HENDERSON INVESTMENT LIMITED
Incorporated in Hong Kong with limited liability
(Stock Code : 97)

2008/2009 FINAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of your Board, I am pleased to present my report on the operations of the Group for the eighteen months ended 31 December 2009. This report covers a period of eighteen months from 1 July 2008 to 31 December 2009 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.

Disposal of Interest in a Toll Road

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 ("Maanshan Highway JV", being the joint venture engaged in the operation of Maanshan City Ring Road) in relation to the sale by that subsidiary of its entire 70% equity interest in Maanshan Highway JV to the joint venture partner for a consideration of RMB122 million (equivalent to HK$139 million).

The transaction was completed on 26 February 2010, resulting in a net gain on disposal attributable to equity Shareholders of approximately HK$26 million which will be recognised in the Group's accounts for the financial year ending 31 December 2010.

Profit and Net Assets Attributable to Shareholders

The Group profit attributable to equity Shareholders for the eighteen months ended 31 December 2009 amounted to HK$156 million compared to HK$35,392 million (restated) for the financial year ended 30 June 2008. Earnings per share for the eighteen months ended 31 December 2009 were HK$0.05 (Financial year 2008: HK$11.61).

The significant decrease in profit was mainly attributable to a one-off gain of HK$35,265 million from the divestment of the Group's 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 profit attributable to equity Shareholders for the financial year ended 30 June 2008 amounted to HK$127 million (restated). The Group profit attributable to equity Shareholders of HK$156 million for the eighteen months ended 31 December 2009 represented an increase of HK$29 million or 23% as compared with that of HK$127 million (restated) for the financial year ended 30 June 2008, reflecting the effect of an extended accounting period currently being reported on when compared with the previous period of twelve months ended 30 June 2008, and the increased profit contribution from the infrastructure business during the extended reporting period compared with the financial year ended 30 June 2008.

At 31 December 2009, the net asset value attributable to equity Shareholders amounted to approximately HK$1,564 million or HK$0.51 per share.

Dividends

Your Board recommends the payment of a final dividend of HK$0.02 per share to Shareholders whose names appear on the Register of Members of the Company on 1 June 2010, and such final dividend will not be subject to any withholding tax in Hong Kong. Including the first interim dividend and the second interim dividend each of HK$0.02 per share already paid, the total dividends for the eighteen months ended 31 December 2009 will be HK$0.06 (Financial year 2008: HK$0.04 per share). Final dividend will be distributed to Shareholders on 2 June 2010.

Business Review

After divesting the 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.

In spite of the relatively weak global economy, the Group's operations remained stable during the eighteen months ended 31 December 2009, during which the Group posted a turnover of HK$441 million compared to HK$272 million for the previous period of twelve months ended 30 June 2008. The increase in turnover was primarily attributable to the extended accounting period of eighteen months currently being reported on when compared with the previous period of twelve months ended 30 June 2008, the growth of traffic volume of the toll bridge in Hangzhou and the increase in 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. Toll revenue generated from Maanshan City Ring Road during the period from 1 July 2008 to 31 March 2009 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 consolidated profit and loss account for the eighteen months ended 31 December 2009. The breakdown of the Group's turnover is shown below:

HK$ million	Toll Revenue		Change
	For the eighteen months ended 31 December 2009	For the financial year ended 30 June 2008	
Hangzhou Qianjiang Third Bridge	**398**	216	+84%
Maanshan City Ring Road	**43^**	56	-23%
Total	**441**	272	+62%

^Only the toll revenue from 1 July 2008 to 31 March 2009 was included as turnover.

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

Prospects

Thanks to skilful management of the economy by the Central Government, mainland China has been less affected by the global financial crisis and is expected to keep its growth momentum in 2010 despite fine-tuning of its moderately loose monetary policy. Against this backdrop, the Group believes that the performance of Hangzhou Qianjiang Third Bridge, its core asset, would remain steady in the current financial year.

Appreciation

I would like to take this opportunity to thank my fellow directors for their wise counsel and support, and to thank the management and staff at all levels for their dedication, hard work and contributions in the past financial year.

Lee Shau Kee
Chairman

Hong Kong, 30 March 2010

BUSINESS RESULTS

Consolidated Profit and Loss Account
for the period from 1 July 2008 to 31 December 2009

	Note	**Period from 1 July 2008 to 31 December 2009**	Year ended 30 June 2008 (restated)
		HK$ million	HK$ million
Continuing operations:			
Turnover	3	**441**	272
Direct costs		**(90)**	(70)
		351	202
Other income/other gains		**36**	72
Administrative expenses		**(30)**	(48)
Profit for the period of disposal group	12	**29**	5
Net gain on disposal of disposal group		**-**	21
Profit from operations		**386**	252
Finance costs	4(a)	**(2)**	(5)
Profit before taxation	4	**384**	247
Income tax	5	**(96)**	(34)
Profit for the period/year from continuing operations		**288**	213
Discontinued operations:			
Profit for the year from discontinued operations	6	**-**	35,265
Profit for the period/year		**288**	35,478
Attributable to:			
Equity shareholders of the Company			
- Continuing operations		**156**	127
- Discontinued operations	6	**-**	35,265
		156	35,392
Minority interests			
- Continuing operations		**132**	86
- Discontinued operations		**-**	-
		132	86
Profit for the period/year		**288**	35,478

Consolidated Profit and Loss Account
for the period from 1 July 2008 to 31 December 2009 (continued)

	Note	**Period from 1 July 2008 to 31 December 2009**	Year ended 30 June 2008 (restated)
		HK$ million	HK$ million
Dividends payable to equity shareholders of the Company attributable to the period/year	8(a)		
Interim dividends declared during the period/year		**122**	61
Distributions approved and paid during the period/year		**-**	50,262
Final dividend proposed after the balance sheet		**61**	61
		183	50,384
		HK$	HK$
Earnings per share – basic and diluted	9		
From continuing operations		**0.05**	0.04
From discontinued operations		**-**	11.57
		0.05	11.61

Consolidated Balance Sheet at 31 December 2009

	Note	At 31 December 2009 HK$ million	At 30 June 2008 (restated) HK$ million
Non-current assets			
Property, plant and equipment		**1**	4
Intangible operating rights		**508**	749
Other non-current assets		**66**	99
		575	852
Current assets			
Trade and other receivables	10	**100**	580
Amounts due from affiliates		**137**	82
Cash and cash equivalents		**1,272**	836
		1,509	1,498
Assets classified as held for sale	12	**199**	-
		1,708	1,498
Current liabilities			
Bank loans		**-**	11
Trade and other payables	11	**53**	72
Amounts due to affiliates		**199**	142
Current taxation		**27**	74
		279	299
Liabilities associated with assets classified as held for sale	12	**39**	-
		318	299
Net current assets		**1,390**	1,199
Total assets less current liabilities		**1,965**	2,051
Non-current liabilities			
Bank loans		**-**	29
Deferred tax liabilities		**25**	14
		25	43
NET ASSETS		**1,940**	2,008

Consolidated Balance Sheet at 31 December 2009 (continued)

	Note	**At 31 December 2009**	At 30 June 2008 (restated)
		HK$ million	HK$ million
CAPITAL AND RESERVES			
Share capital		**609**	609
Reserves		**955**	985
Total equity attributable to equity shareholders of the Company		**1,564**	1,594
Minority interests		**376**	414
TOTAL EQUITY		**1,940**	2,008

Notes:

1 Basis of preparation

The final results set out in this announcement do not constitute the Group's statutory accounts for the period from 1 July 2008 to 31 December 2009 but are extracted from those accounts.

The statutory accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the accounts is the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

Pursuant to a resolution of the Board of Directors 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"). The consolidated accounts for the period cover eighteen months from 1 July 2008 to 31 December 2009. Accordingly, the comparative figures (which cover a period of twelve months from 1 July 2007 to 30 June 2008) for the consolidated profit and loss account and related notes now presented are not comparable with those of the current period.

The HKICPA has issued a number of new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these accounts for the periods presented as a result of these developments, except for the adoption of HK(IFRIC) – Int 12 "Service concession arrangements". Further details are set out in note 2.

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standards and new interpretations which are not yet effective for the eighteen months ended 31 December 2009 and which have not been adopted in these accounts.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations 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 and financial position.

2 Changes in 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. In prior years, the Group accounted for its toll bridge under public-to-private service concession arrangement as property, plant and equipment. 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 31 December 2009 HK$ million	At 30 June 2008 HK$ million
Balance sheet		
Increase in intangible operating rights	**508**	563
Decrease in property, plant and equipment	**(541)**	(599)
Decrease in retained profits	**(33)**	(36)

	Period from 1 July 2008 to 31 December 2009 HK$ million	Year ended 30 June 2008 HK$ million
Profit and loss account		
Increase in amortisation charge for the period/year	**61**	38
Decrease in depreciation charge for the period/year	**(64)**	(40)

3 Turnover

Turnover represents toll fee income, net of business tax, from infrastructure business in mainland China.

4 Profit before taxation

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

		Period from 1 July 2008 to 31 December 2009	Year ended 30 June 2008 (restated)
		HK$ million	HK$ million
(a)	**Finance costs:**		
	Bank loans and overdrafts	**2**	2
	Other borrowings wholly repayable within five years	**-**	3
		2	5
(b)	**Directors' remuneration:**		
	For the six months from 1 July 2008 to 31 December 2008	**1**	-
	For the twelve months from 1 January 2009 to 31 December 2009	**1**	-
	For the year ended 30 June 2008	**-**	1
		2	1
(c)	**Staff costs (other than directors' remuneration):**		
	Salaries, wages and other benefits	**15**	12
(d)	**Other items:**		
	Amortisation of intangible operating rights	**69**	49
	Depreciation	**1**	1
	Auditors' remuneration - audit service	**1**	1
	Interest income	**(26)**	(59)
	Dividend income from unlisted investments	**(1)**	(1)

5 Income tax

Income tax in the consolidated profit and loss account represents:

	Period from 1 July 2008 to 31 December 2009 HK$ million	Year ended 30 June 2008 HK$ million
Continuing operations		
Current tax		
- mainland China	**78**	35
- under-provision in respect of prior years	**7**	1
Deferred taxation		
- origination and reversal of temporary differences	**(1)**	(2)
- effect of change in tax rate	**7**	-
- withholding tax on undistributed profits	**5**	-
	96	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 applicable to its operations in mainland China is gradually accelerated to a 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 July 2007 to 31 December 2007, the year 2008 and the year 2009 were 15%, 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 10% unless reduced by treaty. Under the tax treaty between Hong Kong and mainland China, the withholding tax rate applicable to the Group for the current period and the prior year is 5%.

6 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 profit of associate to the date of disposal	1,484
Net gain on disposal of the Group's two wholly-owned subsidiaries holding the Group's interest in HKCG	33,781
	35,265

7 Segmental information

No segmental information for the year ended 30 June 2008 and the period from 1 July 2008 to 31 December 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$441 million during the period (Year ended 30 June 2008: HK$272 million) and the segment results of which amounted to HK$335 million during the period (Year ended 30 June 2008 (restated): HK$195 million).

8 Dividends

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

	Period from 1 July 2008 to 31 December 2009 HK$ million	Year ended 30 June 2008 HK$ million
Interim dividend declared for 2007/08 of HK2 cents per share	**-**	61
Distributions approved and paid during 2007/08 of HK$16.4938 per share	**-**	50,262
First interim dividend declared for 2008/09 of HK2 cents per share	**61**	-
Second interim dividend declared for 2008/09 of HK2 cents per share	**61**	-
Final dividend proposed after the balance sheet date of HK2 cents (2007/08: HK2 cents) per share	**61**	61
	183	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 interest in HKCG as detailed in note 6 (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 final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

8 Dividends (continued)

(b) Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the period/year

	Period from 1 July 2008 to 31 December 2009 HK$ million	Year ended 30 June 2008 HK$ million
Final dividend in respect of the previous financial year, approved and paid during the period/year, of HK2 cents (2007/08: HK15 cents) per share	**61**	457

9 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$156 million (Year ended 30 June 2008 (restated): HK$127 million) and the weighted average number of ordinary shares of 3,047,327,395 (Year ended 30 June 2008: 3,047,327,395) in issue during the period.

(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.

10 Trade and other receivables

	At 31 December 2009 HK$ million	At 30 June 2008 HK$ million
Trade debtors	**37**	539
Deposits, prepayments and other receivables	**12**	9
Consideration receivable	**51**	32
	100	580

The ageing analysis of trade debtors of the Group at the balance sheet date is as follows:

	At 31 December 2009 HK$ million	At 30 June 2008 HK$ million
Current or less than 1 month overdue	**28**	21
1 to 3 months overdue	**3**	45
More than 3 months overdue but less than 6 months overdue	**2**	60
More than 6 months overdue	**4**	413
	37	539

The trade debtors at 31 December 2009 which amounted to RMB33 million (equivalent to HK$37 million) (30 June 2008: RMB474 million or equivalent to HK$539 million) represent 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 is 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 Group and the Hangzhou Government Body. During the period, amounts totalling RMB811 million (equivalent to HK$920 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.

Included in the trade debtors of HK$37 million above and the consideration receivable of HK$51 million above were an amount of RMB9 million (equivalent to HK$10 million) and an amount of RMB25 million (equivalent to HK$29 million), respectively, which related to amounts overdue since 1 January 2009 but were not impaired. Based on past experience, management considers that no impairment allowance is necessary as there has not been a significant change in credit quality and such amounts are considered to be fully recoverable.

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. Ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise exposure to credit risk. Adequate impairment losses have been made for the estimated irrecoverable amounts.

11 Trade and other payables

	At 31 December 2009 HK$ million	At 30 June 2008 HK$ million
Trade creditors	**8**	27
Accrued expenses and other payables	**45**	45
	53	72

The ageing analysis of trade creditors of the Group at the balance sheet date is as follows:

	At 31 December 2009 HK$ million	At 30 June 2008 HK$ million
Due within 1 month or on demand	**1**	-
Due after 1 month but within 3 months	**5**	13
Due after 3 months but within 6 months	**-**	12
Due after 6 months	**2**	2
	8	27

12 Disposal group

Disposal of Maanshan Huan Tong Highway Development Limited

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 cash consideration of RMB122 million (equivalent to HK$139 million). At 31 December 2009, the transaction had yet to be completed.

At 31 December 2009, the assets and liabilities associated with the operations of Maanshan Highway JV, including the toll highway operating right (included under "intangible operating rights"), have been classified as held for sale.

On 26 February 2010, the transaction was completed. A net gain on disposal attributable to equity Shareholders of approximately HK$26 million will be recognised in the Group's accounts for the year ending 31 December 2010.

13 Comparative figures

As a result of adopting HK(IFRIC)-Int 12 "Service concession arrangements", certain comparative figures have been restated. Details of the adoption of this new accounting policy are set out in note 2.

14 Review of results

The financial results for the period from 1 July 2008 to 31 December 2009 have been reviewed with no disagreement by the Audit Committee of the Company.

The figures in respect of the preliminary announcement of the Group's results for the period from 1 July 2008 to 31 December 2009 have been agreed by the Company's auditor, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft consolidated accounts for the period. The work performed by PricewaterhouseCoopers Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

FINANCIAL REVIEW

The following discussions should be read in conjunction with the Company's audited consolidated financial statements for the eighteen months ended 31 December 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$139 million). At 31 December 2009, the transaction had yet to be completed and the assets and liabilities associated with the operations of Maanshan Highway JV were classified as held for sale.

On 26 February 2010, the transaction was completed. A net gain on disposal attributable to equity Shareholders of approximately HK$26 million will be recognised in the Group's accounts for the year ending 31 December 2010.

Save as disclosed above, the Group did not undertake any significant acquisition or other significant disposal of subsidiaries or assets during the eighteen months ended 31 December 2009.

Results of operations

The Group's operations comprised 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 eighteen months ended 31 December 2009 amounted to HK$441 million (Year ended 30 June 2008: HK$272 million), representing an increase of HK$169 million, or 62%, over that for the financial year ended 30 June 2008. This was mainly attributable to (i) an extended accounting period of eighteen months currently being reported on when compared with the previous period of twelve months for the year ended 30 June 2008; (ii) the increase in traffic volume of the toll bridge in Hangzhou during the period when compared with the financial year ended 30 June 2008; and (iii) the exchange gain upon conversion of Renminbi ("RMB") to Hong Kong dollars during the period when compared with the financial year ended 30 June 2008.

Profit attributable to equity Shareholders for the eighteen months ended 31 December 2009 amounted to HK$156 million (2008 (restated) : HK$35,392 million), representing a decrease of HK$35,236 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 (as 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 (restated). The profit attributable to equity Shareholders of HK$156 million for the eighteen months ended 31 December 2009 represented an increase of HK$29 million, or 23%, over that for the financial year ended 30 June 2008 for the reasons of (i) an extended accounting period of eighteen months currently being reported on when compared with the previous period of twelve months for the year ended 30 June 2008; and (ii) increased profit contribution from the Group's infrastructure business during an extended reporting period compared with the financial year ended 30 June 2008.

Financial resources, liquidity and loan maturity profile

At 31 December 2009, the aggregate amount of the Group's bank borrowings was HK$22 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 2009 **HK$ million**	*At 30 June 2008* HK$ million
Cash and bank balances	**1,278**	836
Less: Bank borrowings repayable		
- Within 1 year	**11**	11
- After 1 year but within 2 years	**11**	18
- After 2 years but within 5 years	**-**	11
Total bank borrowings	**22**	40
Net cash and bank balances	**1,256**	796
Gearing ratio	**Nil**	Nil

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

Based on the Group's net cash and bank balances of HK$1,256 million at 31 December 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. At 31 December 2009, the Group had no bank borrowings other than a Renminbi-denominated secured bank loan in relation to Maanshan Highway JV, which amount was classified as a liability associated with assets classified as held for sale in the Company's audited consolidated financial statements for the eighteen months ended 31 December 2009. 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 31 December 2009.

Charge on assets

Assets of the Group were not charged to any third parties at 31 December 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 31 December 2009, the outstanding balance of the Group's secured bank loans was HK$22 million (30 June 2008: HK$40 million).

Capital commitments

At 31 December 2009, the Group did not have any capital commitments (30 June 2008: Nil).

Contingent liabilities

At 31 December 2009, the Group did not have any contingent liabilities (30 June 2008: Nil).

Employees and remuneration policy

At 31 December 2009, the Group had approximately 130 (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 continuing and discontinued operations for the period amounted to HK$17 million (Year ended 30 June 2008: HK$13 million), which comprised staff costs (other than directors' remuneration) for the period of HK$15 million (Year ended 30 June 2008: HK$12 million) and directors' remuneration for the period of HK$2 million (Year ended 30 June 2008: HK$1 million).

OTHER INFORMATION

Closing of Register of Members

The Register of Members of the Company will be closed from Tuesday, 25 May 2010 to Tuesday, 1 June 2010, both days inclusive, during which period no requests for the transfer of shares will be accepted. In order to qualify for the proposed final 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 Monday, 24 May 2010.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the eighteen months ended 31 December 2009.

Audit Committee

The Audit Committee met in March 2010 and reviewed the systems of internal control and compliance and the annual report for the eighteen months ended 31 December 2009.

Corporate Governance

During the eighteen months ended 31 December 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 under 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.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 30 March 2010

As at the date of this announcement, 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.