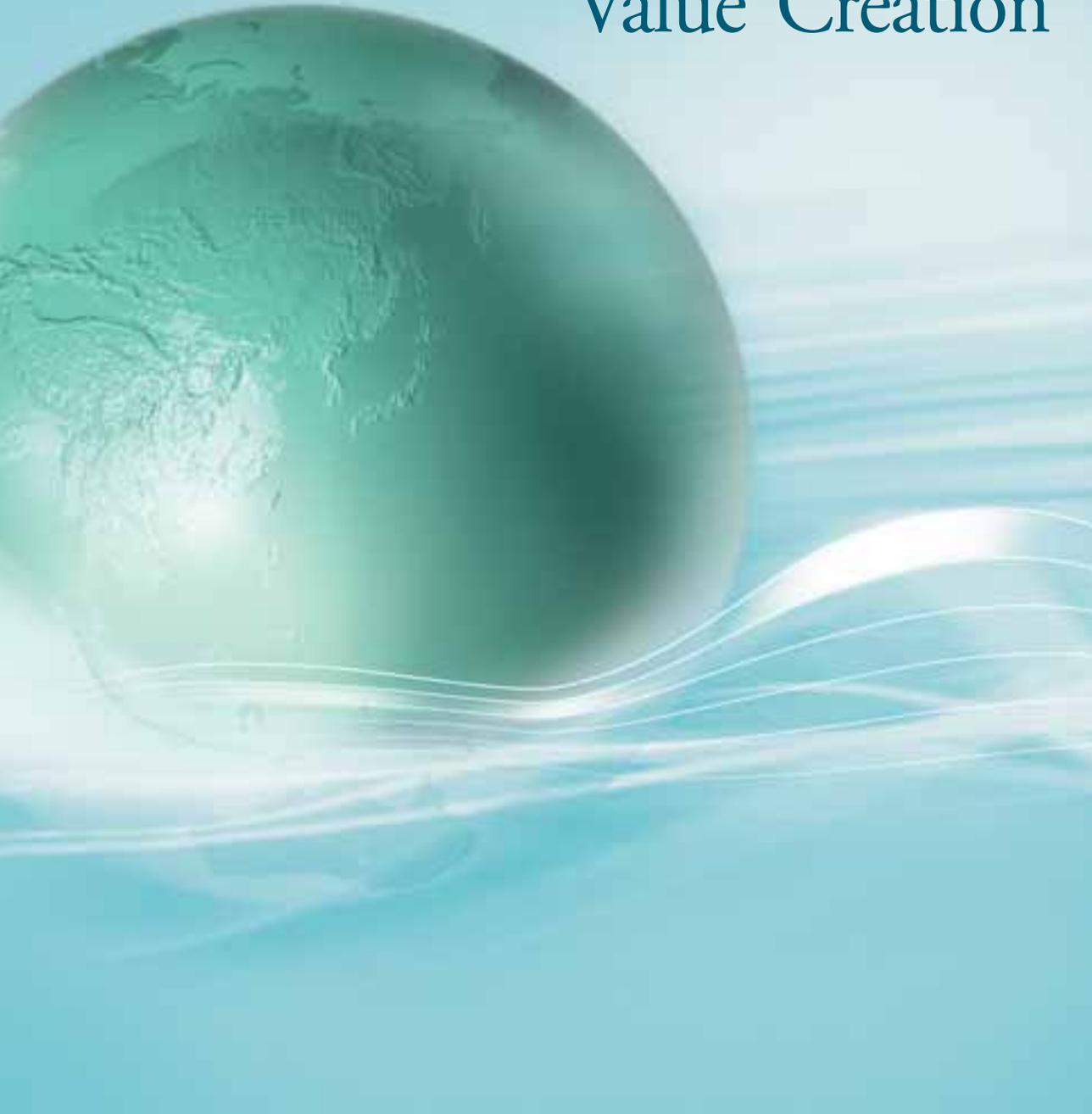


# Continuing To Drive Value Creation



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

STOCK CODE: 0001

Interim Report 2011

*This interim report 2011 (both English and Chinese versions) ("Interim Report") has been posted on the Company's website at [www.ckh.com.hk](http://www.ckh.com.hk). Shareholders who have chosen (or are deemed to have consented) to read the Company's corporate communications (including but not limited to the Interim Report) published on the Company's website in place of receiving printed copies thereof may request the printed copy of the Interim Report in writing to the Company c/o the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to [ckh.ecom@computershare.com.hk](mailto:ckh.ecom@computershare.com.hk).*

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## Chairman's Statement

### Continuing To Drive Value Creation

#### PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2011 amounted to HK\$33,259 million. Earnings per share were HK\$14.36.

#### INTERIM DIVIDEND

The Directors have declared an interim dividend for 2011 of HK\$0.53 per share (HK\$0.50 per share in 2010) to shareholders whose names appear on the Register of Members of the Company on Thursday, 22nd September, 2011. The dividend will be paid on Friday, 23rd September, 2011.

#### PROSPECTS

The Group continued to deliver solid progress on all business fronts in the first half of 2011, taking advantage of its strong business position and growth potential. For the six months ended 30th June, 2011, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$10,129 million, a rise of 10% over the same period last year.

## Business Review

Operating results were satisfactory for the Group's property businesses during the period, with solid increases in contributions from property sales as well as hotels and serviced suites. A one-off gain was recorded during the period arising from the injection of the Group's interest in Oriental Plaza in Beijing into Hui Xian Real Estate Investment Trust listed on the Hong Kong Stock Exchange.

Hong Kong's economy generally remained firm and stable in the first half year, although the pace of global economic recovery was affected by various uncertainties. However, inflationary pressure has continued due to soaring global commodity prices, and increases in local food prices and housing rentals.

Property trading activities in Hong Kong showed consolidation in several months of the period, reflecting the impact of further measures by the Government to stabilise property prices and the tightening of mortgage limits. Local market sentiment was, to a certain extent, affected by external economic conditions and the development of housing policies in Hong Kong. Nevertheless, the market outlook is positive for the long term, supported by Hong Kong's strong economic fundamentals, favourable labour market conditions, and continuing inflation.

Momentum for our long-term, sustainable growth has been underpinned by the proactive expansion of our landbank. A number of prime sites with excellent development potential were acquired during the period, establishing a platform to strengthen our diversified, high-quality property portfolio, and our capability to create value.

On the Mainland, we will continue to focus on quality land acquisition, project development and the marketing of properties in a timely manner. China's monetary tightening has continued, and measures such as home purchase restrictions and property tax experiments were introduced in an accelerated effort to stabilise property prices. These measures are fundamental in guiding the market's future development, and are conducive to its long-term healthy growth.

The Group will continue to develop its property business in markets beyond Hong Kong, taking full advantage of the strengths and capabilities accumulated over many years of operations in Hong Kong, coupled with considerable experience of successful developments in chosen markets outside Hong Kong.

## Chairman's Statement (*continued*)

### Listed Affiliated Companies

The Group continued to benefit from the global opportunities arising from the strategic investments in our listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. In the first half of 2011, businesses in markets beyond Hong Kong continued to perform well and generate increased profits for the Group and its listed affiliated companies.

**The Hutchison Whampoa Group** The core businesses of the Hutchison Whampoa Group continued to prosper, and reported strong profit growth in the first six months of 2011. The disposal of Hutchison Whampoa Group's interests in port businesses to Hutchison Port Holdings Trust generated a significant one-off gain. For the 3 Group, overall EBIT positive results were achieved and this significant improvement in its operating performance reflects growth in customer base and revenue. Given the good performance of the core businesses, a stronger balance sheet and healthy cash flow, the Hutchison Whampoa Group has every confidence that momentum for sustaining positive results will continue in the second half year, and prospects are very promising.

**CKI** During the first half of 2011, Cheung Kong Infrastructure Holdings Limited ("CKI") achieved a strong performance that was largely attributable to the positive impact of the acquisition of UK Power Networks, an electricity distribution business. At the same time, good overall results and organic growth have been achieved throughout CKI's portfolio. The share placement exercise in July 2011 marks CKI's first equity issue since listing in 1996 and has provided CKI with additional funding for further expansion. With a strong balance sheet and extensive acquisition experience, CKI will continue to pursue more investment opportunities.

**Power Assets** The international businesses of Power Assets Holdings Limited ("Power Assets") recorded significant growth in the first half of 2011, while the Hong Kong business remained comparable to the same period last year. The success of Power Assets' strategy of investing outside Hong Kong in order to establish a solid base from which to grow earnings has been reflected in its record earnings achieved in the first half of the year. Power Assets will continue to build on this strong foundation as it actively seeks further investment opportunities.

**CK Life Sciences** CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") delivered a strong performance during the first half of 2011. The growth in profits is mainly attributable to the contribution from the newly-acquired Challenger Wine Trust, a trust and registered managed investment scheme with vineyards and related infrastructure assets in Australia and New Zealand. The future prospects for CK Life Sciences are bright. The steady performance and organic growth of its existing businesses are expected to continue. Going forward, CK Life Sciences will explore ways to maximise the potential of these businesses.

## Outlook

Strong global inflation, the continuing European debt problem, and uncertain economic prospects in the United States and Japan, would continue to pose major challenges and risks to the global markets in the near future.

High growth was, however, maintained on the Mainland, with GDP growth recorded at 9.6% for the first half year. Monetary tightening measures are in place to contain inflation, and performances of several sectors will be negatively affected in the short term. Maintaining price stability has emerged as a top priority on the Central Government's macroeconomic control agenda. With these macroeconomic policies, and given the ongoing process of shifting economic drivers from investment to domestic consumption, China's economy is expected to sustain healthy, impressive growth on a firmer footing in the long run.

Hong Kong remains well positioned to benefit from China's continuing growth and development, particularly given its positioning and advantages, during the National 12th Five Year Plan period. I have every confidence in the long-term economic outlook of the Mainland and Hong Kong.

Our solid fundamentals ensure a strong capacity for sustainable growth and value creation. The Cheung Kong Group is well poised to capitalise on the many excellent opportunities which will arise around the world to extend the global reach of our operations. I am very confident that the strengths of the Cheung Kong Group will underpin its growth prospects in the near, medium and long term.

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, 4th August, 2011

# Management Discussion and Analysis

## BUSINESS REVIEW

### Major Business Activities

#### 1. Developments Completed and Scheduled for Completion in 2011:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park Le Prime	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	101,470	Joint Venture
Festival City Phase 3	Sha Tin Town Lot No. 529	113,211	Joint Venture
Uptown	The Remaining Portion of Lot No. 2064 in D.D. 121 Hung Shui Kiu, Yuen Long	49,876	50%
Meridian Hill	New Kowloon Inland Lot No. 5099	12,795	100%
Oceanaire	The Remaining Portion of Sha Tin Town Lot No. 548	82,200	100%
The Greenwich Phase 1C	Yao Jia Yuan Dong Li, Chaoyang District, Beijing	88,979	50%
Regency Park Phase 2	Jingyue Economic Development Zone, Changchun	110,794	50%
Regency Residence Phases 1 and 2A(2)	Nanguan District, Changchun	22,544	50%
Noble Hills Phase 2	Wangcheng County, Changsha	72,663	50%
Regency Park Phases 1 and 2	Tianning District, Changzhou	32,968	50%

<b>Name</b>	<b>Location</b>	<b>Total Gross Floor Area (sq.m.)</b>	<b>Group's Interest</b>
Le Parc Phases 2B and 3	Chengdu High-Tech Zone	342,017	50%
Regency Oasis Phases 1 and 2	Wenjiang District, Chengdu	168,789	50%
Noble Hills Phase 2A	Douxi, Chongqing	88,288	50%
Laguna Verona Phases D1a1, D1b1 and G1a1	Hwang Gang Lake, Dongguan	35,036	49.91%
The Riverside and Metropolitan Plaza Phases 1 and 3	Huangsha, Guangzhou	164,842	50%
Regency Cove Phase 2	Maqiao Town, Minhang District, Shanghai	24,348	42.5%
Regency Park Phase IIB	Huamu Road, Pudong New District, Shanghai	10,188	50%
Century Place Phases 1 and 2	Shennan Road, Huaqiangbei, Futian District, Shenzhen	179,606	40%
Le Sommet Phase 3	Longgang District, Shenzhen	48,968	50%
Tianjin Metropolitan Phases 1 and 2	Yingkoudao, Heping District, Tianjin	159,702	40%
Regency Cove Phase 1A	Caidian District, Wuhan	59,871	50%
The Greenwich Phase 3	Xian Hi-Tech Industries Development Zone	260,158	50%

## Management Discussion and Analysis (*continued*)

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

#### Hong Kong

- (1) March 2011: A wholly owned subsidiary of the Group was awarded a Government tender for the development at Yuen Long On Ning Road, Tai Kiu Road and Yuen Long On Lok Road, Yuen Long Town Lot No. 518. With an area of approximately 12,340 sq.m., the site is planned for a commercial and residential development estimated to have a developable gross floor area of approximately 61,700 sq.m.
- (2) May 2011: A wholly owned subsidiary of the Group successfully bid for Ngau Tam Mei, Yuen Long, Lot No. 2086 in D.D. 105 at a Government auction. With an area of approximately 23,480 sq.m., the site is designated for a residential development estimated to have a developable gross floor area of approximately 9,392 sq.m.
- (3) June 2011: A wholly owned subsidiary of the Group successfully bid for Borrett Road, Hong Kong, Inland Lot No. 8949 at a Government auction. With an area of approximately 10,488 sq.m., the site is earmarked for a residential development estimated to have a developable gross floor area of approximately 40,440 sq.m.
- (4) June 2011: A wholly owned subsidiary of the Group successfully bid for Ping Kwai Road, Ping Shan, Yuen Long, Lot No. 2129 in D.D. 121 at a Government auction. With an area of approximately 6,076 sq.m., the site is planned for a residential development estimated to have a developable gross floor area of approximately 6,076 sq.m.
- (5) June 2011: A wholly owned subsidiary of the Group was awarded a Government tender for the development at Lee Kung Street, Hung Hom, Hung Hom Inland Lot No. 556. With an area of approximately 1,299 sq.m., the site is designated for a residential development estimated to have a developable gross floor area of approximately 9,740 sq.m.
- (6) 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

- (7) June 2011: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group successfully bid for a piece of land with an area of approximately 158,892 sq.m. and a gross floor area of approximately 225,194 sq.m. at Bayi Reservoir, Gaoxin District, Changchun, the Mainland for residential and commercial purposes.
- (8) 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\$24,118 million (2010 – HK\$18,644 million), an increase of HK\$5,474 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 Phases 1 and 2 in Hong Kong and La Grande Ville Phase 1 in Beijing, and the sale of residential units of property projects completed during the period, including Le Prime, Oceanaire and Uptown in Hong Kong, The Riverside Phase 3 in Guangzhou, Le Sommet Phase 3 in Shenzhen and Regency Oasis Phase 1A and Le Parc Phase 2B in Chengdu.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$7,006 million (2010 – HK\$5,809 million), an increase of HK\$1,197 million when compared with the same period last year. During the period, the government authorities in Hong Kong and the Mainland continued to introduce cooling measures to the overheated property markets, and property sales remained steady with demand in an inflationary environment.

Contribution from property sales for the second half year will mainly be derived from the sale of the remaining units of Festival City Phases 1 and 2 and the sale of residential units of Meridian Hill in Hong Kong, The Greenwich Phase 1C in Beijing, Regency Park Phase 2 in Changchun, Century Place Phase 1 in Shenzhen, Le Parc Phase 3 in Chengdu, Tianjian Metropolitan Phase 2 in Tianjian and several other property projects scheduled for completion.

During the period, sale/presale of residential units of various property projects in Hong Kong and the Mainland were progressing well including Crown by the Sea in Hong Kong which is scheduled for completion in 2012.

## Management Discussion and Analysis (*continued*)

### Property Rental

Turnover of the Group's property rental for the first half year was HK\$662 million (2010 – HK\$614 million), an increase of HK\$48 million when compared with the same period last year, mainly due to increase in rental rates generally. The Group's existing investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 44% and 43% respectively of the turnover of the Group's property rental for the period.

Contribution from the Group's property rental was HK\$635 million (2010 – HK\$563 million), and contribution including share of results of jointly controlled entities was HK\$919 million (2010 – HK\$912 million), an increase of HK\$7 million when compared with the same period last year. During the period, strong retail sales in Hong Kong and growing business confidence pushed up rentals for shops at prime locations and office spaces in major business districts.

In April 2011, Oriental Plaza in Beijing, of which the Group had a 33.4% interest, was listed on the Hong Kong Stock Exchange through the setup of Hui Xian Real Estate Investment Trust and an initial public offering ("IPO") of units denominated in Renminbi, and the transaction made a contribution of HK\$1,731 million to group profit for the period.

At the interim period end date, the Group accounted for an increase in fair value of investment properties of HK\$1,419 million (2010 – HK\$1,508 million) based on a professional valuation and shared an increase in fair value of investment properties of HK\$514 million (2010 – HK\$1,779 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\$1,151 million (2010 – HK\$928 million), an increase of HK\$223 million when compared with the same period last year. The increase in turnover was mainly attributable to a growing number of Mainland visitor arrivals and improving consumer confidence.

Contribution from the Group's hotels and serviced suites was HK\$414 million (2010 – HK\$249 million) and contribution including share of results of jointly controlled entities was HK\$545 million (2010 – HK\$351 million), an increase of HK\$194 million when compared with the same period last year. During the period, most of the hotels and serviced suites owned by the Group and jointly controlled entities in Hong Kong and the Mainland achieved good occupancy and room rates, and satisfactory operating results were reported.

With positive economic outlook and growing inbound tourism, the Group's hotels and serviced suites will continue to strive for good performance.

## Property and Project Management

Turnover of property and project management for the first half year was HK\$172 million (2010 – HK\$132 million), of which income from property management was HK\$76 million (2010 – HK\$75 million), an increase of HK\$1 million when compared with the same period last year, and income from project related services was HK\$96 million (2010 – HK\$57 million), an increase of HK\$39 million when compared with the same period last year.

Contribution from property management was HK\$50 million (2010 – HK\$49 million), an increase of HK\$1 million when compared with the same period last year, while project related services made a small contribution to group profit.

The Group is committed to providing high quality services to properties under our management. At the interim period end date, the total floor area under the Group's property management was approximately 87 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the years ahead.

## Major Associates

The Hutchison Whampoa Group, a listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2011 of HK\$46,296 million (2010 (restated) – HK\$6,327 million). A net gain of HK\$37,180 million, comprising a gain on the IPO of Hutchison Port Holdings Trust of HK\$44,290 million and impairment charges on certain port assets totalling HK\$7,110 million was included in the interim profit reported by the Hutchison Whampoa Group.

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2011 of HK\$82,332,000 (2010 – HK\$48,635,000).

## 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 when appropriate. During the period, the Group redeemed notes in the amount of HK\$500 million upon maturity.

At the interim period end date, the Group's bonds and notes, bank loans and other loans amounted to HK\$6.4 billion, HK\$22.6 billion and HK\$3.4 billion respectively, and the Group's total borrowings were HK\$32.4 billion, a decrease of HK\$4.7 billion from the end of last year. The maturity profile is spread over a period of nine years, with HK\$15.3 billion repayable within one year, HK\$15.3 billion within two to five years and HK\$1.8 billion beyond five years.

The Group's net debt to net total capital ratio at the interim period end date was approximately 3.4%. Net debt is arrived at by deducting bank balances and deposits from the Group's total borrowings and net total capital is the aggregate of total equity and net debt. If cash amounting to HK\$12.7 billion reserved for land acquisition costs payable in July 2011 is not taken into account, the Group's net debt to net total capital ratio at the interim period end date would increase to 7.2%.

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 91.7% of the Group's borrowings were in HK\$ and US\$, with the balance in SGD mainly for the purpose of financing projects outside Hong Kong. The Group derives its revenue mainly in HK\$, cash balances and marketable securities are maintained mainly in HK\$ or US\$, and the Group ensures that its exposure to fluctuations in foreign exchange rates is minimised.

The Group's borrowings are principally on a floating rate basis 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 when 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, a subsidiary of the Group pledged assets with aggregate carrying value of HK\$151 million (31st December, 2010 – HK\$938 million) to secure bank loan facilities utilised.

## 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 receivable by the partner of a joint development project amounted to HK\$624 million (31st December, 2010 – HK\$636 million); and
- (2) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK\$1,607 million (31st December, 2010 – HK\$1,530 million) and HK\$303 million (31st December, 2010 – HK\$286 million) respectively.

## Employees

At the interim period end date, the Group employed approximately 9,600 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$1,013 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, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, Commandeur de la Légion d'Honneur, JP, aged 83, is the founder of the Group. He has been the Chairman since 1971 and acted as the Managing Director from 1971 to 1998. He is the Chairman of the Remuneration Committee of the Company. Mr. Li has also been the Chairman of Hutchison Whampoa Limited, a listed company, since 1981. 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 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 47, 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, 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 Commission on Strategic Development and the Council for Sustainable Development of the Hong Kong Special Administrative Region, and Vice Chairman of the Hong Kong General Chamber of Commerce. 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 64, 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 59, 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, Excel Technology International Holdings Limited, Real Nutraceutical Group Limited (formerly known as Ruinian International 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 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 60, has been an Executive Director since 1993. Mr. Chung is a Registered Architect. He is 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 55, 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 54, 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 61, 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 79, 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 59, 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 ("HPPHM") 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 HPPHM). 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 59, 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 73, 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 75, 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 84, 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 88, 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 71, 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 62, 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 63, 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, and has been an Independent Non-executive Director of the Company since October 2004. She has been appointed as a member of the Audit Committee of the Company on 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 Director of Li Ka Shing Foundation Limited, Member of HKSAR Estate Agents Authority, Executive Committee Member of Hong Kong Housing Society, Court Member of The Hong Kong University of Science and Technology, Court Member of The Hong Kong Polytechnic University ("HK PolyU"), Steering Committee Member of the Institute for Enterprise of HK PolyU and Secretary of the Scout Association of Hong Kong. Ms. Hung has been awarded the University Fellowship from HK PolyU on 11th January, 2011. She was Council Member of Lingnan University from 1999 to 2004.

**WONG Yick-ming, Rosanna**, DBE, JP, aged 58, has been an Independent Non-executive Director since 2001 and is a member of the Remuneration Committee of the Company. 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 and the Commission on Strategic Development, and was previously a member of the Judicial Officers Recommendation Commission. 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 acted as the Chairman of the Education Commission of the Hong Kong Special Administrative Region until she retired from this office in April 2007. She is the Executive Director of The Hong Kong Federation of Youth Groups, 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 63, 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, Excel Technology International 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, a listed company. 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, 2011, 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	-	-	50,485,000 (Note 1)	936,462,744 (Note 2)	986,947,744	42.61%
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%
Simon Murray	Beneficial owner	74,000	-	-	-	74,000	0.003%
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	-	-	92,174,000 (Note 1)	2,141,698,773 (Note 3)	2,233,872,773	52.39%
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	11,000	28,600	-	-	39,600	0.0009%
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	-	124,000	-	-	124,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	-	-	-	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	-	-	-	34,000	0.0008%

## 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	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	4,355,634,570 (Note 10)	4,355,634,570	45.31%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	2,250,000	-	-	4,355,634,570 (Note 10)	4,357,884,570	45.34%
Kam Hing Lam	Interest of child or spouse	-	6,225,000	-	-	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	-	-	-	2,250,000	0.02%
Chung Sun Keung, Davy	Beneficial owner	375,000	-	-	-	375,000	0.004%
Pau Yee Wan, Ezra	Beneficial owner	900,000	-	-	-	900,000	0.009%
Woo Chia Ching, Grace	Beneficial owner	1,125,000	-	-	-	1,125,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,688,130	2,000	2,970 (Note 8)	-	1,693,100	0.017%

## 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	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	-	-	403,013,499 (Note 1)	3,185,136,120 (Note 13)	3,588,149,619	74.47%
	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	66.16%
	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.

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

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

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

## Disclosure of Interests (*continued*)

- (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.

As at 30th June, 2011, 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, 2011, 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.

Disclosure of Interests (*continued*)

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June, 2011, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

## Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	936,462,744 (Note)	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)	40.43%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	936,462,744 (Note)	40.43%

Note: 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.

Save as disclosed above, as at 30th June, 2011, 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 emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (“Code on CG Practices”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) throughout the six months ended 30th June, 2011.

## 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 Code on CG Practices.

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 met 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.

## Corporate Governance (*continued*)

### 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, 2011.

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

### INTERNAL CONTROLS

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

The Board, through the Audit Committee, has conducted a review of the effectiveness of internal control system of the Group for the six months ended 30th June, 2011.

### AUDIT COMMITTEE

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference (the "Terms of Reference") in accordance with the provisions set out in the Code on CG Practices. The Terms of Reference have been modified in accordance with the amended Code on CG Practices and adopted by the Board effective from 1st January, 2009. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company.

The Group's interim report for the six months ended 30th June, 2011 has been reviewed by the Audit Committee.

## REMUNERATION COMMITTEE

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

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

## INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can 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.

## Other Information

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

During the six months ended 30th June, 2011, 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 2010 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 2010 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, 2011

	Note	(Unaudited)	
		2011 HK\$ Million	2010 (Restated) HK\$ Million
Group turnover		22,418	17,244
Share of property sales of jointly controlled entities		3,685	3,074
Turnover	(2)	26,103	20,318
<b>Group turnover</b>		22,418	17,244
Investment and other income		497	394
Operating costs			
Property and related costs		(14,646)	(11,553)
Salaries and related expenses		(706)	(581)
Interest and other finance costs		(130)	(101)
Depreciation		(199)	(200)
Other expenses		(218)	(154)
		(15,899)	(12,589)
Share of net profit of jointly controlled entities		2,948	3,382
Increase in fair value of investment properties		1,419	1,508
Operating profit		11,383	9,939
Share of net profit of associates		23,284	3,238
<b>Profit before taxation</b>	(3)	34,667	13,177
Taxation	(4)	(1,350)	(605)
<b>Profit for the period</b>		33,317	12,572
<b>Profit attributable to</b>			
Shareholders of the Company		33,259	12,343
Non-controlling interests		58	229
		33,317	12,572
<b>Earnings per share</b>	(6)	HK\$14.36	HK\$5.33

## Interim Financial Statements (continued)

## Consolidated Statement of Comprehensive Income

For the six months ended 30th June, 2011

	(Unaudited)	
	2011 HK\$ Million	2010 (Restated) HK\$ Million
Profit for the period	33,317	12,572
Other comprehensive income		
Exchange gain on translation of financial statements of foreign operations	179	43
Investments available for sale		
Loss in fair value	(409)	(49)
Gain in fair value transferred to income statement upon disposal	(21)	(65)
Impairment transferred to income statement	385	–
Share of other comprehensive loss of jointly controlled entities and unlisted associates	(63)	(58)
<b>Total comprehensive income for the period</b>	<b>33,388</b>	<b>12,443</b>
<b>Total comprehensive income attributable to</b>		
Shareholders of the Company	33,326	12,213
Non-controlling interests	62	230
	<b>33,388</b>	<b>12,443</b>

## Consolidated Statement of Financial Position

As at 30th June, 2011

	(Unaudited) 30/6/2011 HK\$ Million	(Restated) 31/12/2010 HK\$ Million
<b>Non-current assets</b>		
Fixed assets	10,196	10,399
Investment properties	22,589	21,170
Associates	176,861	156,369
Jointly controlled entities	42,272	39,497
Investments available for sale	11,173	9,282
Long term loan receivables	392	357
	<b>263,483</b>	<b>237,074</b>
<b>Current assets</b>		
Stock of properties	68,620	65,679
Debtors, deposits and prepayments	2,758	2,459
Investments held for trading	290	258
Derivative financial instruments	141	334
Bank balances and deposits	21,847	25,147
	<b>93,656</b>	<b>93,877</b>
<b>Current liabilities</b>		
Bank and other loans	15,337	13,127
Creditors and accruals	20,495	18,298
Loan from joint development partner	–	2,000
Derivative financial instruments	560	647
Provision for taxation	1,799	633
	<b>55,465</b>	<b>59,172</b>
<b>Net current assets</b>	<b>55,465</b>	<b>59,172</b>
<b>Total assets less current liabilities</b>	<b>318,948</b>	<b>296,246</b>
<b>Non-current liabilities</b>		
Bank and other loans	17,141	22,027
Deferred tax liabilities	820	761
	<b>17,961</b>	<b>22,788</b>
<b>Net assets</b>	<b>300,987</b>	<b>273,458</b>
<b>Representing:</b>		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	286,799	259,148
Shareholders' funds	<b>297,288</b>	<b>269,637</b>
Non-controlling interests	3,699	3,821
<b>Total equity</b>	<b>300,987</b>	<b>273,458</b>

## Interim Financial Statements (continued)

## Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2011

	Shareholders' Funds					Non-controlling interests	(Restated/ unaudited) Total Equity
	Share capital, premium and reserve <sup>(1)</sup>	Investment revaluation reserve	Exchange reserve	Retained profits	Total		
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million		
Balance at 1st January, 2010, as previously reported	10,834	1,681	3,370	227,207	243,092	3,805	246,897
Prior year adjustments (note 1)	-	-	1	3,583	3,584	6	3,590
Balance at 1st January, 2010, as restated	10,834	1,681	3,371	230,790	246,676	3,811	250,487
Profit for the period	-	-	-	12,343	12,343	229	12,572
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	-	-	42	-	42	1	43
Loss in fair value of investments available for sale	-	(49)	-	-	(49)	-	(49)
Gain in fair value of investments available for sale transferred to income statement upon disposal	-	(65)	-	-	(65)	-	(65)
Share of other comprehensive income/(loss) of jointly controlled entities and unlisted associates	-	20	(78)	-	(58)	-	(58)
Total comprehensive income for the period	-	(94)	(36)	12,343	12,213	230	12,443
Change in non-controlling interests	-	-	-	-	-	(507)	(507)
Dividend paid to non-controlling interests	-	-	-	-	-	(115)	(115)
Dividend paid to shareholders of the Company 2009 final dividend HK\$2.20 per share	-	-	-	(5,096)	(5,096)	-	(5,096)
Balance at 30th June, 2010	10,834	1,587	3,335	238,037	253,793	3,419	257,212
Balance at 1st January, 2011, as previously reported	10,834	3,165	4,266	247,431	265,696	3,815	269,511
Prior year adjustments (note 1)	-	-	-	3,941	3,941	6	3,947
Balance at 1st January, 2011, as restated	10,834	3,165	4,266	251,372	269,637	3,821	273,458
Profit for the period	-	-	-	33,259	33,259	58	33,317
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	-	-	175	-	175	4	179
Loss in fair value of investments available for sale	-	(409)	-	-	(409)	-	(409)
Gain in fair value of investments available for sale transferred to income statement upon disposal	-	(21)	-	-	(21)	-	(21)
Impairment of investments available for sale transferred to income statement	-	385	-	-	385	-	385
Share of other comprehensive loss of jointly controlled entities and unlisted associates	-	(60)	(3)	-	(63)	-	(63)
Total comprehensive income for the period	-	(105)	172	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	3,060	4,438	278,956	297,288	3,699	300,987

(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.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June, 2011

	(Unaudited)	
	2011 HK\$ Million	2010 HK\$ Million
Net cash from operating activities	2,580	7,054
Net cash used in investing activities	(756)	(268)
Net cash from/(used in) financing activities	(5,124)	204
Net increase/(decrease) in cash and cash equivalents	(3,300)	6,990
Cash and cash equivalents at 1st January	25,147	11,423
<b>Cash and cash equivalents at 30th June</b>	<b>21,847</b>	<b>18,413</b>

## Interim Financial Statements (continued)

## Notes to Interim Financial Statements

## 1. Basis of preparation

The interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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, 2010, except for the change described below.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”). For those HKFRSs which are effective for accounting periods beginning on 1st January, 2011, the adoption has no significant impact on the Group’s results and financial position. The Group and its listed associate, Hutchison Whampoa Limited (“Hutchison”), have also adopted HKAS 12 (Amendments) “Deferred Tax: Recovery of Underlying Assets”, which will be effective for accounting periods beginning on 1st January, 2012, in the preparation of the interim financial statements.

In prior years, deferred tax was provided on the basis that the carrying amounts of investment properties would be recovered through use. Following the adoption of HKAS 12 (Amendments), deferred tax is provided on the basis that the carrying amounts of the investment properties will be recovered through sale except that the basis of recovery through use will continue to apply to those investment properties which are depreciable and are held with an objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. This change in accounting policy has been applied retrospectively.

The impact of the said change in accounting policy, and the Group’s share of its impact on Hutchison’s interim financial statements as well as Hutchison’s restatement of its interim results for the comparative period following its adoption of a new accounting policy in the second half of 2010, have effects on the interim financial statements as follows:

	Six months ended 30th June	
	2011 HK\$ Million	2010 HK\$ Million
Increase in share of net profit of jointly controlled entities	15	234
Increase/(decrease) in share of net profit of associates	7	(61)
Decrease in taxation	230	247
Increase in profit attributable to shareholders of the Company	252	420
Increase in earnings per share	HK\$0.11	HK\$0.18

## 1. Basis of preparation *(continued)*

	30/6/2011 HK\$ Million	31/12/2010 HK\$ Million
Increase in associates	2,259	2,252
Increase in jointly controlled entities	84	66
Decrease in deferred tax liabilities	1,859	1,629
Increase in net assets	4,202	3,947
Increase in retained profits	4,193	3,941
Increase in exchange reserve	3	–
Increase in non-controlling interests	6	6
Increase in total equity	4,202	3,947

For the other HKFRSs 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	
	2011 HK\$ Million	2010 HK\$ Million
Property sales	20,433	15,570
Property rental	662	614
Hotels and serviced suites	1,151	928
Property and project management	172	132
Group turnover	22,418	17,244
Share of property sales of jointly controlled entities	3,685	3,074
Turnover	26,103	20,318

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.

## Interim Financial Statements (continued)

## 2. Turnover and contribution (continued)

During the period, turnover of the Group's operating activities outside Hong Kong (including property sales of jointly controlled entities) accounted for approximately 17% (2010 – 18%) of the turnover and was derived from the following locations:

	Six months ended 30th June	
	2011 HK\$ Million	2010 HK\$ Million
The Mainland	4,398	2,617
Singapore	–	1,052
	<b>4,398</b>	<b>3,669</b>

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

	Six months ended 30th June					
	Company and subsidiaries		Jointly controlled entities		Total	
	2011 HK\$ Million	2010 HK\$ Million	2011 HK\$ Million	2010 HK\$ Million	2011 HK\$ Million	2010 HK\$ Million (Restated)
Property sales	5,796	4,145	1,210	1,664	7,006	5,809
Property rental	635	563	284	349	919	912
Hotels and serviced suites	414	249	131	102	545	351
Property and project management	59	55	–	–	59	55
	<b>6,904</b>	<b>5,012</b>	<b>1,625</b>	<b>2,115</b>	<b>8,529</b>	<b>7,127</b>
Investment and finance					421	350
Interest and other finance costs					(130)	(101)
Increase in fair value of investment properties						
Subsidiaries					1,419	1,508
Jointly controlled entities					514	1,779
Surplus on loss of control of indirect interest in jointly controlled entities					1,731	–
Others					308	67
Taxation						
Company and subsidiaries					(1,350)	(605)
Jointly controlled entities					(1,292)	(736)
Profit attributable to non-controlling interests					(58)	(229)
					<b>10,092</b>	<b>9,160</b>
Share of net profit of listed associates						
Hutchison Whampoa Limited					23,130	3,161
CK Life Sciences Int'l., (Holdings) Inc.					37	22
Profit attributable to shareholders of the Company					<b>33,259</b>	<b>12,343</b>

### 3. Profit before taxation

	Six months ended 30th June	
	2011 HK\$ Million	2010 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest and other finance costs	223	153
Less: Amount capitalised	(93)	(52)
	130	101
Costs of properties sold	13,428	10,660
Impairment of investments available for sale	385	–
Gain on disposal of investments available for sale	(21)	(65)
(Gain)/loss on investments held for trading	(35)	102

### 4. Taxation

	Six months ended 30th June	
	2011 HK\$ Million	2010 HK\$ Million
Current tax		
Hong Kong profits tax	1,123	533
Tax outside Hong Kong	168	19
Deferred tax	59	53
	1,350	605

Hong Kong profits tax has been provided for at the rate of 16.5% (2010 – 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	
	2011 HK\$ Million	2010 HK\$ Million
HK\$0.53 (2010 – HK\$0.50) per share	1,228	1,158

## 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 (2010 – 2,316,164,338 shares) in issue during the period.

## 7. Ageing analyses of trade debtors and trade creditors

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

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

	30/6/2011 HK\$ Million	31/12/2010 HK\$ Million
Current to one month	362	817
Two to three months	41	22
Over three months	13	8
	<b>416</b>	<b>847</b>

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

	30/6/2011 HK\$ Million	31/12/2010 HK\$ Million
Current to one month	13,660	500
Two to three months	23	32
Over three months	23	25
	<b>13,706</b>	<b>557</b>

## 8. Related party transactions

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

At the interim period end date, advances made to associates and jointly controlled entities amounted to HK\$486 million and HK\$9,548 million respectively, commitments for advances to jointly controlled entities amounted to HK\$509 million, and guarantees provided by the Group for bank loans utilised by jointly controlled entities amounted to HK\$1,607 million.

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

## Company Secretary

Eirene YEUNG

## Authorised Representatives

IP Tak Chuen, Edmond  
 Eirene YEUNG

## Chief Manager, Accounts Department

MAN Ka Keung, Simon

## Principal Bankers

Mizuho Corporate Bank, Ltd.  
 The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
 Bank of China (Hong Kong) Limited  
 Hang Seng Bank Limited  
 BNP Paribas  
 Industrial and Commercial Bank of China (Asia) Limited  
 Canadian Imperial Bank of Commerce  
 The Hongkong and Shanghai Banking Corporation Limited  
 Sumitomo Mitsui Banking Corporation  
 Bank of Communications Co., Ltd.

## Auditor

Deloitte Touche Tohmatsu

## Legal Advisers

Woo, Kwan, Lee & Lo

## Registered Office

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

## Share 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	4th August, 2011
Closure of Register of Members	15th to 22nd September, 2011 (both days inclusive)
Record Date for Interim Dividend	22nd September, 2011
Payment of Interim Dividend	23rd September, 2011