operating rights	12	728	749
Other non-current assets		88	99
		819	852
Current assets			
Trade and other receivables	13	529	580
Amounts due from affiliates		3	82
Cash and cash equivalents	14	1,005	836
		1,537	1,498
Current liabilities			
Secured bank loans		18	11
Trade and other payables	15	77	72
Amounts due to affiliates	16	104	142
Current taxation		91	74
		290	299
Net current assets		1,247	1,199
Total assets less current liabilities		2,066	2,051

Condensed Interim Financial Statements

Consolidated Balance Sheet (cont'd)

	Note	At 31 December 2008 (unaudited) HK\$ million	At 30 June 2008 (restated) HK\$ million
Non-current liabilities			
Secured bank loans		23	29
Deferred tax liabilities		11	14
		34	43
NET ASSETS		2,032	2,008
Capital and reserves	18		
Share capital		609	609
Reserves		982	985
Total equity attributable to equity shareholders of the Company		1,591	1,594
Minority interests		441	414
TOTAL EQUITY		2,032	2,008

The notes on pages 10 to 25 form part of these condensed interim financial statements.

Henderson Investment Limited

Condensed Interim Financial Statements

Consolidated Statement of Changes in Equity – unaudited

	Note	For the six months ended 31 December	
		2008	2007 (restated)
		HK\$ million	HK\$ million
Total equity at 1 July	18		
As previously reported		2,044	17,527
Adoption of HK(IFRIC) – Int 12	2	(36)	(38)
As restated		2,008	17,489
Net (expense)/income for the period recognised directly in equity			
Exchange difference on translation of accounts of subsidiaries outside Hong Kong		(4)	49
Transfers from equity			
Realisation of exchange reserve on disposal of subsidiaries		–	(14)
Profit for the period		102	35,380
Total recognised income and expenses for the period		98	35,415
Attributable to:			
– Equity shareholders of the Company		58	35,354
– Minority interests		40	61
		98	35,415
Distribution approved and paid during the period		–	(46,575)
Final dividend paid		(61)	(457)
Dividends paid to minority shareholders		(13)	(3)
Minority interests in relation to increase in shareholding in a subsidiary		–	(148)
Minority interests in relation to disposal of subsidiaries		–	(108)
Total equity at 31 December	18	2,032	5,613

The notes on pages 10 to 25 form part of these condensed interim financial statements.

Condensed Interim Financial Statements

Condensed Consolidated Cash Flow Statement – unaudited

	Note	For the six months ended 31 December	
		2008	2007
		HK\$ million	HK\$ million
Net cash generated from operating activities			
Decrease in toll income receivable from the Third Bridge JV (see note 13)		186	–
Other operating cash flows		11	7
		197	7
Net cash generated from investing activities			
Cash consideration received in relation to the disposal of two subsidiaries		–	6,828
Payments for the acquisition of additional interest in associates		–	(601)
Payment for the acquisition of additional interest in a subsidiary		–	(145)
Dividend received		1	1
Decrease/(increase) in amounts due from affiliates		79	(8)
Other investing cash flows		4	64
		84	6,139
Net cash used in financing activities			
Distribution and dividends paid to shareholders		(61)	(3,602)
Repayment to a fellow subsidiary		(7)	(1,599)
Repayments to minority shareholders		(31)	(12)
Dividends paid to minority shareholders		(13)	(3)
Other financing cash flows		–	(29)
		(112)	(5,245)
Net increase in cash and cash equivalents		169	901
Cash and cash equivalents at 1 July	14	836	3,686
Effect of foreign exchange rate changes		–	3
Cash and cash equivalents at 31 December	14	1,005	4,590

The notes on pages 10 to 25 form part of these condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

1 Basis of preparation

These condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They were authorised for issuance on 19 March 2009.

The condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements, except for the adoption of HK(IFRIC) – Int 12 “Service concession arrangements” that are expected to be reflected in the 2009 financial statements. Further details are set out in note 2.

The preparation of condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis.

The condensed interim financial statements contain condensed consolidated accounts and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together referred to as the “Group”) since 30 June 2008, being the last accounts reporting date to which the 2008 annual financial statements were prepared. The condensed interim financial statements and notes thereon do not include all of the information required for the preparation of full set of financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

The condensed interim financial statements are unaudited but have been reviewed by PricewaterhouseCoopers (“PwC”) in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. PwC’s review report to the Board of directors of the Company (the “Board”) is set out on page 36.

2 Significant accounting policies

The HKICPA has issued HK(IFRIC) – Int 12 “Service concession arrangements” that is relevant to the Group and is effective for accounting periods beginning on or after 1 January 2008 which therefore become effective for the current accounting period of the Group.

HK(IFRIC) – Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. The adoption of HK(IFRIC) – Int 12 results in a retrospective change in the accounting policy for the Group’s toll bridge. The toll bridge is accounted for as an intangible operating right to the extent that the Group receives a right (a license) to charge users of the public service. Amortisation is provided to write off the cost of the intangible operating right, using the straight-line method, over the operating period of the Group’s toll bridge of 29 years. Comparative figures have been restated.

Notes to the Unaudited Condensed Interim Financial Statements

2 Significant accounting policies (cont'd)

The adoption of HK(IFRIC) – Int 12 results in the following financial impact:

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Balance sheet		
Increase in intangible operating rights	548	563
Decrease in property, plant and equipment	(583)	(599)
Decrease in retained profits	35	36
Profit and loss account		
Increase in amortisation charge for the period	21	17
Decrease in depreciation charge for the period	(22)	(18)

The Group is in the process of making an assessment of what the impact of amendments, new standards and new interpretations, which are not yet effective for the forthcoming accounting period and which have not been adopted in these condensed interim financial statements, is expected to be in the period of initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations or financial position.

3 Material acquisition and disposal during the period

The Group did not enter into any material acquisition or disposal of assets or business operations during the period.

Henderson Investment Limited

Notes to the Unaudited Condensed Interim Financial Statements

4 Discontinued operations

The Group's discontinued operations for the six months ended 31 December 2007 comprised the Group's interest in The Hong Kong and China Gas Company Limited ("HKCG"), an associate of the Group, which was disposed of by the Group to Henderson Land Development Company Limited ("HLD").

After the disposal of the above discontinued operations, the Group's principal activity is infrastructure business in mainland China.

The results of the discontinued operations for the six months ended 31 December 2007 were as follows:

	HK\$ million
Share of profits less losses of associates	1,484
Net gain on disposal of the Group's two wholly-owned subsidiaries holding the Group's interest in HKCG and related shareholder's loans	33,781
	35,265

5 Segmental information

No segmental information for the six months ended 31 December 2007 and 2008 is presented as the Group's turnover and trading results for the abovementioned periods are generated solely from its infrastructure business in mainland China, the turnover of which amounted to HK\$156 million during the period (2007: HK\$129 million) and the segment results of which amounted to HK\$114 million during the period (2007 (restated): HK\$89 million).

6 Turnover

Turnover recognised during the period is analysed as follows:

	For the six months ended 31 December	
	2008	2007
	HK\$ million	HK\$ million
<i>Continuing operations</i>		
Toll fee income	156	129

Notes to the Unaudited Condensed Interim Financial Statements

7 Profit before taxation

Profit before taxation in respect of continuing operations is arrived at after charging/(crediting):

	For the six months ended 31 December	
	2008	2007 (restated)
	HK\$ million	HK\$ million
(a) Finance costs		
Bank loans and overdrafts	2	1
Other borrowings wholly repayable within five years	-	3
	<u>2</u>	<u>4</u>
(b) Other items		
Amortisation	26	22
Depreciation	1	1
Interest income	(11)	(42)

8 Income tax

	For the six months ended 31 December	
	2008	2007
	HK\$ million	HK\$ million
<i>Continuing operations</i>		
Current tax – Hong Kong Profits Tax	-	1
Current tax – over-provision in respect of prior years	(3)	-
Current tax – mainland China	25	16
Deferred taxation – origination and reversal of temporary differences	(3)	(2)
	<u>19</u>	<u>15</u>

Notes to the Unaudited Condensed Interim Financial Statements

8 Income tax (cont'd)

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the period subject to Hong Kong Profits Tax (2007: provision for Hong Kong Profits Tax was made at 17.5% on the estimated assessable profit).

Taxation for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions. The Group's certain subsidiaries operating in mainland China are eligible for certain tax concessions for the period.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China, under which the Group's principal income tax rate is gradually accelerated to the higher tax rate of 25% in a period of 5 years starting from 1 January 2008. The applicable principal income tax rate for the six months ended 31 December 2008 was 18%.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to withholding tax at a tax rate of 5% or 10%. The applicable withholding tax rate for the six months ended 31 December 2008 was 5%.

9 Dividends

(a) Dividend payable to equity shareholders of the Company attributable to the period

	For the six months ended 31 December	
	2008	2007
	HK\$ million	HK\$ million
Distribution approved and paid during the period of HK\$Nil (2007: HK\$15.2838) per share	–	46,575
Interim dividend declared after the interim period end of HK2 cents (2007: HK2 cents) per share	61	61
	61	46,636

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 7 December 2007, immediately following the completion of the disposal of the Group's two wholly-owned subsidiaries holding the Group's interest in HKCG as detailed in note 4 (the "Transaction"), a distribution of HK\$15.2838 per issued share of the Company, or HK\$46,575 million in aggregate, was paid which comprised, for each issued share of the Company, (i) a distribution in specie of the entitlement to 0.209 share of HLD together with all rights under the share entitlement note; and (ii) a cash distribution of HK\$1.03 per share (amounting to HK\$3,139 million). Such aggregate distribution was paid on 17 December 2007 out of the proceeds from the Transaction. Furthermore, following the reduction of the share premium on 17 January 2008, a further distribution of HK\$1.21 in cash per issued share of the Company, or HK\$3,687 million in total, was paid on 25 January 2008 out of the proceeds from the Transaction.

The interim dividend declared after the interim period end has not been recognised as a liability at 31 December 2008.

Notes to the Unaudited Condensed Interim Financial Statements

9 Dividends (cont'd)

- (b) Dividend attributable to the previous financial year, approved and paid during the interim period

	For the six months ended 31 December	
	2008	2007
	HK\$ million	HK\$ million
Final dividend in respect of the previous financial year, approved and paid during the period, of HK2 cents (2007: HK15 cents) per share	61	457

10 Earnings per share – basic and diluted

- (a) From continuing operations

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$61 million (2007 (restated): HK\$67 million) and the weighted average number of ordinary shares of 3,047,327,395 (2007: 3,047,327,395) in issue during the period.

- (b) From discontinued operations

The calculation of basic and diluted earnings per share for the six months ended 31 December 2007 was based on the profit attributable to equity shareholders of the Company of HK\$35,265 million and the weighted average number of ordinary shares of 3,047,327,395 in issue during that period.

Notes to the Unaudited Condensed Interim Financial Statements

11 Property, plant and equipment

	Toll bridge HK\$ million	Leasehold improvements, equipment, furniture, fixtures and motor vehicles HK\$ million	Total HK\$ million
Cost			
At 1 July 2007			
As previously reported	792	47	839
Adoption of HK(IFRIC) – Int 12	(792)	–	(792)
As restated	–	47	47
Exchange adjustment	–	2	2
Additions	–	1	1
Disposals	–	(26)	(26)
Write off	–	(7)	(7)
At 30 June 2008 (restated)	–	17	17
At 1 July 2008			
As previously reported	861	17	878
Adoption of HK(IFRIC) – Int 12	(861)	–	(861)
At 1 July 2008 (restated) and at 31 December 2008	–	17	17

Notes to the Unaudited Condensed Interim Financial Statements

11 Property, plant and equipment (cont'd)

	Toll bridge HK\$ million	Leasehold improvements, equipment, furniture, fixtures and motor vehicles HK\$ million	Total HK\$ million
Accumulated depreciation			
At 1 July 2007			
As previously reported	200	43	243
Adoption of HK(IFRIC) – Int 12	(200)	–	(200)
As restated	–	43	43
Exchange adjustment	–	1	1
Charge for the year	–	1	1
Disposals	–	(25)	(25)
Write off	–	(7)	(7)
At 30 June 2008 (restated)	–	13	13
At 1 July 2008			
As previously reported	262	13	275
Adoption of HK(IFRIC) – Int 12	(262)	–	(262)
As restated	–	13	13
Charge for the period	–	1	1
At 31 December 2008	–	14	14
Net book value			
At 31 December 2008	–	3	3
At 30 June 2008 (restated)	–	4	4

Notes to the Unaudited Condensed Interim Financial Statements

12 Intangible operating rights

	Toll bridge operating right HK\$ million	Toll highway operating right HK\$ million	Total HK\$ million
Cost			
At 1 July 2007			
As previously reported	–	256	256
Adoption of HK(IFRIC) – Int 12	792	–	792
As restated	792	256	1,048
Exchange adjustment	69	27	96
At 30 June 2008 (restated)	861	283	1,144
At 1 July 2008			
As previously reported	–	283	283
Adoption of HK(IFRIC) – Int 12	861	–	861
As restated	861	283	1,144
Exchange adjustment	(2)	(1)	(3)
Additions	7	–	7
At 31 December 2008	866	282	1,148

Notes to the Unaudited Condensed Interim Financial Statements

12 Intangible operating rights (cont'd)

	Toll bridge operating right HK\$ million	Toll highway operating right HK\$ million	Total HK\$ million
Accumulated amortisation			
At 1 July 2007			
As previously reported	–	77	77
Adoption of HK(IFRIC) – Int 12	238	–	238
As restated	238	77	315
Exchange adjustment	22	9	31
Charge for the year	38	11	49
At 30 June 2008 (restated)	298	97	395
At 1 July 2008			
As previously reported	–	97	97
Adoption of HK(IFRIC) – Int 12	298	–	298
As restated	298	97	395
Exchange adjustment	(1)	–	(1)
Charge for the period	21	5	26
At 31 December 2008	318	102	420
Net book value			
At 31 December 2008	548	180	728
At 30 June 2008 (restated)	563	186	749

At 30 June 2008 and 31 December 2008, the toll highway operating right was pledged to secure the Group's bank loans.

Notes to the Unaudited Condensed Interim Financial Statements

13 Trade and other receivables

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Trade debtors	484	539
Deposits, prepayments and other receivables	8	9
Consideration receivable	37	32
	529	580

The ageing analysis of trade debtors of the Group at 31 December 2008 was as follows:

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Current or less than 1 month overdue	23	21
1 to 3 months overdue	45	45
More than 3 months overdue but less than 6 months overdue	64	60
More than 6 months overdue	352	413
	484	539

Included in trade debtors of HK\$484 million at 31 December 2008 which represented the toll income receivable from the Third Bridge JV (as defined hereinafter) (30 June 2008: HK\$539 million) was an accumulated exchange gain of HK\$56 million accounted for in equity and arising from the foreign currency translation of the toll income receivable of RMB426 million at 31 December 2008 (30 June 2008: RMB474 million) from Hangzhou Henderson Qianjiang Third Bridge Company, Limited (the "Third Bridge JV"), a 60% owned subsidiary of the Group which is engaged in the operation of a toll bridge in Hangzhou, mainland China. The toll income has been collected on behalf of the Group since January 2004 by 杭州市“四自”工程道路綜合收費管理處 (Hangzhou City "Sizi" Engineering & Highway General Toll Fee Administration Office), a relevant government body in Hangzhou (the "Hangzhou Government Body") in accordance with the terms of the agreement entered into between the Third Bridge JV and the Hangzhou Government Body. During the six months ended 31 December 2008, an amount of RMB164 million (equivalent to HK\$186 million) was received by the Third Bridge JV from the Hangzhou Government Body. The Board has assessed the recoverability of the toll income receivable from the Hangzhou Government Body, details of which are disclosed in note 21(a).

In respect of other trade and other receivables, credit terms given to customers are generally based on the financial strength and repayment history of each customer. Normally, the Group does not obtain collateral from customers.

The Group maintains a defined credit policy and the exposure to credit risk is monitored on an ongoing basis. Regular review and follow-up actions are carried out on the overdue amounts. Adequate impairment losses have been made for the estimated irrecoverable amounts.

Notes to the Unaudited Condensed Interim Financial Statements

14 Cash and cash equivalents

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Deposits with banks	753	771
Cash at banks and in hand	252	65
Cash and cash equivalents in the consolidated balance sheet and condensed consolidated cash flow statement	1,005	836

Included in the cash and cash equivalents at 31 December 2008 was a total sum being the equivalent of HK\$249 million (30 June 2008: HK\$69 million) which was maintained in mainland China and is subject to foreign exchange control regulations.

15 Trade and other payables

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Trade creditors	30	27
Accrued expenses and other payables	47	45
	77	72

The ageing analysis of trade creditors of the Group at 31 December 2008 was as follows:

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Due within 1 month or on demand	–	–
Due after 1 month but within 3 months	17	13
Due after 3 months but within 6 months	11	12
Due after 6 months	2	2
	30	27

Notes to the Unaudited Condensed Interim Financial Statements

16 Amounts due to affiliates

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Amount due to a fellow subsidiary	9	16
Amounts due to minority shareholders	95	126
	104	142

Amount due to a fellow subsidiary is unsecured, bears interest by reference to Hong Kong Interbank Offered Rate and is repayable on demand. The amounts due to minority shareholders are unsecured, interest-free and repayable on demand.

17 Disposal group

The Group previously entered into a sale and purchase agreement with Fenghua Transportation Investment Co., Ltd 奉化市交通投資公司, a minority shareholder of Ningbo Subsidiaries (as defined below), to dispose of its entire interests in Ningbo Nickwell Highway Development Company Limited, Ningbo Wise Link Highway Development Company Limited and Ningbo Rayter Highway Development Company Limited (collectively referred to as the “Ningbo Subsidiaries”) at a cash consideration of RMB70 million (approximately HK\$75 million).

During the six months ended 31 December 2007, the Group recorded a profit of HK\$5 million from the Ningbo Subsidiaries. The transaction was completed during the six months ended 31 December 2007 and a net gain on disposal of approximately HK\$21 million was recognised.

Notes to the Unaudited Condensed Interim Financial Statements

18 Capital and reserves

The Group

	Attributable to equity shareholders of the Company						Minority interests	Total equity (restated)
	Share capital	Share premium	Capital reserve	Exchange reserve	Retained profits (restated)	Total (restated)		
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million		
At 1 July 2007								
As previously reported	609	4,216	13	62	12,062	16,962	565	17,527
Adoption of HK(IFRIC) – Int 12	-	-	-	-	(38)	(38)	-	(38)
As restated	609	4,216	13	62	12,024	16,924	565	17,489
Final dividend approved in respect of the previous financial year (note 9(b))	-	-	-	-	(457)	(457)	-	(457)
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	-	-	-	30	-	30	19	49
Realisation of exchange reserve on disposal of subsidiaries	-	-	-	(8)	-	(8)	(6)	(14)
Profit for the period	-	-	-	-	35,332	35,332	48	35,380
Distribution approved and paid in respect of the current period (note 9(a))	-	-	-	-	(46,575)	(46,575)	-	(46,575)
Dividend paid to a minority shareholder	-	-	-	-	-	-	(3)	(3)
Increase in shareholding in a subsidiary	-	-	-	-	-	-	(148)	(148)
Disposal of subsidiaries	-	-	-	-	-	-	(108)	(108)
At 31 December 2007	609	4,216	13	84	324	5,246	367	5,613
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	-	-	-	36	-	36	22	58
Reduction of share premium	-	(4,216)	-	-	4,216	-	-	-
Profit for the period	-	-	-	-	60	60	38	98
Dividends declared in respect of the current period (note 9(a))								
- interim dividend	-	-	-	-	(61)	(61)	-	(61)
- distribution	-	-	-	-	(3,687)	(3,687)	-	(3,687)
Dividends paid to minority shareholders	-	-	-	-	-	-	(13)	(13)
At 30 June 2008	609	-	13	120	852	1,594	414	2,008

Notes to the Unaudited Condensed Interim Financial Statements

18 Capital and reserves (cont'd)

The Group (cont'd)

	Attributable to equity shareholders of the Company					Total HK\$ million	Minority interests HK\$ million	Total equity HK\$ million
	Share capital HK\$ million	Share premium HK\$ million	Capital reserve HK\$ million	Exchange reserve HK\$ million	Retained profits HK\$ million			
At 1 July 2008								
As previously reported	609	-	13	120	888	1,630	414	2,044
Adoption of HK(IFRIC) - Int 12	-	-	-	-	(36)	(36)	-	(36)
As restated	609	-	13	120	852	1,594	414	2,008
Final dividend approved in respect of the previous financial year (note 9(b))	-	-	-	-	(61)	(61)	-	(61)
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	-	-	-	(3)	-	(3)	(1)	(4)
Profit for the period	-	-	-	-	61	61	41	102
Dividends paid to minority shareholders	-	-	-	-	-	-	(13)	(13)
At 31 December 2008	609	-	13	117	852	1,591	441	2,032

19 Capital commitments

At 31 December 2008, the Group did not have any capital commitment not provided for in these condensed interim financial statements (30 June 2008: Nil).

20 Material related party transactions

In addition to the transactions disclosed elsewhere in these condensed interim financial statements, the Group entered into the following material related party transactions during the period:

(a) Transaction with a fellow subsidiary

	For the six months ended 31 December	
	2008 HK\$ million	2007 HK\$ million
Continuing operations		
Interest expense	-	3

Notes to the Unaudited Condensed Interim Financial Statements

20 Material related party transactions (cont'd)

(b) Key management personnel remuneration

Except for certain of the directors and key management personnel who received remunerations from the Company's intermediate holding company for services provided to the Group, no remuneration was paid to the other directors and key management personnel of the Company. No apportionment has been made as the directors are of the opinion that it is impracticable to apportion the amounts between their services to the Company's intermediate holding company and its subsidiaries.

21 Non-adjusting post balance sheet events

- (a) On 9 January 2009, the Company announced that the Board was informed that the joint venture partner of the Third Bridge JV had decided to discontinue the negotiations for the sale by the Company to it of the Company's entire 60% equity interest in the Third Bridge JV. Upon cessation of such negotiations, the Company will direct the Third Bridge JV to take action to recover the outstanding toll income as detailed in note 13.

The Company has obtained legal advice in mainland China that, based on the terms of an agreement dated 5 February 2004 entered into between the Third Bridge JV and the Hangzhou Government Body pursuant to which the Hangzhou Government Body collects the toll income on behalf of the Third Bridge JV, the Third Bridge JV has a very strong case against the Hangzhou Government Body in the event legal action is taken. Given that the Hangzhou Government Body is a government entity, the Board believes that the toll income can be fully recovered, and that accordingly currently no impairment loss in relation to such toll income receivable needs to be recognized. As referred to in note 13, during the period of six months ended 31 December 2008, an amount of RMB164 million (equivalent to HK\$186 million) was received by the Third Bridge JV from the Hangzhou Government Body and, at 31 December 2008, the toll income receivable amounted to RMB426 million (equivalent to HK\$484 million).

Subsequent to the period under review, on 16 February 2009, a further amount of RMB250 million (equivalent to HK\$284 million) was received by the Third Bridge JV from the Hangzhou Government Body.

- (b) On 12 March 2009, the Company announced that Hong Kong Vigorous Limited ("Vigorous"), a 70%-owned subsidiary of the Company, entered into an agreement dated 12 March 2009 (the "Agreement") with 馬鞍山市過境公路建設開發有限公司 (Maanshan City Cross Border Highway Construction Development Company Limited) ("Maanshan Highway JV Partner"), a state-owned enterprise who has a 30% beneficial interest in Maanshan Huan Tong Highway Development Limited ("Maanshan Highway JV", being the joint venture engaged in the operation of Maanshan City Ring Road), in relation to the sale by Vigorous of its entire 70% interest in Maanshan Highway JV to Maanshan Highway JV Partner for a consideration of RMB122 million (equivalent to HK\$138 million).

Based on the terms of the Agreement, the Board has assessed that a net gain on disposal after taxation attributable to equity shareholders is expected to be generated upon completion of the transaction contemplated under the Agreement.

- (c) Subsequent to the balance sheet date, the directors declared an interim dividend, further details of which are disclosed in note 9(a).

Henderson Investment Limited

Financial Review

The following discussions should be read in conjunction with the Company's unaudited condensed interim financial statements for the six months ended 31 December 2008.

Material acquisitions and disposals

The Group had not entered into any material acquisition or disposal of assets or business operations during the six months ended 31 December 2008.

Results of operations

The Group's operations comprise the infrastructure business in mainland China, being the operating right of a toll bridge in Hangzhou and the operating right of a toll highway in Maanshan, Anhui Province. Turnover for the six months ended 31 December 2008 amounted to HK\$156 million (2007: HK\$129 million), representing an increase of HK\$27 million, or 21%, over that for the same period in the previous financial year. This was mainly attributable to (i) the increase in traffic volume of the toll bridge in Hangzhou during the period when compared with the same period in the previous financial year; and (ii) the appreciation in the value of Renminbi against Hong Kong Dollars during the period when compared with the same period in the previous financial year.

Profit attributable to equity Shareholders for the six months ended 31 December 2008 amounted to HK\$61 million (2007 (restated): HK\$35,332 million), representing a decrease of HK\$35,271 million over that for the same period in the previous financial year. Such decrease was attributable to the fact that the profit attributable to equity Shareholders (as restated) of HK\$35,332 million for the corresponding six months ended 31 December 2007 included the profit attributable to equity Shareholders from discontinued operations of HK\$35,265 million, which figure comprised (i) the Group's share of post-tax profit of The Hong Kong and China Gas Company Limited ("Hong Kong and China Gas") of HK\$1,484 million for the corresponding six months ended 31 December 2007; and (ii) the gain on disposal of the Group's entire interest in Hong Kong and China Gas (the "Transaction", which was completed on 17 December 2007) of HK\$33,781 million.

Excluding the effect of the abovementioned discontinued operations for the corresponding six months ended 31 December 2007, the profit attributable to equity Shareholders for the six months ended 31 December 2007 amounted to HK\$67 million. The profit attributable to equity Shareholders of HK\$61 million for the six months ended 31 December 2008 represented a decrease of HK\$6 million, or 9%, from the same period in the previous financial year. This was mainly attributable to the fact that, despite an increase in profit contribution from the Group's infrastructure business during the period, the Group earned less bank interest income during the period for the reason that the Group maintained a lower average cash balance during the period when compared with the same period in the previous financial year, subsequent to the Group's cash distribution to Shareholders of HK\$3,687 million (or HK\$1.21 per share) in January 2008 out of the proceeds from the Transaction.

Financial resources, liquidity and loan maturity profile

At 31 December 2008, the aggregate amount of the Group's bank borrowings was HK\$41 million (30 June 2008: HK\$40 million). The cash and bank balances, the maturity profile of the bank borrowings and the gearing ratio of the Group were as follows:

	At 31 December 2008 HK\$ million	At 30 June 2008 HK\$ million
Cash and bank balances	1,005	836
Less: Bank borrowings repayable		
– Within 1 year	18	11
– After 1 year but within 2 years	11	18
– After 2 years but within 5 years	12	11
Total bank borrowings	41	40
Net cash and bank balances	964	796
Gearing ratio	Nil	Nil

Finance costs for the six months ended 31 December 2008 amounted to HK\$2 million (2007: HK\$4 million) which was immaterial to the Group's operations.

Based on the Group's net cash and bank balances of HK\$964 million at 31 December 2008, the Group has adequate financial resources in meeting the funding requirements for its ongoing operations as well as its future expansion.

Treasury and financial management

The Group's financing and treasury activities are centrally managed at the corporate level. The Group's bank borrowings bear floating interest rates and are denominated in Renminbi to finance its infrastructure business in mainland China. During the period, the Group did not enter into any derivative financial instrument for speculative or hedging purposes. The Group monitors closely its interest rate exposure and foreign exchange rate exposure (the latter being its investments in the infrastructure business in mainland China which is denominated in Renminbi and is not hedged) and will consider hedging these exposures should the need arise.

Apart from the foregoing, the Group did not have any material exposure to interest rates or foreign exchange rates at 30 June 2008 and 31 December 2008.

Charge on assets

Assets of the Group were not charged to any third parties at 30 June 2008 and 31 December 2008, except that certain project financing facilities which were extended by banks to a subsidiary of the Company engaged in infrastructure projects in mainland China were secured by the Group's toll highway operating right. At 31 December 2008, the outstanding balance of the Group's secured bank loans was HK\$41 million (30 June 2008: HK\$40 million).

Capital commitments

At 30 June 2008 and 31 December 2008, the Group did not have any capital commitment.

Henderson Investment Limited

Contingent liabilities

At 30 June 2008 and 31 December 2008, the Group did not have any contingent liability.

Employees and remuneration policy

At 31 December 2008, the Group had approximately 200 (30 June 2008: 215) full-time employees. The remuneration of the employees is in line with the market and commensurable with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the six months ended 31 December 2008 amounted to HK\$6 million (2007: HK\$7 million).

Other Information

Review of Interim Results

The unaudited interim results for the six months ended 31 December 2008 have been reviewed by the auditors of the Company, PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 36.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

Audit Committee

The Audit Committee met in March 2009 and reviewed the systems of internal control and compliance and the interim report for the six months ended 31 December 2008.

Code on Corporate Governance Practices

During the six months ended 31 December 2008, the Company has complied with the Code on Corporate Governance Practices (the “CGP Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by code provision A.2.1 of the CGP Code. The Company is of the view that it is in the best interest of the Company that Dr. Lee Shau Kee, with his profound expertise in business, shall continue in his dual capacity as the Chairman and Managing Director.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code of the Listing Rules as the code for dealing in securities of the Company by the Directors (the “Model Code”). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code.

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Change of Financial Year End Date

The Company has resolved to change its financial year end date from 30 June to 31 December to the effect that the Company's current financial period will cover a period of eighteen months from 1 July 2008 to 31 December 2009. In that case, subject to the grant of a direction from the Registrar of Companies, no audited financial statements of the Company for a shorter period will be prepared in the calendar year 2009, to satisfy the requirements of the relevant sections of the Companies Ordinance of Hong Kong. As a result of the change in financial year end date, the Company will:

- announce and publish its second unaudited interim results for the twelve months ending 30 June 2009 and distribute the relevant second interim report on or before 30 September 2009;
- announce and publish its audited final results for the eighteen months ending 31 December 2009 and distribute the relevant annual report on or before 30 April 2010; and
- hold its annual general meeting for 2010 not later than 30 June 2010 to approve its audited financial statements for the period from 1 July 2008 to 31 December 2009.

The reasons for the change of financial year end date are as stated below.

As a 67.94%-owned subsidiary of Henderson Land Development Company Limited ("HLD"), the Company's financial results are consolidated in HLD's consolidated accounts. In light of the change of financial year end date from 30 June to 31 December by HLD, the Company has to align its financial year end date to that adopted by HLD so as to facilitate the preparation of HLD's consolidated accounts.

In addition, the Company, through its subsidiaries set up in mainland China, is engaged in infrastructure business in mainland China and such subsidiaries are statutorily required to fix their financial year end at 31 December in mainland China. The change of financial year end date will enable the Company to have a coterminous financial year end date with such subsidiaries.

The Company does not foresee any material adverse impact on the Company or its subsidiaries as a result of the change of financial year end date nor is there any other matter of significance that needs to be brought to the attention of shareholders in that regard.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 19 March 2009

As at the date of this report, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Colin Lam Ko Yin, Lee Ka Shing, Lee Tat Man, Suen Kwok Lam, Lee King Yue, Eddie Lau Yum Chuen, Li Ning, Patrick Kwok Ping Ho, Augustine Wong Ho Ming and Sit Pak Wing; (2) non-executive directors: Woo Po Shing, Philip Yuen Pak Yiu, Leung Hay Man and Jackson Woo Ka Biu (as alternate to Woo Po Shing); and (3) independent non-executive directors: Gordon Kwong Che Keung, Ko Ping Keung and Wu King Cheong.

Disclosure of Interests

Directors' Interests in Shares

As at 31 December 2008, the interests and short positions of each Director of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or which were notified to the Company or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Ordinary Shares (unless otherwise specified)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Investment Limited	Lee Chau Kee	1	34,779,936		2,076,089,007		2,110,868,943	69.27
	Lee Ka Kit	1				2,076,089,007	2,076,089,007	68.13
	Lee Ka Shing	1				2,076,089,007	2,076,089,007	68.13
	Li Ning	1		2,076,089,007			2,076,089,007	68.13
	Lee Tat Man	2		6,666			6,666	0.00
	Lee King Yue	3		1,001,739			1,001,739	0.03
Henderson Land Development Company Limited	Lee Chau Kee	4	7,269,006		1,139,381,866		1,146,650,872	53.41
	Lee Ka Kit	4				1,139,381,866	1,139,381,866	53.07
	Lee Ka Shing	4				1,139,381,866	1,139,381,866	53.07
	Li Ning	4		1,139,381,866			1,139,381,866	53.07
	Lee Tat Man	5		111,393			111,393	0.01
	Lee King Yue	6		252,263		19,800	272,063	0.01
	Woo Ka Bui, Jackson	7			2,000		2,000	0.00

Henderson Investment Limited

Ordinary Shares (unless otherwise specified) (Cont'd)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Development Limited	Lee Chau Kee	8			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Lee Chau Kee	9			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Lee Chau Kee	10	35,000,000 (Non-voting Deferred Shares)		15,000,000 (Non-voting Deferred Shares)		50,000,000 (Non-voting Deferred Shares)	100.00
	Lee Ka Kit	8				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Kit	9				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Kit	10				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
	Lee Ka Shing	8				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Shing	9				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Shing	10				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
	Li Ning	8			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Li Ning	9			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Li Ning	10			15,000,000 (Non-voting Deferred Shares)		15,000,000 (Non-voting Deferred Shares)	30.00

Ordinary Shares (unless otherwise specified) (Cont'd)**Long Positions**

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Drinkwater Investment Limited	Leung Hay Man	11			5,000		5,000	4.49
	Woo Po Shing	12			3,250		3,250	2.92
Henfield Properties Limited	Lee Ka Kit	13			4,000	6,000	10,000	100.00
Heyield Estate Limited	Lee Chau Kee	14			100		100	100.00
	Lee Ka Kit	14				100	100	100.00
	Lee Ka Shing	14				100	100	100.00
	Li Ning	14		100			100	100.00
Pettystar Investment Limited	Lee Chau Kee	15			3,240		3,240	80.00
	Lee Ka Kit	15				3,240	3,240	80.00
	Lee Ka Shing	15				3,240	3,240	80.00
	Li Ning	15		3,240			3,240	80.00

Save as disclosed above, none of the Directors or the Chief Executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as defined in the SFO.

Arrangements to Purchase Shares or Debentures

At no time during the six months ended 31 December 2008 was the Company or any of its holding companies, subsidiary companies or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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Substantial Shareholders' and Others' Interests

As at 31 December 2008, the interests and short positions of every person, other than Directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

	No. of shares in which interested	%Interest
Substantial Shareholders:		
<i>Long Positions</i>		
Rimmer (Cayman) Limited (Note 1)	2,076,089,007	68.13
Riddick (Cayman) Limited (Note 1)	2,076,089,007	68.13
Hopkins (Cayman) Limited (Note 1)	2,076,089,007	68.13
Henderson Development Limited (Note 1)	2,070,473,859	67.94
Henderson Land Development Company Limited (Note 1)	2,070,473,859	67.94
Kingslee S.A. (Note 1)	2,070,473,859	67.94
Banshing Investment Limited (Note 1)	802,854,200	26.35
Markshing Investment Limited (Note 1)	602,398,418	19.77
Covite Investment Limited (Note 1)	363,328,900	11.92
Persons other than Substantial Shareholders:		
<i>Long Positions</i>		
Gainwise Investment Limited (Note 1)	217,250,000	7.13
UBS AG (Note 16)	156,917,066	5.15
<i>Short Positions</i>		
UBS AG (Note 17)	146,442,156	4.81

Notes:

- Of these shares, Dr. Lee Shau Kee was the beneficial owner of 34,779,936 shares, and the remaining 2,076,089,007 shares, (i) 802,854,200 shares, 602,398,418 shares, 363,328,900 shares, 217,250,000 shares and 84,642,341 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which was 100% held by Henderson Land Development Company Limited ("HL") which in turn was 53.01% held by Henderson Development Limited ("HD"); and (ii) 5,615,148 shares were owned by Fu Sang Company Limited ("Fu Sang"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of HD and Fu Sang. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by Dr. Lee Shau Kee. Dr. Lee Shau Kee was taken to be interested in these shares by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO. As Director of the Company and the spouse of a discretionary beneficiary of two discretionary trusts holding units in the Unit Trust, Mr. Li Ning was taken to be interested in these shares by virtue of the SFO.
- Mr. Lee Tat Man was the beneficial owner of these shares.
- Mr. Lee King Yue was the beneficial owner of these shares.

Henderson Investment Limited

4. Of these shares, Dr. Lee Shau Kee was the beneficial owner of 7,269,006 shares and for the remaining 1,139,381,866 shares, (i) 570,743,800 shares were owned by HD; (ii) 7,962,100 shares were owned by Sandra Investment Limited which was a wholly-owned subsidiary of HD; (iii) 145,090,000 shares were owned by Cameron Enterprise Inc.; 237,315,300 shares were owned by Believegood Limited which was wholly-owned by South Base Limited; 61,302,000 shares were owned by Prosglass Investment Limited which was wholly-owned by Jayasia Investments Limited; 55,000,000 shares were owned by Fancy Eye Limited which was wholly-owned by Mei Yu Ltd.; 55,000,000 shares were owned by Spreadral Limited which was wholly-owned by World Crest Ltd.; and Cameron Enterprise Inc., South Base Limited, Jayasia Investments Limited, Mei Yu Ltd. and World Crest Ltd. were wholly-owned subsidiaries of Yamina Investment Limited which in turn was 100% held by HD; (iv) 5,602,600 shares were owned by Superfun Enterprises Limited, a wholly-owned subsidiary of The Hong Kong and China Gas Company Limited (“China Gas”) which was 39.06% held by HL which in turn was 53.01% held by HD; and (v) 1,366,066 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in HD and Fu Sang as set out in Note 1, China Gas and HL by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO. As Director of the Company and the spouse of a discretionary beneficiary of two discretionary trusts holding units in the Unit Trust, Mr. Li Ning was taken to be interested in these shares by virtue of the SFO.
5. Mr. Lee Tat Man was the beneficial owner of these shares.
6. Of these shares, Mr. Lee King Yue was the beneficial owner of 252,263 shares, and the remaining 19,800 shares were held by Ngan Hei Development Company Limited which was 50% each owned by Mr. Lee King Yue and his wife.
7. These shares were owned by the wife of Mr. Woo Ka Bui, Jackson.
8. These shares were held by Hopkins as trustee of the Unit Trust.
9. These shares were held by Hopkins as trustee of the Unit Trust.
10. Of these shares, Dr. Lee Shau Kee was the beneficial owner of 35,000,000 shares, and Fu Sang owned the remaining 15,000,000 shares.
11. These shares were held by Gilbert Investment Inc. which was wholly-owned by Mr. Leung Hay Man.
12. These shares were held by Coningham Investment Inc. which was owned by Fong Fun Investment Inc. of which 50% was owned by Sir Po-shing Woo and 50% by his wife.
13. Of these shares, (i) 4,000 shares were owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 6,000 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andcoe Limited which was wholly-owned by Henderson China Holdings Limited, an indirect wholly-owned subsidiary of HL.
14. Of these shares, (i) 80 shares were owned by Tactwin Development Limited, a wholly-owned subsidiary of HL; (ii) 10 shares were owned by Henderson Finance Company Limited, a wholly-owned subsidiary of HD; and (iii) 5 shares each were owned by Perfect Bright Properties Inc. and Furnline Limited, and Jetwin International Limited was the sole holder of A shares of each of Perfect Bright Properties Inc. and Furnline Limited (the “A Shares”) with the A Shares being entitled to all their interests and, liable for all liabilities in Heyield Estate Limited. Triton (Cayman) Limited as trustee of a unit trust owned all the issued share capital of Jetwin International Limited. Triumph (Cayman) Limited and Victory (Cayman) Limited, as trustees of respective discretionary trusts, held units in the unit trust. The entire share capital of Triton (Cayman) Limited, Triumph (Cayman) Limited and Victory (Cayman) Limited were owned by Dr. Lee Shau Kee who was taken to be interested in such shares by virtue of the SFO. As discretionary beneficiaries of the discretionary trusts holding units in such unit trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in such shares by virtue of the SFO. As the spouse of a discretionary beneficiary of the discretionary trusts holding units in such unit trust, Mr. Li Ning was taken to be interested in such shares by virtue of the SFO.
15. Of these shares, (i) 3,038 shares were owned by HL; and (ii) 202 shares were owned by Allied Best Investment Limited which was 50% held by each of Perfect Bright Properties Inc. and Furnline Limited, and Jetwin International Limited was the sole holder of A shares of each of Perfect Bright Properties Inc. and Furnline Limited (the “A Shares”) with the A Shares being entitled to all their interests and, liable for all liabilities in Allied Best Investment Limited.
16. Of these shares, UBS AG had beneficial, security and corporate interests in 154,717,066 shares, 2,000,000 shares and 200,000 shares respectively, and interests in 146,442,156 shares were derived from physically settled derivatives.
17. UBS AG had beneficial interests in these shares which were derived from physically settled derivatives.



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**REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF HENDERSON INVESTMENT LIMITED**
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial statements set out on pages 4 to 25, which comprise the condensed consolidated balance sheet of Henderson Investment Limited (the "Company") as at 31 December 2008 and the related condensed consolidated profit and loss account, consolidated statements of changes in equity and cash flow for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 19 March 2009



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恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED