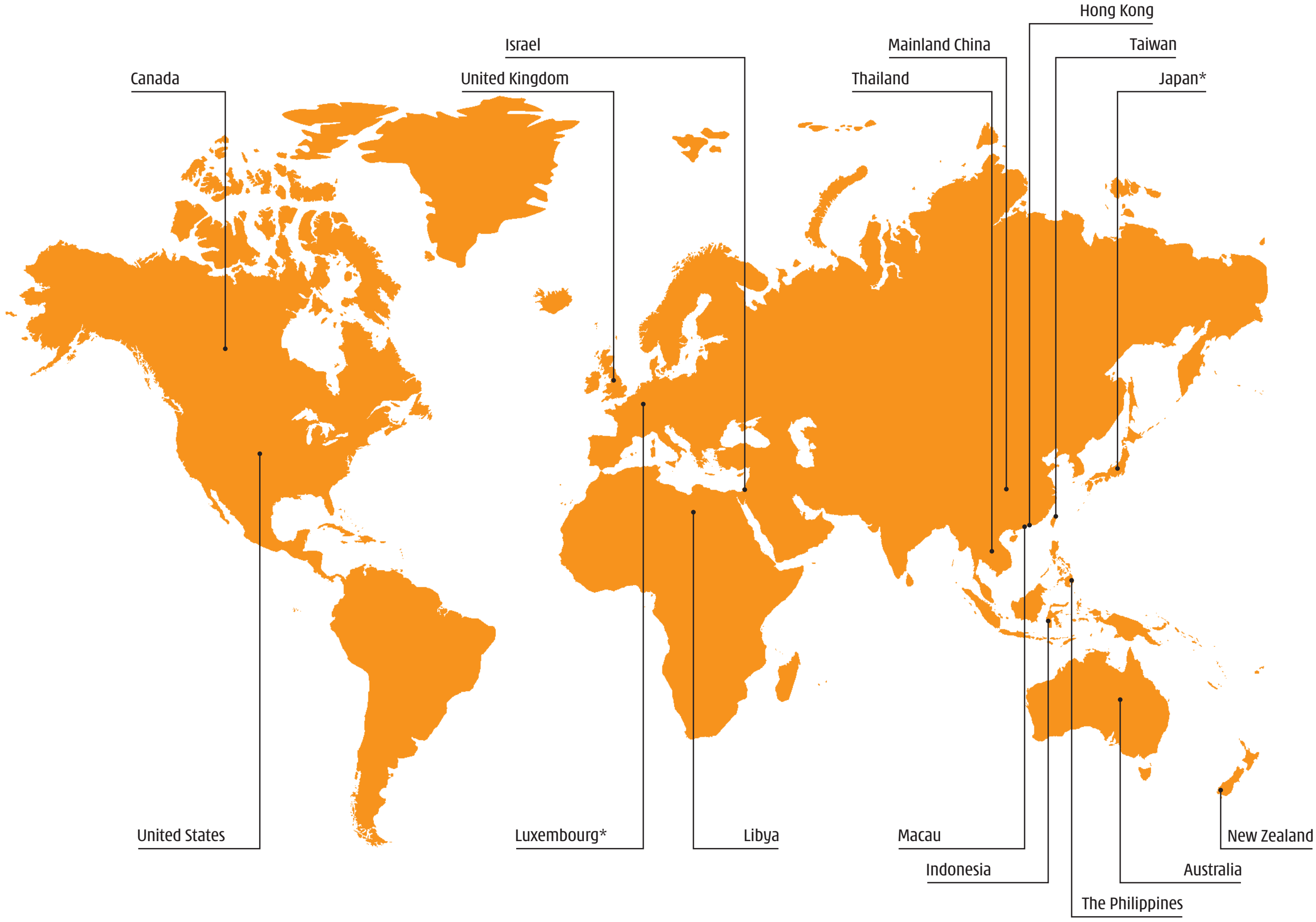
Energy and Infrastructure
Finance and Investments
Other Operations

The energy and infrastructure division includes the Group's 84.58% interest in Cheung Kong Infrastructure ("CKI"), a leading investor in the infrastructure sectors in Hong Kong, the Mainland, Australia, New Zealand, the UK, Canada and the Philippines, and the Group's 34.57% interest in Husky Energy Inc. ("Husky"), one of Canada's largest integrated energy and energy related companies. Also reported in this division are the results from the finance and investments treasury operations and certain other businesses.

- Total combined revenue for the energy and infrastructure division increased 46% to HK$83,218 million.
- CKI recorded a turnover of HK$7,486 million, 27% above last year.
- Husky announced sales and operating revenue of C$24,701 million, 59% above last year.



* Finance & Investments and others

Operations Review – Energy and Infrastructure

Total combined revenue for the energy and infrastructure division for 2008 totalled HK$83,218 million, 46% higher than 2007, mainly due to the increase in the Group's share of revenue from Husky. EBIT totalled HK$20,720 million, a 16% increase.

	2008 HK$ millions	2007 HK$ millions	**Change**
Total Revenue	**83,218**	57,032	**+46%**
EBIT	**20,720**	17,876	**+16%**

Cheung Kong Infrastructure

CKI is one of the largest publicly listed infrastructure companies in Hong Kong with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure and infrastructure related business. Operating in Hong Kong, the Mainland, Australia, New Zealand, the UK, Canada and the Philippines, it is a leading player in the global infrastructure arena.

CKI announced its group turnover and its share of jointly controlled entities' turnover of HK$7,486 million, 27% above last year. Profit attributable to shareholders was HK$4,423 million, 7% lower than last year's profit of HK$4,772 million. CKI's financial results were negatively impacted by a loss arising from currency fluctuations of HK$631 million, a substantial part of which were unrealised mark-to-market adjustments arising from a 30-year Japanese Yen borrowing and foreign currency deposits. CKI, after adjusting for the Group's asset valuation consolidation adjustments, contributed 7% and 13% respectively to the total revenue and EBIT of the Group's established businesses.

- CKI and HEH jointly own a 51% stake in ETSA Utilities, the primary electricity distributor for the state of South Australia. ETSA Utilities is engaged in the safe and reliable delivery of electricity to more than 800,000 residential and business customers throughout the state.

Unit 9, HK Electric's first gas-fired combined cycle generating unit, accounts for approximately 17% of the electricity generated from Lamma Power Station in 2008.

CKI holds a 38.87% interest in Hong Kong Electric Holdings ("HEH"), which is the largest contributor to CKI's results. HEH, which is also listed on The Stock Exchange of Hong Kong, is the sole provider of electricity to Hong Kong Island and Lamma Island through its wholly-owned subsidiary, The Hongkong Electric Co, Ltd ("HEC"). HEH announced a profit attributable to shareholders for 2008 of HK$8,029 million, an increase of 8% compared to the HK$7,448 million reported for 2007.

In January, HEC announced that it has entered into a new Scheme of Control Agreement ("SCA") with the Hong Kong SAR Government effective from 1 January 2009. The term of the SCA is set for 10 years to the end of December 2018 with an option for the Government to extend the agreement for another five years to the end of December 2023. Under the new SCA, HEC is entitled to a permitted rate of return of 9.99% on average net fixed assets excluding those on renewable energy fixed assets, which have a permitted return of 11%. HEC's emission reduction programme at the Lamma Power Station progressed well during 2008. Flue gas desulphurisation ("FGD") retrofit work continued at units 2, 4 and 5 at the Lamma Power Station. By the end of 2010, it is expected that over 95% of electricity generated at the Lamma Power Station will be generated by gas and coal fired units fitted with FGD's and low nitrogen oxide burners resulting in lower emission levels. HEH's international investments performed well in 2008. During the year, HEH increased its interest in Northern Gas Networks from 19.9% to 35.1%.

In the first half of 2008, CKI announced its first investment in New Zealand through the acquisition of the Wellington Electricity Distribution Network ("WEDN"). A 50% stake of this investment was divested to HEH. WEDN supplies electricity to the city of Wellington, the capital of New Zealand, and extends to the Porirua and Hutt Valley regions of New Zealand. WEDN has generated profit returns to CKI since it was acquired in July 2008.

CKI's other businesses have all delivered satisfactory performances in 2008. CKI's investments in ESTA Utilities and CHEDHA Holdings in Australia continued to deliver good operating results.

Operations Review – Energy and Infrastructure

On 5 February 2009, CKI announced that it has entered into an agreement to procure the sale of the entire issued share capital of Outram Limited ("Outram"), a wholly-owned subsidiary of CKI, to HEH or a wholly-owned subsidiary of HEH, for a consideration of HK$5,680 million. Outram holds a 45% equity interest in each of the joint ventures in the Mainland which own and operate three power plants, namely Zhuhai Power Plant in Zhuhai City, the neighbouring Jinwan Phase 1 Power Plant and Siping Cogen Power Plants in the Jilin Province. As the result of the transaction, it is expected that a realised gain of approximately HK$1,348 million will be recorded in CKI's consolidated interim income statement, which is arrived at with reference to the proceeds and the estimated net book value at the date of completion with adjustment for unrealised gain because of its 38.87% equity interest in HEH. After asset valuation consolidation adjustments, the gain will amount to approximately HK$880 million in the Group's consolidated interim results.

- Commissioned in two phases in March and June 2008 is HEH's investment in Thailand - Ratchaburi power plant.

Husky Energy

The Group has a 34.57% interest in Husky, a listed Canadian based international integrated energy and energy-related company. Husky announced sales and operating revenue in 2008 of C$24,701 million, 59% above last year, and net earnings of C$3,754 million, 17% above last year. Increased revenues are the result of higher average commodity prices and the addition of refineries at Lima and Toledo, Ohio and the Minnedosa, Manitoba ethanol plant. Net earnings increases reflect higher average commodity prices in 2008 which more than offset lower production and US refining and marketing losses. Cashflow from operations in 2008 was C$5,970 million, a 10% increase from last year. A total dividend of C$1.73 per share

- Husky's Lima Refinery, located in the state of Ohio in the US.

Husky's Lloydminster Upgrader, located in the Canadian province of Saskatchewan.

was declared in 2008. During the year, cash received by the Group from dividends from Husky amounted to HK$3,294 million. Husky contributed 22% and 24% respectively to the total revenue and EBIT of the Group's established businesses.

In 2008, Husky's gross production volume averaged approximately 355,900 BOEs per day compared to 376,600 BOEs per day during 2007, a 5% decrease. This reflects the severe ice pack and iceberg winter conditions which delayed drilling and temporarily suspended production off the East Coast of Canada.

In the White Rose satellite developments off Canada's East Coast, engineering and sub-sea system work progressed well. Results from the drilling of delineation wells at North Amethyst and West White Rose confirmed Husky's estimate of 210 million barrels of proved plus probable plus possible reserves (28 million barrels proved, 62 million barrels probable and 120 million barrels possible) in these two fields. Reserve estimates are as at 31 December 2008 and Husky has a 68.875% working interest. In December, the Mizzen exploration well, in which Husky has a 35% working interest, in the Flemish pass offshore Newfoundland, commenced drilling.

Husky's oil sands projects are progressing. Pending government and regulatory amendment approvals, the partners in the Sunrise Oil Sands Project are expected to review project sanction by the end of 2009 and move to final approvals in the first half of 2010. The Sunrise Oil Sands Project is in an optimisation phase to simplify the scope and to take advantage of the recent downturn in the demand for goods and services. Production at the Tucker Project ramped up to approximately 4,800 barrels per day at the year end and work continues on reservoir optimisation. Additional drilling will most likely be delayed until market conditions improve.

Offshore China, the deep water drilling rig West Hercules began drilling the first appraisal well on its Liwan discovery in November. Husky plans to drill three more delineation wells on the Liwan discovery, as well as additional exploration wells on nearby prospects in 2009. The shallow water rig, Frontier Discoverer, began drilling an exploration well in the South China Sea in January 2009. In Indonesia, Husky has contracted the drilling rig Transocean Adriatic XI to drill two shallow water exploration wells in the East Bawean II block.

Operations Review – Finance and Investments

	2008 HK$ millions	2007 HK$ millions	Change
Total Revenue	**4,303**	5,511	**-22%**
EBIT	**6,467**	13,944	**-54%**

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$88,021 million at 31 December 2008. The combined EBIT reported by these operations decreased by 54% to HK$6,467 million, primarily due to lower profits on disposal of certain equity investments from HK$9,754 million in 2007 to HK$2,084 million in 2008. Excluding these disposal profits, EBIT of finance and investments increased 5%.

As interest rates declined sharply in the second half of 2008, the Group utilised cash deposits on hand to repay debts as they matured, and also repaid early certain debt maturing in late 2008 and in 2009, totalling HK$83,729 million. As a result, both consolidated cash and cash equivalents and debt reduced during the period. This division contributed 11% to the Group's EBIT from established businesses. Further information on the treasury function of this division can be found in the "Group Capital Resources and Liquidity" section of the annual report.

Sen opens its first counter in Hong Kong. The high-end chic herbal brand is proving to be popular with consumers in Asia.

Others

The Group's share of the results of Hutchison Whampoa (China), Hutchison E-Commerce operations, listed subsidiary Hutchison Harbour Ring ("HHR") and listed associate TOM Group ("TOM") are reported under this division.

Hutchison Whampoa (China)

Hutchison Whampoa (China) operates various manufacturing, service and distribution joint ventures in the Mainland, Hong Kong, the UK and France, and also has an investment in Hutchison China MediTech Limited ("Chi-Med"), a 71.6% owned subsidiary listed on the Alternative Investment Market of the London Stock Exchange PLC. Chi-Med manufactures, distributes and retails healthcare and traditional Chinese medical and pharmaceutical products.

Hutchison Harbour Ring

HHR is a 71.5% owned subsidiary listed on The Stock Exchange of Hong Kong, and its businesses include the manufacture of consumer electronic products, product licensing and sourcing, as well as property investments. HHR announced revenue from continuing operations of HK$767 million, a decrease of 36% as compared to last year. Profit attributable to shareholders of HHR in 2008 amounted to HK$2,009 million, an increase of 545% above HK$312 million from last year.

TOM Group

TOM, a 24.5% associate, is listed on The Stock Exchange of Hong Kong and its businesses include Internet, publishing, outdoor media, and television and entertainment. TOM announced turnover of HK$2,728 million, 2% above the HK$2,683 million from last year, and a loss attributable to shareholders of HK$1,394 million (2007 - HK$331 million). In view of the significant deterioration in the economy and the change in market and technological trends, an impairment for goodwill and other assets of HK$1,250 million was made relating mainly to the wireless business of TOM.