Hutchison Whampoa Limited

Stock Code: 13

2010 Interim Report

Corporate Information

BOARD OF DIRECTORS

Chairman

LI Ka-shing, KBE, GBM, LLD (Hon), DSSc (Hon), JP
Grand Officer of the Order Vasco Nunez de Balboa
Commandeur de l'Ordre de Léopold
Commandeur de la Légion d'Honneur

Deputy Chairman

LI Tzar Kuoi, Victor, BSc, MSc, LLD (Hon)

Group Managing Director

FOK Kin-ning, Canning, BA, DFM, CA (Aus)

Executive Directors

CHOW WOO Mo Fong, Susan, BSc
Deputy Group Managing Director

Frank John SIXT, MA, LLL
Group Finance Director

LAI Kai Ming, Dominic, BSc, MBA

KAM Hing Lam, BSc, MBA

Non-executive Directors

George Colin MAGNUS, OBE, BBS, MA

William SHURNIAK, SOM, LLD (Hon)

Independent Non-executive Directors

The Hon Sir Michael David KADOORIE, GBS, LLD (Hon), DSc (Hon)
Officier de la Légion d'Honneur
Commandeur de l'Ordre de Léopold II
Commandeur de l'Ordre des Arts et des Lettres

Holger KLUGE, BCom, MBA

Margaret LEUNG KO May Yee, JP

William Elkin MOCATTA, FCA
Alternate to Michael David Kadoorie

WONG Chung Hin, CBE, JP

AUDIT COMMITTEE

WONG Chung Hin *(Chairman)*

Holger KLUGE

William SHURNIAK

REMUNERATION COMMITTEE

LI Ka-shing *(Chairman)*

Holger KLUGE

WONG Chung Hin

COMPANY SECRETARY

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)

AUDITOR

PricewaterhouseCoopers

BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

Contents

Highlights

Unaudited Results for the Period Ended 30 June 2010

- Total revenue grew 8% to HK$152,932 million.
- Total EBIT, before property revaluation and profits on disposal of investments, grew 34% to HK$16,993 million.
- Profit attributable to shareholders, before profits on disposal of investments, grew 270%.
- Profit attributable to shareholders and earnings per share increased 12% to HK$6,450 million and HK$1.51 respectively.
- 3G customer base currently totals over 27.8 million worldwide.
- **3** Group's recurring LBIT reduced by 82% to HK$998 million.

Chairman's Statement

The Group's global operations performed well despite volatile financial markets and uncertain recovery trends in the world's major economies. Revenue from the Group's established businesses grew 7% to HK$123,073 million. Earnings before interest expense and other finance costs, taxation and non-controlling interests ("EBIT") of the Group's established businesses, before property revaluation and profits on disposal of investments, decreased 1% to HK$17,991 million, reflecting decreased contributions from Hutchison Telecommunications International ("HTIL") after the disposal of its Israeli telecommunications operation last year and from Cheung Kong Infrastructure ("CKI") after its disposal of a 45% equity interest in three power plants last year. Excluding the effect of these disposals on recurring EBIT, EBIT of the Group's established businesses increased 8% mainly due to good earnings growth in the ports and retail operations. **3** Group's total revenue increased by 13% to HK$29,859 million and **3** Group's LBIT, before profits on disposal of investments, reduced 82% to HK$998 million.

The Group's total revenue grew 8% to HK$152,932 million and total EBIT, before property revaluation and profits on disposal of investments, grew 34% to HK$16,993 million.

Results

The Group's profit attributable to shareholders for the period was HK$6,450 million, a 12% increase compared to the first half of 2009's profit of HK$5,760 million. There were no profits on disposal of investments in the first half of 2010 (2009 – HK$4,655 million). Excluding such profits, earnings in the first half of 2010 were 270% higher than in the first half of 2009. Earnings per share were HK$1.51 (2009 – HK$1.35).

The results for the period include a profit on revaluation of investment properties of HK$910 million (2009 – HK$700 million), mainly arising from investment properties under development.

Dividends

The Board recommends the payment of an interim dividend of HK$0.51 per share (30 June 2009 – HK$0.51 per share) payable on 17 September 2010 to those persons registered as shareholders on 16 September 2010. The register of members will be closed from 9 September 2010 to 16 September 2010, both days inclusive.

Established Businesses

Ports and Related Services

The ports and related services division's total throughput grew 17% to 35.3 million twenty-foot equivalent units ("TEUs") for the first six months of 2010 and total revenue grew 14% to HK$17,697 million. The division reported EBIT of HK$6,072 million, 35% higher than the same period last year, mainly due to higher throughput, improved operational efficiency from cost saving initiatives implemented last year, and a one-time gain of HK$550 million as a result of marking an investment to market value as required under the Hong Kong Financial Reporting Standards.

Property and Hotels

The property and hotels division reported total revenue of HK$7,127 million, an 8% increase compared to the comparable period last year. Gross rental income of HK$1,934 million was 2% higher than the same period last year, with the rental properties portfolio 97% let. Development profits in the first six months of 2010 were in line with the comparable period last year, and arose mainly from the completion and sale of property units in various residential projects in Mainland China, Singapore and Hong Kong. The hotel operations also reported earnings growth. This division's total EBIT increased 6% to HK$3,428 million.

Retail

The retail division delivered revenue and strong EBIT growth compared to the first half of 2009, despite weak consumer sentiment in some of its overseas operations. The retail division reported sales growth of 8% to HK$57,510 million. In local currencies, EBIT increased 54%, and in Hong Kong dollars increased 52% to HK$2,853 million, driven by management's strong improvements to the division's cost structure, inventory management and operational efficiencies, and continuing expansion in high growth markets.

Cheung Kong Infrastructure

CKI, a listed subsidiary, announced its group turnover and its share of jointly controlled entities' turnover totalling HK$1,891 million and profit attributable to shareholders of HK$2,029 million, compared to a profit of HK$3,885 million in the first half of 2009. The decrease is due to several factors, most notably a gain of HK$1,264 million on disposal of the Mainland power plants in 2009; the loss of three months related earnings contribution of HK$262 million; favourable 2009 UK tax adjustments of HK$148 million; and the impact from foreign exchange movements of HK$512 million. Excluding these factors, CKI's profit attributable to shareholders for the first six months of 2010 increased 19%.

CKI announced on 30 July that a joint venture, in which it and its associated company Hongkong Electric Holdings each have a 40% interest, made an irrevocable offer to acquire electricity distribution businesses in the United Kingdom with a total offer price of £5,775 million and have been granted a period of exclusivity to finalise the transaction.

Husky Energy

Husky Energy, a listed associate company, announced sales and operating revenues of C$9,039 million, 19% above the comparable period last year. Average total upstream production during the first six months of 2010 was 289,700 barrels of oil equivalent per day ("BOEs per day") compared to 329,600 BOEs per day in the first half of 2009. Net earnings of C$611 million in the first six months of 2010 were 19% lower than the comparable period last year, reflecting lower production, lower refining margins in the US operations and the impact of a stronger Canadian dollar.

Finance and Investments

The Group's EBIT from its finance and investments operations represents returns earned on the Group's holdings of cash and liquid investments and amounted to HK$935 million, 62% below the comparable period last year, mainly due to lower market interest rates and one-time profits of HK$1,135 million realised in the comparable first half of 2009 from the repurchase of some of the Group's bonds, the disposal of certain listed equity investments and foreign exchange gains.

During the first six months of 2010, the Group refinanced and repaid debts as they matured and repaid early certain other long-term borrowings and notes totalling HK$15,846 million and extended the maturity profile of the Group's long-term debts. At 30 June 2010, the Group's consolidated cash and liquid investments totalled HK$106,510 million and consolidated debt amounted to HK$250,695 million. Consolidated net debt, net of cash and liquid investments, amounted to HK$144,185 million, a reduction of HK$25,513 million or 15% compared to HK$169,698 million as at 30 June 2009, and an increase of HK$830 million or less than 1% compared to HK$143,355 million as at 31 December 2009.

Hutchison Telecommunications Hong Kong

Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), a listed subsidiary with telecommunications operations in Hong Kong and Macau, announced turnover of HK$4,283 million and net profit attributable to shareholders of HK$361 million, a 5% and 41% increase respectively over the same period last year. At 30 June 2010, HTHKH announced its total mobile active customer base in Hong Kong and Macau had reached 3.1 million.

Hutchison Telecommunications International

Following the implementation of a Scheme of Arrangement to privatise HTIL and payments by the Group to HTIL's non-controlling interests totalling HK$4,199 million or HK$2.2 per HTIL share, HTIL became a wholly-owned subsidiary of the Group after 24 May 2010. The Group's start-up mobile operations in Indonesia, Vietnam and its Sri Lanka and Thailand operations reported total revenue of HK$1,195 million and LBIT of HK$869 million for the period, a decrease compared to the EBIT of HK$166 million for the comparable period last year, mainly reflecting the decreased contribution from its Israeli telecommunications operation which was disposed of in October 2009, partially offset by one-time compensation contributions from certain suppliers. Excluding the EBIT contribution of its Israeli telecommunications operation prior to disposition in the comparable period's results and the one-time compensation contributions in both years, recurring LBIT from ongoing operations increased 39%. At 30 June 2010, these operations had a mobile customer base of 19.0 million, a 49% increase during the first half of the year.

3 Group

The Group's registered 3G customer base increased 6% during the first half of the year and currently totals over 27.8 million customers. The **3** Group's customer base includes over 5.0 million mobile broadband access customers, a 16% increase during the first half of the year.

Average revenue per active user ("ARPU"), on a 12-month trailing average active customer basis, increased by 1% to €28.58 compared to full year 2009. Excluding the effect of the depreciation of Euro against other European currencies and Australian dollar, ARPU decreased 4% compared to full year 2009, mainly due to an increased proportion of mobile broadband access customers in the **3** Group's customer base. Although ARPU declined marginally in local currencies, total revenue in local currencies increased 7% due to continued customer growth particularly in the high value segment. After translation to Hong Kong dollars, **3** Group's total revenue increased 13% to HK$29,859 million.

3 Group achieved EBITDA after all customer acquisition costs and retention costs ("CACs") of HK$3,627 million, a HK$3,447 million increase from the HK$180 million reported for the comparable period last year. Included in EBITDA are one-time contributions from certain suppliers totalling approximately HK$1,012 million. The significant increase in the **3** Group's EBITDA mainly reflects revenue growth and reduced operating, acquisition and retention costs. Gross margin as a percentage of revenues for the **3** Group overall increased by 1.8 percentage-points compared to the same period in 2009. All operations achieved either reduced LBIT or a turnaround to EBIT positive results compared to the same period last year and as a result, LBIT for the **3** Group as a whole was reduced to HK$998 million, an 82% reduction compared to total LBIT of HK$5,451 million for the comparable period in 2009. LBIT reduced mainly due to the **3** Group's increase in EBITDA as well as a reduction in amortisation of **3** UK's licence costs of HK$1,400 million compared to the first half of 2009. Excluding the effect of the revised licence amortisation, LBIT reduced 56% and in local currencies, reduced 57%.

Barring any significant adverse market developments or regulatory developments, management expects the **3** Group to make a positive contribution to the Group's full year EBIT results this year.

Outlook

The major global economies and industries have each, to varying degrees, continued to recover modestly from the financial crisis which had severely affected global economic activities throughout 2009. Although there is continuing volatility in the financial markets, the operating environment of the Group's businesses has been positive and as a result they are able to report solid improvements in the underlying businesses and results. The economies of the Mainland and Hong Kong have generally enjoyed a more robust recovery, benefiting from the support of Government policies and initiatives.

The Group's global operations performed satisfactorily in the first half of 2010, including the improved **3** Group operations. Cash flow also improved significantly and, subject to any major asset acquisitions in the second half, the Group's net debt is expected to be further reduced by the end of 2010. In the current economic environment, the Group will continue to focus on operational and financial disciplines while investing where good opportunities to expand its core businesses arise. Barring major unforeseen circumstances, the Group has very healthy development prospects and a promising future. I have full confidence in the Group's near, medium and long term growth.

I would like to thank the Board of Directors and all employees around the world for their loyalty, diligence, professionalism, and contributions to the Group.

Li Ka-shing
Chairman

Hong Kong, 5 August 2010

Supplementary Information and Key Business Indicators

Hutchison Whampoa Limited's Group results can be summarised as below:

In HK$ Millions	For the six months ended 30 June 2010	2009	2010	2009	% Change
REVENUE [(1)]					
Ports and related services	**17,697**	15,556	**14%**	13%	14%
Property and hotels	**7,127**	6,628	**6%**	6%	8%
Retail	**57,510**	53,444	**47%**	47%	8%
Cheung Kong Infrastructure	**7,558**	7,528	**6%**	6%	0%
Husky Energy	**23,513**	16,965	**19%**	15%	39%
Finance & Investments	**937**	1,033	**1%**	1%	-9%
Hutchison Telecommunications Hong Kong Holdings	**4,283**	4,097	**3%**	3%	5%
Hutchison Telecommunications International	**1,195**	801	**1%**	1%	49%
Hutchison Telecommunications International – Israeli operation	**–**	5,610	**0%**	5%	-100%
Others	**3,253**	2,986	**3%**	3%	9%
Total revenue of established businesses	**123,073**	114,648	**100%**	100%	7%
3 Group	**29,859**	26,380			13%
Total revenue	**152,932**	141,028			8%
EARNINGS BEFORE INTEREST EXPENSE AND TAXATION ("EBIT") [(1)]					
Established businesses:					
Ports and related services	**6,072**	4,487	**34%**	25%	35%
Property and hotels	**3,428**	3,239	**19%**	18%	6%
Retail	**2,853**	1,873	**16%**	10%	52%
Cheung Kong Infrastructure	**3,408**	3,663	**19%**	20%	-7%
Husky Energy	**1,722**	1,998	**10%**	11%	-14%
Finance & Investments	**935**	2,478	**5%**	14%	-62%
Hutchison Telecommunications Hong Kong Holdings	**525**	308	**3%**	2%	70%
Hutchison Telecommunications International	**(869)**	(1,011)	**-5%**	-6%	14%
Hutchison Telecommunications International – Israeli operation	**–**	1,177	**0%**	7%	-100%
Others	**(83)**	(84)	**-1%**	-1%	1%
EBIT of established businesses	**17,991**	18,128	**100%**	100%	-1%
3 Group [(2)]:					
EBITDA of **3** Group before all CACs	**11,402**	8,073			41%
CACs	**(7,775)**	(7,893)			1%
EBITDA of **3** Group	**3,627**	180			1,915%
- Depreciation	**(3,903)**	(3,693)			-6%
- Amortisation of licence fees and other rights	**(722)**	(1,938)			63%
LBIT of **3** Group	**(998)**	(5,451)			82%
Total EBIT before the following	**16,993**	12,677			34%
Change in fair value of investment properties	**910**	700			30%
Profits on disposal of investments	**–**	4,655			-100%
Total EBIT	**17,903**	18,032			-1%
Interest expenses and other finance costs					
- Company and subsidiary companies	**(4,059)**	(5,078)			20%
- Share of associated companies and jointly controlled entities	**(2,078)**	(1,435)			-45%
	(6,137)	(6,513)			6%
Profit before tax	**11,766**	11,519			2%
Tax [(1)]					
- Current tax	**(2,812)**	(3,835)			27%
- Deferred tax	**(253)**	696			-136%
	(3,065)	(3,139)			2%
Profit after tax	**8,701**	8,380			4%
Non-controlling interests [(1)]	**(2,251)**	(2,620)			14%
Profit attributable to shareholders	**6,450**	5,760			12%

Note 1: Includes share of associated companies and jointly controlled entities.

Note 2: Includes 3G operations in UK, Ireland, Italy, Australia, Sweden, Denmark, Norway and Austria.

Supplementary Information And Key Business Indicators

Note: All comparing against the performance in the first six months of 2009 unless indicated otherwise

Established Businesses

Ports and Related Services

Total revenue	increased 14%
EBIT	increased 35%

Contributed 14% and 34% respectively to total revenue and EBIT of the Group's established businesses.

Major contributors to the division's overall 17% throughput growth were:

	Increased
Hong Kong and the Mainland	15%
Asia (excluding Hong Kong and the Mainland)	21%
Europe	16%
The Americas	21%

Major contributors to the division's overall 35% EBIT increase were:

	Increased
Hong Kong and the Mainland	13%
The Americas	59%
Asia (excluding Hong Kong and the Mainland)	14%
Europe	4%

Property and Hotels

Total revenue	increased 8%
EBIT	increased 6%

Contributed 6% and 19% respectively to total revenue and EBIT of the Group's established businesses.

The Group's current attributable landbank (including direct interests and its proportionate share of interests held by joint ventures, associates and jointly controlled entities) can be developed into 93 million square feet of mainly residential property, of which 96% is situated in the Mainland, 3% in the UK and overseas and 1% in Hong Kong. This landbank comprises 45 projects in 20 cities and is expected to be developed in a phased manner over several years. The increase in property valuation, before deferred tax expense, of HK$910 million in the first half of 2010 relates primarily to the increase in market value for investment properties under development.

Retail

Total revenue	increased 8% (increased 7% in local currencies)
EBIT	increased 52% (increased 54% in local currencies)

Contributed 47% and 16% respectively to total revenue and EBIT of the Group's established businesses.

The number of retail outlets increased during the period and currently totals over 8,900 outlets in 34 markets worldwide. The retail division is expanding organically in markets with high growth potential and at the same time continuing to control costs and focus on maintaining margins in the current economic environment.

Cheung Kong Infrastructure, subsidiary listed on The Stock Exchange of Hong Kong Limited

Announced group turnover and its share of jointly controlled entities' turnover	decreased 15%
Announced profit attributable to shareholders	decreased 48% (increased 19% excluding a gain on disposal of three power plants and the three months related earnings, favourable 2009 UK tax adjustments and the impact of foreign exchange movements)

Contributed 6% and 19% respectively to total revenue and EBIT of the Group's established businesses.

Husky Energy, associated company listed on Toronto Stock Exchange

Announced sales and operating revenues, in C$	increased 19%
Announced net earnings, in C$	decreased 19%

Contributed 19% and 10% respectively to total revenue and EBIT of the Group's established businesses.

Hutchison Telecommunications Hong Kong Holdings, subsidiary listed on The Stock Exchange of Hong Kong Limited

Announced turnover	increased 5%
Announced profit attributable to shareholders	increased 41%

Contributed 3% to both total revenue and EBIT of the Group's established businesses.

Hutchison Telecommunications International, wholly owned subsidiary after 24 May 2010

Total revenue	decreased 81% (increased 49% excluding revenue from its Israeli telecommunications operation disposed of in second half of 2009)
LBIT	losses increased 39% excluding the comparable period's EBIT of its Israeli telecommunications operation disposed of in second half of 2009 and one-time compensation contributions in both periods

Contributed 1% and a negative 5% respectively to total revenue and EBIT of the Group's established businesses.

LBIT includes one-time compensation contributions from certain major suppliers of approximately HK$624 million in the first six months of 2010 (30 June 2009 – HK$66 million).

3 Group

Total revenue	increased 13% (increased 7% in local currencies)
EBITDA after all CACs	EBITDA of HK$3,627 million, compared to HK$180 million in the same period last year
Total LBIT	LBIT reduced by 82% (reduced 82% in local currencies). LBIT reduced by 56% excluding the reduction of HK$1,400 million in licence amortisation resulting from an indefinite extension of the **3** UK telecommunications licence in the second half of 2009

The useful life of the **3** UK licence was revised on the basis of a Statutory Instrument laid before the UK houses of Parliament, which inter alia changes the life of the licence to be indefinite.

3 Group Overall

	30 June 2010	30 June 2009
Weighted average per customer acquisition cost, on a 12-month trailing average basis – reduced 24%	**€99**	€131
Contract customers as a percentage of total registered customer base	**53%**	53%
Average monthly customer churn rate – total registered customer base	**2.6%**	2.4%
Average monthly customer churn rate – total contract registered customer base	**1.9%**	1.7%
Active customers as a percentage of total registered customer base	**83%**	83%
Active contract customers as a percentage of total contract registered customer base	**98%**	96%

Key Business Indicators

	Customer Base					
	Registered Customers at 4 August 2010 ('000)			Registered Customer Growth (%) from 31 December 2009 to 30 June 2010		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
Italy	5,656	3,378	**9,034**	-1%	3%	**–**
UK	2,685	3,586	**6,271**	25%	-1%	**9%**
Australia[(1)]	3,253	4,237	**7,490**	9%	7%	**8%**
Sweden & Denmark	216	1,513	**1,729**	9%	9%	**9%**
Austria	236	737	**973**	13%	7%	**8%**
Ireland	332	222	**554**	17%	13%	**15%**
3 Group Total	12,378	13,673	**26,051**	7%	4%	**6%**
Hong Kong and Macau[(2)]	356	1,462	**1,818**	56%	4%	**11%**
Total	12,734	15,135	**27,869**	8%	4%	**6%**

	Customer Service Revenue							
	Revenue for the six months ended 30 June 2010 (millions)					Growth (%) compared to the six months ended 30 June 2009 Revenue		
	Prepaid	% of total Revenue	Postpaid	% of total Revenue	**Total**	Prepaid	Postpaid	**Total**
Italy	€170.2	20%	€674.7	80%	**€844.9**	-23%	10%	**1%**
UK	£81.6	12%	£604.9	88%	**£686.5**	10%	-11%	**-9%**
Australia[(3)]	A$256.2	24%	A$814.7	76%	**A$1,070.9**	204%	5%	**24%**
Sweden & Denmark	SEK85.6	3%	SEK3,057.9	97%	**SEK3,143.5**	50%	17%	**18%**
Austria	€3.3	3%	€95.0	97%	**€98.3**	46%	19%	**20%**
Ireland	€9.0	22%	€31.6	78%	**€40.6**	-6%	15%	**9%**

	12-month Trailing Average Revenue per Active User ("ARPU")[(4)] to 30 June 2010					
	Total				Non-voice	
	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2009	**ARPU**	% of total ARPU
Italy	€10.18	€35.90	**€23.21**	-1%	**€9.08**	39%
UK	£9.15	£30.34	**£24.07**	-10%	**£9.07**	38%
Australia[(3)]	A$29.72	A$71.47	**A$53.48**	-4%	**A$21.07**	39%
Sweden & Denmark	SEK115.39	SEK357.04	**SEK338.39**	-3%	**SEK143.00**	42%
Austria	€9.69	€23.69	**€22.65**	-5%	**€11.43**	51%
Ireland	€13.11	€31.95	**€23.99**	1%	**€13.11**	55%
3 Group Average	€13.57	€37.66	**€28.58**	1%	**€11.35**	40%
3 Group Average (without FX impact)	€12.71	€35.86	**€27.14**	-4%	**€10.76**	40%

Note 1: Active customers (including customers of mobile virtual network operators ("MVNOs")) at 30 June 2010 as announced by listed subsidiary HTAL, updated for net additions to 4 August 2010.

Note 2: Hong Kong and Macau active customers at 30 June 2010 as announced by listed subsidiary HTHKH, updated for net additions to 4 August 2010.

Note 3: Revenue and ARPU (excluding ARPU from MVNOs) at 30 June 2010 as announced by listed subsidiary HTAL.

Note 4: ARPU equals total revenue excluding handset and connection revenues, divided by the average number of active customers during the period, where an active customer is one that has generated revenue from either an outgoing or incoming call or 3G service in the preceding three months.

Italy

Customer service revenue, in EURO	increased 1%
LBIT, in EURO	reduced 65% to €73 million

LBIT includes a one-time contribution from certain suppliers of €50 million in the first six months of 2010.

	30 June 2010	30 June 2009
Contract customers as a percentage of total registered customer base	**38%**	34%
Average monthly customer churn rate – total registered customer base	**2.3%**	2.3%
Average monthly customer churn rate – total contract registered customer base (accounts for 80% of the revenue base)	**2.2%**	2.2%
Active customers as a percentage of total registered customer base	**67%**	66%
Active contract customers as a percentage of total contract registered customer base	**95%**	90%

UK

Customer service revenue, in GBP	decreased 9%
LBIT, in GBP	reduced 87% to £20 million

	30 June 2010	30 June 2009
Contract customers as a percentage of total registered customer base	**58%**	70%
Average monthly customer churn rate – total registered customer base	**3.2%**	3.0%
Average monthly customer churn rate – total contract registered customer base (accounts for 88% of the revenue base)	**2.3%**	1.7%
Active customers as a percentage of total registered customer base	**84%**	91%
Active contract customers as a percentage of total contract registered customer base	**97%**	97%

Hutchison Telecommunications Australia ("HTAL"), subsidiary listed on Australian Securities Exchange

Announced service revenue, in AUD	increased 24%
Announced profit attributable to shareholders, in AUD of A$18 million (includes merger restructuring expenses)	turnaround to profit attributable to shareholders position of A$18 million compared to a loss of A$36 million, excluding the comparable period's gain of A$587 million on the merger of **3** Australia with Vodafone Australia in June 2009
HTAL's EBIT contribution to the Group's results	turnaround to EBIT of A$65 million compared to a LBIT of A$37 million, excluding the comparable period's gain of A$587 million as mentioned above

Sweden and Denmark (combined)

Combined customer service revenue, in SEK	increased 18%
Combined LBIT turnaround to EBIT, in SEK	turnaround 105% to EBIT of SEK16 million

	30 June 2010	30 June 2009
Contract customers as a percentage of total registered customer base	**88%**	89%
Average monthly customer churn rate – total registered customer base	**2.2%**	2.1%
Active customers as a percentage of total registered customer base	**96%**	96%
Active contract customers as a percentage of total contract registered customer base	**100%**	100%

Austria

Customer service revenue, in EURO	increased 20%
LBIT turnaround to EBIT, in EURO	turnaround 108% to EBIT of €3 million

EBIT includes a one-time contribution from certain suppliers of €52 million in the first six months of 2010.

	30 June 2010	30 June 2009
Contract customers as a percentage of total registered customer base	**77%**	76%
Average monthly customer churn rate – total registered customer base	**1.1%**	1.4%
Active customers as a percentage of total registered customer base	**83%**	80%
Active contract customers as a percentage of total contract registered customer base	**100%**	99%

Ireland

Customer service revenue, in EURO	increased 9%
LBIT, in EURO	reduced 15% to €19 million

	30 June 2010	30 June 2009
Contract customers as a percentage of total registered customer base	**40%**	41%
Average monthly customer churn rate – total registered customer base	**0.9%**	1.0%
Active customers as a percentage of total registered customer base	**56%**	67%
Active contract customers as a percentage of total contract registered customer base	**83%**	89%

Group Capital Resources and Other Information

Group Capital Resources and Liquidity

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. The Group cautiously uses derivatives, principally interest rate and foreign currency swaps and forward currency contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Cash Management and Funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

Interest Rate Exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 30 June 2010, approximately 38% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 62% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$98,913 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$3,784 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 76% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 24% were at fixed rates at 30 June 2010.

Foreign Currency Exposure

For overseas subsidiaries and associates and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinancing these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to the underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in overseas subsidiaries and associates. During the period, the currencies of certain countries, notably the Euro and British Pound, where the Group has overseas operations weakened against the Hong Kong dollar. This gave rise to an unrealised loss of approximately HK$11,800 million (30 June 2009: gain of approximately HK$12,200 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associated companies and jointly controlled entities. This unrealised loss was reflected as a movement in the Consolidated Statement of Changes in Equity under the heading of exchange reserve.

At 30 June 2010, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$28,593 million to Hong Kong dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 31% in HK dollars, 32% in US dollars, 26% in Euro, 5% in British Pounds and 6% in other currencies.

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements, credit ratings and setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, which is continuously monitored by the local operational management.

Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A3 on the Moody's Investor Service scale, A- on the Standard & Poor's Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. At 30 June 2010, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch.

Market Price Risk

The Group's main market price risk exposures relate to listed debt and equity securities described in "Liquid Assets" below and the interest rate swaps as described in "Interest Rate Exposure" above. The Group's holding of listed/traded debt and equity securities represented approximately 21% (31 December 2009: approximately 19%) of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through monitoring the price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

Liquid Assets

The Group continues to be in a healthy financial position. Liquid assets amounted to HK$106,510 million at 30 June 2010, an 8% reduction from the balance as at 31 December 2009 of HK$115,734 million, mainly due to the utilisation of cash for dividend payments and the payment in June 2010 of HK$4,199 million to non-controlling interests of Hutchison Telecommunications International ("HTIL") pursuant to the scheme to privatise HTIL. Liquid assets were denominated as to 9% in HK dollars, 52% in US dollars, 17% in Renminbi, 6% in Euro, 4% in British Pounds and 12% in other currencies.

Cash and cash equivalents represented 78% (31 December 2009: 80%) of the liquid assets, US Treasury notes and listed/traded debt securities 16% (31 December 2009: 15%), listed equity securities 5% (31 December 2009: 4%) and long-term deposits and others 1% (31 December 2009: 1%).

The US Treasury notes and listed/traded debt securities, including those held under managed funds, consisted of government guaranteed notes (49%), supranational notes (22%), government related entities issued notes (11%), notes issued by the Group's associated company, Husky Energy Inc. (5%), US Treasury notes (1%) and others (12%). Of these US Treasury notes and listed/traded debt securities, 78% are rated at Aaa/AAA with an average maturity of 1.3 years on the overall portfolio. The Group has no exposure in mortgage backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

Consolidated EBITDA before and after all telecommunications CACs amounted to HK$38,964 million and HK$30,502 million respectively for the first half of 2010, growing 7% and 9% respectively compared to the first half of last year. Total CACs of all of the Group's telecommunications operations amounted to HK$8,462 million for the first six months of the year, in line with that for the same period last year and reflecting a 24% reduction in **3** Group's unit cost to acquire a customer, offset by an increase in the number of customers acquired and retained during the period. Consolidated funds from operations ("FFO") after all telecommunications CACs but before cash profits from disposals, capital expenditures and changes in working capital amounted to HK$14,295 million, an 18% increase compared to the first half of last year.

In the first half of 2010, the Group's capital expenditures decreased 6% to total HK$8,393 million (30 June 2009: HK$8,896 million). The increase in **3** Group's capital expenditures on network capability enhancements was offset by the effect of reduced expenditure after HTIL's disposal of its entire shareholding in Partner Communications in Israel in October 2009 and the deconsolidation of **3** Australia after it became a jointly controlled entity from June 2009 onwards. Capital expenditures for the ports and related services division amounted to HK$2,480 million (30 June 2009: HK$2,104 million); for the property and hotels division HK$27 million (30 June 2009: HK$32 million); for the retail division HK$470 million (30 June 2009: HK$357 million); for the energy and infrastructure division HK$20 million (30 June 2009: HK$38 million); for the finance and investments division HK$1 million (30 June 2009: HK$10 million); for HTHKH HK$496 million (30 June 2009: HK$583 million); for HTIL HK$1,020 million (30 June 2009: HK$2,441 million); for others HK$63 million (30 June 2009: HK$17 million); and for **3** Group HK$3,816 million (30 June 2009: HK$3,314 million).

The capital expenditures of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

Debt Maturity and Currency Profile

The Group's total principal amount of bank and other debts at 30 June 2010 decreased 3% to total HK$250,695 million (31 December 2009: HK$259,089 million) of which 61% (31 December 2009: 62%) are notes and bonds and 39% (31 December 2009: 38%) are bank and other loans. The net decrease in principal amount of bank and other debts was primarily due to the repayment of debts as they matured and also early repayment of certain debts maturing in 2010 and beyond totalling HK$15,846 million, as well as the favourable effect of the translation of foreign currency denominated loans to Hong Kong dollars of HK$11,374 million, partially offset by new borrowings of HK$18,743 million. The Group's weighted average cost of debt for the six months ended 30 June 2010 reduced 0.3% to 2.9% (year ended 31 December 2009: 3.2%). Interest bearing loans from non-controlling interests (formerly called minority shareholders), which are viewed as quasi-equity, totalled HK$13,303 million at 30 June 2010 (31 December 2009: HK$13,424 million).

The maturity profile of the Group's total principal amount of bank and other debts at 30 June 2010 is set out below:

	HK$	US$	Euro	GBP	Others	Total
Within 6 months	–	3%	1%	–	1%	**5%**
In 2011	7%	4%	2%	1%	–	**14%**
In 2012	2%	1%	1%	–	4%	**8%**
In 2013	4%	10%	8%	–	–	**22%**
In 2014	4%	4%	1%	–	–	**9%**
In years 6 to 10	14%	5%	13%	2%	–	**34%**
In years 11 to 20	–	1%	–	2%	–	**3%**
Beyond 20 years	–	4%	–	–	1%	**5%**
Total	**31%**	**32%**	**26%**	**5%**	**6%**	**100%**

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings, as a matter of policy, have credit rating triggers that would accelerate the maturity dates of the debt outstanding.

Changes in Financing

The significant financing activities in the first half of 2010 were as follows:

- In February, obtained a five-year, floating rate loan facility of HK$1,000 million to refinance existing indebtedness;
- In March, obtained a five-year, floating rate loan facility of HK$1,000 million to refinance existing indebtedness;
- In March, obtained a five-year, floating rate syndicated loan facility of HK$3,800 million to refinance existing indebtedness;
- In March, prepaid a HK$5,000 million loan facility maturing later in 2010;
- In April, obtained two five-year, floating rate loan facilities, each of HK$1,000 million, to refinance existing indebtedness;
- In June, listed subsidiary CKI obtained a two-year, floating rate term syndicated bank loan facility of A$210 million (approximately HK$1,334 million) to refinance existing indebtedness;
- In June, obtained a five-year, floating rate loan of THB4,905 million (approximately HK$1,180 million) and repaid a floating rate term loan facility of THB5,660 million (approximately HK$1,361 million) on maturity; and
- In June, prepaid a HK$3,800 million loan facility maturing later in 2010.

Capital, Net Debt and Interest Coverage Ratios

The Group's total shareholders' funds decreased 4% to HK$272,987 million at 30 June 2010, compared to HK$283,531 million at 31 December 2009, reflecting the profits for the six months ended 30 June 2010 net of dividends paid and the non-cash adverse effect of approximately HK$11,800 million arising from the translation of overseas subsidiaries' net assets and the Group's share of translation gains and losses of associated companies and jointly controlled entities at 30 June 2010 exchange rates, mainly due to the weakening of the Euro and the British Pound against the Hong Kong dollar compared to the prior year end. At 30 June 2010, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling interests which are viewed as quasi-equity, unamortised loan facilities fees and premiums or discounts on issue and fair value changes of interest rate swap contracts, was HK$144,185 million (31 December 2009: HK$143,355 million), a less than 1% increase compared to the net debt at the beginning of the year. The Group's net debt to net total capital ratio at 30 June 2010 is 31.0% (31 December 2009: 29.9%). This ratio is affected by foreign currency translation effects on shareholders' funds and on debt balances as shown below.

The following table shows the net debt to net total capital ratio calculated on the basis of including interest bearing loans from non-controlling interests and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at 30 June 2010.

Net debt/Net total capital ratios at 30 June 2010:		**Before the effect of foreign currency translation and other non-cash movements**	**After the effect of foreign currency translation and other non-cash movements**
A1:	excluding interest bearing loans from non-controlling interests from debt	31.7%	31.0%
A2:	as in A1 above and investments in listed subsidiaries and associated companies marked to market value	29.8%	29.0%
B1:	including interest bearing loans from non-controlling interests as debt	34.5%	33.9%
B2:	as in B1 above and investments in listed subsidiaries and associated companies marked to market value	32.4%	31.7%

The Group's consolidated gross interest expense and other finance costs of subsidiaries, before capitalisation for the first six months of 2010, decreased 21% to total HK$4,150 million, compared to HK$5,243 million for the same period last year, mainly due to lower effective market interest rate, partially offset by higher average borrowings during the first half of this year.

Consolidated EBITDA and FFO before all CACs for the period covered consolidated net interest expense and other finance costs 12.9 times and 7.9 times respectively (31 December 2009: 11.6 times and 6.9 times).

Secured Financing

At 30 June 2010, assets of the Group totalling HK$1,054 million (31 December 2009: HK$2,503 million) were pledged as security for bank and other debts.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 30 June 2010 amounted to the equivalent of HK$14,116 million (31 December 2009: HK$20,340 million).

Contingent Liabilities

At 30 June 2010, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities totalling HK$5,802 million (31 December 2009: HK$13,081 million), of which HK$4,994 million (31 December 2009: HK$12,527 million) has been drawn down as at 30 June 2010, and also provided performance and other guarantees of HK$4,596 million (31 December 2009: HK$5,039 million).

Employee Relations

At 30 June 2010, the Company and its subsidiaries employed 152,877 people (30 June 2009 – 153,562 people) and the related employee costs for the six-month period, excluding Directors' emoluments, totalled HK$14,246 million (2009 – HK$14,911 million). Including the Group's associated companies, at 30 June 2010, the Group employed 220,960 people of whom 29,054 were employed in Hong Kong. All of the Group's subsidiaries are equal opportunity employers, with the selection and promotion of individuals based on suitability for the position offered. The salary and benefit levels of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

The Company does not have a share option scheme for the purchase of ordinary shares in the Company. Certain subsidiaries and associates of the Group offer various equity-linked compensation elements appropriate to their sector and market. A wide range of benefits including medical coverage, provident funds and retirement plans and long service awards are also provided to employees. In addition, training and development programmes are provided on an on-going basis throughout the Group. Many social, sporting and recreational activities were arranged during the period for employees on a Group-wide basis. Group employees also participated in community-oriented events.

Purchase, Sale or Redemption of Shares

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares. In addition, the Company has not redeemed any of its ordinary shares during the period.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 9 September 2010 to Thursday, 16 September 2010, both dates inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Wednesday, 8 September 2010.

Disclosure of Interests

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2010, the interests and short positions of the Directors and chief executive 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 (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company (the "Model Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares held	Total	Approximate % of shareholding
Li Ka-shing	(i) Founder of discretionary trusts	(i) Other interest	2,141,698,773 [(1)]		
	(ii) Interest of controlled corporations	(ii) Corporate interest	72,094,000 [(2)]	2,213,792,773	51.9259%
Li Tzar Kuoi, Victor	(i) Beneficiary of trusts	(i) Other interest	2,141,698,773 [(1)]		
	(ii) Interest of controlled corporations	(ii) Corporate interest	1,086,770 [(3)]	2,142,785,543	50.2604%
Fok Kin-ning, Canning	Interest of a controlled corporation	Corporate interest	4,810,875 [(4)]	4,810,875	0.1128%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	150,000	150,000	0.0035%
Frank John Sixt	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Kam Hing Lam	(i) Beneficial owner	(i) Personal interest	60,000		
	(ii) Interest of child	(ii) Family interest	40,000	100,000	0.0023%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of discretionary trust(s)	Other interest	15,984,095 [(5)]	15,984,095	0.3749%

Name of Director	Capacity	Nature of interests	Number of shares held	Total	Approximate % of shareholding
Holger Kluge	Beneficial owner	Personal interest	40,000	40,000	0.0009%
George Colin Magnus	(i) Founder and beneficiary of a discretionary trust	(i) Other interest	950,100 (6)		
	(ii) Beneficial owner	(ii) Personal interest	40,000		
	(iii) Interest of spouse	(iii) Family interest	9,900	1,000,000	0.0235%
William Shurniak	Beneficial owner	Personal interest	165,000	165,000	0.0039%

Notes:

(1) The two references to 2,141,698,773 shares of the Company relate to the same block of shares comprising:

(a) 2,130,202,773 shares held by certain subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong"). 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 its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies") hold more than one-third of the issued share capital of Cheung Kong.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of Cheung Kong 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 Cheung Kong independently without any reference to Unity Holdco or any of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

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

(b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3").

Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of 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 Castle Holdco or any of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard as a holder of the shares of Castle Holdco as aforesaid.

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

(2) Such shares were held by certain companies of which Mr Li Ka-shing is interested in the entire issued share capital.

(3) Such shares were held by certain companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

(4) Such shares were held by a company which is equally controlled by Mr Fok Kin-ning, Canning and his spouse.

(5) Such shares were ultimately held by discretionary trust(s) of which The Hon Sir Michael David Kadoorie is either the founder, a beneficiary and/or a discretionary object.

(6) Such shares were indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and a discretionary beneficiary.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 30 June 2010, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or the Company as described in Note (1) above:

(i) 1,912,109,945 ordinary shares, representing approximately 84.82% of the then issued share capital, in Cheung Kong Infrastructure Holdings Limited ("CKI") of which 1,906,681,945 ordinary shares were held by a wholly owned subsidiary of the Company and 5,428,000 ordinary shares were held by TUT1 as trustee of UT1;

(ii) 3,165,620,120 ordinary shares, representing approximately 65.75% of the then issued share capital, in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") of which 52,092,587 ordinary shares and 3,113,374,253 ordinary shares were held by certain wholly owned subsidiaries of each of Cheung Kong and the Company respectively and 153,280 ordinary shares were held by TUT3 as trustee of UT3;

(iii) 829,599,612 ordinary shares, representing approximately 38.87% of the then issued share capital, in Hongkong Electric Holdings Limited ("HEH") which shares were held by certain wholly owned subsidiaries of CKI;

(iv) 2,420,028,908 ordinary shares, representing approximately 62.16% of the then issued share capital, in TOM Group Limited of which

(a) 476,341,182 ordinary shares and 952,683,363 ordinary shares were held by a wholly owned subsidiary of each of Cheung Kong and the Company respectively; and

(b) 991,004,363 ordinary shares charged by Cranwood Company Limited and its subsidiaries in favour of the Company as security;

(v) 293,618,956 common shares, representing approximately 34.55% of the then issued share capital, in Husky Energy Inc. ("Husky") held by a wholly owned subsidiary of the Company; and

(vi) all interests in shares, underlying shares and/or debentures in all associated corporations of the Company.

As Mr Li Ka-shing may be regarded as a founder of DT3 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of DT3 as disclosed in Note (1) above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in 305,603,402 common shares, representing approximately 35.96% of the then issued share capital, in Husky which were held by a company in respect of which TDT3 as trustee of DT3 is indirectly entitled to substantially all the net assets thereof and of which Mr Li Ka-shing is additionally entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.

Mr Li Ka-shing, as Director of the Company, was also deemed to be interested in (i) a nominal amount of US$78,000,000 in the 5.90% Notes due 2014 issued by Husky; and (ii) a nominal amount of US$25,000,000 in the 7.25% Notes due 2019 issued by Husky held by a wholly owned subsidiary of the Company by virtue of his interests in the shares of the Company as described in Note (1) above.

In addition, Mr Li Ka-shing had, as at 30 June 2010, corporate interests in (i) a nominal amount of US$100,000,000 in the 5.90% Notes due 2014 issued by Husky; and (ii) 362,839,499 ordinary shares, representing approximately 7.54% of the then issued share capital, in HTHKH, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at 30 June 2010, the following interests:

(i) family interests in 151,000 ordinary shares, representing approximately 0.007% of the then issued share capital, in HEH held by his spouse; and

(ii) corporate interests in (a) a nominal amount of US$10,208,000 in the 6.50% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited ("HWI(03/13)"); (b) a nominal amount of US$45,792,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited ("HWI(09)"); and (c) 2,519,250 ordinary shares, representing approximately 0.05% of the then issued share capital, in HTHKH, which were held by companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

Mr Fok Kin-ning, Canning had, as at 30 June 2010, the following interests:

(i) corporate interests in (a) a nominal amount of US$1,216,000 in the 6.50% Notes due 2013 issued by HWI(03/13); (b) a nominal amount of US$4,000,000 in the 7.625% Notes due 2019 issued by HWI(09); (c) a nominal amount of US$2,000,000 in the 7.25% Notes due 2019 issued by Husky; and (d) a nominal amount of US$4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited;

(ii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.06% of the then issued share capital, in Hutchison Harbour Ring Limited;

(iii) 5,100,000 ordinary shares, representing approximately 0.04% of the then issued share capital, in Hutchison Telecommunications (Australia) Limited ("HTAL") comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;

(iv) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the then issued share capital, in HTHKH; and

(v) corporate interests in 200,000 common shares, representing approximately 0.02% of the then issued share capital, in Husky.

Mr Fok Kin-ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 30 June 2010, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in HTHKH.

Mr Frank John Sixt had, as at 30 June 2010, the following interests:

(i) personal interests in (a) 1,000,000 ordinary shares, representing approximately 0.007% of the then issued share capital, in HTAL; and (b) 17,000 American depositary shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in HTHKH; and

(ii) corporate interests in a nominal amount of US$1,000,000 in the 5.90% Notes due 2014 issued by Husky.

Mr Frank John Sixt held the above personal interest in his capacity as a beneficial owner and held the above corporate interests through a company of which Mr Frank John Sixt is interested in the entire issued share capital.

Mr Kam Hing Lam in his capacity as a beneficial owner had, as at 30 June 2010, personal interests in 100,000 ordinary shares, representing approximately 0.004% of the then issued share capital, in CKI.

Mr Holger Kluge in his capacity as a beneficial owner had, as at 30 June 2010, personal interests in 25,914 common shares, representing approximately 0.003% of the then issued share capital, in Husky.

Mr George Colin Magnus had, as at 30 June 2010, 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in HTHKH comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse.

Mr William Shurniak in his capacity as a beneficial owner had, as at 30 June 2010, personal interests in 10,019 common shares, representing approximately 0.001% of the then issued share capital, in Husky.

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executive of the Company and their respective associates had any interest or short position 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 had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was 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 pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

Interests and Short Positions of Shareholders Discloseable under the SFO

So far as is known to any Directors or chief executive of the Company, as at 30 June 2010, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons 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, or as otherwise notified to the Company and the Stock Exchange:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee and beneficiary of a trust	2,130,202,773 [1]	49.97%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee and beneficiary of a trust	2,130,202,773 [1]	49.97%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee	2,130,202,773 [1]	49.97%
Cheung Kong (Holdings) Limited ("Cheung Kong")	Interest of controlled corporations	2,130,202,773 [1]	49.97%
Continental Realty Limited	Beneficial owner	465,265,969 [2]	10.91%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Honourable Holdings Limited	Interest of controlled corporations	322,942,375 (2)	7.57%
Winbo Power Limited	Beneficial owner	236,260,200 (2)	5.54%
Polycourt Limited	Beneficial owner	233,065,641 (2)	5.47%
Well Karin Limited	Beneficial owner	226,969,600 (2)	5.32%

Notes:

(1) The four references to 2,130,202,773 shares of the Company relate to the same block of shares of the Company which represent the total number of shares of the Company held by certain wholly owned subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under the SFO. In addition, by virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same 2,130,202,773 shares of the Company held by Cheung Kong as described in Note (1)(a) of the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(2) These are wholly owned subsidiaries of Cheung Kong and their interests in the shares of the Company are duplicated in the interests of Cheung Kong.

Save as disclosed above, as at 30 June 2010, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position 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, or as otherwise notified to the Company and the Stock Exchange.

Share Option Schemes

Employees' share option scheme interests in the Company's subsidiary companies for the six months ended 30 June 2010 are set out below:

(I) 3 Italia S.p.A. ("3 Italia")

There are no share options outstanding under the share option scheme of **3** Italia (the "**3** Italia Plan") during the financial period for the six months ended 30 June 2010 nor any share option was granted, exercised, cancelled or lapsed under the **3** Italia Plan during such period.

(II) Hutchison 3G UK Holdings Limited ("3 UK")

Particulars of share options outstanding under the share option scheme of **3** UK (the "**3** UK Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2010 and share options granted, exercised, cancelled or lapsed under the **3** UK Plan during such period are as follows:

Category of participant	Effective date of grant or date of grant of share options [1]	Number of share options held at 1 January 2010	Granted during the six months ended 30 June 2010	Exercised during the six months ended 30 June 2010	Lapsed/ cancelled during the six months ended 30 June 2010	Number of share options held at 30 June 2010	Exercise period of share options	Exercise price of share options £	Price of 3 UK share at grant date of share options [3] £	Price of 3 UK share at exercise date of share options £
Employees in aggregate	20.5.2004	6,274,500	–	–	–	6,274,500	From Listing [2] to 18.4.2011	1.00	1.00	N/A
	20.5.2004	23,729,000	–	–	(1,323,750)	22,405,250	From Listing to 18.4.2011	1.35	1.00	N/A
	20.5.2004	3,111,000	–	–	(202,750)	2,908,250	From Listing to 20.8.2011	1.35	1.00	N/A
	20.5.2004	420,000	–	–	–	420,000	From Listing to 18.12.2011	1.35	1.00	N/A
	20.5.2004	247,750	–	–	(60,000)	187,750	From Listing to 16.5.2012	1.35	1.00	N/A
	20.5.2004	1,647,750	–	–	(70,000)	1,577,750	From Listing to 29.8.2012	1.35	1.00	N/A
	20.5.2004	250,000	–	–	(67,500)	182,500	From Listing to 28.10.2012	1.35	1.00	N/A
	20.5.2004	380,000	–	–	(10,000)	370,000	From Listing to 11.5.2013	1.35	1.00	N/A
	20.5.2004	1,105,000	–	–	–	1,105,000	From Listing to 14.5.2014	1.35	1.00	N/A
	27.1.2005	767,250	–	–	(105,000)	662,250	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	477,750	–	–	(60,000)	417,750	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	2,650,500	–	–	(130,000)	2,520,500	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		41,060,500	–	–	(2,029,000)	39,031,500				

Notes:

(1) The share options granted to certain founders of **3** UK shall vest as to 50% on the date of (and immediately following) a Listing, as to a further 25% on the date one calendar year after a Listing and as to the final 25% on the date two calendar years after a Listing. The share options granted to non-founders of **3** UK shall vest as to one-third on the date of (and immediately following) a Listing, as to a further one-third on the date one calendar year after a Listing and as to the final one-third on the date two calendar years after a Listing.

(2) Listing refers to an application being made to the Financial Services Authority for admission to the official list of the ordinary share capital of **3** UK or to have the shares of **3** UK admitted to trading on the Alternative Investment Market operated by London Stock Exchange plc ("AIM") or in the United Kingdom or elsewhere.

(3) Nominal value of the shares of **3** UK on date of grant set out for reference only.

As at 30 June 2010, **3** UK had 39,031,500 share options outstanding under the **3** UK Plan.

No share option was granted under the **3** UK Plan during the six months ended 30 June 2010.

(III) Hutchison China MediTech Limited ("Chi-Med")

Particulars of share options outstanding under the share option scheme of Chi-Med (the "Chi-Med Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2010 and share options granted, exercised, cancelled or lapsed under the Chi-Med Plan during such period are as follows:

Name or category of participant	Effective date of grant or date of grant of share options	Number of share options held at 1 January 2010	Granted during the six months ended 30 June 2010	Exercised during the six months ended 30 June 2010	Lapsed/ cancelled during the six months ended 30 June 2010	Number of share options held at 30 June 2010	Exercise period of share options	Exercise price of share options £	Price of Chi-Med share at grant date of share options £	Price of Chi-Med share at exercise date of share options £
Director										
Christian Hogg	19.5.2006 [(1)(2)]	768,182	–	–	–	768,182	19.5.2006 to 3.6.2015	1.09	2.505 [(5)]	N/A
Other employees in aggregate	19.5.2006 [(1)(2)]	553,683	–	(425,653)	–	128,030	19.5.2006 to 3.6.2015	1.09	2.505 [(5)]	2.87 [(7)]
	11.9.2006 [(2)]	80,458	–	–	–	80,458	11.9.2006 to 18.5.2016	1.715	1.715 [(6)]	N/A
	23.3.2007 [(3)]	8,535	–	–	–	8,535	23.3.2007 to 22.3.2017	1.75	1.75 [(6)]	N/A
	18.5.2007 [(3)]	90,298	–	(29,791)	(8,325)	52,182	18.5.2007 to 17.5.2017	1.535	1.535 [(6)]	3.15 [(8)]
	25.8.2008 [(4)]	256,146	–	–	–	256,146	25.8.2008 to 24.8.2018	1.26	1.26 [(6)]	N/A
	28.6.2010 [(4)]	N/A	102,628	–	–	102,628	28.6.2010 to 27.6.2020	3.195	3.15 [(6)]	N/A
Total:		1,757,302	102,628	(455,444)	(8,325)	1,396,161				

Notes:

(1) The share options were granted on 4 June 2005, conditionally upon Chi-Med's admission to trading on the AIM which took place on 19 May 2006.

(2) The share options granted to certain founders of Chi-Med are exerciseable subject to, amongst other relevant vesting criteria, the vesting schedule of 50% on 19 May 2007 and 25% on each of 19 May 2008 and 19 May 2009. The share options granted to non-founders of Chi-Med are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of 19 May 2007, 19 May 2008 and 19 May 2009.

(3) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(4) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 25% on each of the first, second, third and fourth anniversaries of the date of grant of share options.

(5) The stated price was the closing price of the shares of Chi-Med quoted on the AIM on the date of admission of listing of the shares.

(6) The stated price was the closing price of the shares of Chi-Med quoted on the AIM on the trading day immediately prior to the date of grant of the share options.

(7) The stated price was the weighted average closing price of the shares of Chi-Med quoted on the AIM on the trading days immediately prior to the dates on which the share options were exercised.

(8) The stated price was the weighted average closing price of the shares of Chi-Med quoted on the AIM on the trading day immediately prior to the date(s) on which the share options were exercised.

As at 30 June 2010, Chi-Med had 1,396,161 share options outstanding under the Chi-Med Plan.

The fair value of share options granted during the period, determined using the Binomial Model was as follows:

Value of each share option	£1.361
Significant inputs into the valuation model:	
Exercise price	£3.195
Share price at effective grant date	£3.150
Expected volatility	49.9%
Risk-free interest rate	3.34%
Expected life of share options	6.25 years
Expected dividend yield	0%

The volatility of the underlying stock during the life of the share options is estimated with reference to the volatility of Chi-Med four years prior to the issuance of share options. Changes in such subjective input assumptions could affect the fair value estimate.

(IV) Hutchison Harbour Ring Limited ("HHR")

Particulars of share options outstanding under the share option scheme of HHR (the "HHR Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2010 and share options granted, exercised, cancelled or lapsed under the HHR Plan during such period are as follows:

Name or category of participant	Date of grant of share options	Number of share options held at 1 January 2010	Granted during the six months ended 30 June 2010	Exercised during the six months ended 30 June 2010	Lapsed/ cancelled during the six months ended 30 June 2010	Number of share options held at 30 June 2010	Exercise period of share options [1]	Exercise price of share options HK$	Price of HHR share at grant date of share options [2] HK$	Price of HHR share at exercise date of share options [3] HK$
Directors										
Chan Wen Mee, May (Michelle)	3.6.2005	12,000,000	–	–	–	12,000,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
Endo Shigeru	3.6.2005	5,000,000	–	–	–	5,000,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
Sub-total:		17,000,000	–	–	–	17,000,000				
Other employees in aggregate	3.6.2005	7,900,000	–	(2,740,000)	(1,400,000)	3,760,000	3.6.2006 to 2.6.2015	0.822	0.82	0.97
	25.5.2007	12,868,000	–	(7,112,000)	(2,100,000)	3,656,000	25.5.2008 to 24.5.2017	0.616	0.61	0.96
Sub-total:		20,768,000	–	(9,852,000)	(3,500,000)	7,416,000				
Total:		37,768,000	–	(9,852,000)	(3,500,000)	24,416,000				

Notes:

(1) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(2) The stated price was the closing price of the shares of HHR quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the share options.

(3) The stated price was the weighted average closing price of the shares of HHR immediately before the dates on which the share options were exercised.

As at 30 June 2010, HHR had 24,416,000 share options outstanding under the HHR Plan.

No share option was granted under the HHR Plan during the six months ended 30 June 2010.

(V) Hutchison Telecommunications (Australia) Limited ("HTAL")

Particulars of share options outstanding under the employee option plan of HTAL (the "HTAL Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2010 and share options granted, exercised, cancelled or lapsed under the HTAL Plan during such period are as follows:

Category of participant	Date of grant of share options	Number of share options held at 1 January 2010	Granted during the six months ended 30 June 2010	Exercised during the six months ended 30 June 2010	Lapsed/ cancelled during the six months ended 30 June 2010	Number of share options held at 30 June 2010	Exercise period of share options	Exercise price of share options [2] A$	Price of HTAL share at grant date of share options [3] A$	Price of HTAL share at exercise date of share options A$
Employees in aggregate	14.6.2007 [1a]	24,375,000	–	–	(325,000)	24,050,000	1.7.2008 to 13.6.2012	0.145	0.145	N/A
	14.11.2007 [1b]	300,000	–	–	–	300,000	1.1.2009 to 13.11.2012	0.20	0.20	N/A
	4.6.2008 [1c]	300,000	–	–	–	300,000	1.1.2010 to 3.6.2013	0.139	0.139	N/A
Total:		24,975,000	–	–	(325,000)	24,650,000				

Notes:

(1) (a) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on 1 July 2008, one-third on 1 January 2009 and the remaining one-third on 1 January 2010.

(b) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-half on 1 January 2009 and the remaining one-half on 1 January 2010.

(c) The share options are exercisable, subject to amongst other relevant vesting criteria, on 1 January 2010.

(2) The stated exercise price of share option was the higher of (i) the closing price of the shares of HTAL on the Australian Securities Exchange ("ASX") on the day on which the share options were granted; and (ii) the average closing price of the shares of HTAL for the five trading days immediately preceding the day on which the share options were granted.

(3) The stated price was the ASX closing price of the shares of HTAL on the trading day immediately prior to the date of grant of the share options.

As at 30 June 2010, HTAL had 24,650,000 share options outstanding under the HTAL Plan.

No share option was granted under the HTAL Plan during the six months ended 30 June 2010.

(VI) Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")

Particulars of share options outstanding under the share option scheme of HTHKH (the "HTHKH Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2010 and share options granted, exercised, cancelled or lapsed under the HTHKH Plan during such period are as follows:

Category of participant	Date of grant of share options (1)	Number of share options held at 1 January 2010	Granted during the six months ended 30 June 2010	Exercised during the six months ended 30 June 2010	Lapsed/ cancelled during the six months ended 30 June 2010	Number of share options held at 30 June 2010	Exercise period of share options	Exercise price of share options (2) HK$	Price of HTHKH share at grant date of share options (3) HK$	Price of HTHKH share at exercise date of share options (4) HK$
Employees in aggregate	1.6.2009	4,750,000	–	(250,000)	–	4,500,000	1.6.2009 to 31.5.2019	1.00	0.96	1.58
Total:		4,750,000	–	(250,000)	–	4,500,000				

Notes:

(1) The share options will be vested according to a schedule, namely, as to as close to one-third of the shares of HTHKH which are subject to the share options as possible on each of 1 June 2009, 23 November 2009 and 23 November 2010, and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTHKH Plan) on such vesting date.

(2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the HTHKH Plan.

(3) The stated price was the closing price of the shares of HTHKH on the Stock Exchange on the trading day immediately prior to the date of grant of the share options.

(4) The stated price was the weighted average closing price of the shares of HTHKH immediately before the date(s) on which the share options were exercised.

As at 30 June 2010, HTHKH had 4,500,000 share options outstanding under the HTHKH Plan.

No share option was granted under the HTHKH Plan during the six months ended 30 June 2010.

(VII) Hutchison Telecommunications International Limited ("HTIL")

On 8 January 2010, Hutchison Telecommunications Holdings Limited (the "Offeror"), requested the board of directors of HTIL to put forward a proposal regarding the possible privatisation of HTIL by way of a scheme of arrangement under Section 86 of the Companies Law of the Cayman Islands at the price of HK$2.20 per scheme share ("HTIL Scheme of Arrangement"). On 15 March 2010, an offer was made on behalf of the Offeror (the "Option Proposal") to the option holders of HTIL to receive a cash payment of HK$0.59 for each share option which was granted under the share option scheme of HTIL (the "HTIL Plan") from time to time ("Outstanding HTIL Share Options"), outstanding on or prior to the record date of the HTIL Scheme of Arrangement, was allowed to lapse at the effective date of the HTIL Scheme of Arrangement and the option holder making the necessary election accepting the Option Proposal. The Option Proposal was made subject to and conditional upon the HTIL Scheme of Arrangement becoming effective. The Option Proposal is more particularly described in the scheme document jointly issued by the Company, the Offeror and HTIL dated 15 March 2010. Valid acceptances of the Option Proposal had been received in respect of all the Outstanding HTIL Share Options. On 24 May 2010 (Cayman Islands time), the HTIL Scheme of Arrangement became effective, the Option Proposal also became unconditional and all the Outstanding HTIL Share Options were cancelled on the same date. On 3 June 2010, the then shareholders of HTIL unanimously approved the termination of the HTIL Plan. Accordingly, the disclosure made below in respect of the HTIL Plan is for the period from 1 January 2010 to 3 June 2010.

Particulars of share options outstanding under the HTIL Plan for the period from 1 January 2010 to 3 June 2010 and share options granted, exercised, cancelled or lapsed under the HTIL Plan during such period are as follows:

Name or category of participant	Date of grant of share options (1)	Number of share options held at 1 January 2010	Granted from 1 January 2010 to 3 June 2010	Exercised from 1 January 2010 to 3 June 2010	Lapsed/ cancelled from 1 January 2010 to 3 June 2010	Number of share options held at 3 June 2010	Exercise period of share options	Exercise price of share options (2) HK$	Price of HTIL share at grant date of share options (3) HK$	Price of HTIL share at exercise date of share options (4) HK$
Director										
Christopher John Foll	1.6.2009	5,000,000	–	–	(5,000,000)	–	12.12.2009 to 31.5.2019	1.61	1.58	N/A
Other employees in aggregate	1.6.2009	7,566,666	–	(8,000)	(7,558,666)	–	1.6.2009 to 31.5.2019	1.61	1.58	2.14
Total:		12,566,666	–	(8,000)	(12,558,666)	–				

Notes:

(1) The share options were to be vested according to a schedule, namely, as to as close to one-third of the shares of HTIL which were subject to the share options as possible by each of the three anniversaries of the date of offer of the share options and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTIL Plan) on such vesting date.

(2) The exercise price of the share options was subject to adjustment in accordance with the provisions of the HTIL Plan (as amended).

(3) The stated price was the Stock Exchange closing price of the shares of HTIL on the trading day immediately prior to the date of grant of the share options.

(4) The stated price was the weighted average closing price of the shares of HTIL immediately before the dates on which the share options were exercised.

No share option was granted under the HTIL Plan during the period from 1 January 2010 to 3 June 2010.

Corporate Governance

The Company strives to attain and maintain the highest standards of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding stakeholder interests. The Company has accordingly adopted sound corporate governance principles that emphasise a quality board of directors (the "Board"), effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

Compliance with the Code on Corporate Governance Practices

The Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2010.

Compliance with the Model Code

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that they have complied with the Model Code in their securities transactions throughout the accounting period covered by this interim report.

Audit Committee

The Audit Committee of the Company comprises two Independent Non-executive Directors and one Non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements. The Audit Committee is chaired by Mr Wong Chung Hin with Messrs Holger Kluge and William Shurniak as members. The Committee meets regularly with management, the internal auditor of the Company and representatives of external auditor of the Company and reviews matters relating to audit, accounting and financial statements as well as internal control, risk evaluation and general compliance of the Group and reports directly to the Board. The terms of reference of the Audit Committee adopted by the Board are published on the website of the Company.

Remuneration Committee

The Remuneration Committee of the Company comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by the Chairman of the Group Mr Li Ka-shing with Messrs Holger Kluge and Wong Chung Hin, both Independent Non-executive Directors, as members. The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating personnel of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. The Remuneration Committee assists the Group in the administration of a fair and transparent procedure for setting remuneration policies including assessing the performance of Directors and senior executives of the Group and determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the website of the Company.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the changes in information of Directors of the Company subsequent to the date of the 2009 Annual Report of the Company are set out below:

Name of Director	Details of Changes
Li Tzar Kuoi, Victor	Ceased to be a member of Greater Pearl River Delta Business Council in March 2010
Fok Kin-ning, Canning	Appointed as Alternate Director to Chow Woo Mo Fong, Susan, a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited(1) ("HTHKH"), on 11 May 2010
	Resigned as Chairman and Non-executive Director of Hutchison Telecommunications International Limited(2) ("HTIL") on 26 May 2010
Chow Woo Mo Fong, Susan	Resigned as Non-executive Director of HTIL and ceased to be Alternate Director to Fok Kin-ning, Canning and Frank John Sixt of HTIL on 26 May 2010
Frank John Sixt	Resigned as Non-executive Director of HTIL on 26 May 2010
Lai Kai Ming, Dominic	Appointed as Alternate Director to Frank John Sixt, a Non-executive Director of HTHKH, on 11 May 2010
Kam Hing Lam	Resigned as Non-executive Director of Spark Infrastructure Group, a company whose shares are listed on the Australian Securities Exchange, on 28 May 2010
George Colin Magnus	Appointed as Non-executive Director of Husky Energy Inc., a company whose shares are listed on the Toronto Stock Exchange, on 27 July 2010 (Calgary time)

Notes:

(1) A company whose shares are listed on the Main Board of the Stock Exchange.

(2) The listing of the ordinary shares of Hutchison Telecommunications International Limited on the Main Board of the Stock Exchange was withdrawn on 25 May 2010 and the delisting of its American depositary shares on New York Stock Exchange, Inc. was effective on 4 June 2010 (New York time).

Report on Review of Interim Financial Report

TO THE BOARD OF DIRECTORS OF
HUTCHISON WHAMPOA LIMITED
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 37 to 60, which comprises the condensed consolidated statement of financial position of Hutchison Whampoa Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2010 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 5 August 2010

Interim Accounts

Condensed Consolidated Income Statement

for the six months ended 30 June 2010

Unaudited 2010 US$ millions		Note	Unaudited 2010 HK$ millions	2009 HK$ millions
	Company and subsidiary companies:			
12,533	Revenue	3	97,760	100,530
(4,688)	Cost of inventories sold		(36,565)	(34,680)
(1,750)	Staff costs		(13,655)	(13,940)
(820)	Telecommunications customer acquisition costs		(6,394)	(8,440)
(934)	Depreciation and amortisation	3	(7,287)	(9,789)
(3,237)	Other operating expenses		(25,251)	(28,964)
–	Change in fair value of investment properties		–	67
–	Profit on disposal of investments and others	4	–	4,655
	Share of profits less losses after tax of:			
311	Associated companies		2,424	2,688
405	Jointly controlled entities		3,163	2,469
1,820		3	14,195	14,596
(521)	Interest and other finance costs	5	(4,059)	(5,078)
1,299	**Profit before tax**		10,136	9,518
(194)	Current tax charge	6	(1,513)	(1,438)
10	Deferred tax credit	6	76	301
1,115	**Profit after tax**		8,699	8,381
(288)	**Allocated as : Profit attributable to non-controlling interests**		(2,249)	(2,621)
827	**Profit attributable to shareholders of the Company**		6,450	5,760
US19.4 cents	**Earnings per share for profit attributable to shareholders of the Company**	7	HK$ 1.51	HK$ 1.35

Details of interim dividend payable to the shareholders of the Company are set out in note 17(b).

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2010

Unaudited 2010 US$ millions		Unaudited 2010 HK$ millions	2009 HK$ millions
1,115	**Profit after tax**	**8,699**	8,381
	Other comprehensive income		
	Available-for-sale investments:		
65	Valuation gains recognised directly in reserves	**508**	80
(107)	Valuation gains previously in reserves recognised in income statement for the period	**(838)**	(85)
(14)	Net actuarial losses of defined benefit plans	**(107)**	(729)
	Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:		
(6)	Losses recognised directly in reserves	**(43)**	(71)
(4)	Losses (gains) previously in reserves recognised in initial cost of non-financial items during the period	**(30)**	3
(1,685)	Gains (losses) on translating overseas subsidiaries' net assets recognised directly in reserves	**(13,144)**	9,933
(3)	Gains previously in reserves related to subsidiaries disposed during the period recognised in income statement for the period	**(21)**	1
160	Share of other comprehensive income of associated companies for the period	**1,245**	3,017
(78)	Share of other comprehensive income (losses) of jointly controlled entities for the period	**(608)**	5
(1,672)	Other comprehensive income (losses) before tax	**(13,038)**	12,154
2	Tax relating to components of other comprehensive income	**11**	174
(1,670)	Other comprehensive income (losses) after tax	**(13,027)**	12,328
(555)	**Total comprehensive income (losses)**	**(4,328)**	20,709
(183)	**Allocated as : Attributable to non-controlling interests**	**(1,425)**	(2,712)
(738)	**Attributable to shareholders of the Company**	**(5,753)**	17,997

Condensed Consolidated Statement of Financial Position

at 30 June 2010

Unaudited 30 June 2010 US$ millions		Note	Unaudited 30 June 2010 HK$ millions	As restated Note 2 31 December 2009 HK$ millions
	ASSETS			
	Non-current assets			
21,341	Fixed assets	8	**166,457**	176,192
5,427	Investment properties		**42,334**	42,323
3,608	Leasehold land		**28,138**	29,191
8,132	Telecommunications licences		**63,427**	70,750
3,347	Goodwill		**26,110**	28,858
814	Brand names and other rights		**6,348**	7,351
11,247	Associated companies		**87,725**	84,748
6,702	Interests in joint ventures		**52,273**	51,568
1,742	Deferred tax assets	9	**13,588**	14,657
979	Other non-current assets	10	**7,639**	5,286
3,027	Liquid funds and other listed investments	11	**23,611**	23,213
66,366			**517,650**	534,137
	Current assets			
10,628	Cash and cash equivalents	12	**82,899**	92,521
6,464	Trade and other receivables	13	**50,418**	48,146
2,004	Inventories		**15,634**	16,593
19,096			**148,951**	157,260
	Current liabilities			
8,940	Trade and other payables	14	**69,732**	73,029
3,030	Bank and other debts	15	**23,632**	17,589
408	Current tax liabilities		**3,183**	3,249
12,378			**96,547**	93,867
6,718	**Net current assets**		**52,404**	63,393
73,084	**Total assets less current liabilities**		**570,054**	597,530
	Non-current liabilities			
29,726	Bank and other debts	15	**231,864**	242,851
1,706	Interest bearing loans from non-controlling shareholders		**13,303**	13,424
1,705	Deferred tax liabilities	9	**13,298**	13,355
281	Pension obligations		**2,192**	2,436
482	Other non-current liabilities	16	**3,760**	4,520
33,900			**264,417**	276,586
39,184	**Net assets**		**305,637**	320,944
	CAPITAL AND RESERVES			
137	Share capital	17	**1,066**	1,066
34,861	Reserves		**271,921**	282,465
34,998	**Total shareholders' funds**		**272,987**	283,531
4,186	Non-controlling interests		**32,650**	37,413
39,184	**Total equity**		**305,637**	320,944

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2010

Unaudited 2010 US$ millions		Note	Unaudited 2010 HK$ millions	2009 HK$ millions
	Operating activities			
3,293	Cash generated from operating activities before interest and other finance costs, tax paid, telecommunications CACs [(a)] and changes in working capital	18 (a)	25,683	26,756
(479)	Interest and other finance costs paid		(3,740)	(4,779)
(161)	Tax paid		(1,254)	(1,398)
2,653	Funds from operations before telecommunications CACs		20,689	20,579
(820)	Telecommunications CACs		(6,394)	(8,440)
1,833	**Funds from operations**		14,295	12,139
(940)	Changes in working capital	18 (b)	(7,326)	(8,063)
893	**Net cash from operating activities**		6,969	4,076
	Investing activities			
(584)	Purchase of fixed assets and investment properties for established businesses		(4,555)	(5,544)
(487)	Purchase of fixed assets for **3** Group		(3,797)	(3,299)
(2)	Additions to leasehold land		(14)	(15)
(1)	Additions to telecommunications licences		(10)	–
(2)	Additions to brand names and other rights		(17)	(38)
(559)	Purchase of non-controlling interests		(4,358)	(471)
–	Additions to other unlisted investments		–	(243)
93	Repayments from associated companies and jointly controlled entities		724	1,306
(201)	Purchase of and advances to (including deposits from) associated companies and jointly controlled entities		(1,570)	(2,306)
62	Proceeds on disposal of fixed assets, leasehold land and investment properties		482	439
(3)	Proceeds on disposal of subsidiary companies	18 (c)	(25)	5,249
–	Proceeds on disposal of associated companies		–	32
–	Proceeds on disposal of jointly controlled entities		–	47
2	Proceeds on disposal of other unlisted investments		13	117
–	Proceeds on disposal of infrastructure project investments		–	18
(1,682)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		(13,127)	(4,708)
57	Disposal of liquid funds and other listed investments		448	6,849
(114)	Additions to liquid funds and other listed investments		(887)	(2,392)
(1,739)	**Cash flows used in investing activities**		(13,566)	(251)
(846)	**Net cash inflow (outflow) before financing activities**		(6,597)	3,825

Unaudited 2010 US$ millions		Note	Unaudited 2010 HK$ millions	2009 HK$ millions
	Financing activities			
2,403	New borrowings		**18,743**	37,690
(2,032)	Repayment of borrowings		**(15,846)**	(43,446)
7	Issue of shares by subsidiary companies to non-controlling shareholders and loans from non-controlling shareholders		**54**	205
(99)	Dividends paid to non-controlling shareholders		**(775)**	(1,160)
(667)	Dividends paid to shareholders		**(5,201)**	(5,201)
(388)	**Cash flows used in financing activities**		**(3,025)**	(11,912)
(1,234)	Decrease in cash and cash equivalents		**(9,622)**	(8,087)
11,862	Cash and cash equivalents at 1 January		**92,521**	57,286
10,628	**Cash and cash equivalents at 30 June**		**82,899**	49,199
	Analysis of cash, liquid funds and other listed investments			
10,628	Cash and cash equivalents, as above	12	**82,899**	49,199
3,027	Liquid funds and other listed investments	11	**23,611**	26,553
13,655	**Total cash, liquid funds and other listed investments**		**106,510**	75,752
32,140	Total principal amount of bank and other debts		**250,695**	245,450
1,706	Interest bearing loans from non-controlling shareholders		**13,303**	13,329
20,191	**Net debt**		**157,488**	183,027
(1,706)	Interest bearing loans from non-controlling shareholders		**(13,303)**	(13,329)
18,485	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		**144,185**	169,698

(a) CACs represents customer acquisition costs and customer retention costs.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2010

	Share capital and premium[a] HK$ millions	Exchange reserve HK$ millions	Other reserves[b] HK$ millions	Retained profit HK$ millions	Total shareholders' funds HK$ millions	Non-controlling interests HK$ millions	Total equity HK$ millions
At 1 January 2010	**29,425**	**6,117**	**2,233**	**245,756**	**283,531**	**37,413**	**320,944**
Profit for the period	**–**	**–**	**–**	**6,450**	**6,450**	**2,249**	**8,699**
Other comprehensive losses	**–**	**(11,767)**	**(182)**	**(254)**	**(12,203)**	**(824)**	**(13,027)**
Total comprehensive income (losses)	**–**	**(11,767)**	**(182)**	**6,196**	**(5,753)**	**1,425**	**(4,328)**
Dividends paid relating to 2009	**–**	**–**	**–**	**(5,201)**	**(5,201)**	**–**	**(5,201)**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**(1,474)**	**(1,474)**
Equity contribution from non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**41**	**41**
Share option schemes of subsidiaries and others	**–**	**–**	**59**	**26**	**85**	**(181)**	**(96)**
Relating to purchase of non-controlling interests	**–**	**–**	**325**	**–**	**325**	**(4,572)**	**(4,247)**
Relating to disposal of subsidiary companies	**–**	**–**	**–**	**–**	**–**	**(2)**	**(2)**
At 30 June 2010	**29,425**	**(5,650)**	**2,435**	**246,777**	**272,987**	**32,650**	**305,637**
At 1 January 2009	29,425	(9,411)	1,983	238,322	260,319	31,812	292,131
Profit for the period	–	–	–	5,760	5,760	2,621	8,381
Other comprehensive income (losses)	–	12,218	319	(300)	12,237	91	12,328
Total comprehensive income	–	12,218	319	5,460	17,997	2,712	20,709
Dividends paid relating to 2008	–	–	–	(5,201)	(5,201)	–	(5,201)
Dividends paid to non-controlling shareholders	–	–	–	–	–	(2,265)	(2,265)
Equity contribution from non-controlling shareholders	–	–	–	–	–	4,139	4,139
Share option schemes of subsidiaries and others	–	–	22	(5)	17	23	40
Relating to purchase of non-controlling interests	–	–	–	–	–	445	445
Relating to disposal of subsidiary companies	–	(10)	(7)	–	(17)	(3)	(20)
At 30 June 2009	29,425	2,797	2,317	238,576	273,115	36,863	309,978

(a) Share capital and premium comprise share capital of HK$1,066 million, share premium of HK$27,955 million and capital redemption reserve of HK$404 million in all reporting periods.

(b) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 30 June 2010, revaluation reserve surplus amounted to HK$1,806 million (1 January 2010 – HK$2,053 million and 30 June 2009 – HK$2,461 million), hedging reserve surplus amounted to HK$194 million (1 January 2010 – surplus of HK$120 million and 30 June 2009 – deficit of HK$223 million) and other capital reserves surplus amounted to HK$435 million (1 January 2010 – HK$60 million and 30 June 2009 – HK$79 million). Fair value changes arising from business combination and revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities which are available for sale are included in the revaluation reserve. Fair value changes arising from the effective portion of hedging instruments designated as cash flow hedges are included in the hedging reserve.

Notes to the Condensed Interim Accounts

1 Basis of preparation

These unaudited condensed interim accounts are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These interim accounts should be read in conjunction with the 2009 annual accounts.

2 Significant accounting policies

These interim accounts have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values.

In the current period, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2010. The adoption of these new and revised standards, amendments and interpretations has introduced certain changes to the terminology in the Group's accounts in 2010 (where the terms "non-controlling interests" and "non-controlling shareholders" replace "minority interests" and "minority shareholders", respectively) and has also resulted in a change to the Group's accounting policies in respect of classification of land leases, business combinations, and acquisitions and disposals of ownership interests in subsidiaries, associated companies and joint ventures that has affected the amount reported for the current period. Except for these changes, the accounting policies applied in these interim accounts are consistent with those applied in the 2009 annual accounts.

Classification of leases of land

The amendments to HKAS 17 "Leases" are effective for the Group with effect from 1 January 2010. Amendments to HKAS 17 require that the classification of leases is based on the extent to which the risks and rewards incidental to ownership of an asset lie with the lessor or the lessee. In particular, the amendments deleted the specific guidance in the standard which previously required that the land element in a lease is normally classified as an operating lease unless title to the land is expected to be passed to the lessee by the end of the lease term. Under the amended HKAS 17, a lease of land is classified as fixed assets if the lease transfers substantially all the risks and rewards incidental to ownership of the leasehold land to the lessee. The amendments to HKAS 17 are required to be applied retrospectively. Comparative information has been restated to reflect this change in accounting policy. The effect of the adoption of this change in accounting policy is a reclassification of certain leasehold land to fixed assets in the statement of financial position, as follows:

	30 June 2010 HK$ millions	31 December 2009 HK$ millions	1 January 2009 HK$ millions
Decrease in leasehold land	**(4,754)**	(4,793)	(4,897)
Increase in fixed assets	**4,754**	4,793	4,897
	–	–	–

Business combinations, and acquisitions and disposals of ownership interests in subsidiaries, associated companies and joint ventures

HKFRS 3 (Revised) "Business combinations" and consequential amendments to HKAS 27 "Consolidated and separate financial statements" are effective for the Group prospectively with effect from 1 January 2010.

HKFRS 3 (Revised) introduces significant changes in the Group's accounting for business combinations. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. Furthermore, the revised standard changes the accounting for business combinations achieved in stages. Under HKFRS 3 (Revised), the Group's previously held interests in the acquired entity are re-measured to fair value at the date the Group attains control and the resulting gain or loss, if any, is recognised in the income statement, and any comprehensive income recognised in prior periods in relation to the previously held interests is also reclassified to the income statement, as if those interests were directly disposed of. Previously, the resulting gain or loss would have been dealt with as a movement in the revaluation surplus account in reserves, and the amount recognised in other comprehensive income in prior periods in relation to the previously held interests is not reclassified to the income statement. The principle adopted under HKFRS 3 (Revised) in relation to business combinations achieved in stages is applicable to acquisitions of associated and joint venture companies in stages.

2 Significant accounting policies (continued)

HKAS 27 (Revised) requires that an increase or a decrease in ownership interest in a subsidiary that does not result in the Group losing control over the subsidiary is accounted for as a transaction with owners in their capacity as owners and is dealt with in reserves and attributed to the shareholders of the Company, with no impact to goodwill or income statement. Previously, such transactions impact goodwill and give rise to gains or losses. When control of a subsidiary is lost as a result of a transaction, event or other circumstances, HKAS 27 (Revised) requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when the control is lost, with the resulting fair value re-measurement gain or loss being recognised in the income statement. Previously, the retained interest in the former subsidiary is recognised at its carrying amount at the date when the control is lost and it does not give rise to fair value re-measurement gain or loss.

The adoption of these revised standards has affected the accounting for acquisitions and transactions with non-controlling interests during the current period. Had the Group's previous accounting been followed, the Group's profit after tax for the period, before non-controlling interests, would be HK$225 million lower and the Group's profit attributable to shareholders would be HK$115 million lower.

3 Operating segment information

The following presents information regarding the Group's operating segments for the six months ended 30 June 2010 and 2009. The column headed as Company and Subsidiaries refers to the Company and subsidiary companies' respective items. The column headed as Associates and JCE refers to the Group's share of associated companies' and jointly controlled entities' respective items.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated attributable to Ports and related services is HK$23 million (30 June 2009 – HK$6 million), Property and hotels is HK$156 million (30 June 2009 – HK$186 million), Finance & Investments is HK$8 million (30 June 2009 – HK$5 million), Hutchison Telecommunications Hong Kong is HK$62 million (30 June 2009 – nil), and Others is HK$323 million (30 June 2009 – HK$209 million).

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue							
	Six months ended 30 June 2010				Six months ended 30 June 2009			
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**Total HK$ millions**	**%[(a)]**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[(a)]
ESTABLISHED BUSINESSES								
Ports and related services	**15,664**	**2,033**	**17,697**	**14%**	13,635	1,921	15,556	13%
Property and hotels	**2,775**	**4,352**	**7,127**	**6%**	2,588	4,040	6,628	6%
Retail	**47,752**	**9,758**	**57,510**	**47%**	44,917	8,527	53,444	47%
Cheung Kong Infrastructure	**1,373**	**6,185**	**7,558**	**6%**	1,062	6,466	7,528	6%
Husky Energy	**–**	**23,513**	**23,513**	**19%**	–	16,965	16,965	15%
Finance & Investments	**757**	**180**	**937**	**1%**	863	170	1,033	1%
Hutchison Telecommunications Hong Kong	**4,283**	**–**	**4,283**	**3%**	4,097	–	4,097	3%
Hutchison Telecommunications International	**1,195**	**–**	**1,195**	**1%**	801	–	801	1%
Hutchison Telecommunications International – Israeli Operation	**–**	**–**	**–**	**–**	5,610	–	5,610	5%
Others	**1,825**	**1,428**	**3,253**	**3%**	1,796	1,190	2,986	3%
Subtotal – Established businesses	**75,624**	**47,449**	**123,073**	**100%**	75,369	39,279	114,648	100%
TELECOMMUNICATIONS – 3 Group	**22,136**	**7,723**	**29,859**		25,161	1,219	26,380	
	97,760	**55,172**	**152,932**		100,530	40,498	141,028	

3 Operating segment information (continued)

	EBIT (LBIT) [b]							
	Six months ended 30 June 2010				Six months ended 30 June 2009			
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]
ESTABLISHED BUSINESSES								
Ports and related services [c]	5,339	733	6,072	34%	3,823	664	4,487	25%
Property and hotels	1,643	1,785	3,428	19%	1,464	1,775	3,239	18%
Retail	2,342	511	2,853	16%	1,486	387	1,873	10%
Cheung Kong Infrastructure	577	2,831	3,408	19%	827	2,836	3,663	20%
Husky Energy	–	1,722	1,722	10%	–	1,998	1,998	11%
Finance & Investments	755	180	935	5%	2,317	161	2,478	14%
Hutchison Telecommunications Hong Kong	546	(21)	525	3%	316	(8)	308	2%
Hutchison Telecommunications International [d]	(869)	–	(869)	-5%	(1,011)	–	(1,011)	-6%
Hutchison Telecommunications International - Israeli Operation	–	–	–	–	1,177	–	1,177	7%
Others	(271)	188	(83)	-1%	(243)	159	(84)	-1%
EBIT - Established businesses [b]	10,062	7,929	17,991	100%	10,156	7,972	18,128	100%
TELECOMMUNICATIONS - 3 Group [e]								
EBIT before depreciation, amortisation and telecommunications CACs	7,872	3,530	11,402		7,575	498	8,073	
Telecommunications CACs	(5,707)	(2,068)	(7,775)		(7,554)	(339)	(7,893)	
EBIT before depreciation and amortisation and after telecommunications CACs	2,165	1,462	3,627		21	159	180	
Depreciation	(3,279)	(624)	(3,903)		(3,554)	(139)	(3,693)	
Amortisation of licence fees and other rights	(340)	(382)	(722)		(1,906)	(32)	(1,938)	
EBIT (LBIT) - Telecommunications - 3 Group [b]	(1,454)	456	(998)		(5,439)	(12)	(5,451)	
Change in fair value of investment properties	–	910	910		67	633	700	
Profit on disposal of investments and others (see note 4)	–	–	–		4,655	–	4,655	
EBIT	8,608	9,295	17,903		9,439	8,593	18,032	
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	–	(2,078)	(2,078)		–	(1,435)	(1,435)	
Current tax	–	(1,299)	(1,299)		–	(2,397)	(2,397)	
Deferred tax	–	(329)	(329)		–	395	395	
Non-controlling interests	–	(2)	(2)		–	1	1	
	8,608	5,587	14,195		9,439	5,157	14,596	

3 Operating segment information (continued)

	Depreciation and amortisation					
	Six months ended 30 June 2010			Six months ended 30 June 2009		
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES						
Ports and related services	1,581	289	1,870	1,499	281	1,780
Property and hotels	142	72	214	138	74	212
Retail	910	194	1,104	939	177	1,116
Cheung Kong Infrastructure	71	1,087	1,158	60	960	1,020
Husky Energy	–	3,522	3,522	–	2,744	2,744
Finance & Investments	33	–	33	33	–	33
Hutchison Telecommunications Hong Kong	531	1	532	654	1	655
Hutchison Telecommunications International	367	–	367	231	–	231
Hutchison Telecommunications International – Israeli Operation	–	–	–	736	–	736
Others	33	51	84	39	22	61
Subtotal – Established businesses	3,668	5,216	8,884	4,329	4,259	8,588
TELECOMMUNICATIONS – 3 Group	3,619	1,006	4,625	5,460	171	5,631
	7,287	6,222	13,509	9,789	4,430	14,219

	Capital expenditure			
	Six months ended 30 June 2010			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES				
Ports and related services	2,480	–	–	2,480
Property and hotels	27	–	–	27
Retail	470	–	–	470
Cheung Kong Infrastructure	20	–	–	20
Husky Energy	–	–	–	–
Finance & Investments	1	–	–	1
Hutchison Telecommunications Hong Kong	488	–	8	496
Hutchison Telecommunications International	1,020	–	–	1,020
Hutchison Telecommunications International – Israeli Operation	–	–	–	–
Others	63	–	–	63
Subtotal – Established businesses	4,569	–	8	4,577
TELECOMMUNICATIONS – 3 Group	3,797	10	9	3,816
	8,366	10	17	8,393

3 Operating segment information (continued)

	Capital expenditure			
	Six months ended 30 June 2009			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES				
Ports and related services	2,104	–	–	2,104
Property and hotels	32	–	–	32
Retail	357	–	–	357
Cheung Kong Infrastructure	38	–	–	38
Husky Energy	–	–	–	–
Finance & Investments	10	–	–	10
Hutchison Telecommunications Hong Kong	560	–	23	583
Hutchison Telecommunications International	1,706	–	–	1,706
Hutchison Telecommunications International - Israeli Operation	735	–	–	735
Others	17	–	–	17
Subtotal - Established businesses	5,559	–	23	5,582
TELECOMMUNICATIONS - 3 Group	3,299	–	15	3,314
	8,858	–	38	8,896

Additional disclosures on geographical location are shown below:

	Revenue							
	Six months ended 30 June 2010				Six months ended 30 June 2009			
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%
Hong Kong	**21,603**	**5,796**	**27,399**	**18%**	19,935	4,909	24,844	18%
Mainland China	**11,932**	**4,913**	**16,845**	**11%**	9,891	6,605	16,496	12%
Asia and Australia	**9,945**	**11,107**	**21,052**	**14%**	17,738	3,036	20,774	15%
Europe	**50,847**	**9,620**	**60,467**	**39%**	49,909	8,546	58,455	41%
Americas and others	**3,433**	**23,736**	**27,169**	**18%**	3,057	17,402	20,459	14%
	97,760	**55,172**	**152,932**	**100%**	100,530	40,498	141,028	100%

3 Operating segment information (continued)

	EBIT (LBIT) [b]							
	Six months ended 30 June 2010				Six months ended 30 June 2009			
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%
Hong Kong	4,223	2,327	6,550	36%	2,389	2,018	4,407	24%
Mainland China	2,704	1,780	4,484	25%	2,152	2,679	4,831	27%
Asia and Australia	1,322	1,661	2,983	17%	2,323	502	2,825	16%
Europe	37	870	907	5%	(3,756)	757	(2,999)	-17%
Americas and others	322	1,747	2,069	12%	1,609	2,004	3,613	20%
Change in fair value of investment properties	–	910	910	5%	67	633	700	4%
Profit on disposal of investments and others (see note 4)	–	–	–	–	4,655	–	4,655	26%
EBIT	8,608	9,295	17,903	100%	9,439	8,593	18,032	100%
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	–	(2,078)	(2,078)		–	(1,435)	(1,435)	
Current tax	–	(1,299)	(1,299)		–	(2,397)	(2,397)	
Deferred tax	–	(329)	(329)		–	395	395	
Non-controlling interests	–	(2)	(2)		–	1	1	
	8,608	5,587	14,195		9,439	5,157	14,596	

	Capital expenditure			
	Six months ended 30 June 2010			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	616	–	7	623
Mainland China	361	–	–	361
Asia and Australia	1,260	–	–	1,260
Europe	5,167	10	9	5,186
Americas and others	962	–	1	963
	8,366	10	17	8,393

3 Operating segment information (continued)

	Capital expenditure			
	Six months ended 30 June 2009			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	697	–	23	720
Mainland China	221	–	–	221
Asia and Australia	3,122	–	–	3,122
Europe	4,166	–	15	4,181
Americas and others	652	–	–	652
	8,858	–	38	8,896

(a) The percentages shown represent the contributions to total revenues and EBIT of established businesses.

(b) Earnings (losses) before interest expense and tax ("EBIT" or "LBIT") represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and jointly controlled entities. EBIT (LBIT) is defined as earnings (losses) before interest expense and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of profit (loss) from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment profit or loss in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to profit (loss) from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

"EBIT – Established businesses" and "EBIT (LBIT) – Telecommunications – **3** Group" are presented before the change in fair value of investment properties and profit on disposal of investments and others.

(c) Included in EBIT of Ports and related services for the six months ended 30 June 2010 are valuation gains totalling HK$550 million in relation to an available-for-sale investment. These gains were previously recorded directly into reserves but are currently recognised in this period's income statement as a result of the investment becoming an associated company in the period (see note 2).

(d) Included in EBIT of Hutchison Telecommunications International for the six months ended 30 June 2010 are contributions from certain suppliers amounting to HK$624 million (30 June 2009 – HK$66 million).

(e) Included in EBIT (LBIT) of Telecommunications – **3** Group for the six months ended 30 June 2010 are contributions from certain suppliers amounting to HK$1,012 million (30 June 2009 – nil). Included in comparable EBIT (LBIT) of Telecommunications – **3** Group for the six months ended 30 June 2009 is amortisation of **3** UK's licence costs of HK$1,400 million. As reported in the 2009 annual accounts, the amortisation of **3** UK licence ceased following the introduction of a Statutory Instrument to the UK houses of Parliament, which inter alia changes the life of the licence to indefinite.

4 Profit on disposal of investments and others

	Six months ended 30 June 2010 HK$ millions	2009 HK$ millions
ESTABLISHED BUSINESSES		
Gain on disposal of equity interest in three power plants in Mainland China	–	847
Profit on disposal of certain telecommunications tower assets in Indonesia	–	167
TELECOMMUNICATIONS – 3 Group		
Gain on merger of **3** Australia with Vodafone's Australian operations	–	3,641
	–	4,655

5 Interest and other finance costs

	Six months ended 30 June 2010 HK$ millions	2009 HK$ millions
Interest on borrowings	**3,789**	4,803
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	**117**	120
Notional non-cash interest accretion	**202**	179
Other finance costs	**42**	141
	4,150	5,243
Less: interest capitalised	**(91)**	(165)
	4,059	5,078

Notional non-cash interest accretion represents notional adjustments to accrete the carrying amount of certain obligations recognised in the statement of financial position such as asset retirement obligation to the present value of the estimated future cash flows expected to be required for their settlement in the future.

6 Tax

	Six months ended 30 June	
	2010	2009
	HK$ millions	HK$ millions
Current tax charge		
Hong Kong	**264**	245
Outside Hong Kong	**1,249**	1,193
	1,513	1,438
Deferred tax charge (credit)		
Hong Kong	**140**	(255)
Outside Hong Kong	**(216)**	(46)
	(76)	(301)
	1,437	1,137

Hong Kong profits tax has been provided for at the rate of 16.5% (30 June 2009 – 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

7 Earnings per share for profit attributable to shareholders of the Company

The calculation of earnings per share is based on profit attributable to shareholders of the Company HK$6,450 million (30 June 2009 – HK$5,760 million) and on 4,263,370,780 shares in issue during the first half of 2010 (30 June 2009 – 4,263,370,780 shares).

The Company has no share option scheme. Certain of the Company's subsidiary and associated companies have employee share options outstanding as at 30 June 2010. The employee share options of these subsidiary and associated companies outstanding as at 30 June 2010 did not have a dilutive effect on earnings per share.

8 Fixed assets

During the period, the Group acquired fixed assets with a cost of HK$8,338 million (30 June 2009 – HK$8,843 million). Fixed assets with a net book value of HK$292 million (30 June 2009 – HK$281 million) were disposed of during the period, resulting in a gain on disposal of HK$196 million (30 June 2009 – HK$158 million).

9 Deferred tax

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Deferred tax assets	**13,588**	14,657
Deferred tax liabilities	**13,298**	13,355
Net deferred tax assets	**290**	1,302
Analysis of net deferred tax assets (liabilities):		
Unused tax losses	**14,971**	16,034
Accelerated depreciation allowances	**(4,372)**	(4,121)
Fair value adjustments arising from acquisitions	**(4,747)**	(4,874)
Revaluation of investment properties and other investments	**(4,489)**	(4,486)
Withholding tax on undistributed earnings	**(278)**	(361)
Other temporary differences	**(795)**	(890)
	290	1,302

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The amounts shown in the consolidated statement of financial position are determined after appropriate offset.

At 30 June 2010, the Group has recognised deferred tax assets amounting to HK$13,588 million (31 December 2009 – HK$14,657 million) of which HK$12,035 million (31 December 2009 – HK$13,054 million) relates to **3** Group.

The potential net deferred tax asset mainly arising from accumulated unutilised tax losses, after appropriate offsetting, which has not been provided for in the accounts amounted to HK$37,056 million at 30 June 2010 (31 December 2009 – HK$37,033 million).

10 Other non-current assets

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	**1,137**	1,391
Available-for-sale investments		
Unlisted equity securities	**938**	1,334
Fair value hedges		
Interest rate swaps	**4,453**	2,561
Cross currency interest rate swaps	**1,111**	–
	7,639	5,286

11 Liquid funds and other listed investments

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	**14,436**	14,404
Listed / traded debt securities, outside Hong Kong	**3,004**	2,962
Listed equity securities, Hong Kong	**776**	407
Listed equity securities, outside Hong Kong	**4,562**	4,781
	22,778	22,554
Loans and receivables		
Long term deposits	**51**	54
Financial assets at fair value through profit or loss	**782**	605
	23,611	23,213
Components of Managed funds, outside Hong Kong are as follows:		
Listed debt securities	**14,241**	14,138
Cash and cash equivalents	**195**	266
	14,436	14,404

Included in listed / traded debt securities outside Hong Kong is a principal amount of US$103 million notes issued by listed associated company, Husky Energy. Of which, US$78 million and US$25 million of these notes will mature in 2014 and 2019 respectively.

12 Cash and cash equivalents

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Cash at bank and in hand	**21,621**	23,472
Short term bank deposits	**61,278**	69,049
	82,899	92,521

13 Trade and other receivables

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Trade receivables	**28,726**	29,081
Less: provision for estimated impairment losses for bad debts	**(5,518)**	(5,852)
Trade receivables – net	**23,208**	23,229
Other receivables and prepayments	**27,106**	24,481
Cash flow hedges		
Forward foreign exchange contracts	**104**	436
	50,418	48,146

Trade and other receivables are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable.

At end of period, the ageing analysis of the trade receivables is as follows:

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Less than 31 days	**11,032**	11,147
Within 31 to 60 days	**1,926**	1,982
Within 61 to 90 days	**907**	826
Over 90 days	**14,861**	15,126
	28,726	29,081

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 45 days. The carrying amount of these assets approximates their fair value. As stated above trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, net of provision for estimated impairment losses for bad debts. Given the profile of our customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

14 Trade and other payables

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Trade payables	**18,132**	18,409
Other payables and accruals	**48,197**	50,108
Provisions	**1,139**	2,378
Interest free loans from non-controlling shareholders	**2,083**	2,099
Cash flow hedges		
Interest rate swaps	**7**	20
Cross currency interest rate swaps	**–**	5
Forward foreign exchange contracts	**174**	10
	69,732	73,029

At end of period, the ageing analysis of the trade payables is as follows:

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Less than 31 days	**8,939**	8,828
Within 31 to 60 days	**3,064**	2,701
Within 61 to 90 days	**1,054**	964
Over 90 days	**5,075**	5,916
	18,132	18,409

15 Bank and other debts

The carrying amount of bank and other debts comprises of items measured at amortised cost and an element of fair value which is due to movements in interest rates. The following is an analysis of the carrying amount of the bank and other debts:

	30 June 2010			31 December 2009		
	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Bank loans	**6,322**	**90,177**	**96,499**	8,688	88,576	97,264
Other loans	**296**	**334**	**630**	526	426	952
Notes and bonds	**16,990**	**136,576**	**153,566**	8,310	152,563	160,873
Total principal amount of bank and other debts	**23,608**	**227,087**	**250,695**	17,524	241,565	259,089
Unamortised loan facilities fee and premiums or discounts related to debts	**24**	**(787)**	**(763)**	65	(793)	(728)
Unrealised gain on fair value changes of interest rate swap contracts	**–**	**5,564**	**5,564**	–	2,079	2,079
	23,632	**231,864**	**255,496**	17,589	242,851	260,440

15 Bank and other debts (continued)

Bank and other debts at principal amount are scheduled for repayment by calendar year as follows:

	30 June 2010			
	Bank loans HK$ millions	**Other loans HK$ millions**	**Notes and bonds HK$ millions**	**Total HK$ millions**
2010, remainder of year	**4,912**	**227**	**8,185**	**13,324**
2011	**27,638**	**95**	**8,805**	**36,538**
2012	**19,921**	**55**	**–**	**19,976**
2013	**20,511**	**44**	**34,122**	**54,677**
2014	**12,407**	**43**	**10,206**	**22,656**
2015 to 2019	**11,093**	**105**	**74,447**	**85,645**
2020 to 2029	**17**	**59**	**6,037**	**6,113**
2030 and thereafter	**–**	**2**	**11,764**	**11,766**
	96,499	**630**	**153,566**	**250,695**
Less: current portion	**(6,322)**	**(296)**	**(16,990)**	**(23,608)**
	90,177	**334**	**136,576**	**227,087**

	31 December 2009			
	Bank loans HK$ millions	Other loans HK$ millions	Notes and bonds HK$ millions	Total HK$ millions
2010	8,688	526	8,310	17,524
2011	31,992	124	9,104	41,220
2012	19,846	46	–	19,892
2013	21,980	41	35,622	57,643
2014	11,000	41	10,206	21,247
2015 to 2019	3,738	92	79,451	83,281
2020 to 2029	20	80	6,412	6,512
2030 and thereafter	–	2	11,768	11,770
	97,264	952	160,873	259,089
Less: current portion	(8,688)	(526)	(8,310)	(17,524)
	88,576	426	152,563	241,565

16 Other non-current liabilities

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Fair value hedges		
Interest rate swaps	–	152
Cross currency interest rate swaps	–	330
Cash flow hedges		
Interest rate swaps	71	–
Obligations for telecommunications licences and other rights	2,740	3,130
Provisions	949	908
	3,760	4,520

17 Share capital and dividends

(a) Share capital

	30 June 2010 Number of shares	31 December 2009 Number of shares	30 June 2010 HK$ millions	31 December 2009 HK$ millions
Authorised:				
Ordinary shares of HK$0.25 each	5,500,000,000	5,500,000,000	1,375	1,375
7-½% cumulative redeemable participating preference shares of HK$1 each	402,717,856	402,717,856	403	403
			1,778	1,778
Issued and fully paid:				
Ordinary shares	4,263,370,780	4,263,370,780	1,066	1,066

(b) Dividends

	Six months ended 30 June 2010 HK$ millions	2009 HK$ millions
Interim dividend	2,174	2,174
Interim dividend per share	HK$0.51	HK$ 0.51

In addition, final dividend in respect of the 2009 year of HK$1.22 per share (2008 – HK$1.22 per share) totalling HK$5,201 million (2008 – HK$5,201 million) was approved and paid during the interim period.

18 Notes to condensed consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest and other finance costs, tax paid, telecommunications CACs and changes in working capital

	Six months ended 30 June	
	2010	2009
	HK$ millions	HK$ millions
Profit after tax	**8,699**	8,381
Adjustments for:		
Current tax charge	**1,513**	1,438
Deferred tax credit	**(76)**	(301)
Interest and other finance costs	**4,059**	5,078
Change in fair value of investment properties	**–**	(67)
Depreciation and amortisation	**7,287**	9,789
Non-cash items included in profit on disposal of investments and others	**–**	(3,641)
Share of associated companies' and jointly controlled entities'		
Non-controlling interests	**2**	(1)
Current tax charge	**1,299**	2,397
Deferred tax charge (credit)	**329**	(395)
Interest and other finance costs	**2,078**	1,435
Change in fair value of investment properties	**(910)**	(633)
Depreciation and amortisation	**6,222**	4,430
EBITDA[a]	**30,502**	27,910
Telecommunications CACs	**6,394**	8,440
Share of jointly controlled entity's telecommunications CACs	**2,068**	–
EBITDA before telecommunications CACs	**38,964**	36,350
Share of EBITDA of associated companies and jointly controlled entities	**(16,675)**	(12,390)
Profit on disposal of fixed assets, leasehold land and investment properties	**(198)**	(158)
Dividends received from associated companies and jointly controlled entities	**3,761**	4,120
Distribution from property jointly controlled entities	**436**	269
Profit on disposal of subsidiary and associated companies and jointly controlled entities	**(17)**	(643)
Profit on disposal of unlisted investments	**(3)**	(41)
Valuation gains on transfer of an available-for-sale investment to investment in associated company (see note 2)	**(550)**	–
Other non-cash items	**(35)**	(751)
	25,683	26,756

[a] EBITDA, included as a subtotal as supplementary information, represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of associated companies and jointly controlled entities. EBITDA is defined as earnings before interest expense and other finance costs, tax, depreciation and amortisation, and includes profit on disposal of investments and others and other earnings of a cash nature but excludes change in the fair value of investment properties. Information concerning EBITDA has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles in Hong Kong and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flow as determined in accordance with generally accepted accounting principles in Hong Kong.

18 Notes to condensed consolidated statement of cash flows (continued)

(b) Changes in working capital

	Six months ended 30 June 2010 HK$ millions	2009 HK$ millions
Decrease (increase) in inventories	**(329)**	1,411
Increase in debtors and prepayments	**(5,905)**	(783)
Decrease in creditors	**(1,189)**	(10,097)
Other non-cash items	**97**	1,406
	(7,326)	(8,063)

(c) Disposal of subsidiary companies

	Six months ended 30 June 2010 HK$ millions	2009 HK$ millions
Aggregate net assets disposed at date of disposal (excluding cash and cash equivalents):		
Fixed assets	**1**	6,640
Telecommunications licences	**–**	2,739
Brand names and other rights	**–**	176
Goodwill	**–**	2,050
Associated companies	**–**	660
Interests in joint ventures	**–**	5,153
Inventories	**–**	378
Trade and other receivables	**10**	2,513
Bank and other debts	**–**	(5)
Creditors and current tax liabilities	**(35)**	(1,256)
Deferred tax liabilities	**(4)**	(59)
Non-controlling interests	**(5)**	(3)
Reserves	**(9)**	(13)
	(42)	18,973
Profit on disposal	**17**	4,488
	(25)	23,461
Less: Investments retained subsequent to disposal	**–**	(18,212)
	(25)	5,249
Satisfied by:		
Cash and cash equivalents received as consideration	**2**	5,467
Less: Cash and cash equivalents sold	**(27)**	(218)
Total net cash consideration	**(25)**	5,249

The effect on the Group's results from the subsidiaries disposed is not material for the six months ended 30 June 2010 and 2009.

19 Contingent liabilities

The holding company, Hutchison Whampoa Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities of HK$5,802 million (31 December 2009 – HK$13,081 million).

The amount utilised by its associated companies and jointly controlled entities are as follows:

	30 June 2010 HK$ millions	31 December 2009 HK$ millions
To associated companies		
Other businesses	**2,191**	1,147
To jointly controlled entities		
Property businesses	**1,547**	1,609
Other businesses	**1,256**	9,771
	2,803	11,380

At 30 June 2010, the Group had provided performance and other guarantees of HK$4,596 million (31 December 2009 – HK$5,039 million).

20 Commitments

There have been no material changes in the total amount of capital commitments since 31 December 2009 except for the amounts taken up during the period in the normal course of business.

21 Related parties transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

There have been no material changes in the total amount of outstanding balances with associated companies and jointly controlled entities since 31 December 2009.

The Group has entered into joint ventures with Cheung Kong (Holdings) Limited, a substantial shareholder of the Company, to undertake various, mainly property, projects. At 30 June 2010, included in associated companies and interests in joint ventures on the statement of financial position is a total amount of HK$26,695 million (31 December 2009 – HK$27,042 million) representing equity contributions to and the net amount due from these related entities. The Group had guaranteed bank and other borrowing facilities of HK$1,616 million (31 December 2009 – HK$1,759 million) for the benefit of these same entities.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

22 Legal proceedings

As at 30 June 2010, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

23 US dollar equivalents

Amounts in these accounts are stated in Hong Kong dollars (HK$), the currency of the place in which the Company is incorporated and is the functional currency of the Company. The translation into US dollars of these accounts as of, and for the six months ended, 30 June 2010, is for convenience only and has been made at the rate of HK$7.80 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into United States dollars at this or any other rate.

Information for Shareholders

LISTING

The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited

STOCK CODE

13

PUBLIC FLOAT CAPITALISATION

Approximately HK$97,863 million (approximately 48% of the issued share capital of the Company) as at 30 June 2010

FINANCIAL CALENDAR

Closure of Register of Members:
9 September 2010 – 16 September 2010

Payment of 2010 Interim Dividend:
17 September 2010

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