

# Solid Foundations in Challenging Times



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

STOCK CODE: 0001

Interim Report 2013

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# 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*  
 LEE Yeh Kwong, Charles *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

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

## Executive Committee

LI Tzar Kuoi, Victor *(Chairman)*  
 KAM Hing Lam  
 IP Tak Chuen, Edmond  
 CHUNG Sun Keung, Davy  
 PAU Yee Wan, Ezra  
 WOO Chia Ching, Grace  
 CHIU Kwok Hung, Justin

YIP Kin Ming, Emmanuel  
 SHEN Wai Yee, Grace  
 Eirene YEUNG

MAN Ka Keung, Simon  
 KWAN Chi Kin, Anthony  
 MA Lai Chee, Gerald

## Company Secretary

Eirene YEUNG

## Authorised Representatives

IP Tak Chuen, Edmond  
 Eirene YEUNG

## Chief Manager, Accounts Department

MAN Ka Keung, Simon

## Principal Bankers

Mizuho Bank, Ltd.  
 The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
 Bank of China (Hong Kong) Limited  
 The Hongkong and Shanghai Banking Corporation Limited  
 Sumitomo Mitsui Banking Corporation  
 Oversea-Chinese Banking Corporation Limited  
 Canadian Imperial Bank of Commerce  
 Citibank, N.A.  
 Bank of America, N.A.  
 Standard Chartered Bank (Hong Kong) Limited

## Auditor

PricewaterhouseCoopers

## Legal Advisers

Woo, Kwan, Lee & Lo

## Registered Office

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

## Share Registrar and Transfer Office

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

## Stock Codes

The Stock Exchange of Hong Kong Limited: 0001  
 Bloomberg: 1 HK  
 Reuters: 1.HK

## Website

www.ckh.com.hk

## Key Dates

Interim Results Announcement	1st August, 2013
Record Date for Interim Dividend	4th September, 2013
Payment of Interim Dividend	13th September, 2013

# Chairman's Statement

## Solid Foundations in Challenging Times

### PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2013 amounted to HK\$13,412 million. Earnings per share were HK\$5.79.

### INTERIM DIVIDEND

The Directors have declared an interim dividend for 2013 of HK\$0.58 per share (HK\$0.53 per share in 2012) to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 4th September, 2013. The dividend will be paid on Friday, 13th September, 2013.

### PROSPECTS

#### Business Review

##### Operating Performance

Global market conditions have further stabilised in the first half of 2013 as the financial difficulties in certain Eurozone nations have gradually eased and as the U.S. economy and labour market have continued to improve moderately. However, the pace of global recovery is still subject to uncertainties.

For the six months ended 30th June, 2013, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$7,218 million, 30% lower than that reported last year. The first half results of the Group reflect the continued difficult operating environment. Nevertheless, all of our core operations continued to progress solidly, with overall performance in line with expectations.

In the first half under review, less profit contribution was recorded from property sales as compared to the same period in 2012. Contributions from both property rental and hotels and serviced suites have increased, and the contribution from the infrastructure business was in line with expectations.

## Chairman's Statement (*continued*)

The Group recorded less contribution from property sales in Hong Kong compared to the same period last year due to the timing of completion of developments, with the profit contribution from more developments expected to be accounted for during the second half of the year or into 2014. The Group's property development projects were, however, progressing as scheduled during the period. We will continue to expand our landbank at the appropriate time to strengthen our potential for growth. The local property market will continue to be subject to external economic conditions and the development of the housing policies, and our strategy is to be responsive to market developments and property-related policies.

Our operations on the Mainland and in other property markets outside Hong Kong have delivered a solid performance. The Group will continue to strengthen its presence both in Hong Kong and beyond to balance its sources of revenue.

Investing in the overseas infrastructure sector has generated quality streams of steady contribution to the Group. In the period under review, contributions from Northumbrian Water Group Limited and Wales & West Utilities Limited in the United Kingdom were in line with expectations. In June 2013, the Group participated in the acquisition of AVR Afvalverwerking B.V. ("AVR"), the largest energy-from-waste player in the Netherlands. This acquisition, when completed in August/September 2013, represents an attractive diversification of our business portfolio into the waste management industry, and is also a solid investment which will generate immediate recurring cash flow with secure and stable returns. We will continue our diversification strategy to pursue value enhancing acquisitions in new business sectors.

### **Listed Affiliated Companies**

The Group continued to benefit from the global opportunities arising from its strategic investments in listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. In the first half of 2013, businesses in markets beyond Hong Kong continued to perform well and generate solid results to the Group and its listed affiliated companies.

## ***The Hutchison Whampoa Group***

The Hutchison Whampoa Group's operations continued to perform well in the first half of 2013. Despite difficult conditions in many of the major economies in which the Hutchison Whampoa Group operates, its businesses overall achieved solid growth. The Hutchison Whampoa Group will continue to pursue a strategy of "Growth with Stability", with equal emphasis on achieving sustainable recurring earnings growth and maintaining its strong financial profile. Barring material adverse developments in its major markets, the Hutchison Whampoa Group's businesses will continue to grow in the second half of 2013.

### ***CKI***

Good progress was made by Cheung Kong Infrastructure Holdings Limited ("CKI") in the first half of 2013. The acquisitions of Enviro Waste Services Limited in New Zealand and AVR in the Netherlands (subject to completion) have expanded CKI's portfolio to the waste management industry, and enhanced CKI's presence geographically. CKI has built a strong track record in acquiring and assimilating quality projects into its portfolio. With CKI's strong financials, it will continue to follow this strategy to further expand in mass, scale and profitability to maintain its growth momentum.

### ***Power Assets***

Power Assets Holdings Limited ("Power Assets") sustained its growth trend during the first half of 2013 as a result of the progress made in its global portfolio of businesses. The contribution from its international businesses continued to increase, and accounts for more than half of its total earnings, validating the strategy to diversify into carefully chosen international markets. The acquisition of AVR, when completed, represents a further diversification of its asset portfolio into the energy-from-waste industry; and geographically into the European Continent. Power Assets' strong financial position and ample resources will support its efforts to identify opportunities to expand its asset portfolio in a prudent manner.

### ***CK Life Sciences***

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") achieved a pleasing performance during the first half of 2013. The recent acquisitions of high quality assets in the agriculture-related business have expanded the scope of CK Life Sciences, provided additional steady income flows and significantly boosted its earnings. The stable performance and continued organic growth of its existing businesses also strengthen its revenue stream. With a strong financial platform and solid business operations, CK Life Sciences is confident about its prospects going forward.

## Chairman's Statement (*continued*)

### Outlook

The U.S. economy has continued to improve, with signs of recovery emerging in different industries, as reflected by the improvement in various stock prices. Rises in interest rates are less likely in the near term although the U.S. authorities are set to reduce the level of their market support policies. In Europe, economic conditions are expected to stabilise. Barring unforeseen material adverse circumstances, the global economic outlook is cautiously positive as a whole.

China's GDP growth softened to 7.6% in the first half of 2013. Nevertheless, the Mainland still achieved the highest rate of growth among major economies. The Central Government has reaffirmed its proactive and prudent fiscal policies to support growth. With stable and conducive policies to address the current economic issues and foster development over the long term, China's economy is expected to progress on a steady growth path. In Hong Kong, the economy should grow moderately in 2013 due to an improving external environment and the strength of China's economy.

With shareholders' interests at the forefront, the Cheung Kong Group continues to drive long-term sustainable growth by strengthening its existing businesses organically and seeking attractive opportunities to expand globally. We will continue to pursue quality investments both in Hong Kong and abroad which promise a positive return and good potential to create further value for shareholders. The global geopolitical and economic landscape is ever changing and there will be many challenges ahead. With a low debt ratio, the Cheung Kong Group is well placed to make steady progress in a constantly challenging market by following its strategy of "Growth with Stability". We look forward to an overall positive performance in 2013 as our overseas investments mature. We are strongly confident in the Cheung Kong Group's business prospects.

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, 1st August, 2013

# Management Discussion and Analysis

## BUSINESS REVIEW

### Major Business Activities

#### 1. Developments Completed and Scheduled for Completion in 2013:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
The Beaumont	Tseung Kwan O Town Lot No. 90	97,400	Joint Venture
One West Kowloon	New Kowloon Inland Lot No. 6354	23,996	100%
Kennedy Park at Central	Section A, The Remaining Portion of Section B, Subsection 1 of Section N and Subsection 1 of Section O of Inland Lot No. 1381	8,106	100%
Fung Yuen Project	Tai Po Town Lot No. 183	87,356	100%
Marina Bay Suites	Marina Bay, Singapore	43,607	16.67%
La Grande Ville Phase 2	Shun Yi District, Beijing	45,726	100%
Yuhu Mingdi Phase 1	Luogang District, Guangzhou	43,901	40%
Guangzhou Guoji Wanjucheng Phase 2A	Huangpu District, Guangzhou	62,584	30%
Regency Park Phase 3	Jingyue Economic Development Zone, Changchun	51,953	50%
Regency Residence Phases 1 and 2B	Nanguan District, Changchun	10,402	50%
Le Parc Phases 4A, 4B and 6B	Chengdu High-Tech Zone, Chengdu	474,369	50%

Management Discussion and Analysis (*continued*)

<b>Name</b>	<b>Location</b>	<b>Total Gross Floor Area (sq.m.)</b>	<b>Group's Interest</b>
Regency Oasis Phase 1B	Wenjiang District, Chengdu	115,847	50%
Cape Coral Phase 2B	Nanan District, Chongqing	77,854	47.5%
Noble Hills Phase 3	Wangcheng County, Changsha	108,766	50%
Regency Park Phase 3A	Tianning District, Changzhou	16,604	50%
Laguna Verona Phases D1b2, D1c and G1a	Hwang Gang Lake, Dongguan	95,900	49.91%
Cape Coral Phase 3B	Panyu District, Guangzhou	84,002	50%
Noble Hills Phases 1A and 1B	Zengcheng, Guangzhou	24,837	50%
The Harbourfront Land No. 2 and 8	Shibei District, Qingdao	82,900	45%
Regency Garden Phase 3	Pudong New District, Shanghai	24,988	42.5%
Le Sommet Phases 4B and 4C	Longgang District, Shenzhen	119,495	50%
Noble Hills	Baoan District, Shenzhen	146,950	50%
The Metropolitan Tianjin Phases 1 and 2	Yingkoudao, Heping District, Tianjin	166,393	40%
Regency Cove Phase 1	Caidian District, Wuhan	89,357	50%

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

### Hong Kong

- (1) January 2013: A wholly owned subsidiary of the Group updated the existing US\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") as guaranteed by the Company for the purpose of issuing notes (the "Notes") which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme provides that the Notes may be listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or such other stock exchanges as may be agreed with the relevant dealer(s). This update of the Programme has also included a wholly owned Singapore subsidiary of the Group as another issuer. As at 30th June, 2013, Notes of an aggregate nominal amount of approximately US\$849 million were issued and outstanding under the Programme.
- (2) January 2013: A wholly owned subsidiary of the Group issued US\$500 million Guaranteed Senior Perpetual Securities (the "Securities") at an issue price of 100% of the principal amount with distribution rate of 5.375% per annum, which have been listed on the Stock Exchange since 25th January, 2013. The Securities are guaranteed by the Company. In April 2013, the Securities in a principal amount of US\$74,700,000 were repurchased and cancelled. The outstanding principal amount of the Securities immediately following settlement of such purchase and cancellation is US\$425,300,000.
- (3) 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

- (4) June 2013: A 35/35/20/10 joint venture company ("JV") was formed by the Group, Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited and Li Ka Shing Foundation Limited for the acquisition of the entire issued share capital of AVR-Afvalverwerking B.V., the largest energy-from-waste player in the Netherlands, at the consideration of approximately EUR943.68 million (the "Acquisition"). A share purchase agreement for the Acquisition was entered into by the parties on 6th August, 2013.
- (5) 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.

## Management Discussion and Analysis (*continued*)

### Property Sales

For the first half year, turnover of property sales including share of property sales of joint ventures was HK\$12,325 million (2012 – HK\$15,521 million), a decrease of HK\$3,196 million when compared with the same period last year due to lack of sales recognition for property projects developed in Hong Kong, and comprised mainly the sale of residential units of La Splendeur completed in Hong Kong last year, and the sale of residential units of property projects completed outside Hong Kong during the period, including Marina Bay Suites in Singapore, La Grande Ville Phase 2 (Zone I) in Beijing, Le Parc Phases 4A and 6B in Chengdu, Laguna Verona Phases D1b2 and G1a in Dongguan, The Harbourfront Land No. 2 in Qingdao and a few others on the Mainland.

Contribution from property sales including share of results of joint ventures was HK\$3,831 million (2012 – HK\$6,040 million) for the first half year, a decrease of HK\$2,209 million when compared with the same period last year in the absence of major contribution from property projects developed in Hong Kong. Three property projects developed in Hong Kong, namely, The Beaumont, One West Kowloon and Kennedy Park at Central, of which all residential units have been presold, are scheduled for completion in the second half year and will make contribution to group profit when property sales are recognised.

During the period, sale of residential properties in Hong Kong slowed down due to new government regulations and measures, whereas sale/presale of the Group's various property projects on the Mainland were satisfactory.

Contribution from property sales for the second half year will mainly be derived from the sale of residential units of the three property projects in Hong Kong mentioned above as well as La Grande Ville Phase 2 (Zones C and H) in Beijing, Yuhu Mingdi Phase 1 and Cape Coral Phase 3B in Guangzhou, Noble Hills and Le Sommet Phases 4B and 4C in Shenzhen and several other property projects scheduled for completion.

### Property Rental

Turnover of the Group's property rental for the first half year was HK\$1,002 million (2012 – HK\$905 million), an increase of HK\$97 million when compared with the same period last year, mainly due to increased rental rates for retail properties in Hong Kong which have benefited by the growing number of tourists from the Mainland. The Group's investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong, which accounted for approximately 57% and 35% respectively of the turnover of the Group's property rental for the period.

Contribution from the Group's property rental was HK\$906 million (2012 – HK\$843 million), an increase of HK\$63 million when compared with the same period last year mainly attributable to an increase in contribution from the Group's retail shopping malls in Hong Kong, whereas contribution from joint ventures was HK\$157 million (2012 – HK\$139 million), an increase of HK\$18 million when compared with the same period last year, and included mainly rental income derived from commercial properties on the Mainland.

At the interim period end date, the Group accounted for an increase in fair value of investment properties of HK\$1,773 million (2012 – HK\$2,348 million) based on a professional valuation and shared an increase in fair value of investment properties of HK\$43 million (2012 – HK\$437 million) of joint ventures.

## Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the first half year was HK\$1,146 million (2012 – HK\$1,116 million), an increase of HK\$30 million when compared with the same period last year as demand for hotels and serviced suites in Hong Kong during the period were maintained while inbound tourism and business travel remained active.

Contribution from the Group's hotels and serviced suites was HK\$487 million (2012 – HK\$435 million) and contribution including share of results of joint ventures was HK\$619 million (2012 – HK\$593 million) for the first half year, an increase of HK\$26 million when compared with the same period last year despite the disposal of Metropark Lido Hotel, Beijing formerly owned by a joint venture in the second half year of 2012.

In February 2013, The Apex Horizon owned by Pearl Wisdom Limited ("PWL"), a wholly owned subsidiary, was disposed of to investors in the public. Subsequently, PWL was notified by the Securities and Futures Commission ("SFC") that the arrangements relating to the sale and purchase of hotel room units in The Apex Horizon appeared to constitute a Collective Investment Scheme which was not agreed with by PWL. However, PWL has decided and agreed with the SFC to arrange for the cancellation of the transactions.

## Property and Project Management

Turnover of the Group's property and project management for the first half year was HK\$179 million (2012 – HK\$175 million), of which income from property management was HK\$83 million (2012 – HK\$78 million), an increase of HK\$5 million when compared with the same period last year, and income from project related services was HK\$96 million (2012 – HK\$97 million), a decrease of HK\$1 million when compared with the same period last year.

## Management Discussion and Analysis (*continued*)

Contribution from the Group's property management was HK\$54 million (2012 – HK\$52 million), an increase of HK\$2 million when compared with the same period last year, while the Group's project related services made a small contribution to group profit. The Group also shared the profits of joint ventures amounting to HK\$24 million (2012 – HK\$24 million), which were engaged in the management of major property projects, including Beijing Oriental Plaza on the Mainland and Marina Bay Financial Centre in Singapore.

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, 2013 of HK\$12,398 million (2012 (restated) – HK\$10,092 million).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2013 of HK\$139,928,000 (2012 – HK\$115,630,000).

## FINANCIAL REVIEW

### Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings as appropriate. During the period, notes issued by the Group in the total amount of HK\$1.3 billion were redeemed upon maturity.

At the interim period end date, the Group's borrowings of bank loans, issued notes and other loans were HK\$33 billion, HK\$12.2 billion and HK\$0.6 billion respectively, and the Group's total borrowings amounted to HK\$45.8 billion, a decrease of HK\$2.3 billion from last year end date. The maturity profile is spread over a period of nine years, with HK\$4.3 billion repayable within one year, HK\$37 billion within two to five years and HK\$4.5 billion beyond five years.

During the period, the Group issued perpetual securities with an annual distribution rate of 5.375% in the amount of US\$500 million. Subsequently, US\$74.7 million of such issued perpetual securities were purchased back and cancelled. With no fixed maturity, the perpetual securities in the remaining amount of US\$425.3 million are redeemable at the Group's option on or after 24th January, 2018 and are accounted for as equity in the financial statements.

The Group's net debt to net total capital ratio at the interim period end date was approximately 5.6%. Net debt is arrived at by deducting bank balances and deposits of HK\$25 billion from the Group's total borrowings and net total capital is the aggregate of the Group's total equity and net debt.

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

## Treasury Policies

The Group maintains a conservative approach on foreign exchange exposure management. At the interim period end date, approximately 79.1% of the Group's borrowings were in HK\$ and US\$, with the balance in GBP and SGD mainly for the purpose of financing investments and property projects in the United Kingdom and Singapore. The Group derives its revenue mainly in HK\$ and cash is mainly held in HK\$. Income in foreign currencies, including RMB, SGD and GBP, is also generated from the Group's investments and property projects outside Hong Kong and cash in these foreign currencies is maintained for operational requirements. 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 notes issued to a floating rate basis.

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

## Charges on Assets

At the interim period end date, there was no charge on assets of the Group (31st December, 2012 – Nil).

## Contingent Liabilities

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

- (1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK\$600 million (31st December, 2012 – HK\$612 million); and
- (2) guarantees provided for bank loans utilised by joint ventures and investee company amounted to HK\$794 million (31st December, 2012 – HK\$1,281 million) and HK\$374 million (31st December, 2012 – HK\$359 million) respectively.

## Employees

At the interim period end date, the Group employed approximately 8,600 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$1,100 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

## Directors' Biographical Information

**Li Ka-shing**, GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 85, is the founder of the Group. He has been the Chairman since 1971 and acted as the Managing Director from 1971 to 1998. He has been a member of the Remuneration Committee of the Company since March 2005. Mr. Li has also been the Chairman of Hutchison Whampoa Limited, a listed company, since 1981, and is the Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr. Li served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities on the Mainland and overseas. Mr. Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr. Li has received Honorary Doctorates from Peking University, The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr. Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions on the Mainland and abroad. Mr. Li Ka-shing is the father of Mr. Li Tzar Kuoi, Victor, the Managing Director, Deputy Chairman and Chairman of Executive Committee of the Company, and the brother-in-law of Mr. Kam Hing Lam, Deputy Managing Director and Member of Executive Committee 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 49, joined the Group in 1985 and acted as Deputy Managing Director from 1993 to 1998. He has been Deputy Chairman since 1994, Managing Director since 1999 and Chairman of Executive Committee since March 2013. 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 and Co-Chairman of Husky Energy Inc., all being listed companies. Mr. Victor Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Council for Sustainable Development of the Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce. 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 and Member of Executive Committee 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 66, has been Deputy Managing Director since 1993 and Member of Executive Committee since March 2013. 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 an Advisor of the 12th Beijing Municipal 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, Deputy Chairman and Chairman of Executive Committee of the Company.

**IP Tak Chuen, Edmond**, aged 61, has been an Executive Director since 1993, Deputy Managing Director since 2005 and Member of Executive Committee since March 2013. He is also an Executive Director and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited, the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc., a Non-executive Director of ARA Asset Management Limited (an Asian real estate fund management company listed in Singapore), TOM Group Limited, AVIC International Holding (HK) Limited, Real Nutraceutical Group Limited, Shougang Concord International Enterprises Company Limited (all being listed companies), ARA Asset Management (Fortune) Limited as the manager of Fortune REIT (listed in Hong Kong and Singapore) and Hui Xian Asset Management Limited as the manager of Hui Xian REIT (listed in Hong Kong), and a Director of ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore). He 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 62, has been an Executive Director since 1993 and Member of Executive Committee since March 2013. Mr. Chung is a Registered Architect. He was a member of the 11th Guangzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

**PAU Yee Wan, Ezra**, aged 57, joined the Group in 1982, has been an Executive Director since 1993 and Member of Executive Committee since March 2013. 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 56, joined the Group in 1987, has been an Executive Director since 1996 and Member of Executive Committee since March 2013. 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 63, joined the Group in 1997, has been an Executive Director since 2000 and Member of Executive Committee since March 2013. 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 serves as a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. Chiu is 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. He holds Bachelor degrees in Sociology and Economics, and was conferred with the degree of Doctor of Social Sciences, honoris causa by Hong Kong Baptist University and the degree of Doctor of Laws, honoris causa by Trent University, Canada. 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 81, 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 61, 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 ("HPHM") 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 HPHM). 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 61, 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 75, 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 77, 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 and Cheung Kong Infrastructure Holdings Limited, an Independent Non-executive Director of Power Assets Holdings Limited (re-designated as an Independent Non-executive Director since September 2012), and a Director of Husky Energy Inc., all being listed companies. He holds a Master’s degree in Economics.

**LEE Yeh Kwong, Charles**, GBM, GBS, OBE, JP, aged 77, has been a Non-executive Director of the Company since 2013. Mr. Charles Lee was a Director of the Company during the period from August 1972 to March 1997. Mr. Charles Lee is also a Non-executive Director of Hutchison Whampoa Limited since 2013. He is also the Chairperson of Hong Kong – Taiwan Economic and Cultural Co-operation and Promotion Council, and a Board Member and Campaign Committee Co-Chairman of The Community Chest of Hong Kong. Mr. Charles Lee is one of the founders of the solicitor’s firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. He holds a Master’s degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences, honoris causa by The University of Hong Kong and The Open University of Hong Kong respectively. He is also a qualified accountant and a chartered secretary.

## Directors' Biographical Information (*continued*)

**KWOK Tun-li, Stanley**, aged 86, 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.

**YEH Yuan Chang, Anthony**, aged 90, 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 73, 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 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 was previously the Chairman of Glencore Xstrata plc (formerly known as Glencore International plc), a listed company in Hong Kong. He is also a Non-executive Director of Compagnie Financière Richemont SA, the Vice Chairman and Independent Non-executive Director of Essar Energy plc, and the Independent Non-executive Chairman of Gulf Keystone Petroleum Ltd, all being listed companies.

**CHOW Nin Mow, Albert**, aged 64, 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 65, joined the Group in March 1972, and acted as an Executive Director from 1985 to August 2000. She was a Non-executive Director from September 2000 to October 2004, has been an Independent Non-executive Director of the Company since October 2004, and has been a member of the Audit Committee of the Company since 1st January, 2007. Ms. Hung is a member of the Tianjin Committee of the 13th Chinese People's Political Consultative Conference of the People's Republic of China; also a Director of Li Ka Shing Foundation Limited, an Executive Committee Member of Hong Kong Housing Society, a Court Member of The Hong Kong University of Science and Technology, a Court Member of The Hong Kong Polytechnic University, an Honorary Court Member of Lingnan University, a Director of Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association. She was a Member of HKSAR Estate Agents Authority during the period 2006 to 2012, and a Steering Committee Member of the Institute for Enterprise of The Hong Kong Polytechnic University from April 2000 to August 2011. Ms. Hung is a University Fellow of The Hong Kong Polytechnic University.

**WONG Yick-ming, Rosanna**, DBE, JP, aged 60, has been an Independent Non-executive Director since 2001 and a member of the Remuneration Committee of the Company since 2005. She has been appointed as the Chairman of the Remuneration Committee of the Company on 1st January, 2012. She holds a Doctor of Philosophy degree in Sociology from the University of California (Davis), U.S.A. and has been awarded Honorary Doctorates by 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 12th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. She is a Court Member of The Hong Kong University of Science and Technology, a member of The Hong Kong University of Science and Technology Business School Advisory Council, an elected Member of the Council and an *ex-officio* Member of the Court of The University of Hong Kong and a member of the Commission on Poverty of the Government of the Hong Kong Special Administrative Region. She also serves as a Global Advisor to Mars, Incorporated. She is the Executive Director of The Hong Kong Federation of Youth Groups, the Non-executive Chairman of The Hongkong Bank Foundation's Advisory Committee, a Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited and an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and The Hongkong and Shanghai Hotels, Limited, both being listed companies.

**CHEONG Ying Chew, Henry**, aged 65, has been an Independent Non-executive Director and a member of the Audit Committee of the Company since September 2004. He has been appointed as the Chairman of the Audit Committee of the Company on 1st January, 2007. He is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Creative Energy Solutions Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, SPG Land (Holdings) Limited and TOM Group Limited, an Independent Director of BTS Group Holdings Public Company Limited, and an Alternate Director to Dr. Wong Yick-ming, Rosanna, an Independent Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, all being listed companies. Mr. Cheong is an Executive Director and Deputy Chairman of Worldsec Limited, 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, 2013, 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	-	-	67,189,000 (Note 1)	936,462,744 (Note 2)	1,003,651,744	43.33%
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%
Lee Yeh Kwong, Charles	Beneficial owner	30,000	-	-	-	30,000	0.001%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	384,000	-	-	384,000	0.02%
Hung Siu-lin, Katherine	Beneficial owner	20,000	-	-	-	20,000	0.0009%

## 1. Long Positions in Shares *(continued)*

### (b) Associated Corporations

#### Hutchison Whampoa Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	94,534,000 (Note 1)	2,141,698,773 (Note 3)	2,236,232,773	52.45%
Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	300,000	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,143,085,543	50.26%
Kam Hing Lam	Beneficial owner & interest of child or spouse	60,000	40,000	-	-	100,000	0.002%
Leung Siu Hon	Beneficial owner & interest of child or spouse	27,000	28,600	-	-	55,600	0.0013%
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	6,010,875 (Note 7)	-	6,010,875	0.14%
Frank John Sixt	Beneficial owner	200,000	-	-	-	200,000	0.005%
Chow Kun Chee, Roland	Beneficial owner	49,931	-	-	-	49,931	0.001%
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	-	950,100 (Note 6)	1,000,000	0.02%
Lee Yeh Kwong, Charles	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,070,358	65,000	10,000 (Note 16)	-	1,145,358	0.03%
Yeh Yuan Chang, Anthony	Interest of child or spouse	-	130,000	-	-	130,000	0.003%
Chow Nin Mow, Albert	Beneficial owner	97	-	-	-	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	-	-	-	34,000	0.0008%

## Disclosure of Interests (continued)

## 1. Long Positions in Shares (continued)

## (b) Associated Corporations (continued)

## Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	76.61%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	76.61%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	2,835,759,715 (Note 15)	4,355,634,570 (Note 10)	7,191,394,285	74.82%
Li Tzar Kuoi, Victor	Beneficial owner, interest of controlled corporations & beneficiary of trusts	2,250,000	-	2,835,759,715 (Note 15)	4,355,634,570 (Note 10)	7,193,644,285	74.84%
Kam Hing Lam	Interest of child or spouse	-	6,225,000	-	-	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	-	-	-	2,250,000	0.02%
Chung Sun Keung, Day	Beneficial owner	375,000	-	-	-	375,000	0.004%
Pau Yee Wan, Ezra	Beneficial owner	900,000	-	-	-	900,000	0.009%
Woo Chia Ching, Grace	Beneficial owner	1,125,000	-	-	-	1,125,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	1,688,130	2,000	2,970 (Note 8)	-	1,693,100	0.017%

## 1. Long Positions in Shares *(continued)*

### (b) Associated Corporations *(continued)*

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,500,000 (Note 7)	-	1,500,000	0.015%
Frank John Sixt	Beneficial owner	900,000	-	-	-	900,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	903,936	-	-	-	903,936	0.009%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	753,360	600	-	11,040 (Note 5)	765,000	0.008%
Kwok Tun-ii, Stanley	Interest of child or spouse	-	200,000	-	-	200,000	0.002%
Hung Siu-lin, Katherine	Beneficial owner	9,000	-	-	-	9,000	≈ 0%

#### Other Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	100,000,000 (Note 11)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	10,000 (Note 11)	10,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	10,000 (Note 11)	10,000	100%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	4,900 (Note 11)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	4,900 (Note 11)	4,900	100%

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

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Approximate % of Shareholding	
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	4 (Note 1)	6 (Note 12)	10	100%
Hutchison Harbour Ring Limited	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	5,000,000 (Note 7)	-	5,000,000	0.05%
Hutchison Telecommunications (Australia) Limited	Fok Kin Ning, Canning	Beneficial owner & interest of controlled corporation	4,100,000	-	1,000,000 (Note 7)	-	5,100,000	0.037%
	Frank John Sixt	Beneficial owner	1,000,000	-	-	-	1,000,000	0.007%
Hutchison Telecommunications Hong Kong Holdings Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	-	-	403,979,499 (Note 1)	3,185,136,120 (Note 13)	3,589,115,619	74.48%
	Li Tzar Kuoi, Victor	Interest of child or spouse, interest of controlled corporations & beneficiary of trusts	-	192,000	2,519,250 (Note 4)	3,185,136,120 (Note 13)	3,187,847,370	66.15%
	Fok Kin Ning, Canning	Interest of controlled corporation	-	-	1,202,380 (Note 7)	-	1,202,380	0.025%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	-	-	13,333	0.0003%

## 2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Telecommunications Hong Kong Holdings Limited	Frank John Sixt	Beneficial owner	255,000 (Note 14)	-	-	-	255,000

## 3. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (03/33) Limited	Lee Yeh Kwong, Charles	Interest of controlled corporation	-	-	US\$1,000,000 6.25% Notes due 2014 (Note 16)	-	US\$1,000,000 6.25% Notes due 2014
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	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$35,395,000 Subordinated Guaranteed Perpetual Capital Securities (Note 4)	-	US\$35,395,000 Subordinated Guaranteed Perpetual Capital Securities
	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
Hutchison Whampoa International (12) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$16,800,000 Subordinated Guaranteed Perpetual Capital Securities (Note 4)	-	US\$16,800,000 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"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital of Unity Holdco. 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 and Mr. Li Tzar Kuoi, Victor 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.

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

## Disclosure of Interests (*continued*)

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital of Castle Holdco. 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 and Mr. Li Tzar Kuoi, Victor 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.

- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (5) Such interests in the shares are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.
- (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
- (7) Such interests are held by a company which is equally owned by Mr. Fok Kin Ning, Canning and his wife.
- (8) Such interests are held by a company which is wholly-owned by Mr. Leung Siu Hon and his wife.
- (9) The two references to 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited ("CKI") relate to the same block of shares comprising:
  - (a) 1,906,681,945 shares held by a subsidiary of HWL. Certain subsidiaries of the Company hold more than one-third of the issued share capital of HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares of CKI held by the subsidiary of HWL under the SFO; and
  - (b) 5,428,000 shares held by TUT1 as trustee of UT1. By virtue of the deemed interests in TUT1 as trustee of UT1 as described in Note (2) above, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares of CKI under the SFO.

- (10) The two references to 4,355,634,570 shares in CK Life Sciences Int'l., (Holdings) Inc. ("CKLS") relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the shares of the Company as described in Note (2) above under the SFO.
- (11) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (12) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as a Director of the Company, Mr. Li Ka-shing is taken to have a duty of disclosure in relation to such shares under the SFO.
- (13) Such shares of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") comprise:
  - (a) 3,184,982,840 ordinary shares of which 52,092,587 ordinary shares and 3,132,890,253 ordinary shares are held by certain wholly-owned subsidiaries of the Company and HWL respectively. By virtue of the interests in the shares of the Company and HWL in relation to which Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor have a duty of disclosure under the SFO in the issued share capital of each of the Company and HWL as described in Notes (2) and (3) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of HTHKH under the SFO; and
  - (b) 153,280 ordinary shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of Mr. Li Ka-shing may being regarded as a founder and Mr. Li Tzar Kuoi, Victor as a discretionary beneficiary of each of DT3 and DT4 and their deemed interests in TUT3 as trustee of UT3 as described in Note (3)(b) above, are taken to have a duty of disclosure in relation to the said shares of HTHKH under the SFO.
- (14) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTHKH beneficially owned by Mr. Frank John Sixt.
- (15) Such 2,835,759,715 shares are held by two subsidiaries of Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSF.
- (16) Such interests are held by a company which is wholly-owned by Mr. Lee Yeh Kwong, Charles.

## Disclosure of Interests (*continued*)

As at 30th June, 2013, by virtue of their deemed interests in the share capital 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, in addition to any separate interest held by them in the Company and its subsidiaries and associated companies. A waiver from compliance with the disclosure requirement under paragraph 13(1) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") in respect of the above-mentioned deemed interests of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor to be disclosed in this interim report, on the ground that compliance with such paragraph would result in particulars being given which were not material in the context of the Group and were of excessive length, had been obtained from the Stock Exchange.

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, 2013, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June, 2013, 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, 2013, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Corporate Governance

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30th June, 2013. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Managing Director.

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

### BOARD COMPOSITION AND BOARD PRACTICES

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

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

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

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

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had 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 revised and adopted 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, 2013.

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

## INTERNAL CONTROLS

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

The Board, through the Audit Committee, has conducted a review of the effectiveness of internal control system of the Group for the six months ended 30th June, 2013.

## AUDIT COMMITTEE

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

## Corporate Governance (*continued*)

The Group's interim report for the six months ended 30th June, 2013 has been reviewed by the Audit Committee.

### REMUNERATION COMMITTEE

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

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved 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 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) press conferences and briefing meetings with analysts are arranged from time to time to update interested parties on the performance of the Group; (vi) the Company's Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally.

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

## Other Information

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

During the six months ended 30th June, 2013, 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 2012 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 2012 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, 2013

	Note	(Unaudited)	
		2013 HK\$ Million	2012 (Restated) HK\$ Million
Group turnover		7,796	12,355
Share of property sales of joint ventures		6,856	5,362
Turnover	(2)	14,652	17,717
<b>Group turnover</b>		7,796	12,355
Investment and other income		1,644	1,091
Operating costs			
Property and related costs		(4,363)	(6,948)
Salaries and related expenses		(790)	(792)
Interest and other finance costs		(134)	(176)
Depreciation		(164)	(175)
Other expenses		(217)	(198)
		(5,668)	(8,289)
Share of net profit of joint ventures		2,121	2,336
Increase in fair value of investment properties		1,773	2,348
Surplus on loss of control of interest in subsidiaries		–	1,077
Operating profit		7,666	10,918
Share of net profit of associates		6,682	5,423
<b>Profit before taxation</b>	(3)	14,348	16,341
Taxation	(4)	(561)	(786)
<b>Profit for the period</b>		13,787	15,555
<b>Profit attributable to</b>			
Shareholders of the Company		13,412	15,398
Non-controlling interests and holders of perpetual securities		375	157
		13,787	15,555
<b>Earnings per share</b>	(6)	HK\$5.79	HK\$6.65

## Consolidated Statement of Comprehensive Income

For the six months ended 30th June, 2013

	(Unaudited)	
	2013 HK\$ Million	2012 (Restated) HK\$ Million
Profit for the period	13,787	15,555
<b>Other comprehensive income – reclassifiable to income statement when specific conditions are met</b>		
Exchange gain/(loss) on translation of financial statements of operations outside Hong Kong	(481)	4
Exchange gain on translation of financial statements of operations outside Hong Kong transferred to income statement upon disposal	–	(145)
Gain on hedging instruments designated and qualify as net investment hedges	803	–
Investments available for sale		
Gain in fair value	449	825
Gain in fair value transferred to income statement upon disposal	(332)	(341)
Impairment transferred to income statement	–	123
Share of other comprehensive income/(loss) of associates	(6,621)	3
Share of other comprehensive income/(loss) of joint ventures	424	(24)
<b>Other comprehensive income – not reclassifiable to income statement</b>		
Share of other comprehensive income/(loss) of associates	(42)	35
<b>Total other comprehensive income/(loss)</b>	<b>(5,800)</b>	<b>480</b>
<b>Total comprehensive income for the period</b>	<b>7,987</b>	<b>16,035</b>
<b>Total comprehensive income attributable to</b>		
Shareholders of the Company	7,608	15,878
Non-controlling interests and holders of perpetual securities	379	157
	<b>7,987</b>	<b>16,035</b>

## Interim Financial Statements (continued)

## Consolidated Statement of Financial Position

As at 30th June, 2013

	(Unaudited) 30/6/2013 HK\$ Million	(Restated) 31/12/2012 HK\$ Million
Non-current assets		
Fixed assets	10,038	10,145
Investment properties	31,429	29,656
Associates	198,362	201,946
Joint ventures	48,787	48,705
Investments available for sale	10,576	11,642
Long term loan receivables	251	286
Derivative financial instruments	484	–
	299,927	302,380
Current assets		
Stock of properties	79,578	80,088
Debtors, deposits and prepayments	2,329	2,418
Investments held for trading	2,776	236
Derivative financial instruments	994	436
Bank balances and deposits	25,008	21,167
	110,685	104,345
Current liabilities		
Bank and other loans	4,300	5,098
Creditors and accruals	14,329	13,290
Derivative financial instruments	918	1,140
Provision for taxation	1,077	661
Net current assets	90,061	84,156
Total assets less current liabilities	389,988	386,536
Non-current liabilities		
Bank and other loans	41,509	43,001
Deferred tax liabilities	889	820
Derivative financial instruments	–	63
	42,398	43,884
Net assets	347,590	342,652
Representing:		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	324,872	323,354
Shareholders' funds	335,361	333,843
Perpetual securities	8,945	5,652
Non-controlling interests	3,284	3,157
Total equity	347,590	342,652

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2013

	Shareholders' Funds				Total	Holders of perpetual securities	Non-controlling interests	(Restated/
	Share capital, premium and reserve <sup>(1)</sup>	Other reserves <sup>(2)</sup>	Retained profits	Total				Equity
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million				HK\$ Million
Balance at 1st January, 2012, as previously reported	10,834	5,251	290,340	306,425	4,648	3,212	314,285	
Prior year adjustments (note 1)	-	-	(725)	(725)	-	-	(725)	
Balance at 1st January, 2012, as restated	10,834	5,251	289,615	305,700	4,648	3,212	313,560	
Total comprehensive income for the period	-	445	15,433	15,878	117	40	16,035	
Change in non-controlling interests	-	-	-	-	-	(210)	(210)	
Distribution on perpetual securities	-	-	-	-	(116)	-	(116)	
Dividend paid to non-controlling interests	-	-	-	-	-	(8)	(8)	
Dividend paid to shareholders of the Company 2011 final dividend HK\$2.63 per share	-	-	(6,091)	(6,091)	-	-	(6,091)	
Balance at 30th June, 2012	10,834	5,696	298,957	315,487	4,649	3,034	323,170	
<b>Balance at 1st January, 2013, as previously reported</b>	<b>10,834</b>	<b>8,688</b>	<b>315,162</b>	<b>334,684</b>	<b>5,652</b>	<b>3,157</b>	<b>343,493</b>	
Prior year adjustments (note 1)	-	-	(841)	(841)	-	-	(841)	
<b>Balance at 1st January, 2013, as restated</b>	<b>10,834</b>	<b>8,688</b>	<b>314,321</b>	<b>333,843</b>	<b>5,652</b>	<b>3,157</b>	<b>342,652</b>	
Total comprehensive income/(loss) for the period	-	(5,762)	13,370	7,608	217	162	7,987	
Change in non-controlling interests	-	-	-	-	-	(27)	(27)	
Issue of perpetual securities	-	-	-	-	3,875	-	3,875	
Transaction costs for issue of perpetual securities	-	-	(41)	(41)	-	-	(41)	
Purchase and cancellation of perpetual securities	-	-	42	42	(579)	-	(537)	
Distribution on perpetual securities	-	-	-	-	(220)	-	(220)	
Dividend paid to non-controlling interests	-	-	-	-	-	(8)	(8)	
Dividend paid to shareholders of the Company 2012 final dividend HK\$2.63 per share	-	-	(6,091)	(6,091)	-	-	(6,091)	
<b>Balance at 30th June, 2013</b>	<b>10,834</b>	<b>2,926</b>	<b>321,601</b>	<b>335,361</b>	<b>8,945</b>	<b>3,284</b>	<b>347,590</b>	

(1) Share capital, premium and reserve comprise share capital of HK\$1,158 million, share premium of HK\$9,331 million and capital reserve of HK\$345 million.

(2) Other reserves comprise investment revaluation reserve, exchange reserve and hedging reserve. As at 30th June, 2013, investment revaluation reserve surplus amounted to HK\$3,628 million (31st December, 2012 – HK\$3,706 million and 30th June, 2012 – HK\$1,355 million), exchange reserve deficit amounted to HK\$927 million (31st December, 2012 – surplus of HK\$5,085 million and 30th June, 2012 – surplus of HK\$4,342 million) and hedging reserve surplus amounted to HK\$225 million (31st December, 2012 – deficit of HK\$103 million and 30th June, 2012 – deficit of HK\$1 million).

## Interim Financial Statements (continued)

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June, 2013

	(Unaudited)	
	2013 HK\$ Million	2012 HK\$ Million
Net cash from operating activities	1,555	4,505
Net cash from investing activities	1,116	1,259
Net cash from/(used in) financing activities	1,170	(1,687)
Net increase in bank balances and deposits	3,841	4,077
Bank balances and deposits at 1st January	21,167	19,894
<b>Bank balances and deposits at 30th June</b>	<b>25,008</b>	<b>23,971</b>

## 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, 2012.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”). The adoption of the HKFRSs which are effective for the Group’s annual accounting periods beginning on 1st January, 2013 has no material impact on the Group’s results and financial position except for the following changes made to the interim financial statements:

- presentation of the consolidated statement of comprehensive income has been modified to meet the requirements of HKAS 1 (Amendments) “Presentation of Items of Other Comprehensive Income” and comparative figures have been restated accordingly;
- additional disclosures have been made in the interim financial statements as required by HKFRS 13 “Fair Value Measurement”; and
- “jointly controlled entities” has been superseded by “joint ventures” following the adoption of HKFRS 11 “Joint Arrangements”.

## Interim Financial Statements (continued)

## 1. Basis of preparation (continued)

However, the adoption of HKAS 19 (2011) "Employee Benefits" which is effective for annual accounting periods beginning on 1st January, 2013 by Hutchison Whampoa Limited, the Group's listed associate, has material impact on its accounting policy and retrospective application is required. The Group's share of the effects of its adoption of HKAS 19 (2011) has the following impact on the interim financial statements:

	Six months ended 30th June	
	2013 HK\$ Million	2012 HK\$ Million
Decrease in share of net profit of associates	(69)	(58)
Decrease in profit attributable to shareholders of the Company	(69)	(58)
Increase in share of other comprehensive income of associates	81	–
Increase/(decrease) in total comprehensive income attributable to shareholders of the Company	12	(58)
Decrease in earnings per share	HK\$0.03	HK\$0.02

  

	30/6/2013 HK\$ Million	31/12/2012 HK\$ Million
Decrease in associates	(829)	(841)
Decrease in net assets	(829)	(841)
Decrease in retained profits	(829)	(841)
Decrease in total equity	(829)	(841)

For those 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	
	2013 HK\$ Million	2012 HK\$ Million
Property sales	5,469	10,159
Property rental	1,002	905
Hotels and serviced suites	1,146	1,116
Property and project management	179	175
Group turnover	7,796	12,355
Share of property sales of joint ventures	6,856	5,362
Turnover	14,652	17,717

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

During the period, turnover of the Group's operating activities outside Hong Kong (including property sales of joint ventures) accounted for approximately 53% (2012 – 30%) of the turnover and was derived from the following locations:

	Six months ended 30th June	
	2013 HK\$ Million	2012 HK\$ Million
The Mainland	6,796	5,267
Singapore	953	–
	7,749	5,267

## Interim Financial Statements (continued)

## 2. Turnover and contribution (continued)

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

	Six months ended 30th June					
	Company and subsidiaries		Joint ventures		Total	
	2013 HK\$ Million	2012 HK\$ Million	2013 HK\$ Million	2012 HK\$ Million	2013 HK\$ Million	2012 HK\$ Million
Property sales	1,338	3,327	2,493	2,713	3,831	6,040
Property rental	906	843	157	139	1,063	982
Hotels and serviced suites	487	435	132	158	619	593
Property and project management	63	61	24	24	87	85
	2,794	4,666	2,806	3,034	5,600	7,700
Infrastructure business					697	538
Investment and finance					1,351	596
Interest and other finance costs					(134)	(176)
Increase in fair value of investment properties						
Subsidiaries					1,773	2,348
Joint ventures					43	437
Surplus on loss of control of interest in subsidiaries					–	1,077
Others					30	77
Taxation						
Company and subsidiaries					(561)	(786)
Joint ventures					(1,269)	(1,352)
Profit attributable to non-controlling interests and holders of perpetual securities					(375)	(157)
					7,155	10,302
Share of net profit of listed associates						
Hutchison Whampoa Limited					6,194	5,043
CK Life Sciences Int'l., (Holdings) Inc.					63	53
Profit attributable to shareholders of the Company					13,412	15,398

### 3. Profit before taxation

	Six months ended 30th June	
	2013 HK\$ Million	2012 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest and other finance costs	414	389
Less: Amount capitalised	(280)	(213)
	134	176
Costs of properties sold	3,827	6,022
Impairment of investments available for sale	–	123
Gain on disposal of investments available for sale	(332)	(341)
Loss on investments held for trading	409	8

### 4. Taxation

	Six months ended 30th June	
	2013 HK\$ Million	2012 HK\$ Million
Current tax		
Hong Kong profits tax	404	681
Tax outside Hong Kong	88	66
Deferred tax	69	39
	561	786

Hong Kong profits tax has been provided for at the rate of 16.5% (2012 – 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	
	2013 HK\$ Million	2012 HK\$ Million
HK\$0.58 (2012 – HK\$0.53) per share	1,343	1,228

## Interim Financial Statements (continued)

## 6. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company and on 2,316,164,338 shares (2012 – 2,316,164,338 shares) in issue during the period.

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

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

At the period/year end date, ageing analysis of the Group's trade debtors is as follows:

	30/6/2013 HK\$ Million	31/12/2012 HK\$ Million
Current to one month	1,196	1,221
Two to three months	60	72
Over three months	28	15
	<b>1,284</b>	<b>1,308</b>

At the period/year end date, ageing analysis of the Group's trade creditors is as follows:

	30/6/2013 HK\$ Million	31/12/2012 HK\$ Million
Current to one month	1,321	2,584
Two to three months	29	53
Over three months	36	40
	<b>1,386</b>	<b>2,677</b>

## 8. Related party transactions

The Group has entered into various venture businesses with Hutchison Whampoa Limited, a listed associate, mainly on property and infrastructure projects. Loan advances were made to/repaid from and guarantees were provided for these venture businesses on a pro rata basis.

At the period end date, loan advances made to associates and joint ventures amounted to HK\$6,956 million and HK\$7,756 million respectively and guarantees provided by the Group for bank loans utilised by joint ventures amounted to HK\$794 million.

During the period, interest income from associates and joint ventures amounted to HK\$313 million and HK\$31 million respectively.

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

## 9. Fair value of financial assets and financial liabilities

An analysis of the Group's financial assets and financial liabilities stated at fair value, based on the degree to which their fair values are observable and grouped into Levels 1 to 3, is as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – value inputs, other than quoted prices, that are observable either directly or indirectly
- Level 3 – value inputs that are not based on observable market data

	Level 1 HK\$ Million	Level 2 HK\$ Million	Level 3 HK\$ Million	Total HK\$ Million
At 30th June, 2013				
Financial assets				
Investments available for sale				
Equity securities	10,186	14	131	10,331
Debt securities	32	213	–	245
Investments held for trading				
Equity securities	2,143	–	–	2,143
Debt securities	633	–	–	633
Derivative financial instruments	–	1,478	–	1,478
	12,994	1,705	131	14,830
Financial liabilities				
Derivative financial instruments	–	(918)	–	(918)

Interim Financial Statements (*continued*)9. Fair value of financial assets and financial liabilities (*continued*)

The movement of Level 3 fair value measurement of equity securities available for sale during the period was as follows:

	2013 HK\$ Million
Fair value at 1st January	127
Additions	2
Gain in fair value recognised in other comprehensive income	2
Fair value at 30th June	131

At the period end date, the carrying amounts of the Group's other financial assets and financial liabilities approximated their fair values.

Fair values are determined based on quoted market price, otherwise, with reference to professional valuations and/or estimations that take into account assumptions and estimates on factors affecting the value of the financial instruments and change of such assumptions and estimates to reasonably possible alternatives would not have material effect on the Group's results for the period and financial position at the period end date.

## 10. Review of interim financial statements

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