



**Cheung Kong (Holdings) Limited**  
**長江實業(集團)有限公司**



**Innovative Value Creation  
on Solid Foundations**

**INTERIM REPORT 2003**

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- Released quality projects as planned with sales results being better than expected.
- Strengthened further the Group's presence in property markets in Hong Kong and overseas.
- Rationalised the investment property portfolio to maintain steady rental yields and maximise returns for shareholders.
- The 3G business of Hutchison Whampoa is making good progress, with more than 500,000 subscribers around the world.
- Well-positioned to capitalise on the tremendous investment opportunities ahead and equipped with ample capability for solid growth.

# Chairman's Statement

## | PROFIT FOR THE FIRST HALF YEAR |

The Group's unaudited consolidated profit attributable to shareholders for the first half of 2003 amounted to HK\$4,001 million. Earnings per share were HK\$1.73.

## | INTERIM DIVIDEND |

The Directors have declared an interim dividend for 2003 of HK\$0.38 per share (HK\$0.38 per share in 2002) to shareholders whose names appear on the Register of Members of the Company on 16th October, 2003. The dividend will be paid on 17th October, 2003.

## | PROSPECTS |

The local market sentiment and business environment, already plagued by the global economic slowdown, have been further hit by the fallout from the outbreak of Severe Acute Respiratory Syndrome ("SARS") which swept across Hong Kong in March this year. However, we expect the local economy will get back on track to a steady recovery in the second half year, as economic and business activities have gradually returned to normal after the virus was checked.

The Group's solid foundations, strong balance sheet and diversification initiatives have allowed the Group to weather transient upheavals in particular areas or industries, and enabled it to sustain steady growth in the difficult economic environment during the period.

While the short-term psychological impact of the SARS outbreak was felt in the local property market, the Group has continued with its sales schedules during the period with sales results being better than expected. The Hong Kong Government has affirmed its intention to have a stabilised market with steady growth, endorsing the importance of the property sector as a central pillar of the economy. Housing supply has been regulated following the moratorium on land sales – a favourable development paving the way for a healthier market and an equilibrium between supply and demand. Given the long-term housing demand and affordability of flat buyers, the property market is anticipated to improve steadily as confidence is restored.

Despite the sustained market consolidation, the Group will continue to secure reasonable returns through the active and prudent pursuit of quality property investments in Hong Kong. Acquisitions of prime sites will continue to be made by effective means and at reasonable prices to strengthen further its diversified landbank. In the meantime, the Group has actively rationalised its investment property portfolio to create better value and returns for shareholders. The sale in August of its interest in five retail shopping malls to Fortune Real Estate Investment Trust (“Fortune REIT”) listed in Singapore was a recent example.

The Group also strives to extend further its presence in property markets outside Hong Kong, with focused expansion in the Mainland, the United Kingdom and Singapore. Active efforts are made to enrich its property portfolio with prime sites and quality projects with good potential, in line with the ongoing program of enhancing the Group’s established position and market share in these markets.

The Group’s rental income remained steady despite a general decline in rental rates in Hong Kong during the period. The Group will continue to rationalise its quality portfolio of rental properties to strengthen its solid base of steady recurrent earnings. Focus will be placed on the quality enhancement of the Group’s investment properties, and the selective acquisition of suitable properties for long-term investment.

## Chairman's Statement *(continued)*

Rapid progress was reported for the value-added new tech businesses of the Group. This is exemplified by the remarkable strides made by CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences"), which has continued to launch new products and achieved profitability for the third consecutive quarter in only one year after listing. During the period under review, there was significant progress made in R&D for human health treatment products, especially those for AIDS and cancer. In addition, an immuno-enhancing nutraceutical product, VitaGain™, was launched in May 2003 and received an encouraging response. I am fully confident about the prospects for CK Life Sciences, underpinned by its active moves to strengthen further its R&D efforts, initiate product commercialisation and expand distribution networks.

The overall growth of Hutchison Whampoa Limited ("Hutchison Whampoa") has been driven mainly by its operations outside Hong Kong, with its local core businesses continuing to perform well. The 3G business is making good progress in Italy and the United Kingdom with a rising subscriber take-up rate, and is expected to deliver solid growth in 2003. In this initial stage, this start-up business may require a higher level of financial resources and manpower support – a normal pattern of development for all other long-term investments of Hutchison Whampoa over the years. We see promising prospects for the 3G business given its tremendous growth potential and the prudent, effective management of Hutchison Whampoa. With its healthy balance sheet, low debt-capital ratio, and ample cash reserves and cash inflow, Hutchison Whampoa is in a solid financial position to meet the funding requirements for the financing and development of the 3G business as well as all its other operations.

It is the Group's mission to seek every opportunity to maximise returns for shareholders, following traditional disciplines of active expansion combined with financial prudence. The Group is focused on optimising its management structure in finance, organisation and human resources, and establishing a corporate governance culture that gives balanced weight to shareholders' interest and management issues. In an ongoing drive to protect the shareholders' interest, a high level of transparency is demonstrated in the Group's operations.

I am optimistic about Hong Kong's long-term prospects despite the present difficulties and challenges facing the economy. A solid foothold for the steady recovery of the local economy is based on its sound fundamentals, coupled with the favourable conditions following the signing of the Closer Economic Partnership Arrangement between Hong Kong and the Mainland. Hong Kong will also benefit from a number of government policies recently announced in the Mainland that will provide further impetus to its immediate and long-term growth. The cornerstone of Hong Kong's resilience lies in its internal stability and unity. We can weather the present difficulties provided we make a concerted effort to strive for harmony and bring into full play all of our existing advantages.

The Cheung Kong Group's philosophy sustains its steady growth in close to 40 countries around the globe by being visionary, innovative and always at the forefront in creating opportunities. As part of the commitment to enhance its established position as a diversified global conglomerate, the Group will seize every opportunity both locally and globally to accelerate its further growth, strengthen its quality businesses and sharpen its unique competitive edge.

The Group is well-positioned to capitalise on the tremendous investment opportunities ahead and is equipped with ample capability for solid growth. Its diversification initiatives will ensure its stability and sustainability in times of economic boom or downturn, and guide it towards a more promising future. I am fully confident about the prospects for the Group.

Our excellent management team and diligent employees worldwide are a significant asset of the Group and a major force supporting our solid growth. I take this opportunity to extend my thanks to our colleagues on the Board and the staff members of the Group for their hard work, loyal service and continuing support during the period.

**Li Ka-shing**  
Chairman

Hong Kong, 21st August, 2003

# Management Discussion and Analysis

## | BUSINESS REVIEW |

### Major Business Activities

1. Developments completed in the First Half Year of 2003:

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Banyan Garden Phase 1	New Kowloon Inland Lot No. 6320	73,490	Joint Venture
Queen's Terrace Towers 1 and 2	The Remaining Portion of Inland Lot No. 8897	43,130	Joint Venture
Laguna Verona Phase B Stages 3 to 5	Dongguan	35,310	47%
Le Parc (Huangpu Yayuan) Phase 3	Futian, Shenzhen	95,500	50%
Regency Park Phase 1A	Pudong Huamu, Shanghai	13,650	50%
The Summit	Xuhui, Shanghai	8,500	50%

2. Developments scheduled for completion during the Second Half Year of 2003:

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Hampton Place	Kowloon Inland Lot No. 11107	52,070	100%
One Beacon Hill	New Kowloon Inland Lot No. 6277	72,480	100%
Princeton Tower	The Remaining Portions of Inland Lots Nos. 3999-4005	9,060	100%
Rambler Crest and Commercial/Hotel Development	Tsing Yi Town Lot No. 140	155,200	30%
Seasons Villas	The Remaining Portion and The Extension thereto of Lot No. 815 in D.D. 110 Kam Tin	10,320	100%
Vianni Cove	Tin Shui Wai Town Lot No. 27	74,500	60%
Oriental Plaza Phase IV Serviced Apartments	No. 1 East Chang An Ave. Dong Cheng District Beijing	47,000	33.3775%
Laguna Verona Phase B Stage 6	Dongguan	28,130	47%



## Management Discussion and Analysis *(continued)*

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Le Parc (Huangpu Yayuan) Phase 4	Futian, Shenzhen	95,900	50%
Seasons Villas Phases 6 and 6A	Pudong Huamu, Shanghai	20,330	50%
The Summit and The Center	Xuhui, Shanghai	140,140	50%
Costa del Sol	Bayshore Road, Singapore	138,950	76%
Albion Riverside	London, the United Kingdom	36,680	45%

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

- (1) In March 2003, the sale of the Group's entire interest in the property holding company of Royal Garden in Fuzhou was completed.
- (2) In May 2003, the Group, through its affiliate iBusinessCorporation, and the Commonwealth Bank Group announced the formation of a joint venture, namely AMTD Financial Planning Limited ("AMTD"). In co-operation with specialist suppliers and business partners, AMTD focuses exclusively on helping clients to meet their financial goals through professional and objective financial planning services.

- (3) In June 2003, the Group executed the land grant with the Government in respect of the Former Marine Police Headquarters Site at Kowloon Inland Lot No. 11161, Salisbury Road, Tsim Sha Tsui. The site has an area of approximately 12,300 sq. m. and is planned for the development of heritage tourism facilities which comprise a total developable gross floor area of about 11,500 sq. m.
- (4) In July 2003, the Group entered into agreements with respect to the sale of the Group's entire interest in five retail shopping malls in Hong Kong, namely The Metropolis Mall, Ma On Shan Plaza, The Household Center, Smartland and Jubilee Court Shopping Centre, to Fortune REIT, a Singapore unit trust. The completion of the disposal of interest in those shopping malls took place on 12th August, 2003.
- (5) In August 2003, a wholly owned subsidiary of the Group subscribed for 129,685,000 units of Fortune REIT ("Units") at HK\$4.75 per Unit representing approximately 27.4% of the total Units of Fortune REIT in issue immediately following such subscription. If the over-allotment option is exercised in full by the Global Co-ordinator of the initial public offering of Fortune REIT, the Units in which the Group is interested will be reduced to approximately 21.4% of the total Units of Fortune REIT. The Units of Fortune REIT were listed on the Main Board of the Singapore Exchange Securities Trading Limited on 12th August, 2003.
- (6) During the period under review, the Group continued to acquire agricultural land with potential for development. Some of these sites are under varying stages of design and planning applications.
- (7) The Group's property projects in the Mainland are on schedule, both for sale and leasing.

### Property Sales

Turnover of property sales for the first half year, including share of property sales of jointly controlled entities, was HK\$4,304 million (2002 – HK\$2,464 million), an increase of HK\$1,840 million when compared to the same period last year, and comprised mainly the sale of residential units at The Metropolis Residence, Queen's Terrace, Banyan Garden in Hong Kong and Le Parc in the Mainland. Queen's Terrace (Towers 1 and 2), Banyan Garden (Phase 1) and Le Parc (Phase 3) were completed during the period and over 85% of the residential units were sold as of the period end date.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$479 million (2002 – HK\$385 million), an increase of HK\$94 million when compared to the same period last year. While property sales at Banyan Garden (Phase 1) and Le Parc (Phase 3) contributed to group profit for the period, the overall results from property sales were affected by lack of contribution from The Metropolis Residence and Queen's Terrace.

Contribution from property sales for the second half year will mainly come from the sale of residential units at One Beacon Hill, Vianni Cove and Rambler Crest in Hong Kong upon the completion of these projects. Over 60% of the residential units of these projects have been presold up to the period end date.

During the period, a few other projects were also offered for presale including The Cairnhill and Banyan Garden (Phases 2 and 3) in Hong Kong which will be completed in 2004. The presale results of these projects were better than expected and will make a contribution to group profit in the coming year.

## Property Rental

Turnover of property rental for the first half year was HK\$387 million (2002 – HK\$393 million), a decrease of HK\$6 million when compared to the same period last year. The Group's investment property portfolio comprises mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 37% and 34% respectively of the turnover of property rental for the period.

Contribution from property rental, including share of results of jointly controlled entities and unlisted associates, was HK\$437 million (2002 – HK\$366 million), an increase of HK\$71 million when compared to the same period last year. Increase in contribution was mainly attributable to the increase in share of profits of jointly controlled entities as a result of the Group's increase in interest in various investment properties last year and the Group's investment properties being maintained at high occupancy rates.

During the period, the newly completed Victoria Mall at Tsim Sha Tsui was offered for lease. The Group has a 42.5% interest in this investment property which will make a contribution in the second half year.

## Hotels and Serviced Suites

Turnover of hotels and serviced suites for the first half year was HK\$184 million (2002 – HK\$163 million), an increase of HK\$21 million when compared to the same period last year. Increase in turnover was mainly as a result of the Horizon Suite Hotel in Hong Kong and the Sheraton Shenyang Lido Hotel in the Mainland commencing operation in the middle of 2002.

## Management Discussion and Analysis *(continued)*

Contribution from hotels and serviced suites, including share of results of jointly controlled entities and unlisted associates, was HK\$2 million (2002 – HK\$15 million), a decrease of HK\$13 million when compared to the same period last year. Decrease in contribution was due to the SARS outbreak in Hong Kong and the Mainland which pushed occupancy down below normal levels. Operating conditions were difficult due to the travel warnings imposed by the World Health Organisation on a number of places including Hong Kong and Beijing.

With the removal of all the travel warnings after the virus was checked, the contribution from the Group's hotels and serviced suites should improve in the second half year.

### Property and Project Management

Turnover of property and project management for the first half year was HK\$98 million (2002 – HK\$161 million), a decrease of HK\$63 million when compared to the same period last year. Contribution from property and project management, including share of results of jointly controlled entities and unlisted associates, was HK\$28 million (2002 – HK\$29 million), a decrease of HK\$1 million when compared to the same period last year. Decrease in turnover and contribution was attributable to the decrease in project management services rendered to joint development projects during the period.

While the contribution from property management is not significant, the Group is committed to providing top quality services to properties under our management. At the period end date, total floor area under the Group's property management was approximately 68 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the coming years.

## Major Associates

The associated Hutchison Whampoa Group recorded unaudited consolidated profit after tax for the half year ended 30th June, 2003 of HK\$6,067 million. The Hutchison Whampoa Group continued to perform well in a very competitive world economic environment, and all divisions (except the telecommunication division) reported EBIT growth.

The CK Life Sciences Group, another listed associate, achieved a net profit of HK\$478,000 in the first six months of 2003. The CK Life Sciences Group, with its focus on environmental sustainability and human health, continued to make strong strides.

## | FINANCIAL REVIEW |

### Liquidity and Financing

During the period, the Group issued notes in the total amount of HK\$503 million with three and ten years terms and redeemed notes in the amount of HK\$2 billion due March this year. At the period end date, outstanding bonds and notes issued by the Group amounted to HK\$7.6 billion.

Together with bank loans of HK\$16.6 billion, the Group's total borrowings at the period end date were HK\$24.2 billion, an increase of HK\$2.3 billion from last year end date, and the maturity profile spread over a period of ten years with HK\$2.4 billion repayable within one year, HK\$19.4 billion within two to five years and HK\$2.4 billion within six to ten years.

The Group continued to maintain a low gearing ratio, calculated on the basis of the Group's net borrowings (after deducting cash and bank balances of HK\$3.1 billion) over shareholders' funds, at 12.5% at the period end date.

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

### Treasury Policies

The Group maintains a conservative approach on foreign exchange exposure management. At the period end date, approximately 95% of the Group's borrowings was in HK\$ with the balance in US\$, SGD and RMB mainly for the purpose of financing projects outside Hong Kong. While the Group derives its revenue and maintains cash balances mainly in HK\$, it ensures that its exposure to fluctuations in foreign exchange rates is minimised.

The Group's borrowings are principally on a floating rate basis. For the fixed rate bonds and notes issued by the Group, interest rate swaps arrangements have been in place to convert the rates to floating rate basis.

When appropriate and at times of interest rate or exchange rate uncertainty or volatility, hedging instruments including swaps and forwards are used in the Group's management of exposure to interest rate and exchange rate fluctuations.

### Charges on Assets

At the period end date, certain assets of the Group with aggregate carrying value of HK\$893 million, with no significant change from last year end date, were pledged to secure loan facilities utilised by subsidiaries.

## Contingent Liabilities

At the period end date, the Group's contingent liabilities, with no significant change from last year end date, were as follows:

- (a) share of contingent liabilities of jointly controlled entities in respect of guaranteed return payments payable to the other party of a co-operative joint venture in the next 46 years amounted to HK\$4,562 million; and
- (b) guarantees provided for bank loans utilised by jointly controlled entities and affiliated companies amounted to HK\$2,969 million and HK\$23 million respectively.

## Employees

At the period end date, the Group employed approximately 6,100 employees for its principal businesses. The related employees' costs (excluding directors' emoluments) amounted to approximately HK\$484 million for the period. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.



# Disclosure of Interests

## | DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES |

As at 30th June, 2003, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (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, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to be notified to the Company and the Stock Exchange, were as follows:

### 1. Long positions in Shares

#### (a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	32,133,000 (Note 1)	825,661,744 (Note 2)	857,794,744	37.04%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	100,000	579,000 (Note 4)	825,661,744 (Note 2)	826,560,744	35.69%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	56,000	10,000	–	184,000 (Note 5)	250,000	0.01%
Kam Hing Lam	Beneficial owner	10,000	–	–	–	10,000	≈0%
Leung Siu Hon	Beneficial owner & interest of child or spouse	635,500	64,500	–	–	700,000	0.03%
Chow Kun Chee, Roland	Beneficial owner	65,600	–	–	–	65,600	≈0%
Hung Siu-lin, Katherine	Beneficial owner	20,000	–	–	–	20,000	≈0%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	384,000	–	–	384,000	0.02%

(b) Associated Corporations

Hutchison Whampoa Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	6,193,000 (Note 1)	2,141,698,773 (Note 3)	2,147,891,773	50.38%
Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,142,785,543	50.26%
George Colin Magnus	Beneficial owner & interest of child or spouse	990,100	9,900	–	–	1,000,000	0.02%
Kam Hing Lam	Beneficial owner	60,000	–	–	–	60,000	≈0%
Leung Siu Hon	Beneficial owner & interest of child or spouse	11,000	28,600	–	–	39,600	≈0%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	2,010,875 (Note 8)	–	2,010,875	0.05%
Frank John Sixt	Beneficial owner	50,000	–	–	–	50,000	≈0%
Chow Kun Chee, Roland	Beneficial owner	49,931	–	–	–	49,931	≈0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	–	–	–	34,000	≈0%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	100,000	–	–	100,000	≈0%
Chow Nin Mow, Albert	Beneficial owner	97	–	–	–	97	≈0%
Simon Murray	Beneficial owner & beneficiary of trust	25,000	–	–	17,000 (Note 9)	42,000	≈0%

## Disclosure of Interests (continued)

### Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	–	–	–	1,912,109,945 (Note 6)	1,912,109,945	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	1,912,109,945 (Note 6)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	–	–	–	100,000	≈0%

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	1,880,005,715 (Note 1)	2,820,008,571 (Note 7)	4,700,014,286	73.36%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	1,500,000	–	–	2,820,008,571 (Note 7)	2,821,508,571	44.04%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	502,240	400	–	7,360 (Note 5)	510,000	0.01%
Kam Hing Lam	Interest of child or spouse	–	4,150,000	–	–	4,150,000	0.06%
Chung Sun Keung, Davy	Beneficial owner	250,000	–	–	–	250,000	≈0%
Ip Tak Chuen, Edmond	Beneficial owner	1,500,000	–	–	–	1,500,000	0.02%
Pau Yee Wan, Ezra	Beneficial owner	600,000	–	–	–	600,000	0.01%
Woo Chia Ching, Grace	Beneficial owner	750,000	–	–	–	750,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	525,420	2,000	1,980 (Note 10)	–	529,400	0.01%

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	1,000,000 (Note 8)	–	1,000,000	0.02%
Frank John Sixt	Beneficial owner	600,000	–	–	–	600,000	0.01%
Chow Kun Chee, Roland	Beneficial owner	602,624	–	–	–	602,624	0.01%
Hung Siu-lin, Katherine	Beneficial owner	6,000	–	–	–	6,000	≈0%
Yeh Yuan Chang, Anthony	Beneficial owner	500,000	–	–	–	500,000	0.01%
Kwok Tun-li, Stanley	Interest of child or spouse	–	200,000	–	–	200,000	≈0%

**Other Associated Corporations**

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	100,000,000 (Note 11)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	100,000,000 (Note 11)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	9,000 (Note 11)	9,000	90%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	9,000 (Note 11)	9,000	90%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,900 (Note 11)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,900 (Note 11)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	3,150,000 (Note 11)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	3,150,000 (Note 11)	3,150,000	100%

## Disclosure of Interests (continued)

### Other Associated Corporations (continued)

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	4 (Note 1)	6 (Note 12)	10	100%
Hutchison Harbour Ring Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	5,000,000 (Note 8)	–	5,000,000	0.07%
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	100,000	–	1,000,000 (Note 8)	–	1,100,000	0.16%

### 2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	134,000 underlying shares under controlled corporation	–	1,340,001 underlying shares under controlled corporation	–	1,474,001 underlying shares under controlled corporation
			5.5% unsecured convertible notes due 2007		5.5% unsecured convertible notes due 2007 (Note 8)		5.5% unsecured convertible notes due 2007

### 3. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$7,500,000 6.5% Notes due 2013 (Note 4)	–	US\$7,500,000 6.5% Notes due 2013
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	US\$32,050,000 6.5% Notes due 2013 (Note 8)	–	US\$32,050,000 6.5% Notes due 2013

Notes:

- (1) Such interests are held by certain companies of which Mr. Li Ka-shing is interested in the entire issued share capital.
- (2) The two references to 825,661,744 shares relate to the same block of shares in the Company. Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust (“UT1”) but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 and companies controlled by TUT1 as trustee of UT1 (“TUT1 related companies”) hold a total of such 825,661,744 shares.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited (“Unity Holdco”). Each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Unity Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

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

## Disclosure of Interests *(continued)*

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

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

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

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



## Disclosure of Interests *(continued)*

- (7) The two references to 2,820,008,571 shares in CK Life Sciences Int'l., (Holdings) Inc. ("CKLS") relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the shares of the Company as described in Note (2) above under the SFO.
- (8) Such interests are held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (9) Such interests are held by an offshore family trust fund under which Mr. Simon Murray is a discretionary beneficiary.
- (10) Such interests are held by a company which is wholly owned by Mr. Leung Siu Hon and his wife.
- (11) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (12) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as a Director of the Company, Mr. Li Ka-shing is taken to have a duty of disclosure in relation to such shares under the SFO.

As at 30th June, 2003, by virtue of their deemed interests in the shares of the Company as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, are deemed to be interested in the securities of the subsidiaries and associated companies of the Company held through the Company under the provisions of the SFO.

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

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30th June, 2003, 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 Listing Rules.

## | INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO |

So far as is known to any Director or chief executive of the Company, as at 30th June, 2003, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### 1. Long positions of substantial shareholders in the shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	825,661,744 (Note)	35.65%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of trust	825,661,744 (Note)	35.65%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of trust	825,661,744 (Note)	35.65%

## 2. Long positions of other persons in the shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Templeton Global Advisors Ltd.	Investment manager	124,748,636	5.39%

Note: The three references to 825,661,744 shares relate to the same block of shares in the Company.

Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (2) under the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the SFO.

Save as disclosed above, as at 30th June, 2003, the Company has 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.

# Other Information

## | AUDIT COMMITTEE |

The Group's interim report for the six months ended 30th June, 2003 was reviewed by the Audit Committee ("Committee"). Regular meetings have been held by the Committee since its establishment and it meets at least twice each year.

## | PURCHASE, SALE OR REDEMPTION OF SHARES |

The Company has not redeemed any of its shares during the six months ended 30th June, 2003. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

## | CODE OF BEST PRACTICE |

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this interim report, in compliance with Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

# Interim Financial Statements

## Consolidated Profit and Loss Account

For the six months ended 30th June, 2003

		(Unaudited)	
	Note	2003 HK\$ Million	2002 (Restated) HK\$ Million
<b>Turnover</b>	(2)	<b>4,973</b>	3,181
Group turnover		<b>2,813</b>	1,309
Investment and other income		<b>560</b>	773
Operating costs			
Property and related costs		<b>(1,817)</b>	(493)
Salaries and related expenses		<b>(311)</b>	(350)
Interest expenses		<b>(286)</b>	(318)
Other expenses		<b>(127)</b>	(147)
		<b>(2,541)</b>	(1,308)
Share of results of jointly controlled entities		<b>233</b>	214
<b>Operating profit</b>		<b>1,065</b>	988
Share of results of associates		<b>3,554</b>	3,379
<b>Profit before taxation</b>	(3)	<b>4,619</b>	4,367
Taxation	(4)	<b>(624)</b>	(528)
<b>Profit after taxation</b>		<b>3,995</b>	3,839
Minority interests		<b>6</b>	13
<b>Profit attributable to shareholders</b>		<b>4,001</b>	3,852
<b>Dividends</b>			
Interim dividend of HK\$0.38 (2002 – HK\$0.38) per share		<b>880</b>	880
<b>Earnings per share</b>	(5)	<b>HK\$1.73</b>	HK\$1.66

## Consolidated Balance Sheet

As at 30th June, 2003

	(Unaudited) 30/6/2003 HK\$ Million	(Audited) 31/12/2002 (Restated) HK\$ Million
Non-current assets		
Fixed assets	19,452	19,016
Associates	124,333	123,780
Jointly controlled entities	23,956	25,857
Investments in securities	8,632	4,960
Long term loans	873	542
Deferred tax assets	—	44
	177,246	174,199
Current assets		
Investments in securities	1,250	900
Stock of properties	18,394	20,177
Debtors, deposits and prepayments	1,409	1,428
Bank balances and deposits	3,065	2,156
	24,118	24,661
Current liabilities		
Bank and other loans	2,400	2,618
Creditors and accruals	1,985	3,159
Provision for taxation	545	525
Net current assets	19,188	18,359
Total assets less current liabilities	196,434	192,558
Non-current liabilities		
Bank and other loans	21,825	19,255
Deferred tax liabilities	338	272
	22,163	19,527
Minority interests	4,536	4,483
<b>Total net assets</b>	<b>169,735</b>	<b>168,548</b>
<b>Representing:</b>		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	2,117	2,105
Retained profits	156,249	153,128
Dividend		
Interim dividend for 2003	880	—
Final dividend for 2002	—	2,826
<b>Total shareholders' funds</b>	<b>169,735</b>	<b>168,548</b>

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2003

	(Unaudited)	
	2003 HK\$ Million	2002 (Restated) HK\$ Million
Total shareholders' funds at 1st January, as previously reported	171,012	165,375
Prior year adjustments (note 1)		
Retained profits	(2,039)	(1,945)
Reserves	(425)	(305)
Total shareholders' funds at 1st January, as restated	168,548	163,125
Net profit for the period	4,001	3,852
Items recognised in reserves		
Exchange gains on translation of financial statements of subsidiaries, jointly controlled entities and associates	12	7
Final dividend paid	(2,826)	(2,826)
<b>Total shareholders' funds at 30th June</b>	<b>169,735</b>	<b>164,158</b>

## Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2003

	(Unaudited)	
	2003 HK\$ Million	2002 HK\$ Million
Net cash from operating activities	2,934	3,308
Net cash used in investing activities	(4,095)	(492)
Net cash from/(used in) financing activities	2,070	(1,413)
Net increase in cash and cash equivalents	909	1,403
Cash and cash equivalents at 1st January	2,156	1,575
<b>Cash and cash equivalents at 30th June</b>	<b>3,065</b>	<b>2,978</b>



### Notes to Interim Financial Statements

#### (1) Basis of preparation

The interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” in Hong Kong. Save for changes described below due to adoption of revised SSAP which became effective during the period, the interim financial statements have been prepared based on the same principal accounting policies as those set out in the annual report 2002.

In prior years, tax deferred or accelerated by the effect of timing difference, between income and expenditure recognised in the accounts and for tax purposes, was provided using the liability method to the extent that it is probable that a liability or an asset will crystallise.

In order to comply with SSAP12 (revised) “Income Taxes” which became effective from 1st January, 2003 in Hong Kong, the Group’s accounting policy for deferred tax was changed. Deferred tax liabilities are provided in full on all temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases, while deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

The change of accounting policy mentioned above has been applied retrospectively. As a result and incorporating the Group’s share of Hutchison Whampoa Limited’s adjustments due to adoption of SSAP12 (revised), the profit attributable to shareholders was increased by HK\$50 million for the six months ended 30th June, 2003 and was decreased by HK\$64 million for the six months ended 30th June, 2002; retained profits and reserves at 1st January, 2003 were reduced by HK\$2,039 million and HK\$425 million respectively; and retained profits and reserves at 1st January, 2002 were reduced by HK\$1,945 million and HK\$305 million respectively. Certain comparative figures have been restated accordingly.

## (2) Turnover and contribution

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

	Six months ended 30th June	
	2003 HK\$ Million	2002 HK\$ Million
Property sales	2,144	592
Property rental	387	393
Hotels and serviced suites	184	163
Property and project management	98	161
Group turnover	2,813	1,309
Share of property sales of jointly controlled entities	2,160	1,872
Turnover	4,973	3,181

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

During the period, the Group's overseas operations (including property sales of jointly controlled entities) were mainly in the Mainland which accounted for approximately 17% of the turnover.

## Interim Financial Statements *(continued)*

### (2) Turnover and contribution *(continued)*

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

	Company and subsidiaries		Jointly controlled entities and unlisted associates		Total	
	Six months ended 30th June 2003 HK\$ Million	2002 HK\$ Million	Six months ended 30th June 2003 HK\$ Million	2002 HK\$ Million	Six months ended 30th June 2003 HK\$ Million	2002 HK\$ Million
Property sales	397	171	82	214	479	385
Property rental	302	303	135	63	437	366
Hotels and serviced suites	5	20	(3)	(5)	2	15
Property and project management	28	31	—	(2)	28	29
	732	525	214	270	946	795
Investment and finance					522	594
Interest expenses					(286)	(318)
Others					(6)	(71)
Taxation (excluding share of taxation of Hutchison Whampoa Limited)					(212)	(132)
Minority interests					6	13
Share of net profit of Hutchison Whampoa Limited					3,031	2,971
Profit attributable to shareholders					4,001	3,852

### (3) Profit before taxation

	Six months ended 30th June	
	2003 HK\$ Million	2002 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest expenses	408	464
Less: Interest capitalised	(122)	(146)
	286	318
Costs of properties sold	1,608	392
Depreciation	57	48
Net realised and unrealised holding gains on other investments	(594)	(311)

### (4) Taxation

	Six months ended 30th June	
	2003 HK\$ Million	2002 HK\$ Million
Company and subsidiaries		
Hong Kong profits tax	23	21
Overseas tax	4	4
Deferred tax	110	37
Share of taxation		
Jointly controlled entities	72	64
Associates	415	402
	624	528

Hong Kong profits tax has been provided for at the rate of 17.5% (2002 – 16%) on the estimated assessable profits for the period. Overseas tax has been provided for at the applicable local rates on the estimated assessable profits of the individual company concerned. Deferred tax has been provided on temporary differences using the current applicable rates.

**(5) Earnings per share**

The calculation of earnings per share is based on profit attributable to shareholders and on 2,316,164,338 shares (2002 – 2,316,164,338 shares) in issue during the period.

**(6) Ageing analyses of trade debtors and trade creditors**

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

Ageing analysis of the Group's trade debtors at the balance sheet date is as follows:

	30/6/2003 HK\$ Million	31/12/2002 HK\$ Million
Current to one month	315	285
Two to three months	23	8
Over three months	22	20
	360	313

Ageing analysis of the Group's trade creditors at the balance sheet date is as follows:

	30/6/2003 HK\$ Million	31/12/2002 HK\$ Million
Current to one month	482	1,487
Two to three months	21	8
Over three months	9	4
	512	1,499

## **(7) Related party transactions**

During the period and in the ordinary course of business, the Group undertook various joint venture projects with related parties, including the Chairman, Mr. Li Ka-shing, and Hutchison Whampoa Limited, on normal commercial terms. Advances were made to/received from and guarantees were provided for these joint venture projects on a pro rata basis. At the balance sheet date, advances made to/received from associates amounted to HK\$433 million and HK\$21 million respectively, and advances made to/received from jointly controlled entities amounted to HK\$20,431 million and HK\$161 million respectively. Guarantees provided by the Group for bank loans utilised by jointly controlled entities amounted to HK\$2,969 million.

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

## **(8) Events after the balance sheet date**

In August 2003, the Group disposed of its entire interests in five retail shopping malls in Hong Kong to Fortune Real Estate Investment Trust, a Singapore based unit trust, for a total cash consideration of approximately HK\$2.3 billion.

## **(9) Review of interim financial statements**

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

# Notice of Payment of Interim Dividend, 2003

The Board of Directors of Cheung Kong (Holdings) Limited announces that the Group's unaudited consolidated profit attributable to shareholders for the six months ended 30th June, 2003 amounted to HK\$4,001 million which represents earnings of HK\$1.73 per share. The Directors have declared an interim dividend for 2003 of HK\$0.38 per share to shareholders whose names appear on the Register of Members of the Company on 16th October, 2003. The dividend will be paid on 17th October, 2003.

The Register of Members of the Company will be closed from Thursday, 9th October, 2003 to Thursday, 16th October, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 8th October, 2003.

By Order of the Board

**Eirene Yeung**

Company Secretary

Hong Kong, 21st August, 2003

This interim report 2003 (“Interim Report 2003”) (in both English and Chinese versions) has been posted on the Company’s website at <http://www.ckh.com.hk>. Shareholders who have chosen to rely on copies of the Company’s Corporate Communication (including but not limited to Annual Report, summary financial report (where applicable), Interim Report, notice of meeting and circular) posted on the Company’s website in lieu of the printed copies thereof may request the printed copy of the Interim Report 2003.

Shareholders who have chosen to receive the Corporate Communication using electronic means through the Company’s website and who for any reason have difficulty in receiving or gaining access to the Interim Report 2003 posted on the Company’s website will promptly upon request be sent the Interim Report 2003 in printed form free of charge.

Shareholders may at any time choose to change your 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 Communication by notice in writing to the Company’s Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

Shareholders who have chosen to receive printed copy of the Corporate Communication in either English or Chinese version will receive both English and Chinese versions of this Interim Report 2003 since both languages are bound together into one booklet.