



Solid Foundations For Sustainable Growth



CHEUNG KONG (HOLDINGS) LIMITED
長江實業(集團)有限公司

STOCK CODE: 0001

Interim Report 2008

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Chairman's Statement

Solid Foundations For Sustainable Growth

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2008 amounted to HK\$12,022 million. Earnings per share were HK\$5.19.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2008 of HK\$0.50 per share (HK\$0.50 per share in 2007) to shareholders whose names appear on the Register of Members of the Company on Thursday, 9th October, 2008. The dividend will be paid on Friday, 10th October, 2008.

PROSPECTS

The Group continued to make solid progress on all fronts in the first half of 2008. Our strong foundations and prudent financial structure have enabled us to sustain growth, and to secure new opportunities as they arise.

Solid Results

Solid progress was made by the Group's various core businesses in Hong Kong, the Mainland, and overseas markets while the global economy continued to be affected by the repercussions of the U.S. subprime crisis and various other uncertainties. For the first half of 2008, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$6,682 million, an increase of 60% over the same period last year.

Core Property Business

Growth momentum was maintained by our core property business. We recorded good performances in all aspects of operations comprising land acquisition, project management, project design, development and marketing. Various initiatives were progressing well as planned.

Hong Kong Operations Hong Kong's economy continued to grow solidly in the first half of 2008. Domestic demand remained a key driver to growth as private consumption expenditure was boosted by a low unemployment level and rising incomes. Nevertheless, against the backdrop of a weakening U.S. economy and as the global credit crunch problem intensified, the pace of Hong Kong's economic growth was inevitably affected due to the effects of inflationary pressure and a less hectic financial market.

The local property market experienced a moderate consolidation in the first half year with total transactions less robust as compared to the high volume recorded in the second half of 2007. However, overall property prices remained at healthy levels, reflecting that the market was supported by solid underlying demand from end users. Given the prevailing low interest rate environment and an attractive level of housing affordability, we expect the overall market to remain stable in the second half of 2008, and to sustain a healthy development in the long run given the existing land policy that has been effectively implemented over the years.

The Group reported good sales results for the period under review, and strong market responses were received particularly by the two newly launched projects – The Capitol and Celestial Heights. As a leading provider of innovative, high quality properties, the Group will continue to drive performance gains and revenue growth through the timely provision of diversified premier projects to meet market demand. Prospects of our property business continue to be positive, and good sales results are anticipated for our various projects under development.

We continued to invest cautiously in suitable prime sites to cater for our future development and to generate increasing returns from a strengthened property portfolio. Our current landbank is sufficient for development over the next five or six years, and gives us a strong platform to invest for growth.

Our quality rental portfolio continues to be a solid pillar in the generation of stable, long-term cash flow for the Group. We will continue to raise the overall quality of our rental portfolio and capture opportunities to invest in rental projects with high capital efficiency and returns on investment.

The Mainland and Overseas Markets We continued to deliver on our performance targets in attractive growth markets outside Hong Kong. In the Mainland, solid progress was made in different areas encompassing land acquisition, project development and market sales. Projects for sale or leasing were progressing well as scheduled. We will continue to take a growth-oriented and low-risk approach to investment in this fast growing market to drive sustainable growth and generate better value for shareholders.

Chairman's Statement (*continued*)

Solid performance was made by operations in Singapore and the United Kingdom during the period under review. Backed by our strong financial position, diversified premier assets and an experienced management team, we are confident in our ability to strengthen further our established presence in these property markets.

Synergies with Listed Affiliated Companies

Our strategic investment in listed affiliated companies provides us with diversification and synergies for continued growth and success. All of these companies delivered healthy performances in the first half of 2008.

The Hutchison Whampoa Group Its established businesses and the 3 Group both achieved improved results in the first half of 2008. The 3 Group's improvement was driven by improved gross margins, cost controls and also reduced amortisation and depreciation charges. Barring any further unfavourable regulatory or market developments, the management of the 3 Group continues to target achieving positive monthly EBIT on a sustainable basis in the second half of 2008 and a full year positive EBIT in 2009. Looking ahead, the Hutchison Whampoa Group's businesses are expected to continue to perform well and the long-term future prospects are positive.

CKI Cheung Kong Infrastructure Holdings Limited ("CKI") delivered a strong performance and achieved continued growth in the first half of 2008. Over 80% of CKI's revenue is generated through regulated income. The nature of CKI's regulated infrastructure asset portfolio enables it to be relatively unaffected by the global economic predicament brought about by the subprime mortgage crisis. Further to its recent acquisitions in Canada, New Zealand and the United Kingdom, CKI will continue to look for quality infrastructure assets that generate secure and attractive returns.

HK Electric Hongkong Electric Holdings Limited ("HK Electric") continued to progress well both in Hong Kong and internationally. The overseas investments of HK Electric delivered satisfactory performances and provided stable returns during the period under review. To generate better shareholder value, HK Electric will continue with its strategy of making international acquisitions so as to continue to grow its international earnings base.

CK Life Sciences The first half results of CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") have been adversely impacted by the accounting entry pertaining to the downward valuation of financial instruments during the period under review. However, CK Life Sciences has achieved continued growth in operational profitability through fostering development of its health and agriculture-related businesses, as well as through successfully acquiring new companies that enhance its portfolio. As and when the global economic landscape becomes less volatile, the financial results will better reflect operational performance of CK Life Sciences. CK Life Sciences has submitted an application to The Stock Exchange of Hong Kong Limited for the transfer of its listing from the Growth Enterprise Market to the Main Board. We believe that this will enhance CK Life Sciences' profile and increase trading liquidity of its shares, and will be beneficial to its future growth, capital-raising ability and business development.

Going Forward

As anticipated last year, the fallout from the U.S. subprime predicament and the continuing weakness of the residential property market has started to be seen across Europe and America to different extents. The global economic outlook will continue to be unstable in the second half of 2008. Major economies are facing growing uncertainties given the unsettled global credit environment and inflationary pressure, and the recent downward adjustments in oil and gold prices may imply a growing downside risk to growth. While the Mainland's economic growth has shown signs of easing in the short term due to the spillover effect of the U.S. economic weakness, its long-term economic prospects remain positive and optimistic given its strong economic fundamentals and huge potential for growth. Hong Kong's economy will inevitably be affected by the fallout from a possible global slowdown, but the impact is likely to be moderated by the favourable support from the Mainland's solid sustainable development.

The Group's traditional philosophy of tempering growth with financial prudence has proven its worth in the face of a more uncertain economic landscape, and the Group's diversified businesses with a well-established global presence have enabled it to weather the challenges. With solid fundamentals and sound operational and financial capabilities, our operations in 57 countries are showing strong resilience and various expansion initiatives have continued to progress steadily as planned. We will continue to pursue our mission to create value, and draw on our market strengths and financial resources to build operations and secure new opportunities for future sustainable growth. We have full confidence in the long-term prospects of the Cheung Kong Group.

In this extremely competitive global environment, we are proud to have intelligent, creative, dedicated and loyal employees, the Group's most valuable asset. I take this opportunity to thank our colleagues on the Board, the staff members of the Group and our diligent employees worldwide for their hard work, loyal service and contributions during the period.

Li Ka-shing
Chairman

Hong Kong, 21st August, 2008

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2008:

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Caribbean Coast La Mer	Tung Chung Town Lot No. 5	10,494	Joint Venture
Harbour Grand Hong Kong	Section A & extension of Inland Lot No. 7106 North Point	41,340	Joint Venture
1881 Heritage	Kowloon Inland Lot No. 11161	13,023	100%
The Capitol	The Remaining Portion of Tseung Kwan O Town Lot No. 70, Site F Area 86, Tseung Kwan O	136,240	Joint Venture
Seasons Monarch	The Remaining Portion of Lot No. 2081 in D.D. 109 Kam Tin Road Kam Tin, Yuen Long	19,445	100%
CASA 880	4 various Subsections of Section B of Quarry Bay Inland Lot No. 4	9,840	100%
The Greenwich Commercial	Yao Jia Yuan, Beijing	2,377	50%
Cape Coral Phase 1A – Commercial	Nanan, Chongqing	39,738	47.5%
The Greenwich Phase 1A	Xian	113,902	50%
Le Parc Phase 1A	Chengdu	70,420	50%

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Maison des Artistes Phases 1 to 3D and Commercial	Gubei, Shanghai	155,607	50%
Regency Park Phases VIA and VII	Pudong Huamu, Shanghai	26,974	50%
The Riverside and Metropolitan Plaza Phases 1 and 2	Guangzhou	187,944	50%
Horizon Cove Phase 4	Zhuhai	99,669	50%
Seasons Villas Phase 4A	Pudong Huamu, Shanghai	1,500	50%
Kerry Everbright City Phases IIA and IIB	Zhabei District, Shanghai	149,156	24.75%

Management Discussion and Analysis (*continued*)

2. New Acquisitions and Joint Developments and Other Major Events:

Hong Kong

- (1) January 2008: A wholly owned subsidiary of the Group entered into a development agreement with the Urban Renewal Authority for the joint development of a site at Nga Tsin Wai Village, Kowloon City.
- (2) March 2008: A wholly owned subsidiary of the Group entered into a sale and purchase agreement with Nan Fung Development Limited (“Nan Fung”) to dispose of the Group’s 15% interest in the development at Site E of the Remaining Portion of Tseung Kwan O Town Lot No. 70 to Nan Fung. With an aggregate area of approximately 13,587 sq. m., the site is earmarked for a residential development with kindergarten estimated to have a developable gross floor area of about 129,544 sq. m.
- (3) March 2008: A joint venture entered into by a wholly owned subsidiary of the Group and the owner of the land executed the particulars and conditions of exchange with the Government for the property at Area 85, Tseung Kwan O, Tseung Kwan O Town Lot No. 90. With an area of approximately 19,480 sq. m., the site is designated for a residential development estimated to have a total developable gross floor area of about 97,400 sq. m.
- (4) During the period under review, the Group continued to acquire properties and agricultural land with potential for development. Some of the properties and agricultural land are under varying stages of design and planning applications.

The Mainland and Overseas

- (5) January 2008: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 211,621 sq. m. and a gross floor area of about 329,000 sq. m. at the east of Ruilin Road and south of Huanbei Road, Jiading District, Shanghai, the Mainland for residential, commercial and office purposes.
- (6) February 2008: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 80,600 sq. m. and a developable gross floor area of about 220,460 sq. m. at east of Hongmei Park and north of Wuqing Road, Changzhou, the Mainland for development into residential properties.
- (7) March 2008: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for the parcel of land at West Coast Crescent in Singapore with a site area of approximately 12,000 sq. m. for development into residential properties.
- (8) During the period under review, the Group’s property projects in the Mainland and overseas were on schedule, both in terms of sales and leasing.

Property Sales

Turnover of property sales for the first half year, including share of property sales of jointly controlled entities, was HK\$11,238 million (2007 – HK\$4,457 million), an increase of HK\$6,781 million when compared with the same period last year, and comprised mainly the sale of the remaining residential units of four property projects completed in previous years, The Legend at Jardine's Lookout, Le Point, Central Park Towers Phase 1 and Sausalito in Hong Kong, and the sale of residential units of property projects completed during the period, including CASA 880 in Hong Kong and Maison des Artistes in the Mainland.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$5,247 million (2007 – HK\$1,800 million), an increase of HK\$3,447 million when compared with the same period last year, mainly attributable to the sales recognition during the period of the remaining residential units of property projects completed in previous years.

Contribution from property sales for the second half year will mainly be derived from the sale of residential units of The Capitol and Seasons Monarch in Hong Kong, The Riverside in the Mainland and several other property projects scheduled for completion.

The presale of the residential units of The Capitol as well as Celestial Heights Phase 1, which is scheduled for completion in 2009, was launched during the period and almost all of the residential units available for presale were sold within a short period.

Property Rental

Turnover of the Group's property rental for the first half year was HK\$449 million (2007 – HK\$375 million), an increase of HK\$74 million when compared with the same period last year as rental rates for retail shops and commercial office properties have since risen generally in Hong Kong. The Group's existing investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 30% and 51% respectively of the turnover of the Group's property rental for the period.

Contribution from property rental, including share of results of jointly controlled entities, was HK\$715 million (2007 – HK\$596 million), an increase of HK\$119 million when compared with the same period last year. During the period, strong demand for office space and retail shops at prime locations pushed rentals higher, and the Group's investment properties, including The Center in Central and the commercial portion of Metro Town which was acquired recently in Hong Kong, all experienced good rental income growth. An investment property project developed by the Group in Hong Kong, 1881 Heritage, is scheduled for completion in the second half year and contribution from property rental will be boosted.

At the interim balance sheet date, the Group accounted for an increase in the fair value of investment properties of HK\$1,069 million (2007 – HK\$956 million) based on a professional valuation, and shared an increase in the fair value of investment properties of HK\$256 million (2007 – HK\$586 million) of jointly controlled entities.

Management Discussion and Analysis (*continued*)

Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the first half year was HK\$668 million (2007 – HK\$437 million), an increase of HK\$231 million when compared with the same period last year as Harbourview Horizon All-Suite Hotel and Harbourfront Horizon All-Suite Hotel have gradually reached full occupancy since their grand openings.

Contribution from hotels and serviced suites, including share of results of jointly controlled entities, was HK\$364 million (2007 – HK\$204 million), a significant increase of HK\$160 million when compared with the same period last year as contribution from Harbourview Horizon All-Suite Hotel and Harbourfront Horizon All-Suite Hotel increased sharply following their achievement of almost full occupancy, and other hotels and serviced suites properties, including those operated by jointly controlled entities, performed satisfactorily during the period.

The Apex Horizon, which was completed last year, will soon commence operation and Harbour Grand Hong Kong, of which the Group has a joint development interest, is scheduled for completion in the second half year. Both hotels are located in Hong Kong and will further uplift contribution from hotels and serviced suites.

Property and Project Management

Turnover of property and project management for the first half year was HK\$86 million (2007 – HK\$90 million), of which income from property management was HK\$73 million (2007 – HK\$72 million), an increase of HK\$1 million when compared with the same period last year, and income from project related services was HK\$13 million (2007 – HK\$18 million), a decrease of HK\$5 million when compared with the same period last year.

Contribution from property management was HK\$45 million (2007 – HK\$44 million), an increase of HK\$1 million when compared with the same period last year, while project related services made a small contribution to Group profit.

The Group is committed to providing high quality services to properties under our management. At the interim balance sheet date, the total floor area under the Group's property management was approximately 84 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the years ahead.

Major Associates

The Hutchison Whampoa Group, a listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2008 of HK\$10,688 million (2007 – HK\$28,759 million).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2008 of HK\$8,269,000 (2007 – HK\$66,248,000).

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. During the period, the Group issued notes with three-year and five-year terms in Hong Kong under the retail note issuance programme in the total amount of HK\$1.8 billion and redeemed notes upon maturity in the total amount of HK\$500 million.

At the interim balance sheet date, the outstanding bonds and notes issued by the Group amounted to HK\$10.2 billion. Together with bank loans of HK\$26.5 billion and a loan from a joint development partner of HK\$4 billion, the Group's total borrowings at the interim balance sheet date were HK\$40.7 billion, an increase of HK\$4.2 billion from the end of last year. The maturity profile is spread over a period of eight years, with HK\$7.8 billion repayable within one year, HK\$32.2 billion within two to five years and HK\$0.7 billion beyond five years.

The Group's gearing ratio at the interim balance sheet date was approximately 15.1%, determined as the proportion of the Group's net borrowings (after deducting bank balances and deposits of HK\$5.5 billion) to shareholders' funds.

With cash and marketable securities in hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group maintains a conservative approach on foreign exchange exposure management. At the interim balance sheet date, approximately 85.1% of the Group's borrowings were in HK\$ with the balance in US\$ (or swapped into US\$), S\$ and RMB mainly for the purpose of financing projects outside Hong Kong. The Group derives its revenue mainly in HK\$, cash balances and marketable securities are maintained mainly in HK\$ or US\$, and the Group ensures that its exposure to fluctuations in foreign exchange rates is minimised.

The Group's borrowings are principally on a floating rate basis. The fixed rate or equity linked bonds and notes issued by the Group have associated swaps arrangements in place to convert the rates and related terms to a floating rate basis.

When appropriate and at times of interest rate or exchange rate uncertainty or volatility, hedging instruments including swaps and forwards are used by the Group in the management of exposure to interest rate and foreign exchange rate fluctuations.

Management Discussion and Analysis (*continued*)

Charges on Assets

At the interim balance sheet date, certain subsidiaries of the Group pledged assets with aggregate carrying value of HK\$1,138 million (31st December, 2007 – HK\$1,318 million) to secure bank loan facilities utilised.

Contingent Liabilities

At the interim balance sheet date, the Group's contingent liabilities were as follows:

- (1) share of contingent liability of jointly controlled entity in respect of guaranteed return payments payable to the other party of a co-operative joint venture in the next 41 years amounted to HK\$4,500 million;
- (2) guarantees provided for the minimum share of revenue/profit receivable by the other partners of joint development projects amounted to HK\$1,422 million (31st December, 2007 – HK\$1,422 million); and
- (3) guarantees provided for bank loans utilised by jointly controlled entities amounted to HK\$2,329 million (31st December, 2007 – HK\$3,404 million).

Employees

At the interim balance sheet date, the Group employed approximately 7,800 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$728 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2008, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

1. Long Positions in Shares

(a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	-	-	73,082,000 (Note 1)	857,794,744 (Note 2)	930,876,744	40.19%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	100,000	1,529,000 (Note 4)	857,794,744 (Note 2)	859,643,744	37.11%
Kam Hing Lam	Beneficial owner	10,000	-	-	-	10,000	0.0004%
Leung Siu Hon	Beneficial owner & interest of child or spouse	635,500	64,500	-	-	700,000	0.03%
Chow Kun Chee, Roland	Beneficial owner	65,600	-	-	-	65,600	0.003%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	56,000	10,000	-	184,000 (Note 5)	250,000	0.01%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	384,000	-	-	384,000	0.02%
Simon Murray	Beneficial owner	74,000	-	-	-	74,000	0.003%
Hung Siu-lin, Katherine	Beneficial owner	20,000	-	-	-	20,000	0.0009%

Disclosure of Interests (*continued*)1. Long Positions in Shares (*continued*)

(b) Associated Corporations

Hutchison Whampoa Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	48,577,000 (Note 1)	2,141,698,773 (Note 3)	2,190,275,773	51.37%
Li Tzar Kuo, Victor	Interest of controlled corporations & beneficiary of trusts	-	-	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,142,785,543	50.26%
Kam Hing Lam	Beneficial owner	60,000	-	-	-	60,000	0.001%
Leung Siu Hon	Beneficial owner & interest of child or spouse	11,000	28,600	-	-	39,600	0.0009%
Fok Kin-ning, Canning	Interest of controlled corporation	-	-	4,310,875 (Note 7)	-	4,310,875	0.10%
Frank John Sixt	Beneficial owner	50,000	-	-	-	50,000	0.001%
Chow Kun Chee, Roland	Beneficial owner	49,931	-	-	-	49,931	0.001%
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	-	950,100 (Note 6)	1,000,000	0.02%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	124,000	-	-	124,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	-	-	-	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	-	-	-	34,000	0.0008%
Kwan Chiu Yin, Robert	Interest of controlled corporation	-	-	200,000 (Note 9)	-	200,000	0.005%

1. Long Positions in Shares *(continued)*

(b) Associated Corporations *(continued)*

Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	1,912,109,945 (Note 10)	1,912,109,945	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 10)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%

CK Life Sciences Int'l., (Holdings) Inc.

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	4,258,634,570 (Note 11)	4,258,634,570	44.30%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	2,250,000	-	-	4,258,634,570 (Note 11)	4,260,884,570	44.33%
Kam Hing Lam	Interest of child or spouse	-	6,225,000	-	-	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	-	-	-	2,250,000	0.02%
Chung Sun Keung, Davy	Beneficial owner	375,000	-	-	-	375,000	0.004%
Pau Yee Wan, Ezra	Beneficial owner	900,000	-	-	-	900,000	0.009%
Woo Chia Ching, Grace	Beneficial owner	1,125,000	-	-	-	1,125,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,688,130	2,000	2,970 (Note 8)	-	1,693,100	0.017%
Fok Kin-ning, Canning	Interest of controlled corporation	-	-	1,500,000 (Note 7)	-	1,500,000	0.015%

Disclosure of Interests (continued)

1. Long Positions in Shares (continued)

(b) Associated Corporations (continued)

CK Life Sciences Int'l., (Holdings) Inc. (continued)

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Frank John Sixt	Beneficial owner	900,000	-	-	-	900,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	903,936	-	-	-	903,936	0.009%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	753,360	600	-	11,040 (Note 5)	765,000	0.008%
Kwok Tun-li, Stanley	Interest of child or spouse	-	200,000	-	-	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	-	-	-	9,000	≈ 0%
Kwan Chiu Yin, Robert	Interest of controlled corporation	-	-	750,001 (Note 9)	-	750,001	0.008%

Other Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	100,000,000 (Note 14)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	100,000,000 (Note 14)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	10,000 (Note 14)	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	10,000 (Note 14)	10,000	100%

1. Long Positions in Shares *(continued)*

(b) Associated Corporations *(continued)*

Other Associated Corporations *(continued)*

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	4,900 (Note 14)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	4,900 (Note 14)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	3,150,000 (Note 14)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	3,150,000 (Note 14)	3,150,000	100%
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	4 (Note 1)	6 (Note 15)	10	100%
Hutchison Harbour Ring Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	6,399,728,952 (Note 13)	6,399,728,952	71.51%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	6,399,728,952 (Note 13)	6,399,728,952	71.51%
	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	5,000,000 (Note 7)	-	5,000,000	0.05%
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 (Note 7)	-	5,100,000	0.68%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.13%
The Ming An (Holdings) Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	609,290,000 (Note 16)	609,290,000	20.96%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	609,290,000 (Note 16)	609,290,000	20.96%

Disclosure of Interests (*continued*)1. Long Positions in Shares (*continued*)(b) Associated Corporations (*continued*)Other Associated Corporations (*continued*)

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Approximate % of Shareholding	
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Hutchison Telecommunications International Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	266,621,499 (Note 1)	2,889,651,625 (Note 17)	3,156,273,124	65.94%
	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	-	-	2,519,250 (Note 4)	2,889,651,625 (Note 17)	2,892,170,875	60.42%
	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	1,202,380 (Note 7)	-	1,202,380	0.025%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	-	-	13,333	0.0003%

2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	2 (Note 12)	2
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	2 (Note 12)	2
Hutchison Telecommunications International Limited	Frank John Sixt	Beneficial owner	255,000 (Note 18)	-	-	-	255,000
Partner Communications Company Ltd.	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	225,000 (Note 19)	-	225,000
	George Colin Magnus	Beneficial owner	25,000 (Note 20)	-	-	-	25,000

3. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (01/11) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$12,000,000 7% Notes due 2011 (Note 4)	-	US\$12,000,000 7% Notes due 2011
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$21,000,000 6.5% Notes due 2013 (Note 4)	-	US\$21,000,000 6.5% Notes due 2013
	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	US\$2,500,000 6.5% Notes due 2013 (Note 7)	-	US\$2,500,000 6.5% Notes due 2013
Hutchison Whampoa International (03/33) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$8,000,000 6.25% Notes due 2014 (Note 4)	-	US\$8,000,000 6.25% Notes due 2014
		Interest of controlled corporation	-	-	US\$15,000,000 7.45% Notes due 2033 (Note 4)	-	US\$15,000,000 7.45% Notes due 2033
	Fok Kin-ning, Canning	Interest of controlled corporation	-	-	US\$2,500,000 5.45% Notes due 2010 (Note 7)	-	US\$2,500,000 5.45% Notes due 2010
		Interest of controlled corporation	-	-	US\$2,500,000 6.25% Notes due 2014 (Note 7)	-	US\$2,500,000 6.25% Notes due 2014
		Interest of controlled corporation	-	-	US\$2,000,000 7.45% Notes due 2033 (Note 7)	-	US\$2,000,000 7.45% Notes due 2033

Disclosure of Interests (continued)

Notes:

- (1) Such interests are held by certain companies of which Mr. Li Ka-shing is interested in the entire issued share capital.
- (2) The two references to 857,794,744 shares relate to the same block of shares in the Company. Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 and companies controlled by TUT1 as trustee of UT1 ("TUT1 related companies") hold a total of such 857,794,744 shares.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO as Directors of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a Director of the Company and has no duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

- (3) The two references to 2,141,698,773 shares in Hutchison Whampoa Limited (“HWL”) relate to the same block of shares comprising:
- (a) 2,130,202,773 shares held by certain subsidiaries of the Company. By virtue of the interests in shares of the Company in relation to which each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (2) above and as a Director of the Company, they are taken to have a duty of disclosure in relation to the said shares of HWL under the SFO; and
 - (b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited (“TUT3”) as trustee of The Li Ka-Shing Castle Trust (“UT3”). Mr. Li Ka-shing is the settlor of each of the two discretionary trusts (“DT3” and “DT4”). Each of Li Ka-Shing Castle Trustee Corporation Limited (“TDT3”, which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited (“TDT4”, which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited (“Castle Holdco”). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of HWL by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of HWL independently without any reference to Castle Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

As Mr. Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr. Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HWL held by TUT3 as trustee of UT3 under the SFO as Directors of the Company. Although Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco and is a discretionary beneficiary of each of DT3 and DT4, he is not a Director of the Company and has no duty of disclosure in relation to the shares of HWL held by TUT3 as trustee of UT3 under the SFO.

- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (5) Such interests in the shares are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.

Disclosure of Interests (*continued*)

- (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
- (7) Such interests are held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (8) Such interests are held by a company which is wholly-owned by Mr. Leung Siu Hon and his wife.
- (9) Such interests are held by a company wholly-owned by Mr. Kwan Chiu Yin, Robert.
- (10) The two references to 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited ("CKI") relate to the same block of shares comprising:
 - (a) 1,906,681,945 shares held by a subsidiary of HWL. Certain subsidiaries of the Company hold more than one-third of the issued share capital of HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares of CKI held by the subsidiary of HWL under the SFO; and
 - (b) 5,428,000 shares held by TUT1 as trustee of UT1. By virtue of the deemed interests in TUT1 as trustee of UT1 as described in Note (2) above, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares of CKI under the SFO.
- (11) The two references to 4,258,634,570 shares in CK Life Sciences Int'l., (Holdings) Inc. ("CKLS") relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the shares of the Company as described in Note (2) above under the SFO.
- (12) Such underlying shares of CKI are held by an indirect wholly-owned subsidiary of the Company by virtue of the HK\$300,000,000 capital guaranteed notes due 2009.

By virtue of the interests in the shares of the Company taken to have by Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor under the SFO as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said interest in the underlying shares of CKI under the SFO.
- (13) Such shares of Hutchison Harbour Ring Limited ("HHR") are held by certain wholly-owned subsidiaries of HWL.

By virtue of the interests in the shares of HWL in relation to which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have a duty of disclosure under the SFO in the issued share capital of HWL as described in Note (3) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HHR under the SFO.

- (14) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (15) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as a Director of the Company, Mr. Li Ka-shing is taken to have a duty of disclosure in relation to such shares under the SFO.
- (16) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to such shares under the SFO.
- (17) Such shares of Hutchison Telecommunications International Limited ("HTIL") comprise:
 - (a) 2,889,498,345 ordinary shares of which 52,092,587 ordinary shares and 2,837,405,758 ordinary shares are held by certain wholly-owned subsidiaries of the Company and HWL respectively. By virtue of the interests in the shares of the Company and HWL in relation to which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have a duty of disclosure under the SFO in the issued share capital of each of the Company and HWL as described in Notes (2) and (3) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HTIL under the SFO; and
 - (b) 153,280 ordinary shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of Mr. Li Ka-shing may being regarded as a founder and Mr. Li Tzar Kuoi, Victor as a discretionary beneficiary of each of DT3 and DT4 and their deemed interests in TUT3 as trustee of UT3 as described in Note (3b) above, are taken to have a duty of disclosure in relation to the said shares of HTIL under the SFO.
- (18) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTIL beneficially owned by Mr. Frank John Sixt.
- (19) Such underlying shares are derived from the 225,000 American Depositary Shares (each representing 1 ordinary share) in Partner Communications Company Ltd. ("Partner Communications") held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (20) Such underlying shares are derived from the 25,000 American Depositary Shares (each representing 1 ordinary share) in Partner Communications beneficially owned by Mr. George Colin Magnus.

Disclosure of Interests (*continued*)

As at 30th June, 2008, by virtue of their deemed interests in the shares of the Company as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, are deemed to be interested in the securities of the subsidiaries and associated companies of the Company held through the Company under the provisions of the SFO.

Certain Directors held qualifying shares in certain subsidiaries in trust for the Company and other subsidiaries.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30th June, 2008, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June, 2008, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	857,794,744 (Note)	37.04%

Note: The three references to 857,794,744 shares relate to the same block of shares in the Company. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the SFO.

Save as disclosed above, as at 30th June, 2008, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (“Code on CG Practices”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th June, 2008.

BOARD COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board consists of a total of twenty-one Directors, comprising eight Executive Directors, five Non-executive Directors and eight Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company’s Articles of Association and the Code on CG Practices.

The positions of the Chairman of the Board (“Chairman”) and the Managing Director are held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group’s business.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman has meetings with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and for ensuring that the Board is briefed on all legislative, regulatory and corporate governance developments and that the Board has regard to them when making decisions. The Company Secretary is also directly responsible for the Group’s compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, SFO and other applicable laws, rules and regulations.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions, effective 31st March, 2004. Confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code during the six months ended 30th June, 2008.

Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of the Company.

INTERNAL CONTROLS

The Company has an internal audit function in place to provide an independent assessment of the Group's internal control system and review of its effectiveness in accordance with the Code on CG Practices. The Internal Audit Department prepares its audit plan using a risk based methodology in consultation with, but independent of, the management for review by the audit committee of the Company ("Audit Committee"). The audit work focuses on financial, operational and compliance controls review and those areas of the Group's activities with significant perceived risks. An integral part of the internal audit function is to monitor and ensure effective implementation of these internal control systems.

The Board, through the Audit Committee, has conducted a review of the effectiveness of internal control system of the Group for the six months ended 30th June, 2008.

AUDIT COMMITTEE

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditors of the Company.

The Group's interim report for the six months ended 30th June, 2008 has been reviewed by the Audit Committee.

Corporate Governance (*continued*)

REMUNERATION COMMITTEE

According to the Code on CG Practices, the Company established its remuneration committee (“Remuneration Committee”) on 1st January, 2005 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee comprises the Chairman, Mr. Li Ka-shing (Chairman of the Remuneration Committee) and two Independent Non-executive Directors, namely, Mr. Kwok Tun-li, Stanley and Dr. Wong Yick-ming, Rosanna.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company’s policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all Executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can select to receive such documents by electronic means; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company’s website offers a communication channel between the Company and its shareholders and stakeholders; (v) regular press conferences and briefing meetings with analysts are arranged from time to time to update interested parties on the performance of the Group; (vi) the Company’s Registrars deal with shareholders for share registration and related matters; and (vii) Corporate Affairs Department of the Company handles enquiries from shareholders, and investors generally.

Other Information

PURCHASE, SALE OR REDEMPTION OF SHARES

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

Interim Financial Statements

Consolidated Profit and Loss Account

For the six months ended 30th June, 2008

	Note	(Unaudited)	
		2008 HK\$ Million	2007 HK\$ Million
Group turnover		10,286	3,511
Share of property sales of jointly controlled entities		2,155	1,848
Turnover	(2)	12,441	5,359
Group turnover		10,286	3,511
Investment and other income		1,227	1,311
Operating costs			
Property and related costs		(5,146)	(1,379)
Salaries and related expenses		(482)	(365)
Interest and other finance costs		(283)	(460)
Other expenses		(237)	(192)
		(6,148)	(2,396)
Share of net profit of jointly controlled entities		1,154	1,085
Increase in fair value of investment properties		1,069	956
Operating profit		7,588	4,467
Share of net profit of associates		5,398	14,604
Profit before taxation	(3)	12,986	19,071
Taxation	(4)	(797)	(364)
Profit for the period		12,189	18,707
Profit attributable to minority interests		(167)	(171)
Profit attributable to shareholders		12,022	18,536
Dividends			
Interim dividend of HK\$0.50 (2007 - HK\$0.50) per share		1,158	1,158
Earnings per share	(5)	HK\$5.19	HK\$8.00

Consolidated Balance Sheet

As at 30th June, 2008

	(Unaudited) 30/6/2008 HK\$ Million	(Audited) 31/12/2007 HK\$ Million
Non-current assets		
Fixed assets	10,877	10,560
Investment properties	16,577	15,497
Associates	148,936	146,109
Jointly controlled entities	27,784	23,614
Investments available for sale	8,701	10,060
Long term loans	1,496	956
	214,371	206,796
Current assets		
Stock of properties	57,440	58,418
Debtors, deposits and prepayments	5,196	4,066
Investments held for trading	520	1,439
Derivative financial instruments	1,126	294
Bank balances and deposits	5,475	5,609
	69,757	69,826
Current liabilities		
Bank and other loans	7,773	8,872
Creditors and accruals	3,725	6,889
Derivative financial instruments	523	437
Provision for taxation	1,429	860
Net current assets	56,307	52,768
Total assets less current liabilities	270,678	259,564
Non-current liabilities		
Bank and other loans	28,878	23,655
Loan from joint development partner	4,000	4,000
Deferred tax liabilities	1,406	1,300
	34,284	28,955
Net assets	236,394	230,609
Representing:		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	222,000	216,714
Shareholders' funds	232,489	227,203
Minority interests	3,905	3,406
Total equity	236,394	230,609

Interim Financial Statements (continued)

Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2008

	Share capital and premium HK\$ Million	Capital reserve HK\$ Million	Investment revaluation reserve HK\$ Million	Exchange reserve HK\$ Million	Retained profits HK\$ Million	Minority interests HK\$ Million	(Unaudited) Total HK\$ Million
Balance at 1st January, 2007	10,489	345	1,277	1,109	187,202	5,259	205,681
Profit for the period	-	-	-	-	18,536	171	18,707
Change in fair value of investments available for sale	-	-	1,113	-	-	4	1,117
Realised on disposal of investments available for sale	-	-	(24)	-	-	-	(24)
Exchange translation differences	-	-	-	68	-	5	73
Share of reserves of jointly controlled entities/unlisted associates	-	-	18	327	-	-	345
Total recognised income and expense	-	-	1,107	395	18,536	180	20,218
Change in minority interests	-	-	-	-	-	(215)	(215)
Dividend paid to minorities	-	-	-	-	-	(161)	(161)
Dividend paid to shareholders	-	-	-	-	(4,031)	-	(4,031)
Balance at 30th June, 2007	10,489	345	2,384	1,504	201,707	5,063	221,492
Balance at 1st January, 2008	10,489	345	4,427	2,251	209,691	3,406	230,609
Profit for the period	-	-	-	-	12,022	167	12,189
Change in fair value of investments available for sale	-	-	(2,697)	-	-	(1)	(2,698)
Realised on disposal of investments available for sale	-	-	(1,072)	-	-	-	(1,072)
Exchange translation differences	-	-	-	203	-	10	213
Share of reserves of jointly controlled entities/unlisted associates	-	-	43	1,304	-	-	1,347
Total recognised income and expense	-	-	(3,726)	1,507	12,022	176	9,979
Change in minority interests	-	-	-	-	-	494	494
Dividend paid to minorities	-	-	-	-	-	(171)	(171)
Dividend paid to shareholders	-	-	-	-	(4,517)	-	(4,517)
Balance at 30th June, 2008	10,489	345	701	3,758	217,196	3,905	236,394

Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2008

	(Unaudited)	
	2008 HK\$ Million	2007 HK\$ Million
Net cash used in operating activities	(2,184)	(1,359)
Net cash used in investing activities	(1,809)	(1,733)
Net cash from financing activities	3,859	3,570
Net increase/(decrease) in cash and cash equivalents	(134)	478
Cash and cash equivalents at 1st January	5,609	3,782
Cash and cash equivalents at 30th June	5,475	4,260

Interim Financial Statements (continued)

Notes to Interim Financial Statements

1 Basis of preparation

The interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The principal accounting policies used in the preparation of the interim financial statements are consistent with those used in the financial statements for the year ended 31st December, 2007.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1st January, 2008, the adoption has no significant impact on the Group’s results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

2 Turnover and contribution

Turnover of the Group by operating activities for the period are as follows:

	Six months ended 30th June	
	2008	2007
	HK\$ Million	HK\$ Million
Property sales	9,083	2,609
Property rental	449	375
Hotels and serviced suites	668	437
Property and project management	86	90
Group turnover	10,286	3,511
Share of property sales of jointly controlled entities	2,155	1,848
Turnover	12,441	5,359

Turnover of jointly controlled entities (save for proceeds from property sales shared by the Group) and turnover of listed and unlisted associates are not included.

During the period, the Group’s overseas operating activities (including property sales of jointly controlled entities) were mainly in the Mainland which accounted for approximately 18% of the turnover.

2 Turnover and contribution (continued)

Profit contribution by operating activities for the period are as follows:

	Company and subsidiaries		Jointly controlled entities		Total	
	Six months ended 30th June		Six months ended 30th June		Six months ended 30th June	
	2008	2007	2008	2007	2008	2007
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Property sales	3,999	1,400	1,248	400	5,247	1,800
Property rental	417	317	298	279	715	596
Hotels and serviced suites	221	78	143	126	364	204
Property and project management	46	46	-	-	46	46
	4,683	1,841	1,689	805	6,372	2,646
Investment and finance					1,167	1,085
Interest and other finance costs					(283)	(460)
Increase in fair value of investment properties						
Subsidiaries					1,069	956
Jointly controlled entities					256	586
Others					100	228
Taxation (excluding share of taxation of major listed associates)					(1,836)	(731)
Profit attributable to minority interests					(167)	(171)
					6,678	4,139
Share of net profit of major listed associates						
Hutchison Whampoa Limited					5,340	14,368
CK Life Sciences Int'l., (Holdings) Inc.					4	29
Profit attributable to shareholders					12,022	18,536

Interim Financial Statements (continued)

3 Profit before taxation

	Six months ended 30th June	
	2008 HK\$ Million	2007 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest and other finance costs	524	825
Less: Amount capitalised	(241)	(365)
	283	460
Costs of properties sold	4,699	954
Depreciation	141	116
Gain on disposal of investments available for sale	(1,072)	(20)
Loss/(gain) on investments held for trading	127	(158)

4 Taxation

	Six months ended 30th June	
	2008 HK\$ Million	2007 HK\$ Million
Hong Kong profits tax	678	173
Overseas tax	13	2
Deferred tax	106	189
	797	364

Hong Kong profits tax has been provided for at the rate of 16.5% (2007 - 17.5%) on the estimated assessable profits for the period. Overseas tax has been provided for at the local enacted rates on the estimated assessable profits of the individual company concerned. Deferred tax has been provided on temporary differences based on the applicable enacted rates.

5 Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders and on 2,316,164,338 shares (2007 - 2,316,164,338 shares) in issue during the period.

6 Ageing analyses of trade debtors and trade creditors

The Group's trade debtors mainly comprise receivables for sale of properties and rental. Sales terms vary for each property project and are determined with reference to the prevailing market conditions. Sale of properties are normally completed when the sale prices are fully paid and deferred payment terms are sometimes offered to purchasers at a premium. Rentals are payable in advance by tenants.

Ageing analysis of the Group's trade debtors at the balance sheet date is as follows:

	30/6/2008 HK\$ Million	31/12/2007 HK\$ Million
Current to one month	2,620	1,395
Two to three months	48	25
Over three months	12	9
	2,680	1,429

Ageing analysis of the Group's trade creditors at the balance sheet date is as follows:

	30/6/2008 HK\$ Million	31/12/2007 HK\$ Million
Current to one month	303	3,186
Two to three months	16	24
Over three months	15	29
	334	3,239

Interim Financial Statements (*continued*)

7 Related party transactions

During the period and in the ordinary course of business, the Group undertook various joint venture projects with related parties, including the Chairman, Mr. Li Ka-shing, and Hutchison Whampoa Limited, on normal commercial terms. Advances were made to/received from and guarantees were provided for these joint venture projects on a pro rata basis.

At the balance sheet date, advances made to associates and jointly controlled entities amounted to HK\$332 million and HK\$12,474 million respectively and guarantees provided by the Group for bank loans utilised by jointly controlled entities amounted to HK\$2,329 million.

Other than the aforementioned, there were no other significant related party transactions requiring disclosure in the interim financial statements.

8 Review of interim financial statements

The interim financial statements are unaudited, but have been reviewed by the Audit Committee.

Notice of Payment of Interim Dividend, 2008

The Board of Directors of Cheung Kong (Holdings) Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2008 amounted to HK\$12,022 million which represents earnings of HK\$5.19 per share. The Directors have declared an interim dividend for 2008 of HK\$0.50 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 9th October, 2008. The dividend will be paid on Friday, 10th October, 2008.

The Register of Members of the Company will be closed from Thursday, 2nd October, 2008 to Thursday, 9th October, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 30th September, 2008.

By Order of the Board
CHEUNG KONG (HOLDINGS) LIMITED
Eirene Yeung
Company Secretary

Hong Kong, 21st August, 2008

Corporate Information and Key Dates

BOARD OF DIRECTORS

LI Ka-shing *Chairman*

LI Tzar Kuoi, Victor *Managing Director and Deputy Chairman*

KAM Hing Lam *Deputy Managing Director*

IP Tak Chuen, Edmond *Deputy Managing Director*

CHUNG Sun Keung, Davy *Executive Director*

PAU Yee Wan, Ezra *Executive Director*

WOO Chia Ching, Grace *Executive Director*

CHIU Kwok Hung, Justin *Executive Director*

LEUNG Siu Hon *Non-executive Director*

FOK Kin-ning, Canning *Non-executive Director*

Frank John SIXT *Non-executive Director*

CHOW Kun Chee, Roland *Non-executive Director*

George Colin MAGNUS *Non-executive Director*

KWOK Tun-li, Stanley *Independent Non-executive Director*

YEH Yuan Chang, Anthony *Independent Non-executive Director*

Simon MURRAY *Independent Non-executive Director*

CHOW Nin Mow, Albert *Independent Non-executive Director*

HUNG Siu-lin, Katherine *Independent Non-executive Director*

WONG Yick-ming, Rosanna* *Independent Non-executive Director*

CHEONG Ying Chew, Henry *Independent Non-executive Director*

KWAN Chiu Yin, Robert *Independent Non-executive Director*

* Also alternate director to Simon MURRAY

AUDIT COMMITTEE

CHEONG Ying Chew, Henry *(Chairman)*

KWOK Tun-li, Stanley

HUNG Siu-lin, Katherine

REMUNERATION COMMITTEE

LI Ka-shing *(Chairman)*

KWOK Tun-li, Stanley

WONG Yick-ming, Rosanna

COMPANY SECRETARY

Eirene YEUNG

QUALIFIED ACCOUNTANT

MAN Ka Keung, Simon

CHIEF FINANCIAL OFFICER

Andrew John HUNTER

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond

Eirene YEUNG

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Mizuho Corporate Bank, Ltd.

Hang Seng Bank Limited

Canadian Imperial Bank of Commerce
The Bank of East Asia, Limited

BNP Paribas

Fortis Bank NV/SA, Hong Kong Branch

Bank of Communications Co., Ltd.,
Hong Kong Branch

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

7th Floor, Cheung Kong Center,
2 Queen's Road Central, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited

Rooms 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

STOCK CODES

The Stock Exchange of Hong Kong Limited: 0001

Bloomberg: 1 HK

Reuters: 1.HK

WEBSITE

<http://www.ckh.com.hk>

KEY DATES

Interim Results Announcement	21st August, 2008
Closure of Register of Members	2nd to 9th October, 2008 <i>(both days inclusive)</i>

Record Date for Interim Dividend	9th October, 2008
Payment of Interim Dividend	10th October, 2008