



08/09

SECOND INTERIM REPORT

第二份中期報告



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

Stock Code 股份代號：97

Contents

2	Highlights of 2008/2009 Second Interim Results
3	Second Interim Results and Dividend
	Closing of Register of Members
	Management Discussion and Analysis
	Business Review
4	Prospects
	Condensed Interim Financial Statements
5	Consolidated Profit and Loss Account
7	Consolidated Balance Sheet
9	Consolidated Statement of Changes in Equity
10	Condensed Consolidated Cash Flow Statement
11	Notes to the Unaudited Condensed Interim Financial Statements
30	Financial Review
33	Other Information
35	Disclosure of Interests
40	Review Report of the Independent Auditor

Highlights of 2008/2009 Second Interim Results

	For the twelve months ended 30 June		Change
	2009 unaudited HK\$ million	2008 audited HK\$ million	
Turnover	299	272	+10%
Profit attributable to Shareholders			
– Continuing operations (2008 – restated)	102	127	–20%
– Discontinued operations	–	35,265	
	102	35,392	–100%
	HK\$	HK\$	
Earnings per share – basic and diluted			
– Continuing operations	0.03	0.04	–25%
– Discontinued operations	–	11.57	
	0.03	11.61	–100%
Dividends per share	0.04	0.04	–
	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million	
Net asset value (2008 – restated) Note	1,571	1,594	–1%
	HK\$	HK\$	
Net asset value per share (2008 – restated) Note	0.52	0.52	–
Note: The net asset value referred to above were all attributable to equity shareholders of the Company.			

The second unaudited interim results for the twelve months ended 30 June 2009 are prepared due to the change of the financial year end date from 30 June to 31 December, as set out in the Company's joint announcement dated 19 March 2009. In accordance with the direction granted by the Registrar of Companies under S.127(2) of the Companies Ordinance (Chapter 32, the Laws of Hong Kong), no audited accounts will be submitted to the annual general meeting to be held in the calendar year of 2009.

Second Interim Results and Dividend

The Board of Directors announces that, for the twelve months ended 30 June 2009, the unaudited Group profit attributable to equity shareholders amounted to HK\$102 million compared to HK\$35,392 million (restated) for the same period a year ago. Earnings per share were HK\$0.03 (Financial year 2008: HK\$11.61).

The decrease in profit was mainly attributable to a one-off gain of HK\$35,265 million from the divestment of its entire interest in The Hong Kong and China Gas Company Limited during the financial year ended 30 June 2008. Excluding the effect of such gain from the discontinued operations, the Group profit attributable to equity shareholders from continuing operations for the twelve months ended 30 June 2009 amounting to HK\$102 million represented a decrease of HK\$25 million or 20% as compared with that of HK\$127 million (restated) for the financial year ended 30 June 2008, reflecting a decline in bank interest income earned by the Group.

The Board has resolved to pay a second interim dividend of HK\$0.02 per share to Shareholders whose names appear on the Register of Members of the Company on 3 December 2009. Including the first interim dividend of HK\$0.02 per share already paid, the total distribution for the twelve months ended 30 June 2009 will amount to HK\$0.04 per share (Financial year 2008: HK\$0.04 per share).

Closing of Register of Members

The Register of Members of the Company will be closed from Friday, 27 November 2009 to Thursday, 3 December 2009, both days inclusive, during which period no requests for the transfer of shares will be accepted. In order to qualify for the second 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 Thursday, 26 November 2009. Warrants for the second interim dividend will be sent to Shareholders on Friday, 4 December 2009.

Management Discussion and Analysis

Business Review

Following the completion of the divestment of its entire interest in The Hong Kong and China Gas Company Limited to Henderson Land Development Company Limited in December 2007, the Company has focused on its infrastructure business in mainland China. The core asset in the Group's portfolio is its 60% interest in Hangzhou Qianjiang Third Bridge.

During the period under review, the Company decided to realize its investment in Maanshan City Ring Road by selling its entire interest in the toll road at a reasonable price. As announced on 12 March 2009, a 70%-owned subsidiary of the Company entered into an agreement with the joint venture partner of 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 of its 70% equity interest in Maanshan Highway JV to the joint venture partner of Maanshan Highway JV for a consideration of RMB122 million. At the date of this interim report, the transaction had yet to be completed.

Henderson Investment Limited

In spite of the global economic downturn, the Group's operations continued to post stable growth for the twelve months ended 30 June 2009. Toll revenue from Hangzhou Qianjiang Third Bridge amounted to HK\$256 million, representing an increase of 19% as compared to the same period a year ago. The increase was primarily driven by the increase in traffic volume of the toll bridge and the exchange gain upon conversion of Renminbi to Hong Kong dollars during the period when compared with the financial year ended 30 June 2008. Since the agreement relating to the sale of the Group's interest in Maanshan City Ring Road was signed in March 2009, the toll road together with other associated assets and liabilities had been classified as a disposal group subsequent to the sale. Toll revenue generated from Maanshan City Ring Road during the period from 1 July 2008 to the date of sale was recorded under the Group's turnover while the contribution from the toll road subsequent to its classification as a disposal group was recognized under "Profit for the period of disposal group" in the Group's condensed consolidated profit and loss account for the twelve months ended 30 June 2009. The breakdown of the Group's turnover is shown in the table below:

	Toll Revenue		Change
	(For the twelve months ended 30 June)		
	2009	2008	
	HK\$ million	HK\$ million	
Hangzhou Qianjiang Third Bridge	256	216	+19%
Maanshan City Ring Road	43 [^]	56	-23%
Total	299	272	+10%

[^] Only the toll revenue from 1 July 2008 to the date of sale was included as turnover.

Hangzhou Qianjiang Third Bridge is located on National Highway No.104 in Zhejiang Province, spanning approximately 5.8 km over the Qiantang River in Hangzhou and connecting 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.

Prospects

China's economy has exhibited signs of recovery in the first half of the year, with GDP growing at 6.1% in the first quarter and 7.9% in the second quarter as compared with the corresponding periods in 2008. According to China's National Bureau of Statistics, the investment in infrastructures (excluding electricity) went up by more than 57% year-on-year for the first six months in 2009. Looking ahead, the Group believes that its investment in Hangzhou Qianjiang Third Bridge would continue to provide a satisfactory return given its prime location in Hangzhou and the Central Government's measures to promote sound and fast economic growth on the mainland. Leveraging on its strong financial position, the Group is well-placed to capitalize on sound investment opportunities which may emerge in the marketplace.

Condensed Interim Financial Statements

Consolidated Profit and Loss Account

	Note	For the twelve months ended 30 June	
		2009 (unaudited) HK\$ million	2008 (restated) HK\$ million
<i>Continuing operations:</i>			
Turnover	6	299	272
Direct costs		(65)	(70)
		234	202
Other income/other gains		23	72
Administrative expenses		(19)	(48)
Profit for the period of disposal group	19	7	5
Net gain on disposal of disposal group	19(b)	-	21
		245	252
Profit from operations		245	252
Finance costs	7(a)	(2)	(5)
		243	247
Profit before taxation	7	243	247
Income tax	8	(60)	(34)
		183	213
Profit for the period/year from continuing operations			
<i>Discontinued operations:</i>			
Profit for the period/year from discontinued operations	4	-	35,265
		183	35,478
Profit for the period/year			
Attributable to:			
Equity shareholders of the Company			
- Continuing operations		102	127
- Discontinued operations	4	-	35,265
		102	35,392
Minority interests			
- Continuing operations		81	86
- Discontinued operations		-	-
		81	86
		183	35,478
Profit for the period/year			

Henderson Investment Limited

Condensed Interim Financial Statements

Consolidated Profit and Loss Account (continued)

	Note	For the twelve months ended 30 June	
		2009 (unaudited) HK\$ million	2008 (restated) HK\$ million
Dividends payable to equity shareholders of the Company attributable to the period/year	10(a)		
Interim dividend declared during the period/year		61	61
Interim dividend declared after the balance sheet date		61	–
Distributions approved and paid during the period/year		–	50,262
Final dividend proposed after the balance sheet date		–	61
		122	50,384
		HK\$	HK\$
Earnings per share – basic and diluted	11		
From continuing operations		0.03	0.04
From discontinued operations		–	11.57
		0.03	11.61

The notes on pages 11 to 29 form part of these condensed interim financial statements.

Condensed Interim Financial Statements

Consolidated Balance Sheet

	Note	At 30 June 2009 (unaudited) HK\$ million	At 30 June 2008 (restated) HK\$ million
Non-current assets			
Property, plant and equipment	12	1	4
Intangible operating rights	13	529	749
Other non-current assets		77	99
		607	852
Current assets			
Trade and other receivables	14	71	580
Amounts due from affiliates		–	82
Cash and cash equivalents	15	1,408	836
		1,479	1,498
Assets classified as held for sale	19	198	–
		1,677	1,498
Current liabilities			
Bank loans	16	50	11
Trade and other payables	17	50	72
Amounts due to affiliates	18	83	142
Current taxation		56	74
		239	299
Liabilities associated with assets classified as held for sale	19	51	–
		290	299
Net current assets		1,387	1,199
Total assets less current liabilities		1,994	2,051

Condensed Interim Financial Statements

Consolidated Balance Sheet (continued)

	Note	At 30 June 2009 (unaudited) HK\$ million	At 30 June 2008 (restated) HK\$ million
Non-current liabilities			
Bank loans	16	-	29
Deferred tax liabilities		17	14
		17	43
NET ASSETS		1,977	2,008
Capital and reserves	20		
Share capital		609	609
Reserves		962	985
Total equity attributable to equity shareholders of the Company		1,571	1,594
Minority interests		406	414
TOTAL EQUITY		1,977	2,008

The notes on pages 11 to 29 form part of these condensed interim financial statements.

Condensed Interim Financial Statements

Consolidated Statement of Changes in Equity

	Note	For the twelve months ended 30 June	
		2009 (unaudited) HK\$ million	2008 (restated) HK\$ million
Total equity at 1 July	20		
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/year recognised directly in equity			
Exchange difference on translation of accounts of subsidiaries outside Hong Kong		(4)	107
Transfer from equity			
Realisation of exchange reserve on disposal of subsidiaries		-	(14)
Profit for the period/year		183	35,478
Total recognised income and expenses for the period/year		179	35,571
Attributable to:			
- Equity shareholders of the Company		99	35,450
- Minority interests		80	121
		179	35,571
Dividends approved and paid during the period/year			
- Interim dividend for 2007/08	10(a)	-	(61)
- First interim dividend for 2008/09	10(a)	(61)	-
- Final dividend in respect of the previous financial year, approved and paid during the period/year	10(b)	(61)	(457)
		(122)	(518)
Distributions approved and paid during the period/year		-	(50,262)
Dividends paid to minority shareholders		(88)	(16)
Minority interests in relation to increase in shareholding in a subsidiary		-	(148)
Minority interests in relation to disposal of subsidiaries		-	(108)
Total equity at 30 June	20	1,977	2,008

The notes on pages 11 to 29 form part of these condensed interim financial statements.

Henderson Investment Limited

Condensed Interim Financial Statements

Condensed Consolidated Cash Flow Statement

	Note	For the twelve months ended 30 June	
		2009 (unaudited) HK\$ million	2008 (audited) HK\$ million
Net cash generated from/(used in) operating activities			
Decrease in toll income receivable from the Third Bridge JV	14	790	-
Other operating cash flows		(79)	(40)
		711	(40)
Net cash generated from investing activities			
Net proceeds from disposal of subsidiaries and associates		-	6,818
Payment for the acquisition of additional interest in associates		-	(601)
Payment for the acquisition of additional interest in subsidiaries		-	(145)
Net proceeds from disposal of disposal group		-	75
Dividend received		1	1
Interest received		16	61
Additions to intangible operating rights		(8)	-
Distribution from available-for-sale securities		-	8
Decrease in amounts due from investee companies		-	5
Decrease/(increase) in amounts due from affiliates		82	(16)
Decrease in amounts due from associates		-	2
Other investing cash flows		(1)	1
		90	6,209
Net cash used in financing activities			
Distributions paid to shareholders		-	(6,826)
Dividends paid to shareholders		(122)	(526)
Repayment to a fellow subsidiary		(13)	(1,637)
Repayment to minority shareholders		(33)	(32)
Dividends paid to minority shareholders		(88)	(16)
Proceeds from new bank loans		50	34
Repayment of bank loans		(11)	(23)
		(217)	(9,026)
Net increase/(decrease) in cash and cash equivalents		584	(2,857)
Cash and cash equivalents at 1 July	15	836	3,686
Effect of foreign exchange rate changes		-	7
Cash and cash equivalents at 30 June	15	1,420	836

The notes on pages 11 to 29 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 comprise Henderson Investment Limited (“the Company”) and its subsidiaries (together referred to as “the Group”).

Pursuant to a resolution of the Board of Directors (“the Board”) dated 19 March 2009, the Company’s financial year end date has been changed from 30 June to 31 December in order to align with that of the intermediate holding company, Henderson Land Development Company Limited (“HLD”). Accordingly, the current financial period will cover a period of eighteen months from 1 July 2008 to 31 December 2009. These condensed interim financial statements now presented cover a period of twelve months from 1 July 2008 to 30 June 2009. The comparative figures presented for the consolidated profit and loss account, consolidated statement of changes in equity and condensed consolidated cash flow statement and related notes cover the financial year from 1 July 2007 to 30 June 2008.

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 28 August 2009.

These condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s accounts for the year ended 30 June 2008 (“2008 annual accounts”), except for the adoption of HK(IFRIC) – Int 12 “Service concession arrangements” that are expected to be reflected in the Group’s accounts for the period ending 31 December 2009. 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 Group since the 2008 annual accounts. 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 is set out on page 40.

Notes to the Unaudited Condensed Interim Financial Statements

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 becomes 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.

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

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Balance sheet		
Increase in intangible operating rights	529	563
Decrease in property, plant and equipment	(563)	(599)
Decrease in retained profits	(34)	(36)
<hr/>		
	For the twelve months ended 30 June 2009 HK\$ million	2008 HK\$ million
Profit and loss account		
Increase in amortisation charge for the period/year	41	38
Decrease in depreciation charge for the period/year	(43)	(40)

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 accounting period ending 31 December 2009 and which have not been adopted in these condensed interim financial statements, is expected to be in the period of initial application. So far it has concluded that the adoption of revised HKAS 1 “Presentation of Financial Statements”, which is effective for accounting periods beginning on or after 1 January 2009, may result in new or amended disclosures in the accounts. In respect of other amendments, new standards and new interpretations, 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.

Notes to the Unaudited Condensed Interim Financial Statements

3 Disposal of a subsidiary

On 12 March 2009, Hong Kong Vigorous Limited (“Vigorous”), a 70%-owned subsidiary of the Company, entered into an agreement (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 which 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). At the date of authorisation for issue of these condensed interim financial statements, the transaction had yet to be completed.

At 30 June 2009, the assets and liabilities associated with the operations of Maanshan Highway JV, including the toll highway operating right, had been classified as held for sale. Further details are set out in note 19(a).

After the disposal, the Group’s principal activity will remain as infrastructure business in mainland China.

4 Discontinued operations

The Group’s discontinued operations for the year ended 30 June 2008 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 HLD.

The results of the discontinued operations for the year ended 30 June 2008 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 year ended 30 June 2008 and for the twelve months ended 30 June 2009 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\$299 million during the period (2008: HK\$272 million) and the segment results of which amounted to HK\$223 million during the period (2008 (restated): HK\$195 million).

Notes to the Unaudited Condensed Interim Financial Statements

6 Turnover

Turnover recognised during the period/year is analysed as follows:

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	HK\$ million
Continuing operations		
Toll fee income	299	272

7 Profit before taxation

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

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	(restated) HK\$ million
(a) Finance costs		
Bank loans and overdrafts	2	2
Other borrowings wholly repayable within five years	-	3
	2	5
(b) Other items		
Amortisation	49	49
Depreciation	1	1
Interest income	(16)	(59)

Notes to the Unaudited Condensed Interim Financial Statements

8 Income tax

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	HK\$ million
Continuing operations		
Current tax		
– mainland China	50	35
– under-provision in respect of prior years	7	1
Deferred taxation		
– origination and reversal of temporary differences	(4)	(2)
– withholding tax on undistributed profits	7	–
	60	34

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the period/year subject to Hong Kong Profits Tax.

Taxation for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

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 rates for the period from 1 January 2008 to 31 December 2008 and the six months ended 30 June 2009 were 18% and 20%, respectively.

In addition, dividend distribution out of the retained profits 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 twelve months ended 30 June 2009 was 5%.

Notes to the Unaudited Condensed Interim Financial Statements

9 Directors' remuneration

Directors' remuneration for the twelve months ended 30 June 2009 was as follows:

	For the twelve months ended 30 June 2009				
	Salaries, emoluments, other allowances and benefits		Retirement scheme contributions	Discretionary bonus	Total
	Fees HK\$'000	and benefits HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors					
Dr. the Hon. Lee Shau Kee	20	-	-	-	20
Lee Ka Kit	20	-	-	-	20
Colin Lam Ko Yin	20	-	-	-	20
Lee Ka Shing	20	-	-	-	20
Lee Tat Man	20	-	-	-	20
Suen Kwok Lam	20	-	-	-	20
Lee King Yue	20	-	-	-	20
Eddie Lau Yum Chuen	20	-	-	-	20
Li Ning	20	-	-	-	20
Patrick Kwok Ping Ho	20	-	-	-	20
Augustine Wong Ho Ming	20	-	-	-	20
Sit Pak Wing	20	-	-	-	20
Non-executive Directors					
Sir Po-shing Woo	20	-	-	-	20
Philip Yuen Pak Yiu	20	-	-	-	20
Leung Hay Man	20	180	-	-	200
Jackson Woo Ka Biu	-	-	-	-	-
Independent non-executive Directors					
Gordon Kwong Che Keung	20	180	-	-	200
Professor Ko Ping Keung	20	180	-	-	200
Wu King Cheong	20	180	-	-	200
Total	360	720	-	-	1,080

Notes to the Unaudited Condensed Interim Financial Statements

9 Directors' remuneration (continued)

Directors' remuneration for the twelve months ended 30 June 2009 was as follows: (continued)

	For the year ended 30 June 2008				
	Fees	Salaries, emoluments, other allowances and benefits	Retirement scheme contributions	Discretionary bonus	Total
Executive Directors					
Dr. the Hon. Lee Shau Kee	20	–	–	–	20
Lee Ka Kit	20	–	–	–	20
Colin Lam Ko Yin	20	–	–	–	20
Lee Ka Shing	20	–	–	–	20
Lee Tat Man	20	–	–	–	20
Suen Kwok Lam	20	–	–	–	20
Lee King Yue	20	–	–	–	20
Eddie Lau Yum Chuen	20	–	–	–	20
Li Ning	20	–	–	–	20
Patrick Kwok Ping Ho	20	–	–	–	20
Augustine Wong Ho Ming	20	–	–	–	20
Sit Pak Wing	20	–	–	–	20
Non-executive Directors					
Sir Po-shing Woo	20	–	–	–	20
Philip Yuen Pak Yiu	20	–	–	–	20
Leung Hay Man	20	180	–	–	200
Jackson Woo Ka Biu	–	–	–	–	–
Independent non-executive Directors					
Gordon Kwong Che Keung	20	180	–	–	200
Professor Ko Ping Keung	20	180	–	–	200
Wu King Cheong	20	180	–	–	200
Total	360	720	–	–	1,080

There was no arrangement under which a director had waived or agreed to waive any remuneration during the current and prior periods.

Notes to the Unaudited Condensed Interim Financial Statements

10 Dividends

- (a) Dividends payable to equity shareholders of the Company attributable to the period/year

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	HK\$ million
Interim dividend declared for 2007/08 of HK2 cents per share	-	61
First interim dividend declared for 2008/09 of HK2 cents per share	61	-
Second interim dividend declared for 2008/09 after the balance sheet date of HK2 cents per share	61	-
Distributions approved and paid during the period/year of HK\$Nil (2008: HK\$16.4938) per share	-	50,262
Final dividend proposed for 2007/08 after the balance sheet date of HK2 cents per share	-	61
	122	50,384

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 second interim dividend declared for 2008/09 and the final dividend proposed for 2007/08 after their respective balance sheet dates have not been recognised as liabilities at their respective balance sheet dates.

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

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	HK\$ million
Final dividend in respect of the previous financial year, approved and paid during the period/year, of HK2 cents (2008: HK15 cents) per share	61	457

Notes to the Unaudited Condensed Interim Financial Statements

11 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\$102 million (2008 (restated): HK\$127 million) and the weighted average number of ordinary shares of 3,047,327,395 (2008: 3,047,327,395) in issue during the period/year.

(b) From discontinued operations

The calculation of basic and diluted earnings per share for the year ended 30 June 2008 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 year.

12 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)
As restated	–	17	17
Additions	–	1	1
Transfer to assets classified as held for sale (note 19 (a))	–	(6)	(6)
At 30 June 2009	–	12	12

Notes to the Unaudited Condensed Interim Financial Statements

12 Property, plant and equipment (continued)

	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
Transfer to assets classified as held for sale (note 19 (a))	–	(3)	(3)
At 30 June 2009	–	11	11
Net book value			
At 30 June 2009	–	1	1
At 30 June 2008 (restated)	–	4	4

Notes to the Unaudited Condensed Interim Financial Statements

13 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	8	–	8
Transfer to assets classified as held for sale (note 19 (a))	–	(282)	(282)
At 30 June 2009	867	–	867

Notes to the Unaudited Condensed Interim Financial Statements

13 Intangible operating rights (continued)

	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	41	8	49
Transfer to assets classified as held for sale (note 19 (a))	–	(105)	(105)
At 30 June 2009	338	–	338
Net book value			
At 30 June 2009	529	–	529
At 30 June 2008 (restated)	563	186	749

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

Notes to the Unaudited Condensed Interim Financial Statements

14 Trade and other receivables

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Trade debtors	28	539
Deposits, prepayments and other receivables	6	9
Consideration receivable	37	32
	71	580

The carrying amount at 30 June 2009 excludes an amount of HK\$6 million which is attributable to Maanshan Highway JV and which amount is classified as held for sale (note 19 (a)).

The ageing analysis of trade debtors of the Group at 30 June 2009 was as follows:

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Current or less than 1 month overdue	24	21
1 to 3 months overdue	3	45
More than 3 months overdue but less than 6 months overdue	1	60
More than 6 months overdue	–	413
	28	539

The trade debtors at 30 June 2009 which amounted to RMB25 million (equivalent to HK\$28 million) (2008: RMB474 million, equivalent to HK\$539 million) represented the toll income receivable 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 twelve months ended 30 June 2009, amounts totalling RMB696 million (equivalent to HK\$790 million) were received by the Third Bridge JV from the Hangzhou Government Body resulting in the toll income receivable at 30 June 2008 having been fully recovered.

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

15 Cash and cash equivalents

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Deposits with banks	1,363	771
Cash at banks and in hand	45	65
Cash and cash equivalents in the consolidated balance sheet	1,408	836
Cash and cash equivalents attributable to Maanshan Highway JV and which amount is classified as held for sale (note 19 (a))	12	–
Cash and cash equivalents in the condensed consolidated cash flow statement	1,420	836

Included in the cash and cash equivalents at 30 June 2009 was a total sum being the equivalent of HK\$561 million (2008: HK\$69 million) which was maintained in mainland China and is subject to foreign exchange control regulations.

16 Bank loans

At 30 June 2009, bank loans were unsecured except for an amount of HK\$29 million grouped under “Liabilities associated with assets classified as held for sale” (2008: HK\$40 million grouped under “Bank loans”) which was secured by the Group’s toll highway operating right (see notes 19(a) and 13).

17 Trade and other payables

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Trade creditors	26	27
Accrued expenses and other payables	24	45
	50	72

The carrying amount at 30 June 2009 excludes an amount of HK\$10 million which is attributable to Maanshan Highway JV and which amount is grouped under liabilities associated with assets classified as held for sale (note 19 (a)).

Notes to the Unaudited Condensed Interim Financial Statements

17 Trade and other payables (continued)

The ageing analysis of trade creditors of the Group at 30 June 2009 was as follows:

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Due within 1 month or on demand	–	–
Due after 1 month but within 3 months	13	13
Due after 3 months but within 6 months	–	12
Due after 6 months	13	2
	26	27

18 Amounts due to affiliates

	At 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Amount due to a fellow subsidiary	3	16
Amounts due to minority shareholders	80	126
	83	142

The carrying amount at 30 June 2009 excludes an amount of HK\$10 million which is attributable to Maanshan Highway JV and which amount is grouped under liabilities associated with assets classified as held for sale (note 19 (a)).

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.

19 Disposal groups

(a) Disposal of interest in Maanshan Highway JV

As detailed in note 3, the Group had entered into an agreement to dispose of its interest in Maanshan Highway JV during the period. The results associated with the operations of Maanshan Highway JV for the period since it was classified as a disposal group are presented below:

	HK\$ million
Revenue	16
Expenses	(9)
Profit for the period	7

Notes to the Unaudited Condensed Interim Financial Statements

19 Disposal groups (continued)

(a) Disposal of interest in Maanshan Highway JV (continued)

At 30 June 2009, the major classes of assets and liabilities associated with the operations of Maanshan Highway JV are as follows:

	HK\$ million
Assets	
Property, plant and equipment (note 12)	3
Toll highway operating right (note 13)	177
Trade and other receivables (note 14)	6
Cash and cash equivalents (note 15)	12
	198
Liabilities	
Secured bank loans (note 16)	
– repayable within 1 year	(18)
– repayable after 1 year but within 2 years	(11)
	(29)
Trade and other payables (note 17)	(10)
Amount due to a minority shareholder (note 18)	(10)
Current taxation	(2)
	(51)
Net assets classified as held for sale	147

(b) Disposal of interests in Ningbo Subsidiaries

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 year ended 30 June 2008, the transaction was completed and the Group recorded a profit of HK\$5 million from the Ningbo Subsidiaries and a net gain on disposal of approximately HK\$21 million.

Notes to the Unaudited Condensed Interim Financial Statements

20 Capital and reserves

	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 10(b))	-	-	-	-	(457)	(457)	-	(457)
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	-	-	-	66	-	66	41	107
Realisation of exchange reserve on disposal of subsidiaries	-	-	-	(8)	-	(8)	(6)	(14)
Reduction of share premium	-	(4,216)	-	-	4,216	-	-	-
Profit for the year	-	-	-	-	35,392	35,392	86	35,478
Dividends declared in respect of the current year (note 10(a))								
- interim dividend	-	-	-	-	(61)	(61)	-	(61)
- distributions	-	-	-	-	(50,262)	(50,262)	-	(50,262)
Dividends paid to minority shareholders	-	-	-	-	-	-	(16)	(16)
Increase in shareholding in a subsidiary	-	-	-	-	-	-	(148)	(148)
Disposal of subsidiaries	-	-	-	-	-	-	(108)	(108)
At 30 June 2008	609	-	13	120	852	1,594	414	2,008

Notes to the Unaudited Condensed Interim Financial Statements

20 Capital and reserves (continued)

	Attributable to equity shareholders of the Company					Minority interests	Total equity (restated)
	Share capital	Capital reserve	Exchange reserve	Retained profits (restated)	Total (restated)		
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	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 10(b))	-	-	-	(61)	(61)	-	(61)
Exchange difference on translation of accounts of subsidiaries outside Hong Kong	-	-	(3)	-	(3)	(1)	(4)
Profit for the period	-	-	-	102	102	81	183
First interim dividend declared in respect of the current period (note 10(a))	-	-	-	(61)	(61)	-	(61)
Dividends paid to minority shareholders	-	-	-	-	-	(88)	(88)
At 30 June 2009	609	13	117	832	1,571	406	1,977

21 Capital commitments

At 30 June 2009, the Group did not have any capital commitment not provided for in these condensed interim financial statements (2008: HK\$Nil).

Notes to the Unaudited Condensed Interim Financial Statements

22 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/year:

(a) Transaction with a fellow subsidiary

	For the twelve months ended 30 June	
	2009	2008
	HK\$ million	HK\$ million
<i>Continuing operations</i>		
Interest expense	–	3

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group is set out in note 9. Certain of the directors received remuneration from the Company's intermediate holding company for services provided to the Group. 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.

23 Non-adjusting post balance sheet event

Subsequent to the balance sheet date, the directors declared a second interim dividend, further details of which are disclosed in note 10(a).

Henderson Investment Limited

Financial Review

The following discussions should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the twelve months ended 30 June 2009.

Material acquisitions and disposals

On 12 March 2009, Hong Kong Vigorous Limited ("Vigorous"), a 70%-owned subsidiary of the Company, entered into an agreement (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 which 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). At 30 June 2009, the transaction had yet to be completed and the assets and liabilities associated with the operations of Maanshan Highway JV had been classified as held for sale. Further details are set out in note 3 and note 19(a) to the Company's unaudited condensed consolidated interim financial statements for the twelve months ended 30 June 2009.

Save as disclosed above, the Group did not undertake any significant acquisition or other significant disposal of subsidiaries or assets during the twelve months ended 30 June 2009.

Results of operations

The Group's operations comprise the infrastructure business in mainland China, being the operating right of a toll bridge in Hangzhou, Zhejiang Province and the operating right of a toll highway in Maanshan, Anhui Province. Turnover for the twelve months ended 30 June 2009 amounted to HK\$299 million (2008: HK\$272 million), representing an increase of HK\$27 million, or 10%, over that for the financial year ended 30 June 2008. The increase was primarily driven by the increase in traffic volume of the toll bridge and in exchange gain upon conversion of Renminbi to Hong Kong dollars during the period when compared with the financial year ended 30 June 2008.

Profit attributable to equity shareholders for the twelve months ended 30 June 2009 amounted to HK\$102 million (2008 (restated): HK\$35,392 million), representing a decrease of HK\$35,290 million from that for the financial year ended 30 June 2008. Such a decrease was due to the fact that the profit attributable to equity shareholders (restated) of HK\$35,392 million for the financial year ended 30 June 2008 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 financial year ended 30 June 2008; 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 financial year ended 30 June 2008, the profit attributable to equity shareholders for the financial year ended 30 June 2008 amounted to HK\$127 million. The profit attributable to equity shareholders of HK\$102 million for the twelve months ended 30 June 2009 represented a decrease of HK\$25 million, or 20%, from the financial year ended 30 June 2008. 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 reasons that the Group maintained a lower average cash balance during the period when compared with the financial year ended 30 June 2008 subsequent to the Group's cash distribution to equity shareholders of HK\$3,687 million (or HK\$1.21 per share) in January 2008 out of the proceeds from the Transaction, and that the average bank deposit interest rates were lower during the period when compared with those for the financial year ended 30 June 2008.

Financial resources, liquidity and loan maturity profile

At 30 June 2009, the aggregate amount of the Group's bank borrowings was HK\$79 million (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 30 June 2009 HK\$ million	At 30 June 2008 HK\$ million
Cash and bank balances	1,420	836
Less: Bank borrowings repayable		
– Within 1 year	68	11
– After 1 year but within 2 years	11	18
– After 2 years but within 5 years	–	11
Total bank borrowings	79	40
Net cash and bank balances	1,341	796
Gearing ratio	Nil	Nil

Finance costs for the twelve months ended 30 June 2009 amounted to HK\$2 million (2008: HK\$5 million) which were immaterial to the Group's operations.

Based on the Group's net cash and bank balances of HK\$1,341 million at 30 June 2009, 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 instruments 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 exposures to interest rates or foreign exchange rates at 30 June 2009.

Henderson Investment Limited

Charge on assets

Assets of the Group were not charged to any third parties at 30 June 2009, 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 30 June 2009, the outstanding balance of the Group's secured bank loans was HK\$29 million (2008: HK\$40 million).

Capital commitments

At 30 June 2009, the Group did not have any capital commitments (2008: Nil).

Contingent liabilities

At 30 June 2009, the Group did not have any contingent liabilities (2008: Nil).

Employees and remuneration policy

At 30 June 2009, the Group had approximately 200 (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 continuing and discontinued operations for the twelve months ended 30 June 2009 amounted to HK\$10 million (2008: HK\$13 million).

Other Information

Review of Second Interim Results

The second unaudited interim results for the twelve months ended 30 June 2009 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 40.

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 August 2009 and reviewed the systems of internal control and compliance and the second interim report for the twelve months ended 30 June 2009.

Code on Corporate Governance Practices

During the twelve months ended 30 June 2009, 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 Chau 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.

Henderson Investment Limited

Changes in the Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors of the Company required to be disclosed are shown as follows:

Mr. Lee Ka Kit was appointed a Justice of Peace by The Government of the Hong Kong Special Administrative Region on 1 July 2009. In addition, Mr. Gordon Kwong Che Keung ceased to be a director of Ping An Insurance (Group) Company of China, Ltd., a company listed on The Stock Exchange of Hong Kong Limited, on 3 June 2009.

Changes in the amount of the Directors' remuneration are set out in note 9 to the unaudited condensed consolidated interim financial statements on pages 16 and 17.

By Order of the Board

Timon LIU Cheung Yuen

Company Secretary

Hong Kong, 28 August 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 Bui (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 30 June 2009, 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		1,149,305,866		1,156,574,872	53.88
	Lee Ka Kit	4				1,149,305,866	1,149,305,866	53.54
	Lee Ka Shing	4				1,149,305,866	1,149,305,866	53.54
	Li Ning	4		1,149,305,866			1,149,305,866	53.54
	Lee Tat Man	5		111,393			111,393	0.01
	Lee King Yue	6		252,263		19,800	272,063	0.01
	Woo Ka Biu, Jackson	7			2,000		2,000	0.00

Henderson Investment Limited

Ordinary Shares (unless otherwise specified) (continued)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Development Limited	Lee Shau Kee	8			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Lee Shau Kee	9			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Lee Shau 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) (continued)**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 twelve months ended 30 June 2009 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.

Henderson Investment Limited

Substantial Shareholders' and Others' Interests

As at 30 June 2009, 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:

Long Positions

	No. of shares in which interested	%Interest
Substantial Shareholders:		
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:		
Gainwise Investment Limited (Note 1)	217,250,000	7.13

Notes:

- Of these shares, Dr. Lee Chau 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 Darman 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 53.47% 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 Chau Kee. Dr. Lee Chau 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.
- Of these shares, Dr. Lee Chau Kee was the beneficial owner of 7,269,006 shares and for the remaining 1,149,305,866 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.; 247,239,300 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 39.68% held by HL which in turn was 53.47% held by HD; and (v) 1,366,066 shares were owned by Fu Sang. Dr. Lee Chau 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.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

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

Introduction

We have reviewed the interim financial information set out on pages 5 to 29, which comprises the consolidated balance sheet of Henderson Investment Limited (the “Company”) as at 30 June 2009 and the related consolidated profit and loss account and consolidated statement of changes in equity and condensed consolidated cash flow statement for the twelve 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 information 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 this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information 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 information 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 information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 28 August 2009



This Interim Report is printed on environmentally friendly paper
本中期報告以環保紙張印刷



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