

Resilience in Challenging Times



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

STOCK CODE: 0001

Interim Report 2012

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Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of the Interim Report since both language versions are bound together into one booklet.

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Chairman's Statement

Resilience in Challenging Times

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2012 amounted to HK\$15,456 million. Earnings per share were HK\$6.67.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2012 of HK\$0.53 per share (HK\$0.53 per share in 2011) to shareholders whose names appear on the Register of Members of the Company on Thursday, 20th September, 2012. The dividend will be paid on Friday, 21st September, 2012.

PROSPECTS

Business Review

Operating Performance

The operating environment remained challenging in the first half of 2012. Global economic uncertainties were exacerbated by the deepening Eurozone debt crisis as well as the tepid recovery in the United States.

Achieving a fine balance between progress and stability has always been central to the Group's strategy. On both the financial and operating fronts, prudent measures are firmly in place to allow the Group to react quickly to unforeseen market changes and to mitigate any adverse impact. Our solid fundamentals have been strengthened in the current difficult business environment, providing a stronger platform for future sustainable development.

For the six months ended 30th June, 2012, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$10,355 million, an increase of 2% over the same period last year. The Group's share of results of the Hutchison Whampoa Group decreased during the first half of 2012. This comparative decline against the same period last year was primarily attributable to the significant one-off gain included in the 2011 interim results arising from the disposal of part of the Hutchison Whampoa Group's interests in port businesses. Excluding this significant one-off gain in 2011, the 2012 interim results would show an increase of 5% as compared to the 2011 interim results.

For the first half of 2012, the Group recorded a reduction in profit contribution from property sales. This comparative decline was due to the large number of developments being completed in the same period last year. Contributions from property rental and hotels and serviced suites increased over the corresponding period in 2011, and a significant increase in the fair value of investment properties was recorded during the period reflecting the growth in rentals.

Property sales recorded by the Group in Hong Kong decreased in the first half year as compared to the corresponding period in 2011. This was largely attributable to the reduced number of the Group's developments being completed during the period. Nevertheless, our property businesses have been progressing well and we have continued to invest in expanding our land reserve. With an ample land bank and a strong project pipeline, we are in a favourable position to drive sustainable growth. The property market outlook will largely hinge on the external economic conditions and the development of housing policies in Hong Kong. We expect market fundamentals to remain healthy in the second half year with property prices generally staying steady given support from end-user demand, and in the light of increasing inflation, rising construction costs and a low interest rate environment.

On the Mainland, property prices and sales volume were below expectations as the policy-led property market correction has continued. Despite the present market challenges, the Group is steadfast in driving further expansion on the Mainland by making focused but cautious investments. Sustainable growth is underpinned by a strong portfolio of prime sites and quality projects that are currently developing as planned, and in accordance with the terms of agreements executed with the local government authorities.

We will continue to position ourselves to make quality investments to increase our portfolio and to achieve a stronger presence beyond Hong Kong.

In 2011, the Group made its first foray into the infrastructure business arena through the acquisition of Northumbrian Water Group Limited ("Northumbrian Water"), a regulated water and sewerage company in the U.K., together with Cheung Kong Infrastructure Holdings Limited ("CKI") and Li Ka Shing Foundation Limited ("LKSF"). Northumbrian Water recorded better-than-expected performance and provided its first full period of contribution to the Group. In July 2012, the Group partnered with CKI, Power Assets Holdings Limited ("Power Assets") and LKSF to acquire Wales & West Utilities Limited ("WWU"), one of the eight gas distribution networks in the U.K. The acquisition is expected to be completed at the end of September conditional upon European Commission's approval. Reflecting our strategy of embracing new growth opportunities through diversification and globalisation, this quality investment is able to provide a long-term steady recurring income contribution to the Group.

Listed Affiliated Companies

The Group continued to benefit from the global opportunities arising from its strategic investments in listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. Despite increasing challenges in the interim period, performances of the Group and its listed affiliated companies in markets beyond Hong Kong continued to be resilient.

Chairman's Statement (*continued*)

The Hutchison Whampoa Group

After adjusting for the one-off gain generated from the initial public offer of units in Hutchison Port Holdings Trust in 2011, the performances of the Hutchison Whampoa Group's core operations remained solid during the first half of 2012. Except for Husky Energy Inc. and joint venture Vodafone Hutchison Australia, all major operating divisions reported improved recurring results. As a whole, the Hutchison Whampoa Group recorded recurring revenue, earnings and cash flow growth. Despite the difficult economic situation in Europe and continued uncertainty in the global financial markets in the second half year, barring unforeseen material adverse circumstances, the Hutchison Whampoa Group's business performance is expected to continue to improve.

CKI

CKI continued its upward momentum in the first half of 2012. Regulated businesses generating secure revenues place CKI in good stead to weather continued economic uncertainties. Three equity raising exercises were completed to enlarge CKI's capital base in 2012 to date, namely an issue of fixed rate callable perpetual securities via a fiduciary in February and the share placement exercises in March and July. Backed by its strong financial platform, CKI will continue to seek acquisitions that further enhance its asset base and income stream, and work hard to grow further and expand its existing businesses to generate improved returns for its shareholders. The acquisition of WWU, subject to completion, will extend CKI's growth momentum and generate recurring profit contributions similar to that of its other infrastructure projects.

Power Assets

Earnings from operations outside Hong Kong represented 60% of the total profit of Power Assets and were the driving force behind its record results achieved during the first six months of 2012. Power Assets' strategy of investing in businesses with stable and predictable income has resulted in the record half year results notwithstanding the uncertain global economic climate. Power Assets will continue with this strategy as it looks for further investments outside Hong Kong in order to grow its earnings base. The acquisition of WWU is in line with Power Assets' stated strategy of investing outside Hong Kong and will, subject to completion, further strengthen its portfolio of quality assets overseas.

CK Life Sciences

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") achieved a strong performance during the first half of 2012. Recent acquisitions have strengthened its agriculture-related business, and steady organic growth is expected within its existing operations in both agriculture-related and health businesses. The commencement of the Phase III clinical testing of the melanoma vaccine is poised to take CK Life Sciences to the next stage of development for the product. With solid financial strengths, CK Life Sciences will continue to explore opportunities for acquisitions around the world.

Outlook

Global market conditions will remain highly volatile in the second half year as uncertainties over the Eurozone debt crisis are anticipated to persist, and the pace of U.S. economic recovery is seen to be slowing.

China's economic performance was inevitably affected by external forces, but its economic conditions are stable as a whole. Proactive measures have been taken to ease monetary conditions and accelerate fiscal efforts to stimulate the economy following the Central Government's pledges to place a higher priority on stabilising growth. We expect positive growth in the second half year with GDP growth for 2012 maintained at 7.5%. In Hong Kong, positive economic growth is expected in 2012 though the pace will likely moderate. With close proximity to the Mainland, Hong Kong is poised to benefit from the many opportunities arising from China's continued development. We are optimistic about the long-term economic prospects for the Mainland and Hong Kong.

We see positive prospects for the Group in terms of operating results and business growth. The Group is steadfast in maintaining financial prudence and operational soundness as it drives solid, sustainable growth amid the evolving changes facing the local and global markets. We have the strength and resources to continue pursuing attractive investments and boosting the organic growth of our existing core operations, while maintaining our gearing at a healthy level. The Group is well prepared to meet the global market challenges which prevail today. Building on our sound financial position and strong growth capacity, we are well placed to pursue investments that are beneficial to our future development. We are strongly confident in the prospects for the Cheung Kong Group.

Intelligent, creative, dedicated and loyal employees are the Group's most valuable asset in this extremely competitive and challenging global environment. 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, 2nd August, 2012

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2012:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park La Splendeur	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	82,685	Joint Venture
Alnwick Road Project	New Kowloon Inland Lot No. 4782	4,417	100%
CROWN by the Sea	Tuen Mun Town Lot No. 334	4,026	100%
Marina Bay Financial Centre Tower 3	Marina Bay, Singapore	151,776	16.67%
La Grande Ville Phase 2	Shun Yi District, Beijing	20,249	100%
Regency Park Phase 2C	Jingyue Economic Development Zone, Changchun	17,664	50%
Regency Residence Phases 1 and 2B	Nanguan District, Changchun	11,465	50%
Noble Hills Phase 3	Wangcheng County, Changsha	86,572	50%
Regency Park Phases 1, 2 and 3A	Tianning District, Changzhou	47,294	50%
Le Parc Phases 4A and 6A	Chengdu High-Tech Zone, Chengdu	80,484	50%
Regency Oasis Phases 1B and 2	Wenjiang District, Chengdu	228,479	50%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Cape Coral Phase 2	Nanan District, Chongqing	146,703	47.5%
Noble Hills Phase 2B	Douxi, Chongqing	32,858	50%
Laguna Verona Phases D1a, D1b and G1a	Hwang Gang Lake, Dongguan	158,988	49.91%
Cape Coral Phase 3A	Panyu District, Guangzhou	84,053	50%
Zengcheng Project Phase 1A	Zengcheng, Guangzhou	75,321	50%
The Harbourfront Phase 1	Shibei District, Qingdao	214,470	45%
Regency Garden Phase 1	Pudong New District, Shanghai	34,463	42.5%
Le Sommet Phases 1B, 2 and 4A	Longgang District, Shenzhen	59,864	50%
Century Place Phases 1 and 2	Shennan Road, Huaqiangbei, Futian District, Shenzhen	179,433	40%
Noble Hills	Baoan District, Shenzhen	49,185	50%
The Metropolitan Tianjin Phases 1 and 2	Yingkoudao, Heping District, Tianjin	197,595	40%
Regency Cove Phase 1	Caidian District, Wuhan	90,860	50%
The Greenwich Phases 2A, 2B and 3A	Xian Hi-Tech Industries Development Zone, Xian	279,997	50%

Management Discussion and Analysis (*continued*)

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

Hong Kong

- (1) May 2012: A wholly owned subsidiary of the Group successfully bid in a public tender exercise for the joint development of the site at Peel Street/Graham Street, Central, Inland Lot No. 9038 and entered into a development agreement with the Urban Renewal Authority. With an aggregate area of approximately 1,690 sq.m., the site is planned for a residential and commercial development estimated to have a total developable gross floor area of approximately 17,790 sq.m.
- (2) June 2012: A wholly owned subsidiary of the Group has established a U.S.\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") as guaranteed by the Company for the purpose of issuing notes (the "Notes") which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme provides that the Notes may be listed on The Stock Exchange of Hong Kong Limited or such other stock exchanges as may be agreed with the relevant dealer(s). On 15th June, 2012, the Group issued U.S.\$500,000,000 Floating Rate Notes due 2015 under the Programme, which have been listed on The Stock Exchange of Hong Kong Limited since 18th June, 2012. As at 30th June, 2012, Notes of an aggregate nominal amount of approximately U.S.\$849 million were issued and outstanding under the Programme.
- (3) July 2012: A wholly owned subsidiary of the Group issued HK\$1,000 million Guaranteed Senior Perpetual Securities ("GSPS") at an issue price of 100 per cent. of the principal amount with distribution rate of 5.25% per annum, which have been listed on The Stock Exchange of Hong Kong Limited since 10th July, 2012. The GSPS is guaranteed by the Company.
- (4) During the period under review, the Group continued to pursue opportunities for acquisition of 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) May 2012: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group signed a land use right transfer contract to acquire a piece of land with an area of approximately 144,480 sq.m. and a gross floor area of approximately 138,000 sq.m. at Zhao Xiang Town, Qing Pu District, Shanghai, the Mainland for development into residential properties.

- (6) July 2012: Two indirect 30/30/30/10 joint venture companies of the Company, Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited and Li Ka Shing Foundation Limited had entered into an arrangement to acquire the issued share capital and the loan notes of MGN Gas Networks (UK) Limited at the consideration of approximately £645 million. It is expected that the completion will take place at the end of September 2012. The completion of the acquisition is conditional upon European Commission's approval.
- (7) During the period under review, the Group continued to focus on project development and the marketing of properties on the Mainland and overseas in a timely manner.

Property Sales

Turnover of property sales for the first half year, including share of property sales of jointly controlled entities, was HK\$15,521 million (2011 – HK\$24,118 million), a decrease of HK\$8,597 million when compared with the same period last year, and comprised mainly the sale of residential units of two property projects completed last year – Festival City Phase 3 in Hong Kong and The Greenwich Phase 1C in Beijing, and the sale of residential units of property projects completed during the period, including Crown by the Sea in Hong Kong, Century Place Phase 1 in Shenzhen, Cape Coral Phase 3A in Guangzhou, The Harbourfront Phase 1 in Qingdao, The Greenwich Phases 2A and 3A in Xian, Regency Garden Phase 1 in Shanghai, Regency Park Phase 2 in Changzhou and The Metropolitan Tianjin Phase 2 in Tianjin.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$6,040 million (2011 – HK\$7,006 million), a decrease of HK\$966 million when compared with the same period last year. During the period, residential property prices remained stable in Hong Kong on the back of solid demand from end users; and on the Mainland, property prices and sales were below expectations as the property market correction has continued.

Contribution from property sales for the second half year will mainly be derived from the sale of residential units of La Splendeur and Alnwick Road Project in Hong Kong, La Grande Ville Phase 2 in Beijing, Le Parc Phase 4A in Chengdu, Cape Coral Phase 2 in Chongqing, Laguna Verona Phases D1a, D1b and G1a in Dongguan and several other property projects scheduled for completion.

The presale of residential units of La Splendeur was launched in 2011 and all of the units have been presold. In June 2012, the presale of residential units of The Beaumont in Hong Kong, scheduled for completion in 2013, was launched and over 80% of all the units of the project have been presold. During the period, the sale/presale of residential units of various property projects on the Mainland were also progressing satisfactorily.

Management Discussion and Analysis (*continued*)

Property Rental

Turnover of the Group's property rental for the first half year was HK\$905 million (2011 – HK\$662 million), an increase of HK\$243 million when compared with the same period last year, mainly due to increasing rental rates for retail properties in Hong Kong as demand for retail properties continued to be driven by growing tourist and domestic spending. The Group's investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong, which accounted for approximately 54% and 35% respectively of the turnover of the Group's property rental for the period.

Contribution from the Group's property rental was HK\$843 million (2011 – HK\$635 million), an increase of HK\$208 million when compared with the same period last year, mainly attributable to an increase in contribution from the Group's retail shopping malls in Hong Kong. Property rental contribution from jointly controlled entities was HK\$139 million (2011 – HK\$284 million), a decrease of HK\$145 million when compared with the same period last year due to the fact that Oriental Plaza in Beijing no longer provides rental contribution after its listing on the Hong Kong Stock Exchange in April 2011. Overall contribution from property rental, including share of results of jointly controlled entities, amounted to HK\$982 million (2011 – HK\$919 million), an increase of HK\$63 million when compared with the same period last year.

At the interim period end date, the Group accounted for an increase in fair value of investment properties of HK\$2,348 million (2011 – HK\$1,419 million) based on a professional valuation and shared an increase in fair value of investment properties of HK\$437 million (2011 – HK\$514 million) of jointly controlled entities.

Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the first half year was HK\$1,116 million (2011 – HK\$1,151 million), a decrease of HK\$35 million when compared with the same period last year. The decrease in turnover was mainly due to the Group's disposal of a 70% interest in Sheraton Shenyang Lido Hotel on the Mainland in January 2012. The disposal contributed a surplus of HK\$1,077 million to group profit for the period.

Contribution from the Group's hotels and serviced suites was HK\$435 million (2011 – HK\$414 million) and contribution including share of results of jointly controlled entities was HK\$593 million (2011 – HK\$545 million), an overall increase of HK\$48 million when compared with the same period last year, notwithstanding a decrease in contribution from Sheraton Shenyang Lido Hotel as a result of the Group's reduced interest in the hotel. During the period, local business travel and inbound tourism continued to be active and operating results reported by most of the hotels and serviced suites in Hong Kong and on the Mainland owned by the Group and jointly controlled entities were satisfactory.

Despite uncertainties posed by the European debt issues and the ensuing global economic slowdown, contribution from the Group's hotels and serviced suites is expected to continue to grow in the second half year.

Property and Project Management

Turnover of the Group's property and project management for the first half year was HK\$175 million (2011 – HK\$172 million), of which income from property management was HK\$78 million (2011 – HK\$76 million), an increase of HK\$2 million when compared with the same period last year, and income from project related services was HK\$97 million (2011 – HK\$96 million), an increase of HK\$1 million when compared with the same period last year.

Contribution from the Group's property management was HK\$52 million (2011 – HK\$50 million), an increase of HK\$2 million when compared with the same period last year, while the Group's project related services made a small contribution to group profit. The Group also shared the results of jointly controlled entities which were engaged in the management of major property projects, including Beijing Oriental Plaza on the Mainland and Marina Bay Financial Centre in Singapore, amounting to HK\$24 million.

The Group is committed to providing high quality services to properties under our management. At the interim period end date, the total floor area under the Group's property management was approximately 87 million sq.ft. 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, 2012 of HK\$10,208 million (2011 – HK\$46,296 million, including a net gain of HK\$37,180 million on disposal of investments and others, mainly from the IPO of Hutchison Port Holdings Trust).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2012 of HK\$115,630,000 (2011 – HK\$82,332,000).

Management Discussion and Analysis (*continued*)

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 as appropriate. During the period, the Group issued notes with a three-year term under the Euro Medium Term Note Programme in the amount of US\$500 million in Hong Kong.

At the interim period end date, the Group's bonds and notes, bank loans and other loans were HK\$13.5 billion, HK\$31 billion and HK\$0.6 billion respectively, and the Group's total borrowings amounted to HK\$45.1 billion, a decrease of HK\$0.8 billion from the last year end date. The maturity profile is spread over a period of ten years, with HK\$13.9 billion repayable within one year, HK\$26.8 billion within two to five years and HK\$4.4 billion beyond five years.

The Group's net debt to net total capital ratio at the interim period end date was approximately 6.1%. Net debt is arrived at by deducting bank balances and deposits of HK\$24 billion from the Group's total borrowings and net total capital is the aggregate of the Group's total equity and net debt.

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 period end date, approximately 66.3% of the Group's borrowings were in HK\$ and US\$, with the balance in GBP and SGD mainly for the purpose of financing investments and property projects in the United Kingdom and Singapore. The Group derives its revenue mainly in HK\$ and cash is mainly held in HK\$. Income in foreign currencies, including RMB, SGD and GBP, is also generated from the Group's investments and property projects outside Hong Kong and cash in these foreign currencies is maintained for operational needs. 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 and where appropriate, swaps are arranged to convert the rates and related terms of the fixed rate bonds and notes issued to a floating rate basis.

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

Charges on Assets

At the interim period end date, there was no charge on assets of the Group (31st December, 2011 – HK\$135 million).

Contingent Liabilities

At the interim period end date, the Group's contingent liabilities were as follows:

- (1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK\$612 million (31st December, 2011 – HK\$624 million); and
- (2) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK\$1,482 million (31st December, 2011 – HK\$1,617 million) and HK\$352 million (31st December, 2011 – HK\$334 million) respectively.

Employees

At the interim period end date, the Group employed approximately 9,000 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$1,096 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.

Directors' Biographical Information

Li Ka-shing, GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 84, is the founder of the Group. He has been the Chairman since 1971 and acted as the Managing Director from 1971 to 1998. He has been a member of the Remuneration Committee of the Company since March 2005 and acted as the Chairman of the Remuneration Committee of the Company from March 2005 to December 2011. Mr. Li has also been the Chairman of Hutchison Whampoa Limited, a listed company, since 1981, and is the Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr. Li served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities on the Mainland and overseas. Mr. Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr. Li has received Honorary Doctorates from Peking University, The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr. Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions on the Mainland and abroad. Mr. Li Ka-shing is the father of Mr. Li Tzar Kuoi, Victor, the Managing Director and Deputy Chairman of the Company, and the brother-in-law of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Li Ka-shing also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Li Tzar Kuoi, Victor, aged 48, joined the Group in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman since 1994 and Managing Director since 1999. He is also the Deputy Chairman of Hutchison Whampoa Limited, the Chairman of Cheung Kong Infrastructure Holdings Limited and CK Life Sciences Int'l., (Holdings) Inc., an Executive Director of Power Assets Holdings Limited, Co-Chairman of Husky Energy Inc., all being listed companies. Mr. Victor Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Victor Li serves as a member of the Standing Committee of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Council for Sustainable Development of the Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce, and was previously a member of the Commission on Strategic Development of the Hong Kong Special Administrative Region. Mr. Victor Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Structural Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr. Victor Li is a son of Mr. Li Ka-shing, the Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, Deputy Managing Director of the Company. Mr. Victor Li is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by certain substantial shareholders of the Company.

KAM Hing Lam, aged 65, has been Deputy Managing Director since 1993. He is also the Group Managing Director of Cheung Kong Infrastructure Holdings Limited, the President and Chief Executive Officer of CK Life Sciences Int'l., (Holdings) Inc., and an Executive Director of Hutchison Whampoa Limited and Power Assets Holdings Limited, all being listed companies. He is also the Chairman of Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong). Mr. Kam is a member of the 11th Beijing Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is the brother-in-law of Mr. Li Ka-shing, Chairman of the Company and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and an uncle of Mr. Li Tzar Kuoi, Victor, Managing Director and Deputy Chairman of the Company.

IP Tak Chuen, Edmond, aged 60, has been an Executive Director since 1993 and Deputy Managing Director since 2005. He is also an Executive Director and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited, the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), TOM Group Limited, AVIC International Holding (HK) Limited, Real Nutraceutical Group Limited, Shougang Concord International Enterprises Company Limited (all being listed companies), ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore) and Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong), and a Director of ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore). He was previously a Non-executive Director of Excel Technology International Holdings Limited, a listed company. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is a director of certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHUNG Sun Keung, Davy, aged 61, has been an Executive Director since 1993. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

PAU Yee Wan, Ezra, aged 56, joined the Group in 1982 and has been an Executive Director since 1993. Ms. Pau is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company.

Directors' Biographical Information (*continued*)

WOO Chia Ching, Grace, aged 55, joined the Group in 1987 and has been an Executive Director since 1996. She holds a Bachelor of Arts degree from the University of Pennsylvania, U.S.A. and a Master's degree in City and Regional Planning from Harvard University, U.S.A. Ms. Woo is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

CHIU Kwok Hung, Justin, aged 62, joined the Group in 1997 and has been an Executive Director since 2000. He is the Chairman of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore), ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore), and ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT (listed in Hong Kong). Mr. Chiu is also a Director of ARA Fund Management (Asia Dragon) Limited as the manager of the ARA Asia Dragon Fund. Mr. Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries. He is a member of the 11th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators and a member of the Board of Governors of Hong Kong Baptist University Foundation, and he holds Bachelor degrees in Sociology and Economics. Mr. Chiu is a director of a company controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

LEUNG Siu Hon, aged 80, is a Non-executive Director of the Company and has been a Director since 1984. He was an Independent Non-executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in September 2004. Mr. Leung holds a B.A. Law (Honors) (Southampton) degree and has been awarded the Honorary degree of Doctor of Laws by the University of Southampton in July 2001. Mr. Leung is a solicitor of the High Court of the Hong Kong Special Administrative Region and an attesting officer appointed by the PRC. He is presently a consultant of Messrs. S.H. Leung and Co., Solicitors. Mr. Leung is a cousin of Mr. Chow Kun Chee, Roland, a Non-executive Director of the Company.

FOK Kin Ning, Canning, aged 60, is a Non-executive Director of the Company and has been a Director since 1985. Mr. Fok is currently the Group Managing Director of Hutchison Whampoa Limited and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited. He is also the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited, Hutchison Port Holdings Management Pte. Limited ("HPPM") as the trustee-manager of Hutchison Port Holdings Trust and Power Assets Holdings Limited, Co-Chairman of Husky Energy Inc. and Alternate Director to Mrs. Chow Woo Mo Fong, Susan, a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies/business trust (except HPPM). He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of The Institute of Chartered Accountants in Australia. Mr. Fok is a director of certain companies controlled by a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Frank John SIXT, aged 60, is a Non-executive Director of the Company and has been a Director since 1991. He is the Non-executive Chairman of TOM Group Limited, the Group Finance Director of Hutchison Whampoa Limited, and an Executive Director of Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited. He is also a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and Hutchison Port Holdings Management Pte. Limited (“HPHM”) as the trustee-manager of Hutchison Port Holdings Trust, a Director of Hutchison Telecommunications (Australia) Limited and Husky Energy Inc., and an Alternate Director of Hutchison Telecommunications (Australia) Limited, all being listed companies/business trust (except HPHM). In addition, Mr. Sixt is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Master’s degree in Arts and a Bachelor’s degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

CHOW Kun Chee, Roland, aged 74, is a Non-executive Director of the Company and has been a Director since 1993. He was an Independent Non-executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in September 2004. Mr. Chow is a solicitor of the High Court of the Hong Kong Special Administrative Region and is a consultant of Messrs. Herbert Tsoi and Partners, Solicitors. Mr. Chow is a cousin of Mr. Leung Siu Hon, a Non-executive Director of the Company. Mr. Chow is a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and a director of certain companies controlled by certain substantial shareholders of the Company. He holds a Master of Laws degree from the University of London.

George Colin MAGNUS, OBE, aged 76, acted as an Executive Director from 1980 and Deputy Chairman from 1985 until he retired from these offices in October 2005. He has been a Non-executive Director of the Company since November 2005. He is also a Non-executive Director of Hutchison Whampoa Limited, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited, and a Director of Husky Energy Inc., all being listed companies. He holds a Master’s degree in Economics.

KWOK Tun-li, Stanley, aged 85, is an Independent Non-executive Director, and a member of the Audit Committee and the Remuneration Committee of the Company. He has been a Director since 1989. Mr. Kwok holds a Bachelor’s degree in Science (Architecture) from St. John’s University, Shanghai, China, and an A.A. Diploma from the Architectural Association School of Architecture, London, England. He is also presently a Director of Amara Holdings Inc., CTC Bank of Canada, Husky Energy Inc., a listed company, and Stanley Kwok Consultants Inc.

Directors' Biographical Information (*continued*)

YEH Yuan Chang, Anthony, aged 89, is an Independent Non-executive Director of the Company. He has been a Director since 1993. Mr. Yeh holds a Master's degree in Science (Mechanical Engineering). He is the Honorary Life President of Tai Ping Carpets International Limited, a listed company.

Simon MURRAY, CBE, aged 72, is an Independent Non-executive Director of the Company. He has been a Director since 1993. Mr. Murray is currently the Chairman of General Enterprise Management Services (International) Limited (GEMS Ltd.), a private equity fund management company. He is the Chairman of Glencore International plc, a Non-executive Director of Greenheart Group Limited and IRC Limited, and an Independent Non-executive Director of Orient Overseas (International) Limited and Wing Tai Properties Limited, all being listed companies in Hong Kong. He is also an Independent Director of Sino-Forest Corporation, a Non-executive Director of Compagnie Financière Richemont SA, and a Senior Independent Non-executive Director of Essar Energy plc, all being listed companies.

CHOW Nin Mow, Albert, aged 63, has been a Director of the Company since 1983. Mr. Chow acted as a Non-executive Director from April 1997 to October 2004 and has been an Independent Non-executive Director of the Company since October 2004. He is the Chairman and Managing Director of Wah Yip (Holdings) Limited.

HUNG Siu-lin, Katherine, aged 64, joined the Group in March 1972, and acted as an Executive Director from 1985 to August 2000. She was a Non-executive Director from September 2000 to October 2004, has been an Independent Non-executive Director of the Company since October 2004, and has been a member of the Audit Committee of the Company since 1st January, 2007. Ms. Hung is a member of the Tianjin Committee of the 12th Chinese People's Political Consultative Conference of the People's Republic of China; also a Director of Li Ka Shing Foundation Limited, a Member of HKSAR Estate Agents Authority, an Executive Committee Member of Hong Kong Housing Society, a Court Member of The Hong Kong University of Science and Technology, a Court Member of The Hong Kong Polytechnic University, and was a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung has been a Honorary Court Member of Lingnan University since 29th September, 2011 and a Director of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association since 27th October, 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

WONG Yick-ming, Rosanna, DBE, JP, aged 59, has been an Independent Non-executive Director since 2001 and a member of the Remuneration Committee of the Company since 2005. She has been appointed as the Chairman of the Remuneration Committee of the Company on 1st January, 2012. She holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates from The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The University of Hong Kong, The Hong Kong Institute of Education and University of Toronto in Canada. She is currently a member of the 11th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. She is a Court Member of The Hong Kong University of Science and Technology, a member of The Hong Kong University of Science and Technology Business School Advisory Council, and an elected Member of the Council and an *ex-officio* Member of the Court of The University of Hong Kong. She also serves as a Global Advisor to Mars, Incorporated. She was a member of the Commission on Strategic Development of the Hong Kong Special Administrative Region. She is the Executive Director of The Hong Kong Federation of Youth Groups, the Non-executive Chairman of The Hongkong Bank Foundation's Advisory Committee, a Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, a listed company.

CHEONG Ying Chew, Henry, aged 64, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since September 2004. He has been appointed as the Chairman of the Audit Committee of the Company on 1st January, 2007. He is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Creative Energy Solutions Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, SPG Land (Holdings) Limited and TOM Group Limited, an Independent Director of BTS Group Holdings Public Company Limited, and an Alternate Director to Dr. Wong Yick-ming, Rosanna, an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited, and was previously an Independent Non-executive Director of Excel Technology International Holdings Limited, both being listed companies. Mr. Cheong is a member of the Securities and Futures Appeals Tribunal and a member of the Advisory Committee of the Securities and Futures Commission. Mr. Cheong holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Operational Research and Management.

Disclosure of Interests

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

As at 30th June, 2012, 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 adopted by the Company (the “Model Code”), 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 corporations & founder of discretionary trusts	-	-	66,938,000 (Note 1)	936,462,744 (Note 2)	1,003,400,744	43.32%
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)	936,462,744 (Note 2)	938,311,744	40.51%
Kam Hing Lam	Beneficial owner	10,000	-	-	-	10,000	0.0004%
Leung Siu Hon	Beneficial owner & interest of child or spouse	645,500	64,500	-	-	710,000	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%
Hung Siu-lin, Katherine	Beneficial owner	20,000	-	-	-	20,000	0.0009%

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	-	-	93,554,000 (Note 1)	2,141,698,773 (Note 3)	2,235,252,773	52.42%
Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	300,000	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,143,085,543	50.26%
Kam Hing Lam	Beneficial owner & interest of child or spouse	60,000	40,000	-	-	100,000	0.002%
Leung Siu Hon	Beneficial owner & interest of child or spouse	27,000	28,600	-	-	55,600	0.0013%
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	6,010,875 (Note 7)	-	6,010,875	0.14%
Frank John Sixt	Beneficial owner	200,000	-	-	-	200,000	0.005%
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	-	130,000	-	-	130,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	-	-	-	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	-	-	-	34,000	0.0008%

Disclosure of Interests (continued)

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 9)	1,912,109,945	78.18%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	78.18%
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	Interest of controlled corporations & founder of discretionary trusts	-	-	2,835,759,715 (Note 15)	4,355,634,570 (Note 10)	7,191,394,285	74.82%
Li Tzar Kuoi, Victor	Beneficial owner, interest of controlled corporations & beneficiary of trusts	2,250,000	-	2,835,759,715 (Note 15)	4,355,634,570 (Note 10)	7,193,644,285	74.84%
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, Day	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%

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		
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,500,000 (Note 7)	-	1,500,000	0.015%
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-ii, Stanley	Interest of child or spouse	-	200,000	-	-	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	-	-	-	9,000	≈ 0%

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 11)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	10,000 (Note 11)	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	10,000 (Note 11)	10,000	100%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	4,900 (Note 11)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	4,900 (Note 11)	4,900	100%

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				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Tsing-Yi Realty, Limited (In Members' Voluntary Winding Up)	Li Ka-shing	Founder of discretionary trusts	-	-	-	3,150,000 (Note 11)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	3,150,000 (Note 11)	3,150,000	100%
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	4 (Note 1)	6 (Note 12)	10	100%
Hutchison Harbour Ring Limited	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	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.007%
Hutchison Telecommunications Hong Kong Holdings Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	403,979,499 (Note 1)	3,185,136,120 (Note 13)	3,589,115,619	74.48%
	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	192,000	2,519,250 (Note 4)	3,185,136,120 (Note 13)	3,187,847,370	66.15%
	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	
Hutchison Telecommunications Hong Kong Holdings Limited	Frank John Sixt	Beneficial owner	255,000 (Note 14)	-	-	-	255,000

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 (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$10,208,000 6.5% Notes due 2013 (Note 4)	-	US\$10,208,000 6.5% Notes due 2013
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	US\$1,216,000 6.5% Notes due 2013 (Note 7)	-	US\$1,216,000 6.5% Notes due 2013
Hutchison Whampoa International (09) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$45,792,000 7.625% Notes due 2019 (Note 4)	-	US\$45,792,000 7.625% Notes due 2019
Hutchison Whampoa International (09/19) Limited	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	US\$4,000,000 5.75% Notes due 2019 (Note 7)	-	US\$4,000,000 5.75% Notes due 2019

Disclosure of Interests (*continued*)3. Long Positions in Debentures (*continued*)

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (10) Limited	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities (Note 7)	-	US\$5,000,000 Subordinated Guaranteed Perpetual Capital Securities
	Frank John Sixt	Beneficial owner	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities	-	-	-	US\$1,000,000 Subordinated Guaranteed Perpetual Capital Securities
PHBS Limited	Li Ka-shing	Interest of controlled corporation	-	-	US\$9,100,000 Perpetual Capital Securities (Note 1)	-	US\$9,100,000 Perpetual Capital Securities

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 936,462,744 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 936,462,744 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.

Note: Effective from 16th July, 2012, Mr. Li Tzar Kai, Richard ceased to have any interest in the issued share capital of Unity Holdco. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital of Unity Holdco.

- (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.

Disclosure of Interests (*continued*)

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.

Note: Effective from 16th July, 2012, Mr. Li Tzar Kai, Richard ceased to have any interest in the issued share capital of Castle Holdco. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital of Castle Holdco.

- (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.
- (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) 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.
- (10) The two references to 4,355,634,570 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.
- (11) 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.
- (12) 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.
- (13) Such shares of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") comprise:
 - (a) 3,184,982,840 ordinary shares of which 52,092,587 ordinary shares and 3,132,890,253 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 HTHKH 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 (3)(b) above, are taken to have a duty of disclosure in relation to the said shares of HTHKH under the SFO.
- (14) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTHKH beneficially owned by Mr. Frank John Sixt.
- (15) Such 2,835,759,715 shares are held by two subsidiaries of Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.

Disclosure of Interests (*continued*)

As at 30th June, 2012, 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, 2012, 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, 2012, 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:

1. 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	936,462,744 (Note 1)	40.43%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	936,462,744 (Note 1)	40.43%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	936,462,744 (Note 1)	40.43%

2. (a) Long Positions of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	(i) Beneficial owner	6,260,593)	116,232,999 (Note 2)	5.02%
	(ii) Investment manager	29,602,484)		
	(iii) Custodian corporation/ approved lending agent	80,369,922)		

Disclosure of Interests (*continued*)**(b) Short Positions of Other Persons in the Shares and Underlying Shares of the Company**

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Approximate %	
			Total	of Shareholding
JPMorgan Chase & Co.	Beneficial owner	7,811,062	7,811,062 (Note 3)	0.34%

(c) Lending Pool of Other Persons in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Approximate %	
			Total	of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	80,369,922	80,369,922	3.47%

Notes:

- (1) The three references to 936,462,744 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.
- (2) Such long position includes derivative interests in 3,027,588 underlying shares of the Company of which 2,655,000 underlying shares are derived from listed and physically settled derivatives, 15,687 underlying shares are derived from unlisted and physically settled derivatives and 356,901 underlying shares are derived from unlisted and cash settled derivatives.
- (3) Such short position includes derivative interests in 7,299,062 underlying shares of the Company of which 2,645,000 underlying shares are derived from listed and physically settled derivatives, 37,800 underlying shares are derived from listed and cash settled derivatives, 432,615 underlying shares are derived from unlisted and physically settled derivatives and 4,183,647 underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 30th June, 2012, the Company had 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 emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, 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 during the period from 1st January, 2012 to 31st March, 2012 and the Corporate Governance Code (“CG Code”) during the period from 1st April, 2012 to 30th June, 2012 as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Managing Director. In respect of code provision A.6.7 of the CG Code, a Non-executive Director was not in a position to attend the annual general meeting of the Company held on 25th May, 2012 due to an overseas commitment.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the CG Code, the Audit Committee of the Company has established the Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters. In addition, the Company has established the Policy on Handling of Confidential and Price-sensitive Information, and Securities Dealing for compliance by the Company’s employees.

Corporate Governance (*continued*)

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 Directors, comprising eight Executive Directors, five Non-executive Directors and seven 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 CG Code.

The positions of the Chairman of the Board ("Chairman") and the Managing Director are currently 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 meets 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 FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code for securities transactions by directors of listed issuers set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions, effective from 31st March, 2004, which will be amended from time to time. 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, 2012.

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 CG Code. 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, 2012.

AUDIT COMMITTEE

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. 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, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Group's interim report for the six months ended 30th June, 2012 has been reviewed by the Audit Committee.

Corporate Governance (*continued*)

REMUNERATION COMMITTEE

In compliance with the CG Code, 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 and two Independent Non-executive Directors, namely, Dr. Wong Yick-ming, Rosanna (Chairman of the Remuneration Committee) and Mr. Kwok Tun-li, Stanley.

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 the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of 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 choose (or are deemed to have consented) to receive such documents using electronic means through the Company’s website; (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 Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally.

In compliance with the CG Code, the Company has established a shareholders communication policy in March 2012 which is subject to review on a regular basis to ensure its effectiveness.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30th June, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

RISK FACTORS

The Group's businesses, financial conditions, results of operations or growth prospects may be affected by risks and uncertainties pertaining to the Group's businesses. The risk factors set out in the Company's Annual Report 2011 are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown in the Company's Annual Report 2011 which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this Interim Report does not constitute a recommendation or advice to invest in the shares of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares of the Company.

Interim Financial Statements

Consolidated Income Statement

For the six months ended 30th June, 2012

	Note	(Unaudited)	
		2012 HK\$ Million	2011 HK\$ Million
Group turnover		12,355	22,418
Share of property sales of jointly controlled entities		5,362	3,685
Turnover	(2)	17,717	26,103
Group turnover		12,355	22,418
Investment and other income		1,091	497
Operating costs			
Property and related costs		(6,948)	(14,646)
Salaries and related expenses		(792)	(706)
Interest and other finance costs		(176)	(130)
Depreciation		(175)	(199)
Other expenses		(198)	(218)
		(8,289)	(15,899)
Share of net profit of jointly controlled entities		2,336	2,948
Increase in fair value of investment properties		2,348	1,419
Surplus on loss of control of interest in subsidiaries		1,077	–
Operating profit		10,918	11,383
Share of net profit of associates		5,481	23,284
Profit before taxation	(3)	16,399	34,667
Taxation	(4)	(786)	(1,350)
Profit for the period		15,613	33,317
Profit attributable to			
Shareholders of the Company		15,456	33,259
Non-controlling interests and holders of perpetual securities		157	58
		15,613	33,317
Earnings per share	(6)	HK\$6.67	HK\$14.36

Consolidated Statement of Comprehensive Income

For the six months ended 30th June, 2012

	(Unaudited)	
	2012 HK\$ Million	2011 HK\$ Million
Profit for the period	15,613	33,317
Other comprehensive income		
Exchange gain on translation of financial statements of foreign operations	4	179
Exchange gain transferred to income statement upon loss of control of interest in subsidiaries	(145)	–
Investments available for sale		
Gain/(loss) in fair value	825	(409)
Gain in fair value transferred to income statement upon disposal	(341)	(21)
Impairment transferred to income statement	123	385
Share of other comprehensive income/(loss) of jointly controlled entities and unlisted associates	14	(63)
Total comprehensive income for the period	16,093	33,388
Total comprehensive income attributable to		
Shareholders of the Company	15,936	33,326
Non-controlling interests and holders of perpetual securities	157	62
	16,093	33,388

Interim Financial Statements (continued)

Consolidated Statement of Financial Position

As at 30th June, 2012

	(Unaudited) 30/6/2012 HK\$ Million	(Audited) 31/12/2011 HK\$ Million
Non-current assets		
Fixed assets	10,241	11,233
Investment properties	27,528	25,180
Associates	193,218	190,937
Jointly controlled entities	48,104	45,323
Investments available for sale	9,844	8,327
Long term loan receivables	316	180
	289,251	281,180
Current assets		
Stock of properties	65,628	68,932
Debtors, deposits and prepayments	4,091	2,805
Investments held for trading	206	220
Derivative financial instruments	251	155
Bank balances and deposits	23,971	19,894
	94,147	92,006
Current liabilities		
Bank and other loans	13,910	22,897
Creditors and accruals	10,253	9,701
Derivative financial instruments	1,019	826
Provision for taxation	2,190	1,607
	66,775	56,975
Net current assets	66,775	56,975
Total assets less current liabilities	356,026	338,155
Non-current liabilities		
Bank and other loans	31,231	23,020
Deferred tax liabilities	842	850
	32,073	23,870
Net assets	323,953	314,285
Representing:		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	305,781	295,936
Shareholders' funds	316,270	306,425
Perpetual securities	4,649	4,648
Non-controlling interests	3,034	3,212
Total equity	323,953	314,285

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2012

	Shareholders' Funds				Total HK\$ Million	Holders of perpetual securities HK\$ Million	Non- controlling interests HK\$ Million	(Unaudited) Total Equity HK\$ Million
	Share capital, premium and reserve ⁽¹⁾	Other reserves ⁽²⁾	Retained profits					
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million				
Balance at 1st January, 2011	10,834	7,431	251,372	269,637	–	3,821	273,458	
Total comprehensive income for the period	–	67	33,259	33,326	–	62	33,388	
Change in non-controlling interests	–	–	–	–	–	(123)	(123)	
Dividend paid to non-controlling interests	–	–	–	–	–	(61)	(61)	
Dividend paid to shareholders of the Company 2010 final dividend HK\$2.45 per share	–	–	(5,675)	(5,675)	–	–	(5,675)	
Balance at 30th June, 2011	10,834	7,498	278,956	297,288	–	3,699	300,987	
Balance at 1st January, 2012	10,834	5,251	290,340	306,425	4,648	3,212	314,285	
Total comprehensive income for the period	–	445	15,491	15,936	117	40	16,093	
Change in non-controlling interests	–	–	–	–	–	(210)	(210)	
Distribution paid on perpetual securities	–	–	–	–	(116)	–	(116)	
Dividend paid to non-controlling interests	–	–	–	–	–	(8)	(8)	
Dividend paid to shareholders of the Company 2011 final dividend HK\$2.63 per share	–	–	(6,091)	(6,091)	–	–	(6,091)	
Balance at 30th June, 2012	10,834	5,696	299,740	316,270	4,649	3,034	323,953	

- (1) Share capital, premium and reserve comprise share capital of HK\$1,158 million, share premium of HK\$9,331 million and capital reserve of HK\$345 million.
- (2) Other reserves comprise investment revaluation reserve, exchange reserve and hedging reserve. As at 30th June, 2012, investment revaluation reserve surplus amounted to HK\$1,355 million (31st December, 2011 – HK\$597 million and 30th June, 2011 – HK\$3,060 million), exchange reserve surplus amounted to HK\$4,342 million (31st December, 2011 – HK\$4,658 million and 30th June, 2011 – HK\$4,438 million) and hedging reserve deficit amounted to HK\$1 million (31st December, 2011 – deficit of HK\$4 million and 30th June, 2011 – Nil).

Interim Financial Statements (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June, 2012

	(Unaudited)	
	2012 HK\$ Million	2011 HK\$ Million
Net cash from operating activities	4,505	2,580
Net cash from/(used in) investing activities	1,259	(756)
Net cash used in financing activities	(1,687)	(5,124)
Net increase/(decrease) in cash and cash equivalents	4,077	(3,300)
Cash and cash equivalents at 1st January	19,894	25,147
Cash and cash equivalents at 30th June	23,971	21,847

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, 2011.

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, 2012, 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 is as follows:

	Six months ended 30th June	
	2012 HK\$ Million	2011 HK\$ Million
Property sales	10,159	20,433
Property rental	905	662
Hotels and serviced suites	1,116	1,151
Property and project management	175	172
Group turnover	12,355	22,418
Share of property sales of jointly controlled entities	5,362	3,685
Turnover	17,717	26,103

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, turnover of the Group’s operating activities outside Hong Kong (including property sales of jointly controlled entities) accounted for approximately 30% (2011 – 17%) of the turnover and was derived from the following location:

	Six months ended 30th June	
	2012 HK\$ Million	2011 HK\$ Million
The Mainland	5,267	4,398

Interim Financial Statements (continued)

2. Turnover and contribution (continued)

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

	Six months ended 30th June					
	Company and subsidiaries		Jointly controlled entities		Total	
	2012 HK\$ Million	2011 HK\$ Million	2012 HK\$ Million	2011 HK\$ Million	2012 HK\$ Million	2011 HK\$ Million
Property sales	3,327	5,796	2,713	1,210	6,040	7,006
Property rental	843	635	139	284	982	919
Hotels and serviced suites	435	414	158	131	593	545
Property and project management	61	59	24	–	85	59
	4,666	6,904	3,034	1,625	7,700	8,529
Investment and finance					596	421
Infrastructure business in the United Kingdom					538	–
Interest and other finance costs					(176)	(130)
Increase in fair value of investment properties						
Subsidiaries					2,348	1,419
Jointly controlled entities					437	514
Surplus on loss of control of interest in subsidiaries					1,077	–
Surplus on loss of control of indirect interest in jointly controlled entities					–	1,731
Others					77	308
Taxation						
Company and subsidiaries					(786)	(1,350)
Jointly controlled entities					(1,352)	(1,292)
Profit attributable to non-controlling interests and holders of perpetual securities					(157)	(58)
					10,302	10,092
Share of net profit of listed associates						
Hutchison Whampoa Limited						
Profit attributable to shareholders before profit on disposal of investments and others					5,101	4,555
Profit on disposal of investments and others					–	18,575
CK Life Sciences Int'l., (Holdings) Inc.					53	37
Profit attributable to shareholders of the Company					15,456	33,259

3. Profit before taxation

	Six months ended 30th June	
	2012 HK\$ Million	2011 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest and other finance costs	389	223
Less: Amount capitalised	(213)	(93)
	176	130
Costs of properties sold	6,022	13,428
Impairment of investments available for sale	123	385
Gain on disposal of investments available for sale	(341)	(21)
(Gain)/loss on investments held for trading	8	(35)

4. Taxation

	Six months ended 30th June	
	2012 HK\$ Million	2011 HK\$ Million
Current tax		
Hong Kong profits tax	681	1,123
Tax outside Hong Kong	66	168
Deferred tax	39	59
	786	1,350

Hong Kong profits tax has been provided for at the rate of 16.5% (2011 – 16.5%) on the estimated assessable profits for the period. Tax outside Hong Kong 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. Interim dividend

The interim dividend declared by the Directors is as follows:

	Six months ended 30th June	
	2012 HK\$ Million	2011 HK\$ Million
HK\$0.53 (2011 – HK\$0.53) per share	1,228	1,228

Interim Financial Statements (*continued*)**6. Earnings per share**

The calculation of earnings per share is based on profit attributable to shareholders of the Company and on 2,316,164,338 shares (2011 – 2,316,164,338 shares) in issue during the period.

7. Ageing analysis 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 and deposits are payable in advance by tenants.

Ageing analysis of the Group's trade debtors at the period/year end date is as follows:

	30/6/2012 HK\$ Million	31/12/2011 HK\$ Million
Current to one month	2,815	434
Two to three months	42	70
Over three months	28	21
	2,885	525

Ageing analysis of the Group's trade creditors at the period/year end date is as follows:

	30/6/2012 HK\$ Million	31/12/2011 HK\$ Million
Current to one month	1,930	2,162
Two to three months	34	44
Over three months	22	19
	1,986	2,225

8. Related party transactions

During the period and in the ordinary course of business, the Group undertook various joint venture projects and transactions with related parties, including the Chairman, Mr. Li Ka-shing, Hutchison Whampoa Limited and CK Life Sciences Int'l., (Holdings) Inc., on normal commercial terms. Loan advances were made to/received from and guarantees were provided for the joint venture projects on a pro rata basis.

At 30th June, 2012, loan advances made to associates and jointly controlled entities amounted to HK\$5,653 million and HK\$10,132 million respectively, commitments for loan advances to jointly controlled entities amounted to HK\$188 million, and guarantees provided by the Group for bank loans utilised by jointly controlled entities amounted to HK\$1,482 million.

During the period, interest income from associates and jointly controlled entities amounted to HK\$281 million and HK\$26 million respectively.

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

9. Review of interim financial statements

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

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*

* 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
 WONG Yick-ming, Rosanna *(Chairman)*
 KWOK Tun-li, Stanley

Company Secretary

Eirene YEUNG

Authorised Representatives

IP Tak Chuen, Edmond
 Eirene YEUNG

Chief Manager, Accounts Department

MAN Ka Keung, Simon

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
 Mizuho Corporate Bank, Ltd.
 The Bank of Tokyo-Mitsubishi UFJ, Ltd.
 Bank of China (Hong Kong) Limited
 Citibank, N.A.
 Sumitomo Mitsui Banking Corporation
 Canadian Imperial Bank of Commerce
 Hang Seng Bank Limited
 Standard Chartered Bank (Hong Kong) Limited
 Bank of Communications Co., Ltd.
 Agricultural Bank of China
 DBS Bank Ltd.

Auditor

PricewaterhouseCoopers

Legal Advisers

Woo, Kwan, Lee & Lo

Registered Office

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

Share Registrar 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

www.ckh.com.hk

Key Dates

Interim Results Announcement	2nd August, 2012
Closure of Register of Members	13th to 20th September, 2012 (both days inclusive)
Record Date for Interim Dividend	20th September, 2012
Payment of Interim Dividend	21st September, 2012