

Building for Long-term Sustainable Growth



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

STOCK CODE: 0001

Interim Report 2014

This interim report 2014 (both English and Chinese versions) ("Interim Report") has been posted on the Company's website at www.ckh.com.hk. Shareholders who have chosen (or are deemed to have consented) to read the Company's corporate communications (including but not limited to the Interim Report) published on the Company's website in place of receiving printed copies thereof may request the printed copy of the Interim Report in writing to the Company c/o the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email to ckh.ecom@computershare.com.hk.

Shareholders who have chosen (or are deemed to have consented) to receive the corporate communications using electronic means through the Company's website and who for any reason have difficulty in receiving or gaining access to the Interim Report posted on the Company's website will upon request in writing to the Company c/o the Company's Registrar or by email to ckh.ecom@computershare.com.hk promptly be sent the Interim Report in printed form free of charge.

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



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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 Corporate 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
 Citibank, N.A.
 Oversea-Chinese Banking Corporation Limited
 Bank of America, N.A.
 China Construction Bank (Asia) Corporation Limited
 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	31st July, 2014
Record Date for Interim Dividend	2nd September, 2014
Payment of Interim Dividend	12th September, 2014

Chairman's Statement

Building for Long-term Sustainable Growth

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2014 amounted to HK\$21,345 million. Earnings per share were HK\$9.22.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2014 of HK\$0.638 per share (HK\$0.58 per share in 2013) to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 2nd September, 2014. This together with the special dividend of HK\$7.00 per share paid on 14th May, 2014 gives a total of HK\$7.638 per share for the six months ended 30th June, 2014. The interim dividend will be paid on Friday, 12th September, 2014.

PROSPECTS

Business Review

Operating Performance

Economic activity in the U.S. and Eurozone area continued to pick up at a slow but steady pace during the first half of 2014. Nevertheless, global growth remained subdued in the face of various market uncertainties.

The Group's overall results were satisfactory in the first half year. For the six months ended 30th June, 2014, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$7,135 million, 1% lower than that reported last year.

For the period under review, contribution from property sales in Hong Kong improved, while the contribution from the Mainland was below expectations. A decrease in contribution from property rental was recorded, largely attributable to the disposal of the Kingswood Ginza property in Tin Shui Wai, while the performance of the Group's hotels and serviced suites remained stable. Meanwhile, contribution from the infrastructure business increased solidly following the recent acquisition of the energy-from-waste business in the Netherlands. The Group's operating profit improved in the first half year, and overall results were favourable notwithstanding that the increase in fair value of investment properties has moderated as compared to the same period last year.

Chairman's Statement (*continued*)

The Group's property sales in Hong Kong increased over the same period last year, with the market response to the launch of our projects generally in line with expectations. Improvement in buyer sentiment and trading activity has been seen more recently, but increases in construction costs are expected to continue, and policy measures will remain a major factor in determining the direction of the local property market.

We are confident in our growth prospects on the Mainland over the longer term despite a modest slowdown in business activities during the period. Meanwhile, solid progress was made in expanding our property operations in other markets outside Hong Kong. We will strengthen further our property businesses both locally and beyond taking account of the operating conditions in each market, tailoring the schedules of development accordingly.

Our presence in the international infrastructure arena continues to strengthen. In May this year, a Bid Implementation Agreement was entered into by a consortium comprising the Group, Cheung Kong Infrastructure Holdings Limited ("CKI") and Power Assets Holdings Limited ("Power Assets") with Envestra Limited ("Envestra"), one of the largest gas distributor companies in Australia that serves about 1.2 million customers, in respect of an off-market takeover bid for Envestra. The bid is still subject to a number of conditions.

In late July 2014, a 50/50 joint venture comprising the Group and CKI completed the acquisition of Park'N Fly, the largest off-airport car park provider in Canada. The enterprise value of the transaction is approximately C\$381 million (approximately HK\$2.72 billion). Park'N Fly provides off-airport car park solutions in Toronto, Vancouver, Montreal, Edmonton and Ottawa.

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 2014, businesses in markets beyond Hong Kong continued to progress solidly and deliver good operating and financial results to the Group.

The Hutchison Whampoa Group

The Hutchison Whampoa Group's operations delivered solid performances in the first half of 2014 and overall demonstrated resilience to certain challenging economic and market conditions through its diversified portfolio. The Hutchison Whampoa Group will continue to pursue a strategy of "Advancing with Stability", with the objectives of achieving sustainable recurring earnings growth for its shareholders and maintaining a strong financial and liquidity profile. Barring unforeseen material adverse external developments, the Hutchison Whampoa Group's businesses will continue to meet these objectives in the second half of 2014.

CKI

During the period under review, CKI's underlying businesses continued to deliver steady performances. The acquisitions of Enviro Waste Services Limited in New Zealand and AVR-Afvalverwerking B.V. in the Netherlands in 2013 have provided additional stable income streams. CKI has continued its growth in 2014 with the acquisition of Park'N Fly, an off-airport car park business in Canada. This business is expected to generate stable and predictable returns in line with CKI's stringent investment criteria. Capitalising on its solid financial platform, CKI will continue to target expansion in both the depth and breadth of its global business portfolio.

Power Assets

In January 2014, Power Assets successfully unlocked the value of its Hong Kong operations through the listing of its Hong Kong electricity business on The Stock Exchange of Hong Kong Limited. Following the listing, Power Assets holds a 49.9% equity interest in the Hong Kong electricity business, which delivered a stable performance during the period. Its overseas operations reported a solid performance, and continued to provide steady and growing returns. Power Assets will continue to proactively search for suitable investment opportunities throughout the world, especially focusing on stable, well-regulated power and gas markets to maximise shareholder value over the long term.

CK Life Sciences

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") delivered a steady performance during the first half of 2014. The recent acquisitions of Cheetham Salt Limited in Australia, and the Northbank Millennium Vineyard and the Mud House Vineyards in New Zealand have strengthened its agriculture-related business and boosted its earnings. The steady performance and organic growth from its existing businesses are also poised to continue to enhance its revenue stream. CK Life Sciences will continue to leverage its sound fundamentals to strengthen its investment portfolio and enhance its profitability, and seek new opportunities to acquire quality assets that will further drive its growth momentum.

Chairman's Statement (*continued*)

Outlook

The U.S. government is continuing its measured reductions in the pace of asset purchases, which are expected to end as soon as the fourth quarter this year. Interest rates are likely to be kept at lower levels, and any increases in the near future will tend to be relatively modest. The Eurozone area is still facing uncertainties. However, steady improvements in the U.S. economy will be supportive to a stabilised global outlook, barring any unforeseen material adverse circumstances.

Despite moderating performances in the first half year, China's economy is still in good shape as a whole. The Central Government's focus is on targeted control measures to ensure a moderate to high pace of growth while continuing its economic restructuring. China is expected to maintain GDP growth of around 7.5% in 2014, the only nation registering such a high growth rate among major economies.

The Cheung Kong Group has a global business portfolio spanning 52 countries. With shareholders' long-term best interests at the forefront, our decisions on the scale of businesses are contingent on appropriate assessment of the prevailing political, economic and operating environment in the various regions or countries in which we operate. We also employ prudent disciplines to maintain strong financials. We continue to increase our interests in the infrastructure sector and we are focused on exploring new investment opportunities to generate additional stable revenue streams to drive forward our growth momentum. All of our growth strategies are devised to create shareholder value in a long-term sustainable manner. The Cheung Kong Group is cautiously optimistic about the growth prospects for all of our businesses.

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, 31st July, 2014

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2014:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Hemera	Site E of The Remaining Portion of Tseung Kwan O Town Lot No. 70	128,543	Joint Venture
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%
The Rise	The Remaining Portion of Kwai Chung Town Lot No. 157	23,225	100%
Mont Vert Phases I and II	The Remaining Portion of Tai Po Town Lot No. 183	87,356	100%
City Point	The Remaining Portion of Tsuen Wan Town Lot No. 403	113,064	Joint Venture
Trinity Towers	The Remaining Portion of New Kowloon Inland Lot No. 6494	29,649	Joint Venture
The Vision	West Coast Crescent, Singapore	33,600	50%
Guangzhou Guoji Wanjucheng Phase 2B	Huangpu District, Guangzhou	79,008	30%
Upper West Shanghai Phases 1A and 1B	Putuo District, Shanghai	116,891	29.4%
Oriental Financial Center	Lujiazui, Shanghai	80,000	50%
Hupan Mingdi Land No. 911 North Area 2, 4 and 5	Jiading District, Shanghai	61,561	50%
Regency Residence Phase 1	Nanguan District, Changchun	3,000	50%

Management Discussion and Analysis (continued)

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Le Parc Phases 5A and 5B	Chengdu High-Tech Zone, Chengdu	302,502	50%
Regency Oasis Phase 1B	Wenjiang District, Chengdu	15,343	50%
Noble Hills Phase 2C	Douxi, Chongqing	36,301	50%
Zhaomushan Land No. G19	Liangjiang New Area, Chongqing	73,721	50%
Regency Park Phase 3B	Tianning District, Changzhou	170,787	50%
Laguna Verona Phases E1 and E2	Hwang Gang Lake, Dongguan	65,673	49.91%
Nanzhuang Town Phase 1A	Chancheng District, Foshan	21,839	50%
Noble Hills Phases 1A and 1B	Zengcheng, Guangzhou	23,303	50%
Emerald City Phases 1B, 1C, 2A and 2B	Jianye District, Nanjing	72,998	50%
The Harbourfront Land No. 3, 4 and 8	Shibei District, Qingdao	135,930	45%
Regency Garden Phases 2B and 4	Pudong New District, Shanghai	100,494	42.5%
Zhao Xiang Town Land No. 17 Phase 1	Qing Pu District, Shanghai	31,615	50%
Zhao Xiang Town Land No. 16 Phase 1A	Qing Pu District, Shanghai	35,197	50%
Century Link Office 1	Pudong New District, Shanghai	64,836	25%
Millennium Waterfront Phase 1A	Jiangnan District, Wuhan	24,621	50%
Regency Cove Phase 1	Caidian District, Wuhan	89,357	50%

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

Hong Kong

- (1) 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

- (2) May 2014: An indirect joint venture company, held as to one-third by each of the Company, Cheung Kong Infrastructure Holdings Limited ("CKI") and Power Assets Holdings Limited, was formed for funding for the conditional cash takeover bid to acquire Envestra Limited, a distributor of natural gas in Australia, the shares of which are listed on the Australian Securities Exchange.
- (3) May 2014: A 50/50 joint venture company was formed by the Company and CKI for the acquisition of Park'N Fly, an off-airport car park provider in Canada. The enterprise value of the transaction is approximately C\$381 million (approximately HK\$2.72 billion). The acquisition was completed in late July 2014.
- (4) During the period under review, the Group continued to focus on project development and the marketing of properties on the Mainland and overseas in a timely manner.

Property Sales

For the first half year, turnover of property sales including share of property sales of joint ventures was HK\$12,520 million (2013 – HK\$12,325 million), an increase of HK\$195 million when compared with the same period last year, and comprised mainly the sale of residential units of property projects in Hong Kong – The Beaumont and One West Kowloon completed in 2013 and Kennedy Park at Central and The Rise completed during the period, and the sale of residential units of various property projects on the Mainland including Regency Garden Phase 2B in Shanghai, Le Parc Phase 5A in Chengdu and The Harbourfront Land No. 3 in Qingdao which were completed during the period.

Contribution from property sales including share of results of joint ventures was HK\$4,673 million (2013 – HK\$3,831 million) for the first half year, an increase of HK\$842 million when compared with the same period last year. During the period, price discounts and incentives were offered by property developers in Hong Kong and the Mainland in order to promote sales/presales of residential properties, thus adversely affecting profit margin of property sales.

Management Discussion and Analysis (*continued*)

Property sales contribution for the second half year will mainly be derived from the sale of residential units of property projects including Trinity Towers, City Point, Mont Vert and Hemera in Hong Kong, The Vision in Singapore, Upper West Shanghai Phase 1B and Regency Garden Phase 4 in Shanghai, The Harbourfront Land No. 4 in Qingdao and Regency Park Phase 3B in Changzhou which are scheduled for completion. The sale of Oriental Financial Center, a commercial property in Shanghai, will also be recognised upon its completion in the second half year and make contribution to group profit.

During the period, the sales/presales of residential units of various property projects on the Mainland progressed slowly with results in some of the cities below expectations, whereas the presales of residential units of Trinity Towers and City Point were launched successfully in Hong Kong with almost all of the units already presold.

Property Rental

Turnover of the Group's property rental for the first half year was HK\$943 million (2013 – HK\$1,002 million), a decrease of HK\$59 million when compared with the same period last year, mainly due to the disposal of Kingswood Ginza, a retail shopping mall in Hong Kong, to Fortune Real Estate Investment Trust in the second half of 2013.

Contribution from the Group's property rental for the first half year was HK\$861 million (2013 – HK\$906 million), a decrease of HK\$45 million when compared with the same period last year in the absence of rental contribution from Kingswood Ginza during the period.

The Group's share of rental contribution from joint ventures was HK\$154 million (2013 – HK\$157 million) for the first half year, a decrease of HK\$3 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's investment properties comprised mainly retail shopping malls and commercial office properties in Hong Kong and recorded an increase in fair value of HK\$560 million (2013 – HK\$1,773 million) based on a professional valuation, and the Group shared a decrease in fair value of investment properties of HK\$41 million (2013 – an increase of HK\$43 million) of joint ventures.

Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the first half year was HK\$1,073 million (2013 – HK\$1,146 million), a slight decrease of HK\$73 million when compared with the same period last year as demand for hotels and serviced suites remained steady with the continual flow of inbound travelers from the Mainland and good economic fundamentals in Hong Kong.

Contribution from the Group's hotels and serviced suites for the first half year was HK\$464 million (2013 – HK\$487 million), a decrease of HK\$23 million in line with the decrease in turnover, and contribution including share of results of joint ventures was HK\$598 million (2013 – HK\$619 million), a decrease of HK\$21 million when compared with the same period last year.

During the period, the operating conditions for hotels and serviced suites in Hong Kong and the Mainland became more challenging. Nevertheless, the Group will try to achieve satisfactory results for its hotel and serviced suite operation in the second half year.

Property and Project Management

Turnover of the Group's property and project management for the first half year was HK\$211 million (2013 – HK\$179 million), of which income from property management was HK\$86 million (2013 – HK\$83 million), an increase of HK\$3 million when compared with the same period last year, and income from project management related services was HK\$125 million (2013 – HK\$96 million), an increase of HK\$29 million when compared with the same period last year.

Contribution from the Group's property management for the first half year was HK\$55 million (2013 – HK\$54 million), an increase of HK\$1 million when compared with the same period last year, and the Group's project management related services made a contribution of HK\$12 million (2013 – HK\$9 million) to group profit. The Group's share of contribution of joint ventures which were engaged in the management of various major property developments, including Beijing Oriental Plaza on the Mainland and Marina Bay Financial Centre in Singapore, was HK\$32 million (2013 – HK\$24 million), an increase of HK\$8 million when compared with the same period last year.

At the interim period end date, the total floor area under the Group's property management was approximately 91 million square feet and this is expected to grow steadily following the gradual completion of the Group's property development projects in the years ahead. The Group is committed to providing high quality services to properties under our management.

Management Discussion and Analysis (*continued*)

Infrastructure Business

The Group invests in infrastructure businesses through joint ventures with parties including Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited and Li Ka Shing Foundation Limited.

The Group's share of contribution from infrastructure business joint ventures for the first half year was HK\$908 million (2013 – HK\$730 million), an increase of HK\$178 million when compared with the same period last year, mainly attributable to the contribution from AVR-Afvalverwerking B.V., an energy-from-waste business acquired in the Netherlands in the second half of 2013, while contribution from the Group's investments in other infrastructure business continued to grow steadily.

In May 2014, the Group formed a joint venture with Cheung Kong Infrastructure Holdings Limited and took part in the acquisition of the "Park'N Fly" off-airport parking business in Canada which was completed in late July and will make contribution to group profit in the second half year.

Major Associates

The Hutchison Whampoa Group, a listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2014 of HK\$28,443 million (2013 – HK\$12,398 million).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2014 of HK\$146,608,000 (2013 – HK\$139,928,000).

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.

At the interim period end date, the Group's borrowings of bank loans, issued notes and other loans were HK\$26.8 billion, HK\$12.2 billion and HK\$0.6 billion respectively, and the total borrowings amounted to HK\$39.6 billion, a decrease of HK\$2.3 billion from last year end date. The maturity profile is spread over a period of eight years, with HK\$9 billion repayable within one year, HK\$28.6 billion within two to five years and HK\$2 billion beyond five years.

The Group's net debt to net total capital ratio at the interim period end date was approximately 1.6%. Net debt is arrived at by deducting bank balances and deposits of HK\$33.1 billion from the total borrowings and net total capital is the aggregate of 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 and ensures that its exposure to fluctuations in foreign exchange rates is minimised. At times of interest rate or exchange rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards are used in the management of exposure to interest rate and foreign exchange rate fluctuations.

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 fixed rate notes issued to a floating rate basis.

At the interim period end date, approximately 72.8% of the Group's borrowings were in HK\$ and US\$, with the balance in EUR, GBP and SGD mainly for the purpose of financing investments and joint venture projects in Europe, the United Kingdom and Singapore. The Group derives its revenue from property development mainly in HK\$ and RMB and maintains cash balances substantially in HK\$ and RMB. Income in foreign currencies, including EUR, GBP and SGD, is also generated from the Group's investments and joint venture projects outside Hong Kong and cash in these foreign currencies is maintained for business requirements.

Charges on Assets

At the interim period end date, there was no charge on assets of the Group (31st December, 2013 – 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, 2013 – HK\$600 million); and
- (2) guarantees provided for bank loans utilised by joint ventures and investee company amounted to HK\$981 million (31st December, 2013 – HK\$875 million) and HK\$424 million (31st December, 2013 – HK\$390 million) respectively.

Employees

At the interim period end date, the Group employed approximately 8,200 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$1,097 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 86, 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 the 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 the 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., a Non-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 67, 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, 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, the Managing Director, Deputy Chairman and the Chairman of Executive Committee of the Company.

IP Tak Chuen, Edmond, aged 62, 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). Mr. Ip was previously 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 63, 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 58, 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.

WOO Chia Ching, Grace, aged 57, 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.

Directors' Biographical Information (continued)

CHIU Kwok Hung, Justin, aged 64, 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) 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 was previously the Chairman of ARA Trust Management (Suntec) Limited as the manager of Suntec REIT (listed in Singapore). 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 82, 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 and appointed by the Northwest University of Politics & Law, China to the post of Adjunct Professor in May 2014. 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 62, is a Non-executive Director of the Company and has been a Director since 1985. Mr. Fok is currently the Group Managing Director of Hutchison Whampoa Limited and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited. He is also the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited, Hutchison Port Holdings Management Pte. Limited ("HPPM") as the trustee-manager of Hutchison Port Holdings Trust, Power Assets Holdings Limited, HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, and HK Electric Investments 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/investment trust (except HPPM and HKEIM). 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 62, 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. He is also a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Port Holdings Management Pte. Limited (“HPHM”) as the trustee-manager of Hutchison Port Holdings Trust, and Power Assets Holdings Limited, 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 76, 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 78, 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 HK Electric Investments Manager Limited (“HKEIM”) as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited, and a Director of Husky Energy Inc., all being listed companies/investment trust (except HKEIM). He holds a Master’s degree in Economics.

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP, aged 78, 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 87, 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 91, 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 74, 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, Wing Tai Properties Limited (all being listed companies in Hong Kong) and Spring Asset Management Limited as the manager of Spring Real Estate Investment Trust (listed in Hong Kong). He is also a Non-executive Director of Compagnie Financière Richemont SA, the Independent Non-executive Director and Chairman of Gulf Keystone Petroleum Ltd, and was previously the Vice Chairman and Independent Non-executive Director of Essar Energy plc, all being listed companies.

CHOW Nin Mow, Albert, aged 65, 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 66, 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 61, 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 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 66, 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, Greenland Hong Kong Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China 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, 2014, 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	200,000	1,529,000 (Note 4)	936,462,744 (Note 2)	938,411,744	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 Collin 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	-	3,000	-	-	3,000	0.0001%
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	78.37%
Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	1,912,109,945 (Note 9)	1,912,109,945	78.37%
Kam Hing Lam	Beneficial owner	100,000	-	-	-	100,000	0.004%

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

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

1. Long Positions in Shares *(continued)*

(b) Associated Corporations *(continued)*

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

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

Other Associated Corporations

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

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

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
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 (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, 2014, 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, 2014, 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, 2014, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

1. Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	936,462,744 (Note 1)	40.43%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	936,462,744 (Note 1)	40.43%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	936,462,744 (Note 1)	40.43%

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

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	(i) Beneficial owner	7,838,107)		
	(ii) Investment manager	34,395,671)		
	(iii) Trustee	18,846)		
	(iv) Custodian corporation/ approved lending agent	97,411,968)		
			139,664,592 (Note 2)	6.02%

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

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	13,182,846	13,182,846 (Note 3)	0.56%

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

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	97,411,968	97,411,968	4.20%

Notes:

- (1) The three references to 936,462,744 shares relate to the same block of shares in the Company. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the SFO.
- (2) Such long position includes derivative interests in 3,197,912 underlying shares of the Company of which 2,130,909 underlying shares are derived from listed and physically settled derivatives, 10,000 underlying shares are derived from listed and cash settled derivatives, 435,169 underlying shares are derived from unlisted and physically settled derivatives and 621,834 underlying shares are derived from unlisted and cash settled derivatives.
- (3) Such short position includes derivative interests in 12,749,845 underlying shares of the Company of which 1,187,707 underlying shares are derived from listed and physically settled derivatives, 236,320 underlying shares are derived from listed and cash settled derivatives and 11,325,818 underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 30th June, 2014, 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, 2014. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Managing Director. In respect of code provision A.6.7 of the CG Code, an Independent Non-executive Director was not in a position to attend the annual general meeting of the Company held on 16th May, 2014 due to health reason.

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.

Corporate Governance (*continued*)

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, 2014.

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, 2014.

AUDIT COMMITTEE

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

The Group's interim report for the six months ended 30th June, 2014 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 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, 2014, 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 directly or indirectly pertaining to the Group's businesses. The risk factors set out in the Company's Annual Report 2013 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 2013 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, 2014

	Note	(Unaudited)	
		2014	2013
		HK\$ Million	(Restated) HK\$ Million
Group turnover		11,766	7,796
Share of property sales of joint ventures		2,981	6,856
Turnover	(2)	14,747	14,652
Group turnover		11,766	7,796
Investment and other income		984	1,644
Operating costs			
Property and related costs		(5,732)	(4,363)
Salaries and related expenses		(755)	(790)
Interest and other finance costs		(190)	(134)
Depreciation		(154)	(164)
Other expenses		(211)	(217)
		(7,042)	(5,668)
Share of net profit of joint ventures		1,899	2,546
Increase in fair value of investment properties		560	1,773
Operating profit		8,167	8,091
Share of net profit of associates		14,276	6,257
Profit before taxation	(3)	22,443	14,348
Taxation	(4)	(852)	(561)
Profit for the period		21,591	13,787
Profit attributable to			
Shareholders of the Company		21,345	13,412
Non-controlling interests and holders of perpetual securities		246	375
		21,591	13,787
Earnings per share	(6)	HK\$9.22	HK\$5.79

Interim Financial Statements (continued)

Consolidated Statement of Comprehensive Income

For the six months ended 30th June, 2014

	(Unaudited)	
	2014 HK\$ Million	2013 (Restated) HK\$ Million
Profit for the period	21,591	13,787
Other comprehensive income (loss) – reclassifiable to profit or loss		
Translation of financial statements of operations outside Hong Kong – exchange gain (loss)	125	(481)
Investments available for sale		
Gain (loss) in fair value	(109)	449
Gain in fair value reclassified to profit or loss upon disposal	(176)	(332)
Hedging instruments designated and qualify as net investment hedges – gain (loss) in fair value	(430)	803
Share of other comprehensive income (loss) of associates	1,651	(6,275)
Share of other comprehensive income (loss) of joint ventures	(985)	78
Other comprehensive income (loss) – not reclassifiable to profit or loss		
Share of other comprehensive loss of associates	(88)	–
Share of other comprehensive loss of joint ventures	(9)	(42)
Other comprehensive income (loss)	(21)	(5,800)
Total comprehensive income for the period	21,570	7,987
Total comprehensive income attributable to		
Shareholders of the Company	21,327	7,608
Non-controlling interests and holders of perpetual securities	243	379
	21,570	7,987

Consolidated Statement of Financial Position

As at 30th June, 2014

	(Unaudited) 30/6/2014 HK\$ Million	(Audited) 31/12/2013 HK\$ Million
Non-current assets		
Fixed assets	9,954	9,977
Investment properties	29,295	28,777
Associates	213,586	196,812
Joint ventures	65,662	65,659
Investments available for sale	9,965	9,334
Long term loan receivables	163	1,073
	328,625	311,632
Current assets		
Stock of properties	78,215	79,784
Debtors, deposits and prepayments	2,759	2,313
Investments held for trading	1,344	1,360
Derivative financial instruments	520	551
Bank balances and deposits	33,065	33,197
	115,903	117,205
Current liabilities		
Bank and other loans	8,955	2,438
Creditors and accruals	10,670	11,699
Derivative financial instruments	193	167
Provision for taxation	1,813	1,162
	94,272	101,739
Net current assets	94,272	101,739
Total assets less current liabilities	422,897	413,371
Non-current liabilities		
Bank and other loans	30,646	39,452
Deferred tax liabilities	1,013	986
Derivative financial instruments	405	112
	32,064	40,550
Net assets	390,833	372,821
Representing:		
Share capital	10,489	1,158
Share premium	–	9,331
Reserves	368,086	350,192
Shareholders' funds	378,575	360,681
Perpetual securities	9,048	9,048
Non-controlling interests	3,210	3,092
Total equity	390,833	372,821

Interim Financial Statements (continued)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2014

	Shareholders' Funds				Holders of perpetual securities	Non- controlling interests	(Unaudited) Total Equity
	Share capital	Share premium and reserves ⁽¹⁾	Retained profits	Total			
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million			
Balance at 1st January, 2013	1,158	18,364	314,321	333,843	5,652	3,157	342,652
Total comprehensive income 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 paid 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)
Balance at 30th June, 2013	1,158	12,602	321,601	335,361	8,945	3,284	347,590
Balance at 1st January, 2014	1,158	16,807	342,716	360,681	9,048	3,092	372,821
Total comprehensive income for the period	-	82	21,245	21,327	229	14	21,570
Transfer from share premium to share capital upon abolition of par value	9,331	(9,331)	-	-	-	-	-
Share of dilution surplus of associate ⁽²⁾	-	19,497	-	19,497	-	-	19,497
Change in non-controlling interests	-	-	-	-	-	132	132
Distribution paid on perpetual securities	-	-	-	-	(229)	-	(229)
Dividend paid to non-controlling interests	-	-	-	-	-	(28)	(28)
Dividend paid to shareholders of the Company Special dividend HK\$7 per share 2013 final dividend HK\$2.90 per share	-	-	(16,213)	(16,213)	-	-	(16,213)
	-	-	(6,717)	(6,717)	-	-	(6,717)
Balance at 30th June, 2014	10,489	27,055	341,031	378,575	9,048	3,210	390,833

(1) Share premium and reserves comprise:

	Share premium HK\$ Million	Capital reserve HK\$ Million	Investment revaluation reserve HK\$ Million	Exchange reserve HK\$ Million	Share of reserves of associates and joint ventures HK\$ Million	Total HK\$ Million
Balance at 1st January, 2013	9,331	345	3,458	698	4,532	18,364
Other comprehensive income (loss) for the period	-	-	117	318	(6,197)	(5,762)
Balance at 30th June, 2013	9,331	345	3,575	1,016	(1,665)	12,602
Balance at 1st January, 2014	9,331	345	3,373	508	3,250	16,807
Other comprehensive income (loss) for the period	-	-	(284)	(303)	669	82
Transfer from share premium to share capital upon abolition of par value	(9,331)	-	-	-	-	(9,331)
Share of dilution surplus of associate ⁽²⁾	-	-	-	-	19,497	19,497
Balance at 30th June, 2014	-	345	3,089	205	23,416	27,055

(2) Share of dilution surplus of associate represents the Group's share of increase in reserves of Hutchison Whampoa Limited relating to the dilution of interest in its subsidiary, A.S. Watson Holdings Limited.

Interim Financial Statements (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June, 2014

	Note	(Unaudited)	
		2014 HK\$ Million	2013 HK\$ Million
Net cash from (used in) operating activities		(1,527)	1,555
Net cash from (used in) investing activities		(285)	1,116
Net cash from (used in) financing activities		(2,673)	1,170
Net increase (decrease) in cash and cash equivalents		(4,485)	3,841
Cash and cash equivalents at 1st January		31,277	21,167
Cash and cash equivalents at 30th June	(a)	26,792	25,008

Note:

(a) Cash and cash equivalents

	30/6/2014 HK\$ Million	30/6/2013 HK\$ Million
Bank balances and deposits	33,065	25,008
Less: Bank deposits maturing over three months	(6,273)	–
	26,792	25,008

Notes to Interim Financial Statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The principal accounting policies used in the preparation of the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31st December, 2013 and certain comparative figures have been restated to conform with the current period’s presentation.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for the Group’s annual accounting periods beginning on 1st January, 2014, the adoption has no significant impact on the Group’s results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

Interim Financial Statements (*continued*)

2. Turnover and contribution

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

	Six months ended 30th June	
	2014 HK\$ Million	2013 HK\$ Million
Property sales	9,539	5,469
Property rental	943	1,002
Hotels and serviced suites	1,073	1,146
Property and project management	211	179
Group turnover	11,766	7,796
Share of property sales of joint ventures	2,981	6,856
Turnover	14,747	14,652

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 21% (2013 – 53%) of the turnover and was derived from the following locations:

	Six months ended 30th June	
	2014 HK\$ Million	2013 HK\$ Million
The Mainland	3,075	6,796
Singapore	15	953
	3,090	7,749

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	
	2014 HK\$ Million	2013 HK\$ Million	2014 HK\$ Million	2013 HK\$ Million	2014 HK\$ Million	2013 HK\$ Million
Property sales	3,790	1,338	883	2,493	4,673	3,831
Property rental	861	906	154	157	1,015	1,063
Hotels and serviced suites	464	487	134	132	598	619
Property and project management	67	63	32	24	99	87
	5,182	2,794	1,203	2,806	6,385	5,600
Infrastructure business	-	-	908	730	908	730
	5,182	2,794	2,111	3,536	7,293	6,330
Investment and finance					987	1,351
Interest and other finance costs					(190)	(134)
Increase (decrease) in fair value of investment properties						
Subsidiaries					560	1,773
Joint ventures					(41)	43
Others					60	65
Taxation						
Company and subsidiaries					(852)	(561)
Joint ventures					(502)	(1,337)
Profit attributable to non-controlling interests and holders of perpetual securities					(246)	(375)
					7,069	7,155
Share of net profit of listed associates						
Hutchison Whampoa Limited						
Net profit (excluding share of associate's exceptional gain)					6,184	6,194
Share of associate's gain on separate listing of Hong Kong electricity business					8,026	-
CK Life Sciences Int'l., (Holdings) Inc.					66	63
Profit attributable to shareholders of the Company					21,345	13,412

Interim Financial Statements (*continued*)

3. Profit before taxation

	Six months ended 30th June	
	2014 HK\$ Million	2013 HK\$ Million
Profit before taxation is arrived at after charging (crediting):		
Interest and other finance costs	353	414
Less: Amount capitalised	(163)	(280)
Costs of properties sold	190	134
Gain on disposal of investments available for sale	4,913	3,827
Loss on investments held for trading	(176)	(332)
	23	409

4. Taxation

	Six months ended 30th June	
	2014 HK\$ Million	2013 HK\$ Million
Current tax		
Hong Kong profits tax	806	404
Tax outside Hong Kong	19	88
Deferred tax	27	69
	852	561

Hong Kong profits tax has been provided for at the rate of 16.5% (2013 – 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. Dividends

Special dividend paid during the period and interim dividend declared by the Directors are as follows:

	Six months ended 30th June	
	2014 HK\$ Million	2013 HK\$ Million
Special dividend paid at HK\$7 (2013 – Nil) per share	16,213	–
Interim dividend declared at HK\$0.638 (2013 – HK\$0.58) per share	1,478	1,343
	17,691	1,343

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 (2013 – 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 sales of properties and rental. Sales terms vary for each property project and are determined with reference to the prevailing market conditions. Sales of properties are normally completed when sales 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 was as follows:

	30/6/2014 HK\$ Million	31/12/2013 HK\$ Million
Current to one month	978	1,513
Two to three months	70	66
Over three months	27	21
	1,075	1,600

Interim Financial Statements (*continued*)7. Ageing analysis of trade debtors and trade creditors (*continued*)

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

	30/6/2014 HK\$ Million	31/12/2013 HK\$ Million
Current to one month	1,399	1,171
Two to three months	33	32
Over three months	28	29
	1,460	1,232

8. Related party transactions

The Group has entered into various joint ventures mainly on property projects and infrastructure businesses with parties including subsidiaries of Hutchison Whampoa Limited. Loan advances were made to/repaid from and guarantees were provided for the joint ventures on a pro rata basis. At the period end date, loan advances made to joint ventures, commitments for loan advances to joint ventures and guarantees provided for bank loans utilised by joint ventures amounted to HK\$16,860 million, HK\$1,029 million and HK\$981 million respectively.

Loan advances were made to associates and outstanding balances as at the period end date amounted to HK\$814 million.

Interest was received from joint ventures and associates and interest income derived from loan advances to joint ventures and associates amounted to HK\$393 million and HK\$8 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, is as follows:

Level 1 : quoted prices in active markets

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, 2014				
Financial assets				
Investments available for sale				
Equity securities	9,391	13	187	9,591
Debt securities	39	335	–	374
Investments held for trading				
Equity securities	245	–	–	245
Debt securities	1,099	–	–	1,099
Derivative financial instruments	–	520	–	520
	10,774	868	187	11,829
Financial liabilities				
Derivative financial instruments	–	(598)	–	(598)
At 31st December, 2013				
Financial assets				
Investments available for sale				
Equity securities	8,802	12	181	8,995
Debt securities	41	298	–	339
Investments held for trading				
Equity securities	245	–	–	245
Debt securities	1,115	–	–	1,115
Derivative financial instruments	–	551	–	551
	10,203	861	181	11,245
Financial liabilities				
Derivative financial instruments	–	(279)	–	(279)

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

The movement of equity securities available for sale in Level 3 measurement is as follows:

	HK\$ Million
Fair value at 1st January, 2013	127
Additions	14
Gain in fair value recognised in other comprehensive income	40
Fair value at 31st December, 2013	181
Gain in fair value recognised in other comprehensive income	6
Fair value at 30th June, 2014	187

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 measured based on quoted prices in active markets, value inputs that are observable either directly or indirectly and/or value inputs that are not based on observable market data. Change of value inputs that are not based on observable market data 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.