



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

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

Enhancing Everyday Living

Interim Report 2015

This interim report 2015 (both English and Chinese versions) (“Interim Report”) has been posted on the Company’s website at www.ck-lifesciences.com. Shareholders who have chosen (or are deemed to have consented) to read the Company’s corporate communications (including but not limited to the Interim Report) published on the Company’s website in place of receiving printed copies thereof may request the printed copy of the Interim Report in writing to the Company c/o the Company’s Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email to cklife.ecom@computershare.com.hk.

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

Shareholders may at any time choose to change their choice as to the means of receipt (i.e. in printed form or by electronic means through the Company’s website) and/or the language of the Company’s corporate communications by reasonable prior notice in writing to the Company c/o the Company’s Branch Share Registrar or sending a notice to cklife.ecom@computershare.com.hk.

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

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Corporate Information and Key Date

BOARD OF DIRECTORS

Executive Directors

LI Tzar Kuoi, Victor	<i>Chairman</i>
KAM Hing Lam	<i>President and Chief Executive Officer</i>
IP Tak Chuen, Edmond	<i>Senior Vice President and Chief Investment Officer</i>
YU Ying Choi, Alan Abel	<i>Vice President and Chief Operating Officer</i>
CHU Kee Hung	<i>Vice President and Chief Scientific Officer</i>

Non-executive Directors

Peter Peace TULLOCH	<i>Non-executive Director</i>
KWOK Eva Lee	<i>Independent Non-executive Director</i>
Colin Stevens RUSSEL	<i>Independent Non-executive Director</i>
KWAN Kai Cheong	<i>Independent Non-executive Director</i>

AUDIT COMMITTEE

KWAN Kai Cheong (*Chairman*)
KWOK Eva Lee
Colin Stevens RUSSEL

REMUNERATION COMMITTEE

KWOK Eva Lee (*Chairman*)
LI Tzar Kuoi, Victor
Colin Stevens RUSSEL

COMPANY SECRETARY

Eirene YEUNG

AUTHORISED REPRESENTATIVES

IP Tak Chuen, Edmond
Eirene YEUNG

COMPLIANCE OFFICER

YU Ying Choi, Alan Abel

VICE PRESIDENT, FINANCE

MO Yiu Leung, Jerry

Corporate Information and Key Date (Cont'd)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Canadian Imperial Bank of Commerce
Commonwealth Bank of Australia
Coöperatieve Centrale
Raiffeisen-Boerenleenbank B.A. (Rabobank)
The Hongkong and Shanghai Banking
Corporation Limited
National Australia Bank Limited
Oversea-Chinese Banking Corporation Limited

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street
Grand Cayman
Cayman Islands

HEAD OFFICE

2 Dai Fu Street
Tai Po Industrial Estate
Tai Po
Hong Kong

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman
KY1-1110
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODES

The Stock Exchange of Hong Kong Limited: 0775
Bloomberg: 775 HK
Reuters: 0775.HK

WEBSITE

www.ck-lifesciences.com

KEY DATE

Interim Results Announcement 21 July 2015

Chairman's Statement

2015 FIRST HALF RESULTS

For the six months ended 30 June 2015, CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences" or the "Company") recorded profit attributable to shareholders of HK\$190.8 million, an increase of 30% over the same period last year.

The Board of Directors has not declared any interim dividend for the period under review (2014: Nil).

AGRICULTURE-RELATED BUSINESS

Profit of the Company's agriculture-related business amounted to HK\$156.2 million, a 3% increase compared to the same period last year. This result was impacted by a lower Australian dollar exchange rate against the Hong Kong dollar during the period under review. Taking out the currency impact, a growth of approximately 16% would have been recorded.

In January 2015, CK Life Sciences acquired three of McWilliam's vineyards in Australia for A\$15.7 million (approximately HK\$100 million). These newly acquired vineyards are backed by long term tenancy agreements and have been providing the Company with immediate and steady recurrent income.

Following this acquisition, CK Life Sciences' vineyard portfolio now features 28 vineyards in Australasia, with total area amounting to approximately 8,700 hectares.

During the period under review, favourable weather conditions in Australia stimulated demand for fertilisers, insecticides and other plant protection products.

The performance of Accensi Pty Ltd ("Accensi"), the toll manufacturer of crop protection products, was boosted by a sizable increase in business volume with all its existing plants working at close to full capacity.

In response to the increased demand, Accensi expanded its business in May 2015 by opening a new manufacturing facility in Victoria.

With the new facility in Victoria in the south, and the existing facilities in Queensland in the north and Western Australia in the west, Accensi's customer base has been widened, local transportation cost optimised, and customer service in the different regions enhanced.

NUTRACEUTICAL BUSINESS

The Company's portfolio of nutraceutical business delivered an 8% increase in profit contribution, amounting to HK\$208.5 million. This result has been impacted by the weakening of the Australian dollar. Had the results been recorded in local currencies, a growth of approximately 17% would have been recorded.

During the period under review, businesses in the portfolio performed well and they are all upgrading their facilities to meet increased customer demands:

- In Canada, Santé Naturelle A.G. Ltée is in the process of upgrading its plant to increase storage space.
- In the United States, plans are in place for Vitaquest International Holdings LLC to further automate its powder and packaging operations. This will be completed by the end of the year.
- In Australia, Lipa Pharmaceuticals Limited has commenced its initiative to increase the capacity for the manufacturing of tablets in a new site. It will be operational in the first half of 2016.

RESEARCH AND DEVELOPMENT

CK Life Sciences' R&D activities achieved three major milestones during the period under review.

1. *Polynoma completed first part of Phase III US FDA-approved clinical trial*

Polynoma LLC has completed the first part of the Phase III US FDA (United States Food and Drug Administration)-approved clinical trial for the cancer vaccine developed for the treatment of melanoma. The second part of the clinical trial commenced in January 2015. Close to 100 patients have been enrolled to date in this part of the trial.

2. *WEX completed all data analyses of Phase III clinical trial in Canada of TTX for cancer-related pain*

As for WEX Pharmaceuticals Inc.'s tetrodotoxin ("TTX")-based cancer pain management product, all data analyses of the Phase III clinical trial conducted in Canada have been completed. Preparations to file a New Drug Submission to Health Canada for the marketing of TTX are being carried out.

Chairman's Statement (Cont'd)

3. *WEX completed US FDA-approved Phase II clinical trial of TTX for chemotherapy-induced neuropathic pain*

In the United States, a successful outcome was achieved for TTX at the End-of-Phase II meeting with the FDA following the completion of the US FDA-approved Phase II clinical trial. Planning for the Phase III clinical trial has commenced.

PROSPECTS

CK Life Sciences is in good spirits about its future prospects.

The continued organic growth of our existing businesses, and our recently acquired high quality assets have provided the Company with steady income flows and stable returns.

On the R&D front, stable progress towards new milestones are being made in the respective projects. Adequate funding will be deployed to support these initiatives.

Going forward, the Company will continue to adhere to its three-pronged strategy to deliver growth to our shareholders:

- (1) Facilitate organic growth
- (2) Continue acquisition efforts
- (3) Intensify pace of research and commercialisation of products

I would like to take this opportunity to thank our shareholders, Board of Directors and staff for their continued support.

Li Tzar Kuoi, Victor
Chairman

Hong Kong, 21 July 2015

Directors' Biographical Information

LI Tzar Kuoi, Victor

aged 50, has been the Chairman of the Company since 2002. He has been a member of the Remuneration Committee of the Company since March 2005. He is the Group Co-Managing Director (re-designated from Managing Director to Group Co-Managing Director since 3 June 2015) and Deputy Chairman of CK Hutchison Holdings Limited ("CK Hutchison") and the Managing Director and Deputy Chairman and the Chairman of Executive Committee of Cheung Kong Property Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited since 3 June 2015). He is also a Director (re-designated from Managing Director and Deputy Chairman to Director since 3 June 2015) of Cheung Kong (Holdings) Limited ("CKH") and a Director (re-designated from Deputy Chairman to Director since 8 June 2015) of Hutchison Whampoa Limited ("HWL") which was privatised by way of a scheme of arrangement on 3 June 2015. He is also the Chairman of Cheung Kong Infrastructure Holdings Limited, a Non-executive Director of Power Assets Holdings Limited and HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, a Non-executive Director and the Deputy Chairman of HK Electric Investments Limited and Co-Chairman of Husky Energy Inc. Mr. Victor Li was previously the Chairman of Executive Committee of CK Hutchison and CKH. Except for CKH, HWL and HKEIM, all the companies/investment trust mentioned above are listed in Hong Kong or overseas. Mr. Victor Li is also the Deputy Chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation, and a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Victor Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also a member of the Commission on Strategic Development of the Hong Kong Special Administrative Region and Vice Chairman of the Hong Kong General Chamber of Commerce. Mr. Victor Li is the Honorary Consul of Barbados in Hong Kong. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr. Victor Li is a son of Mr. Li Ka-shing, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), and a nephew of Mr. Kam Hing Lam, the President and Chief Executive Officer of the Company. Mr. Victor Li is also a director of certain companies which have interests in the 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, and a director of certain companies controlled by certain substantial shareholders of the Company.

Directors' Biographical Information (Cont'd)

KAM Hing Lam

aged 68, is the President and Chief Executive Officer of the Company responsible for overall strategic direction and key operating decisions. He has been instrumental in the formation of the Group. He has been with the Group since its establishment in December 1999 and has played a leading role in developing the Group's corporate direction and strategic vision, and in guiding the Group in pursuit of its corporate business and operational objectives. Mr. Kam is Deputy Managing Director of CK Hutchison Holdings Limited ("CK Hutchison"), and Deputy Managing Director and Member of Executive Committee of Cheung Kong Property Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited since 3 June 2015). He is also a Director (re-designated from Deputy Managing Director to Director since 3 June 2015) of Cheung Kong (Holdings) Limited ("CKH"). He is also the Group Managing Director of Cheung Kong Infrastructure Holdings Limited and a Director (re-designated from Executive Director to Director since 8 June 2015) of Hutchison Whampoa Limited ("HWL") which was privatised by way of a scheme of arrangement on 3 June 2015. He was previously a Member of Executive Committee of CK Hutchison and CKH. Except for CKH and HWL, all the companies mentioned above are listed companies. Mr. Kam is also the Chairman of Hui Xian Asset Management Limited, the manager of Hui Xian Real Estate Investment Trust which is listed in Hong Kong. He is an Advisor of the 12th Beijing Municipal Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr. Kam is an uncle of Mr. Li Tzar Kuoi, Victor, the Chairman of the Company. Mr. Kam is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO, and a director of certain companies controlled by a substantial shareholder of the Company.

Directors' Biographical Information (Cont'd)

IP Tak Chuen, Edmond

aged 63, is the Senior Vice President and Chief Investment Officer of the Company responsible for the investment activities of the Group. He joined the Cheung Kong Group in 1993 and the Group in December 1999. He is Deputy Managing Director of CK Hutchison Holdings Limited ("CK Hutchison"), and Deputy Managing Director and Member of Executive Committee of Cheung Kong Property Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited since 3 June 2015). He is also a Director (re-designated from Deputy Managing Director to Director since 3 June 2015) of Cheung Kong (Holdings) Limited ("CKH"). In addition, he is an Executive Director and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited and a Non-executive Director of ARA Asset Management Limited, TOM Group Limited, Real Nutraceutical Group Limited and Shougang Concord International Enterprises Company Limited. Mr. Ip was previously a Non-executive Director of AVIC International Holding (HK) Limited, and a Member of Executive Committee of CK Hutchison and CKH. Except for CKH, all the companies mentioned above are listed companies. Mr. Ip is also a Non-executive Director of Hui Xian Asset Management Limited, the manager of Hui Xian Real Estate Investment Trust which is listed in Hong Kong. Mr. Ip was previously a Non-executive Director of ARA Asset Management (Fortune) Limited, the manager of Fortune Real Estate Investment Trust which is listed in Hong Kong and Singapore. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration. Mr. Ip is also a director of certain companies which have interests in the 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, and a director of certain companies controlled by certain substantial shareholders of the Company.

Directors' Biographical Information (Cont'd)

YU Ying Choi, Alan Abel

aged 60, is the Vice President and Chief Operating Officer of the Company responsible for the commercial activities of the Group, including manufacturing and marketing of all product applications. He holds a Bachelor of Arts degree and a Master's degree in Business Administration. Mr. Yu has held a number of positions in multinational corporations, including Standard Chartered Bank, Dairy Farm and American Express, in Hong Kong and overseas. Prior to joining the Group in January 2000, he was a Worldwide Vice President with Johnson & Johnson.

CHU Kee Hung

aged 70, is the Vice President and Chief Scientific Officer of the Company responsible for the technology and product development activities of the Group. He holds a Bachelor of Science from The Chinese University of Hong Kong, a Master of Science degree and a Doctor of Philosophy degree both from The University of California at Berkeley. He began working for the Group in January 2001. Prior to joining the Group, he has held a variety of senior positions in major corporations such as General Electric and the Cheung Kong Group, and has over 21 years' experience in technology project management in the United States, Mainland China and Hong Kong.

TULLOCH, Peter Peace

aged 71, serves as the Chairman and Non-executive Director of each of Victoria Power Networks Pty Ltd, SA Power Networks and Australian Gas Networks Limited. He is also Chairman and a Non-executive Director of both Powercor Australia Limited and CitiPower Pty. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Tulloch is a Fellow of the Institute of Canadian Bankers and has spent more than 30 years in Asia. He was appointed a Non-executive Director of the Company in April 2002.

Directors' Biographical Information (Cont'd)

KWOK Eva Lee

aged 73, currently serves as the Chair and Chief Executive Officer of Amara Holdings Inc. ("Amara"). Mrs. Kwok also acts as an Independent Director for Husky Energy Inc., an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited and a Director of Li Ka Shing (Canada) Foundation ("LKS Canada Foundation"). Mrs. Kwok also sits on the Compensation Committee and Corporate Governance Committee of Husky Energy Inc. and the Audit Committee of Cheung Kong Infrastructure Holdings Limited. Except for Amara and LKS Canada Foundation, all the companies mentioned above are listed companies. She also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. In addition, she was an Independent Director of Bank of Montreal, a listed company, and previously sat on the Audit Committee and Pension Fund Society of the Bank of Montreal, the Nominating and Governance Committee of Shoppers Drug Mart Corporation, the Independent Committee of Directors and Human Resources Committee of Telesystems International Wireless (TIW) Inc., the Independent Committee of Directors and the Corporate Governance Committee of Fletcher Challenge Canada Ltd., the Audit and Corporate Governance Committees of Clarica Life Insurance Company, the Corporate Governance Committee of Air Canada, the Innovation Saskatchewan (IS) Board of Directors and the Saskatchewan-Asia Advisory Council of Saskatchewan. Mrs. Kwok was appointed an Independent Non-executive Director of the Company in June 2002. She is a member of the Audit Committee and the Remuneration Committee of the Company, and has been appointed as the Chairman of the Remuneration Committee of the Company on 1 January 2012.

Directors' Biographical Information (Cont'd)

RUSSEL, Colin Stevens

aged 74, is the founder and Managing Director of Emerging Markets Advisory Services Ltd., a company which provides advisory services to organisations on business strategy and planning, market development, competitive positioning and risk management. Mr. Russel is also Managing Director of EMAS (HK) Limited. He is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited, ARA Asset Management Limited and Husky Energy Inc., all being listed companies. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He was the Canadian Ambassador to Venezuela, Consul General for Canada in Hong Kong, Director for China of the Department of Foreign Affairs, Ottawa, Director for East Asia Trade in Ottawa, Senior Trade Commissioner for Canada in Hong Kong, Director for Japan Trade in Ottawa, and was in the Trade Commissioner Service for Canada in Spain, Hong Kong, Morocco, the Philippines, London and India. He was Project Manager for RCA Ltd in Liberia, Nigeria, Mexico and India and electronic equipment development engineer in Canada with RCA Ltd and in Britain with Associated Electrical Industries. Mr. Russel received his Bachelor's degree in Electronics Engineering and his Master's degree in Business Administration from McGill University, Canada. He is a Qualified Commercial Mediator. Mr. Russel was appointed an Independent Non-executive Director of the Company in January 2005 and is a member of the Audit Committee and the Remuneration Committee of the Company.

KWAN Kai Cheong

aged 65, is President of Morrison & Company Limited, a business consultancy firm. He worked for Merrill Lynch & Co., Inc. for over 10 years during the period from 1982 to 1993, with his last position as President for its Asia Pacific region. He was formerly Joint Managing Director of Pacific Concord Holding Limited. Mr. Kwan is also an Independent Non-executive Director of HK Electric Investments Limited, HK Electric Investments Manager Limited ("HKEIM") as the trustee-manager of HK Electric Investments, Greenland Hong Kong Holdings Limited, Henderson Sunlight Asset Management Limited ("HSAM") as the manager of Sunlight Real Estate Investment Trust, United Photovoltaics Group Limited, Win Hanverky Holdings Limited and Dynagreen Environmental Protection Group Co., Ltd. and a Non-executive Director of China Properties Group Limited. Mr. Kwan is also a Director of The Hongkong Electric Company, Limited ("HK Electric"). Except for HKEIM, HSAM and HK Electric, all the companies/investment trust mentioned above are listed in Hong Kong. He also holds directorships in certain companies controlled by certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Kwan holds a Bachelor of Accountancy (Honours) degree and is a Fellow of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in Australia and The Hong Kong Institute of Directors. He completed the Stanford Executive Program in 1992. Mr. Kwan was appointed an Independent Non-executive Director of the Company in March 2015. He was appointed the Chairman of the Audit Committee of the Company in May 2015.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2015, the total assets of the Group were about HK\$9,948.2 million, of which bank balances and time deposits were about HK\$711.9 million and treasury investments were about HK\$321.8 million. The bank interest generated for the first six months of 2015 was HK\$1.8 million. The net gain arising from the Group's investment segment for the period ended 30 June 2015 was HK\$59.5 million.

At the end of the period under review, the total liabilities of the Group were HK\$5,288.7 million, comprising borrowings from banks and major shareholders amounted to HK\$2,845.6 million and HK\$1,356.0 million, respectively. The financing from banks and major shareholders was mainly used for financing the acquisition of overseas business as well as providing general working capital for some of the overseas business. Total finance cost incurred by the Group for the six months ended 30 June 2015 was HK\$53.5 million.

As at 30 June 2015, the net debt to net total capital ratio of the Group was approximately 42.83%, which is calculated as the Group's net borrowings over the aggregate of the Group's total equity and net borrowings. For this purpose, the Group defines net borrowings as total borrowings (including bank borrowings, finance lease obligations and other borrowings) less cash, bank balances and time deposits.

The net asset value of the Group was HK\$0.48 per share.

TREASURY POLICIES

The Group continues to adopt a prudent treasury policy and manage most of its treasury functions at the head office regarding its funding needs, foreign exchange and interest rate exposures.

Most of the Group's financial instruments are denominated in United States dollars and Hong Kong dollars, and thus exchange rate risk associated with such investments is low. Most of the Group's borrowings are principally on a floating rate basis. To minimise its interest rate risk, the Group has been regularly and closely monitoring its overall net debt position, and reviewing its funding costs and loan maturity profile so as to facilitate refinancing whenever appropriate.

Financial Review (Cont'd)

CHARGE ON ASSETS

As at 30 June 2015, certain assets of the Group's subsidiary companies with carrying value of HK\$1,270.3 million were pledged as part of the security for bank borrowings totalling HK\$596.6 million granted to the subsidiary companies.

MATERIAL ACQUISITIONS/DISPOSALS AND SIGNIFICANT INVESTMENTS

There was no material acquisition/disposal of investments during the period under review.

The Group has always been investing significantly in research and development activities. Such expenditure amounted to about HK\$94.2 million for the period ended 30 June 2015.

CAPITAL COMMITMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 30 June 2015, the total capital commitments by the Group amounted to HK\$92.4 million which were mainly made up of contracted commitments in respect of the acquisition of plant and equipment, and maintenance of vineyards.

INFORMATION ON EMPLOYEES

The total number of full-time employees of the Group was 1,695 as at 30 June 2015, and is 60 more than the total headcount of 1,635 as at 30 June 2014. The total staff costs, including director's emoluments, amounted to approximately HK\$462.4 million for the six months ended 30 June 2015, which represents an increase of 4.1% as compared to the same period of 2014. The Group's employment and remuneration policies remained the same as detailed in the Company's annual report for the year ended 31 December 2014.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2015.

Condensed Consolidated Income Statement

	Notes	For the six months ended 30 June	
		2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Turnover	3	2,449,263	2,416,792
Cost of sales		(1,586,157)	(1,588,252)
		863,106	828,540
Other income, gains and losses		84,207	18,761
Staff costs	4	(244,175)	(244,274)
Depreciation		(11,137)	(11,194)
Amortisation of intangible assets		(20,249)	(22,260)
Other expenses		(417,807)	(369,579)
Finance costs		(53,451)	(54,741)
Share of the results of associates and joint ventures		20,205	24,712
Profit before taxation		220,699	169,965
Taxation	5	(26,787)	(15,112)
Profit for the period	6	193,912	154,853
Attributable to:			
Shareholders of the Company		190,806	146,608
Non-controlling interests of subsidiaries		3,106	8,245
		193,912	154,853
Earnings per share	7		
– Basic		1.99 cents	1.53 cents
– Diluted		1.99 cents	1.53 cents

Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Profit for the period	193,912	154,853
Other comprehensive (expenses)/income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	(309,867)	236,174
Gain on fair value changes of available-for-sale investments	15,966	1,738
Reclassification adjustment upon disposal of available-for-sale investments	(24,236)	–
Other comprehensive (expenses)/income for the period	(318,137)	237,912
Total comprehensive (expenses)/income for the period	(124,225)	392,765
Total comprehensive (expenses)/income attributable to:		
Shareholders of the Company	(112,593)	376,684
Non-controlling interests of subsidiaries	(11,632)	16,081
	(124,225)	392,765

Condensed Consolidated Statement of Financial Position

		As at 30 June 2015 (unaudited) HK\$'000	As at 31 December 2014 (audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Investment properties	9	1,109,521	1,141,481
Vines	9	518,699	549,113
Property, plant and equipment	10	1,158,456	1,136,213
Intangible assets	11	3,678,588	3,785,560
Interests in joint ventures		313,659	336,159
Available-for-sale investments		281,475	314,815
Deferred taxation		42,422	33,767
		7,102,820	7,297,108
Current assets			
Investments at fair value through profit or loss		36,196	54,540
Derivative financial instruments		4,097	5,207
Tax recoverable		31,540	4,916
Inventories		998,989	971,149
Receivables and prepayments	12	1,062,658	985,230
Bank balances and deposits	13	711,917	979,200
		2,845,397	3,000,242
Current liabilities			
Payables and accruals	12	(935,723)	(946,291)
Derivative financial instruments		(3,647)	(4,479)
Bank borrowings	14	(914,775)	(128,629)
Finance lease obligations		(165)	(346)
Taxation		(93,413)	(62,737)
		(1,947,723)	(1,142,482)
Net current assets		897,674	1,857,760
Total assets less current liabilities		8,000,494	9,154,868

Condensed Consolidated Statement of Financial Position (Cont'd)

		As at 30 June 2015 (unaudited) HK\$'000	As at 31 December 2014 (audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Bank borrowings	14	(1,930,821)	(2,871,858)
Finance lease obligations		(1,032)	(847)
Other borrowings	15	(1,356,000)	(1,356,000)
Deferred taxation		(53,173)	(51,194)
		(3,341,026)	(4,279,899)
Total net assets			
		4,659,468	4,874,969
Capital and reserves			
Share capital	16	961,107	961,107
Share premium and reserves		3,502,926	3,701,541
Equity attributable to shareholders of the Company			
		4,464,033	4,662,648
Non-controlling interests of subsidiaries		195,435	212,321
Total equity			
		4,659,468	4,874,969

Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company								Attributable to non-controlling interests of subsidiaries		Total
	Share capital	Share premium	Investment revaluation reserve	Asset revaluation reserve	Translation reserve	Employee share-based compensation reserve	Other reserves	Retained earnings	Sub-total		
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	
2014											
At 1 January 2014	961,107	3,993,767	34,114	34,379	(390,892)	2,502	(182,045)	524,005	4,976,937	223,358	5,200,295
Profit for the period	-	-	-	-	-	-	-	146,608	146,608	8,245	154,853
Exchange differences arising from translation	-	-	-	-	228,338	-	-	-	228,338	7,836	236,174
Gain on fair value changes of available-for-sale investments	-	-	1,738	-	-	-	-	-	1,738	-	1,738
Total comprehensive income for the period	-	-	1,738	-	228,338	-	-	146,608	376,684	16,081	392,765
Addition in interests in a subsidiary	-	-	-	-	-	-	(4,776)	-	(4,776)	4,776	-
Disposal of a non-wholly owned subsidiary	-	-	-	-	728	-	-	-	728	(2,872)	(2,144)
Employees' share option of the Company lapsed	-	-	-	-	-	(2,502)	-	2,502	-	-	-
Dividends paid to the shareholders of the Company – 2013 final dividend HK\$0.007 per share	-	(67,278)	-	-	-	-	-	-	(67,278)	-	(67,278)
Dividends distributed to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(7,670)	(7,670)
At 30 June 2014	961,107	3,926,489	35,852	34,379	(161,826)	-	(186,821)	673,115	5,282,295	233,673	5,515,968
2015											
At 1 January 2015	961,107	3,926,489	59,414	34,379	(789,882)	-	(318,924)	790,065	4,662,648	212,321	4,874,969
Profit for the period	-	-	-	-	-	-	-	190,806	190,806	3,106	193,912
Exchange differences arising from translation	-	-	-	-	(295,129)	-	-	-	(295,129)	(14,738)	(309,867)
Gain on fair value changes of available-for-sale investments	-	-	15,966	-	-	-	-	-	15,966	-	15,966
Reclassification adjustment upon disposal of available-for-sale investments	-	-	(24,236)	-	-	-	-	-	(24,236)	-	(24,236)
Total comprehensive (expenses)/income for the period	-	-	(8,270)	-	(295,129)	-	-	190,806	(112,593)	(11,632)	(124,225)
Addition in interests in a subsidiary	-	-	-	-	-	-	(9,134)	-	(9,134)	4,059	(5,075)
Dividends paid to the shareholders of the Company – 2014 final dividend HK\$0.008 per share	-	(76,888)	-	-	-	-	-	-	(76,888)	-	(76,888)
Dividends distributed to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(9,313)	(9,313)
At 30 June 2015	961,107	3,849,601	51,144	34,379	(1,085,011)	-	(328,058)	980,871	4,464,033	195,435	4,659,468

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2015	2014
	(unaudited) HK\$'000	(unaudited) HK\$'000
Net cash from operating activities	79,061	140,933
Net cash outflow from investing activities	(88,304)	(300,938)
Net cash (outflow)/inflow from financing activities	(240,900)	23,229
Decrease in cash and cash equivalents	(250,143)	(136,776)
Cash and cash equivalents at beginning of the period	956,761	769,212
Effect of foreign exchange rate changes	(9,566)	12,657
Cash and cash equivalents at end of the period	697,052	645,093
Analysis of balances of cash and cash equivalents:		
Bank balances and deposits	711,917	658,362
Bank overdrafts (included in bank borrowings)	(14,865)	(13,269)
	697,052	645,093

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, except for certain properties, salt fields, vines and financial instruments which are measured at revaluated amounts or fair values.

The accounting policies used in preparing the interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2014 (the “2014 Financial Statements”), except for the amendments and interpretations of Hong Kong Financial Reporting Standards (“New HKFRSs”) issued by HKICPA which have become effective in this period as detailed in note 2 of the 2014 Financial Statements. The adoption of such New HKFRSs has no material impact on the accounting policies in the Group’s interim financial statements for the period.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents net invoiced value of goods sold, after allowance for returns and trade discount, as well as rental income and income from investments, and is analysed as follows:

A. Segment turnover

An analysis of the segment turnover is as follows:

	For the six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Agriculture-related	1,067,187	1,092,449
Health	1,378,310	1,320,996
Investment	3,766	3,347
	2,449,263	2,416,792

Notes to the Condensed Consolidated Financial Statements (Cont'd)

3. TURNOVER AND SEGMENT INFORMATION (CONT'D)

B. Segment results

An analysis of the segment results is as follows:

	For the six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Segment results		
Agriculture-related	156,156	151,673
Health	208,504	192,916
Investment	59,477	16,804
	424,137	361,393
Research and development expenditure	(94,238)	(81,496)
Corporate expenses	(55,749)	(55,191)
Finance costs	(53,451)	(54,741)
Profit before taxation	220,699	169,965
Taxation	(26,787)	(15,112)
Profit for the period	193,912	154,853

4. STAFF COSTS

Staff costs which include salaries, bonuses, retirement benefit scheme contributions, share-based payment and recruitment costs for the six months ended 30 June 2015 amounted to HK\$462.4 million (2014: HK\$444.4 million) of which HK\$218.2 million (2014: HK\$200.1 million) relating to direct labor costs was included in cost of sales.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

5. TAXATION

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
Hong Kong	–	–
Other jurisdictions	33,928	18,847
Deferred tax		
Other jurisdictions	(7,141)	(3,735)
	26,787	15,112

Hong Kong profits tax has been provided at the rate of 16.5% of the estimated assessable profits. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period has been arrived at after crediting:		
Included in turnover:		
Rental income from investment properties	78,667	76,982
Included in other income, gains and losses:		
Interest income from bank deposits	1,758	3,283
Gain on disposal of available-for-sale investments	43,305	–
Net gain on investments at fair value through profit or loss, and derivative financial instruments	41,679	7,339

Notes to the Condensed Consolidated Financial Statements (Cont'd)

7. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to the shareholders of the Company are based on the following data:

	For the six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Profit for the period attributable to shareholders of the Company		
Profit for calculating basic and diluted earnings per share	190,806	146,608
Number of shares		
Number of ordinary shares in issue used in the calculation of basic and diluted earnings per share	9,611,073,000	9,611,073,000

Diluted earnings per share for the period ended 30 June 2015 and 2014 is the same as the basic earnings per share as there were no dilutive ordinary shares outstanding.

8. DIVIDENDS

The Board of Directors of the Company has not declared an interim dividend for the six months ended 30 June 2015 (2014: Nil).

9. INVESTMENT PROPERTIES AND VINES

	Investment properties HK\$'000	Vines HK\$'000
Valuation		
At 1 January 2015	1,141,481	549,113
Additions	65,399	15,046
Exchange differences	(97,359)	(45,460)
At 30 June 2015	1,109,521	518,699

Notes to the Condensed Consolidated Financial Statements (Cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

	Land and building	Salt fields	Construction in progress	Laboratory instruments, plant and equipment	Furniture, fixtures and other assets	Leasehold improvement	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost or valuation							
At 1 January 2015	381,053	270,368	67,808	648,208	154,282	146,746	1,668,465
Additions	25,579	–	75,474	12,649	5,259	480	119,441
Reclassification	59,950	1,166	(96,532)	29,697	852	4,867	–
Disposals/write-off	(38)	–	–	(7,198)	(2,229)	–	(9,465)
Exchange differences	(16,220)	(16,421)	(2,903)	(17,861)	(3,928)	(3,853)	(61,186)
At 30 June 2015	450,324	255,113	43,847	665,495	154,236	148,240	1,717,255
Depreciation and impairment							
At 1 January 2015	17,543	–	–	330,800	124,535	59,374	532,252
Provided for the period	5,271	–	–	29,169	5,330	3,575	43,345
Elimination upon disposals/write-off	(38)	–	–	(6,913)	(1,960)	–	(8,911)
Exchange differences	(407)	–	–	(4,649)	(2,610)	(221)	(7,887)
At 30 June 2015	22,369	–	–	348,407	125,295	62,728	558,799
Carrying Values							
At 30 June 2015	427,955	255,113	43,847	317,088	28,941	85,512	1,158,456
At 31 December 2014	363,510	270,368	67,808	317,408	29,747	87,372	1,136,213

Notes to the Condensed Consolidated Financial Statements (Cont'd)

11. INTANGIBLE ASSETS

	Development costs	Patents	Goodwill	Trademarks	Customer relationship	Water rights	Other intangible assets	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost								
At 1 January 2015	443,587	159	2,951,897	115,438	399,029	176,051	8,445	4,094,606
Additions	–	–	–	–	–	39,000	1,161	40,161
Disposals/write-off	–	–	–	–	–	(9,724)	–	(9,724)
Exchange differences	(14,345)	(9)	(81,644)	(6,907)	(11,779)	(10,105)	(501)	(125,290)
At 30 June 2015	429,242	150	2,870,253	108,531	387,250	195,222	9,105	3,999,753
Amortisation and impairment								
At 1 January 2015	523	130	–	–	302,016	–	6,377	309,046
Provided for the period	–	–	–	–	19,451	–	798	20,249
Exchange differences	(33)	(7)	–	–	(7,695)	–	(395)	(8,130)
At 30 June 2015	490	123	–	–	313,772	–	6,780	321,165
Carrying values								
At 30 June 2015	428,752	27	2,870,253	108,531	73,478	195,222	2,325	3,678,588
At 31 December 2014	443,064	29	2,951,897	115,438	97,013	176,051	2,068	3,785,560

Notes to the Condensed Consolidated Financial Statements (Cont'd)

12. RECEIVABLES AND PAYABLES

The Group has a policy of allowing an average credit period of 0 to 90 days to its customers.

The ageing analysis of trade receivables and trade payables are as follows:

	As at 30 June 2015 <i>HK\$'000</i>	As at 31 December 2014 <i>HK\$'000</i>
Trade receivables		
0 – 90 days	830,281	761,876
Over 90 days	71,274	79,064
	901,555	840,940
Trade payables		
0 – 90 days	324,726	328,548
Over 90 days	5,222	12,997
	329,948	341,545

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2015 <i>HK\$'000</i>	As at 31 December 2014 <i>HK\$'000</i>
Bank balances and deposits	711,917	979,200
Bank overdrafts included in bank borrowings	(14,865)	(22,439)
	697,052	956,761

Notes to the Condensed Consolidated Financial Statements (Cont'd)

14. BANK BORROWINGS

Certain bank borrowings are secured by charges over the assets of certain subsidiary companies.

15. OTHER BORROWINGS

These represent term loans of HK\$1,356.0 million obtained from certain substantial shareholders of the Company and their subsidiaries, which are unsecured, bearing interest with reference to Hong Kong Interbank Offered Rate plus margins ranging from 1.75% to 2% per annum, and with due date in February 2017. During the period, total interest expenses of HK\$13.7 million (2014: HK\$13.4 million) were incurred for these shareholder loans.

16. SHARE CAPITAL

	Number of share of HK\$0.1 each '000	Nominal value HK\$'000
Authorised		
At 31 December 2014 and 30 June 2015	15,000,000	1,500,000
Issued and fully paid		
At 31 December 2014 and 30 June 2015	9,611,073	961,107

Notes to the Condensed Consolidated
Financial Statements (Cont'd)

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial Instruments measured at fair value on a recurring basis

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2015				
Available-for-sale investments				
Equity securities – listed in Hong Kong	123,475	–	–	123,475
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	36,196	–	–	36,196
Derivative financial assets	–	4,097	–	4,097
Total	36,196	4,097	–	40,293
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	3,647	–	3,647
As at 31 December 2014				
Available-for-sale investments				
Equity securities – listed in Hong Kong	156,815	–	–	156,815
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	54,540	–	–	54,540
Derivative financial assets	–	5,207	–	5,207
Total	54,540	5,207	–	59,747
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	4,479	–	4,479

There were no transfers between Levels 1 and 2 during the six months ended 30 June 2015 and 2014.

Notes to the Condensed Consolidated Financial Statements (Cont'd)

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONT'D)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of derivative financial assets and liabilities is determined using discounted cash flow method and future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.

18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances set out elsewhere in the notes to the condensed consolidated financial statements, the Group entered into the following transactions with related parties during the six months ended 30 June 2015:

- (i) The Group made sales of HK\$13.3 million (2014: HK\$10.5 million) to Hutchison International Limited ("HIL") group. HIL is an indirect wholly-owned subsidiary of a substantial shareholder of the Company, CK Hutchison Holdings Limited.
- (ii) The Group leased certain properties from Leknarf Associates LLC ("Leknarf") which is an associate of a non-controlling shareholder of a non-wholly owned subsidiary company, Vitaquest International Holdings LLC. The total rental payment by the Group to Leknarf amounted to HK\$9.4 million (2014: HK\$8.8 million).
- (iii) The Group has engaged Challenger Management Services Limited ("CMSL") as a manager of its vineyard portfolio held in Australia and New Zealand. CMSL is a fellow subsidiary of the non-controlling shareholder of a non-wholly owned subsidiary company, Belvino Investments Trust. According to the management deed, CMSL is entitled to charge the Group management fees calculated at certain agreed ratios on the total gross income, capital acquisition costs and total assets of certain subsidiaries. During the period, management fees of HK\$5.9 million (2014: HK\$6.1 million) were incurred.
- (iv) The Group made sales of HK\$46.5 million (2014: HK\$54.7 million) to and purchase of HK\$12.7 million (2014: HK\$8.8 million) from joint ventures of Cheetham Salt Limited, a wholly owned subsidiary of the Company during the period.

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

As at 30 June 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

LONG POSITIONS IN THE SHARES OF THE COMPANY

Name of Director	Capacity	Number of Ordinary Shares			Approximate % of Shareholding	
		Personal Interests	Family Interests	Corporate Interests		
Li Tzar Kuoi, Victor	Beneficial owner & interest of controlled corporations	2,250,000	–	2,835,759,715 (Note)	2,838,009,715	29.52%
Kam Hing Lam	Interest of child or spouse	–	6,225,000	–	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	–	–	2,250,000	0.02%
Yu Ying Choi, Alan Abel	Beneficial owner	2,250,000	–	–	2,250,000	0.02%
Chu Kee Hung	Beneficial owner	2,250,000	–	–	2,250,000	0.02%
Peter Peace Tulloch	Beneficial owner	1,050,000	–	–	1,050,000	0.01%
Kwok Eva Lee	Beneficial owner	200,000	–	–	200,000	0.002%

Note:

Such 2,835,759,715 shares are held by two subsidiaries of Li Ka Shing Foundation Limited ("LKSF"). By virtue of the terms of the constituent documents of LKSF, Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at the general meetings of LKSF.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2015, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 30 June 2015, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

(1) LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Gold Rainbow Int'l Limited	Beneficial owner	4,355,634,570	45.31%
Gotak Limited	Interest of a controlled corporation	4,355,634,570 (Note i)	45.31%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	4,355,634,570 (Note ii)	45.31%
CK Hutchison Holdings Limited	Interest of controlled corporations	4,355,634,570 (Note iii)	45.31%
Trueway International Limited	Beneficial owner	2,119,318,286	22.05%
Li Ka Shing Foundation Limited	Interest of controlled corporations	2,835,759,715 (Note iv)	29.50%
Li Ka-shing	Interest of controlled corporations	2,835,759,715 (Note v)	29.50%

Interests and Short Positions of Shareholders (Cont'd)

(2) LONG POSITIONS OF OTHER PERSONS IN THE SHARES OF THE COMPANY

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Triluck Assets Limited	Beneficial owner	716,441,429	7.45%

Notes:

- i. This represents the same block of shares in the Company as shown against the name of Gold Rainbow Int'l Limited ("Gold Rainbow") above. Since Gold Rainbow is wholly-owned by Gotak Limited, Gotak Limited is deemed to be interested in the same number of shares in which Gold Rainbow was interested under the SFO.
- ii. As Gotak Limited is wholly-owned by Cheung Kong (Holdings) Limited ("Cheung Kong Holdings"), Cheung Kong Holdings is deemed to be interested in the same number of shares which Gotak Limited is deemed to be interested under the SFO.
- iii. As Cheung Kong Holdings is wholly-owned by CK Hutchison Holdings Limited ("CK Hutchison"), CK Hutchison is deemed to be interested in the same number of shares which Cheung Kong Holdings is deemed to be interested under the SFO.
- iv. Trueway International Limited ("Trueway") and Triluck Assets Limited ("Triluck") are wholly-owned by LKSF and LKSF is deemed to be interested in a total of 2,835,759,715 shares under the SFO, being the aggregate of the shares in which Trueway and Triluck were interested as shown against the names Trueway and Triluck above.
- v. By virtue of the terms of the constituent documents of LKSF, Mr. Li Ka-shing may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at the general meetings of LKSF. Mr. Li Ka-shing is deemed to be interested in the same number of shares in which LKSF is deemed to be interested as mentioned above under the SFO.

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance

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

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Chief Executive Officer. In respect of code provision A.6.7 of the CG Code, a Non-executive Director did not attend the annual general meeting of the Company held on 15 May 2015 due to a sudden indisposition.

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

Corporate Governance (Cont'd)

(1) BOARD COMPOSITION AND BOARD PRACTICES

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

The positions of the Chairman of the Board and the Chief Executive Officer are currently held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

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

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

(2) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the model code for securities transactions by directors of listed issuers set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 8 September 2008, which will be revised and adopted from time to time. Confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2015.

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

(3) INTERNAL CONTROLS

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

The Board, through the Audit Committee, has conducted a review of the effectiveness of internal control system of the Group for the six months ended 30 June 2015.

Corporate Governance (Cont'd)

(4) AUDIT COMMITTEE

The Company established the Audit Committee on 26 June 2002 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Kwan Kai Cheong (Chairman of the Audit Committee), Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Group's interim report for the six months ended 30 June 2015 has been reviewed by the Audit Committee.

(5) REMUNERATION COMMITTEE

In compliance with the CG Code, the Company established its remuneration committee ("Remuneration Committee") on 1 January 2005 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee comprises the Chairman of the Board, Mr. Li Tzar Kuoi, Victor, and two Independent Non-executive Directors, namely, Mrs. Kwok Eva Lee (Chairman of the Remuneration Committee) and Mr. Colin Stevens Russel.

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

(6) INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose to receive such documents using electronic means through the Company's website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; (v) press conferences and briefing meetings with analysts are arranged from time to time to update on the performance of the Group; (vi) the Company's Branch Share Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of the Company handles enquiries from shareholders and investors generally.

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

Other Information

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

Ample Castle Limited ("Ample"), an indirect wholly-owned subsidiary of the Company, as borrower and the Company together with certain indirect wholly-owned subsidiaries of the Company as guarantors, entered into a facility agreement (the "Agreement") with Commonwealth Bank of Australia, Singapore Branch ("CBA Singapore") on 18 February 2013. Pursuant to the Agreement, a 3-year term loan of US\$70 million (the "Facility") was granted to Ample by CBA Singapore. As at 30 June 2015, the total outstanding balance of the Facility amounted to HK\$546 million. The Agreement requires at least 44.01% direct or indirect interest in the Company to be maintained by Cheung Kong Holdings (the Company's controlling shareholder). The obligations have been complied with.

RISK FACTORS

The Group's businesses, financial conditions, results of operations or growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out in the Company's Annual Report 2014 are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown in the Company's Annual Report 2014 which are not known to the Group or which may not be material now but could turn out to be material in the future. In addition, this interim report does not constitute a recommendation or advice to invest in the shares of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the shares of the Company.