

Powering Ahead



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

Interim Report 2005

Financial Calendar

Interim Results Announcement	25th August, 2005
Closure of Register of Members	6th to 13th October, 2005 (both days inclusive)
Record Date for Interim Dividend	13th October, 2005
Payment of Interim Dividend	14th October, 2005

This interim report (in both English and Chinese versions) ("Interim Report 2005") 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, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) posted on the Company's website in lieu of the printed copies thereof may request the printed copy of the Interim Report 2005.

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 2005 posted on the Company's website will promptly upon request be sent the Interim Report 2005 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 46th 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 2005 since both languages are bound together into one booklet.

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Powering Ahead

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2005 amounted to HK\$10,368 million. Earnings per share were HK\$4.48.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2005 of HK\$0.42 per share (HK\$0.38 per share in 2004) to shareholders whose names appear on the Register of Members of the Company on Thursday, 13th October, 2005. The dividend will be paid on Friday, 14th October, 2005.

PROSPECTS

Business Performance

“*The Group has made significant strides in business and market expansion during the first half of 2005 by seizing the growth opportunities presented by the rising economy. Through a number of key acquisitions and investments in Hong Kong, the Mainland and overseas, the Group is growing on an even stronger platform for future expansion.*”

Solid performance was recorded for the Group's quality businesses as they continued to develop and expand steadily. For the first half of 2005, the Group's profit before share of results of the Hutchison Whampoa Group increased by 205%.

Property Business

Hong Kong's economy has continued the upward momentum of last year during the first half of 2005. Domestic demand remained strong as consumer and business confidence was encouraged by an improving labour market, and an inflationary climate with steady, healthy rises in consumer prices. The recent move by Standard & Poor's to upgrade Hong Kong's foreign currency sovereign credit ratings to "AA-" also confirms Hong Kong's improved public finances and good growth prospects.

The broad based revival of the local property market was clearly illustrated by buoyant activity and strong buyer response to most of the residential projects during the period. Sound economic fundamentals coupled with a number of positive factors have partially offset the psychological impact of rising interest rates in Hong Kong. We expect the property market to sustain a healthy growth accompanied by steady rises in property and land prices, as the buyers' affordability ratio remains reasonable and acceptable, and the market is supported by strong underlying demand and a steady land supply.

The Group reported satisfactory returns from property sales during the period while solid progress was made on all fronts in planning, operations and marketing. In particular, there was notable landbank expansion as the Group accelerated the pace of acquisition in order to enrich its land portfolio with diversified prime sites and properties in different locations and for different purposes. With total developable gross floor area rapidly expanding, the Group's landbank is more than sufficient to support our development plans for the next four to five years.

Demand for office, retail space and hotels is expected to increase given the strengthening economy and the accelerated pace of corporate expansion. In addition to restructuring the retail portfolio to optimise its value, the Group has positioned itself to take advantage of the booming tourism sector by further expanding into the hotel sector through quality acquisitions and developments.

We achieved milestone achievements in global expansion as we actively pursued acquisitions to strengthen our position as a key player in the international property market. A number of high-quality sites and properties for residential and/or commercial purposes were acquired in the Mainland, Singapore and the United Kingdom during the period, and these acquisitions are significant in further strengthening the Group's global developments. We will continue our plan for overseas expansion, and we will continue to seek quality investments worldwide capable of generating good returns and value for the Group.

New Tech Ventures

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") has continued to record steady growth on all fronts during the first half of the year. Profits and sales have more than doubled, and new R&D milestones have been recorded especially in the area of cancer treatment. Four anti-cancer products were granted patent approved notices of allowance by the U.S. Patent and Trademark Office during the period. It is believed that this marks the first time a private biotechnology company in Hong Kong has been awarded patents for anti-cancer pharmaceuticals. CK Life Sciences has successfully devised a sustainable revenue model to act as a funding engine so that R&D can be taken to completion and its full research potential can be realised. Looking ahead, organic business growth is expected to continue and its recent acquisitions will start to contribute to CK Life Sciences' profits, while R&D progress will be further accelerated.

The Group will draw on the expertise and experience acquired from various new tech investments to take advantage of new opportunities in the high tech arena. We will continue to expand our value added business portfolio with quality investments that have good potential for growth and profitability.

Listed Affiliated Companies

Following a year of strong performance in 2004, all the core businesses of the Hutchison Whampoa Group continued to perform well in business growth and market expansion during the period. The 3G businesses, now spanning 11 nations and regions around the globe, continue to expand at a steady pace and the customer base exceeds 9.4 million worldwide to date. As start-up investments for the 3G businesses have peaked, we expect the 3 Group as a whole will achieve EBITDA breakeven on a month-by-month basis in the second half of this year. Looking forward, with the 3 Group's funding requirements disappearing entirely in 2006, the 3G businesses are positioned to contribute significant value to the Group.

Cheung Kong Infrastructure Holdings Limited ("CKI") reported continued growth momentum during the period, primarily fuelled by the engines of organic growth, acquisitions and asset divestments. CKI will continue to examine investment opportunities around the globe to expand its portfolio of quality infrastructure investments. Hongkong Electric Holdings Limited recorded a solid performance in the first half year, and will continue to build on its strong financial position and expertise to explore new business opportunities which offer stable returns with manageable risks.

Looking Forward

“With visionary foresight and effective management, the Cheung Kong Group is uniquely placed in a strong position to capture the opportunities arising from the Mainland's and Hong Kong's sustainable growth and integrated development. The Group has strong confidence in the prospects for its quality businesses in 51 countries around the globe, as they are well poised to attain new heights for future growth.”

The gap between the two lending rates in Hong Kong and the United States is likely to narrow further in the coming months. However, no major change to Hong Kong's prevailing interest rate level is expected before the end of this year as any further increases in the U.S. interest rates are likely to be modest. This is favourable to Hong Kong's property market and the overall economy. With rising growth momentum in all major sectors such as finance, trading, retail, tourism and services, the economic outlook remains optimistic for the second half year as job opportunities and consumer confidence grow, and domestic demand continues to be strong.

There is increasing evidence that the macroeconomic measures in the Mainland have produced solid results in fine-tuning and guiding the economy on a healthy development track. Continuing structural reforms such as the recent changes to the currency regime and a more liberalised market in the Mainland will help transform the economic landscape and growth pattern, further increasing the development potential of the overall economy. Based on closer business links and increased economic integration with the Mainland, Hong Kong is well placed to benefit from the Mainland's thriving economy, and will grow in step with the Mainland towards a promising future.

The Cheung Kong Group is a diversified conglomerate with continuing dynamism and vitality. Its core responsibility is to bring better returns for shareholders by enhancing efficiency and building its asset value. Embracing new concepts and new visions, our management always looks for fresh opportunities for global investments, and puts in place business strategies that are in tune with market conditions, and in line with the Group's strategic direction and corporate philosophy. I look forward to better prospects for our diversified businesses in Hong Kong, the Mainland and other markets totalling 51 countries around the world as they continue to power ahead. I have every confidence in the future of the Cheung Kong Group.

Acknowledgement

The Group has made remarkable strides in global expansion. I take this opportunity to thank our colleagues on the Board, the staff members of the Group and our diligent employees worldwide for their hard work, loyal service and contributions during the period.

Li Ka-shing
Chairman

Hong Kong, 25th August, 2005

Management Discussion and Analysis

BUSINESS REVIEW

Major Business Activities

1. Developments completed and scheduled for completion in 2005:

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
The Pacifica Phases 1 and 2	New Kowloon Inland Lot No. 6275	144,260	50%
Caribbean Coast Carmel Cove	Tung Chung Town Lot No. 5	122,250	Joint Venture
Caribbean Coast Caribbean Bazaar	Tung Chung Town Lot No. 5	5,000	Joint Venture
Harbourfront Horizon – All-Suite Hotel	Kowloon Inland Lot No. 11110	107,400	100%
Harbourview Horizon – All-Suite Hotel	Kowloon Inland Lot No. 11103	119,280	100%
St. Paul's Terrace	No. 42A MacDonnell Road	820	100%
Cape Coral Phase 2 and Commercial	Panyu Dashi, Guangzhou	95,300	50%
Guangzhou International Toys & Gifts Center Phase 1	Guangzhou	99,040	30%
Horizon Cove Phase 3B	Zhuhai	83,800	50%
Laguna Verona Phase C	Dongguan	34,100	49%
Regency Park Phase III	Pudong Huamu, Shanghai	32,700	50%
Seasons Villas Phase 6B	Pudong Huamu, Shanghai	800	50%

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

Hong Kong

- (1) February 2005: – The acquisition of the entire issued share capital of and the benefit of the debts owed by The Kowloon Hotel Limited, the registered owner of The Kowloon Hotel at Nathan Road, Tsim Sha Tsui, Kowloon by an indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group was completed on 1st February, 2005.
- (2) February 2005: – A wholly owned subsidiary of the Group executed a development agreement with MTR Corporation Limited for the development at Area 86, Tseung Kwan O, Site F of Tseung Kwan O Town Lot No. 70. The land has an aggregate area of approximately 14,200 sq. m. and is planned for a residential and commercial development estimated to have a total developable gross floor area of about 139,800 sq. m.
- (3) April 2005: – The Group acquired the site at 81 Broadcast Drive, New Kowloon Inland Lot No. 5099. With an area of approximately 4,200 sq. m., the site is designated for a residential development.
- (4) May 2005: – An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group executed the land grant with the Government for the exchange of Lot No. 2064 in D.D. 121, Hung Shui Kiu, Yuen Long. The site has an area of approximately 16,200 sq. m. with a total developable gross floor area of about 49,800 sq. m. for residential purposes.
- (5) May 2005: – The Group acquired the site at 16-18 Conduit Road, Section A of Inland Lot No. 711. With an area of approximately 590 sq. m., the site is designated for a residential development.
- (6) June 2005: – The Group implemented the joint development plan with the owner (the “Owner”) of the site at 15-17 Oil Street, Section A and Extension of Inland Lot No. 7106, North Point. A lease modification letter has been executed by the Owner for the development of the site into hotel and commercial properties. The land has an area of approximately 6,800 sq. m. and a total developable gross floor area of about 43,100 sq. m.
- (7) 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.

The Mainland and Overseas

- (1) February 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group was established for the purpose of owning and developing the land located at Maqiao Town, Minhang District, Shanghai, the Mainland. The land has an aggregate area of approximately 260,100 sq. m. and is planned to be developed into residential and commercial properties.
- (2) March 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group acquired a piece of land located at Wenjiang District, Chengdu, Sichuan Province, the Mainland. The land has an aggregate buildable site area of approximately 373,000 sq. m. and is earmarked for a residential and commercial development.
- (3) April 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group was established for the purpose of owning and developing the land located at Wangcheng County, Changsha, the Mainland. The land has an area of approximately 556,000 sq. m. and is designated for residential purposes.
- (4) April 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group was established for the purpose of owning and developing the land located at Jing Yue Tan Tourist Economic Development Zone, Changchun, the Mainland. The land has an aggregate area of approximately 827,000 sq. m. and is planned for a residential and commercial development.
- (5) May 2005: – The Group and the Hutchison Whampoa Group established two 50/50 joint venture companies to own and develop two pieces of land located at Jiang Han District, Wuhan, the Mainland. With an area of approximately 31,900 sq. m. and 132,000 sq. m. respectively, the two sites will be developed into residential and commercial properties.
- (6) May 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group entered into an agreement to acquire the premises known as the Convoys Wharf located at Deptford, London, the United Kingdom. With an aggregate area of approximately 16 hectares, the site will be redeveloped into a mixed residential and commercial project.
- (7) May 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group entered into a sino-foreign co-operative joint venture with Tianjin Metro General Corp. for the development of the land located at Yingkou Dao, Tianjin, the Mainland. The land has an area of approximately 19,600 sq. m. and is planned for commercial and residential developments.

- (8) May 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group entered into an agreement to acquire the land in the Administrative Region of Bei Xin Village, Changping District, Beijing, the Mainland. The land has an area of approximately 297,700 sq. m. and is earmarked for a residential development.
- (9) June 2005: – A 50/50 joint venture company of the Group and the Hutchison Whampoa Group acquired a piece of land located at Douxi District of the Economic and Technological Development Park, New Northern Zone, Chongqing, the Mainland. Designated for residential and commercial purposes, the site has an area of approximately 470,900 sq. m.
- (10) July 2005: – A joint tender for certain parcels of land at Marina Boulevard/Central Boulevard, Singapore (“Marina Bay Land”) submitted by a 50/50 joint venture company of the Group and the Hutchison Whampoa Group together with two other consortium partners, each has a one-third interest, was awarded. Phase 1 of land parcel A of the Marina Bay Land is planned for the development of a business and financial centre.
- (11) August 2005: – A wholly owned subsidiary of the Group launched an issue of Japanese Yen Bonds in an aggregate principal amount of JPY33 billion in Japan.
- (12) The Group’s property projects in the Mainland are on schedule, both in terms of sales and leasing.

Property Sales

Turnover of property sales for the first half year, including share of property sales of jointly controlled entities, was HK\$5,674 million (2004 – HK\$8,252 million), a decrease of HK\$2,578 million when compared with the same period last year, and comprised mainly the sale of residential units of Harbourfront Landmark and One Beacon Hill completed in previous years and the sale of residential units of The Pacifica completed in Hong Kong during the period. As of the period end date, over 90% of the residential units of The Pacifica were sold.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$2,320 million (2004 – HK\$617 million), an increase of HK\$1,703 million when compared with the same period last year. Contribution margins increased significantly from last year, as the Hong Kong economy strengthened and growing demand for residential properties in Hong Kong during the period lifted the selling prices of the Group’s property projects, including Harbourfront Landmark and Caribbean Coast which also made good recovery on sales prices from their previously written down values.

Contribution from property sales for the second half year will mainly come from the sale of residential units of Carmel Cove of Caribbean Coast upon its completion in Hong Kong and several other property projects in the Mainland which are scheduled for completion. Up to the period end date, approximately two-thirds of the residential units of Carmel Cove of Caribbean Coast have been presold.

During the period, the residential units of The Legend at Jardine's Lookout in Hong Kong, scheduled for completion in 2006, were launched for presale. The presale result was very successful and approximately two-thirds of the units were presold within a month.

Property Rental

Turnover of the Group's property rental for the first half year was HK\$282 million (2004 – HK\$288 million), a decrease of HK\$6 million when compared with the same period last year mainly due to disposal of some minor rental properties during the period. Contribution from the Group's property rental, however, remained at the same level, when compared with the same period last year, as rental rates picked up in Hong Kong. The Group's existing investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 34% and 37% respectively of the turnover of the Group's property rental for the period.

Contribution from property rental, including share of results of jointly controlled entities, was HK\$458 million (2004 – HK\$424 million), an increase of HK\$34 million when compared with the same period last year. Contribution from jointly controlled entities continued to increase with good occupancy and rental rates at various investment properties both in Hong Kong and in the Mainland, despite the divestment of commercial units at Waldorf Garden and City One Shatin in Hong Kong during the period.

At interim balance sheet date, the Group recorded an increase in fair value of investment properties of HK\$962 million based on professional valuation, and shared an increase in fair value of investment properties of HK\$862 million of jointly controlled entities.

Hotels and Serviced Suites

Turnover of the Group's hotels and serviced suites for the first half year was HK\$303 million (2004 – HK\$282 million), an increase of HK\$21 million when compared with the same period last year. Increase in turnover was mainly driven by improved economic conditions in Hong Kong and increased number of tourist arrivals.

Contribution from hotels and serviced suites, including share of results of jointly controlled entities, was HK\$127 million (2004 (restated) – HK\$51 million), an increase of HK\$76 million when compared with the same period last year. Operating results of hotels and serviced suites, both in Hong Kong and in Beijing, were good with high occupancy and room rates which helped to offset the effect of a depreciation charge on hotel and serviced suite properties following a change of the accounting policy.

During the period, the acquisition of The Kowloon Hotel, of which the Group has a 50% interest, was completed and the new Rambler Garden Hotel, of which the Group has a 30% interest, had its grand opening. Both hotels are in Hong Kong and made contribution to group profit for the first time.

Benefiting from the growing economy in Hong Kong and in the Mainland, the Group's hotel and serviced suite operations will continue to make a good contribution.

Property and Project Management

Turnover of property and project management for the first half year was HK\$116 million (2004 – HK\$109 million), an increase of HK\$7 million when compared with the same period last year. Contribution from property and project management was HK\$47 million (2004 – HK\$37 million), an increase of HK\$10 million when compared with the same period last year. The increase in turnover and contribution was in line with the increase in property and project management services rendered by the Group 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, the total floor area under the Group's property management was approximately 77 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 profit attributable to shareholders for the six months ended 30th June, 2005 of HK\$11,824 million (2004 (restated) – HK\$10,758 million).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders of HK\$3,296,000 (2004 – HK\$838,000) in the first six months of 2005.

FINANCIAL REVIEW

Liquidity and Financing

During the period, the Group issued notes up to three years term in the total amount of HK\$1,138 million in Hong Kong and redeemed notes in the total amount of HK\$1,550 million. At interim balance sheet date, outstanding bonds and notes issued by the Group amounted to HK\$6.4 billion.

Together with bank loans of HK\$17 billion, the Group's total borrowings at interim balance sheet date were HK\$23.4 billion, an increase of HK\$2.4 billion from last year end date, and the maturity profile spread over a period of six years with HK\$1.9 billion repayable within one year, HK\$21.4 billion within two to five years and HK\$0.1 billion beyond five years.

At interim balance sheet date, the Group's gearing ratio remained low at 11.4%, calculated on the basis of the Group's net borrowings (after deducting cash and bank balances of HK\$2.2 billion) over shareholders' funds.

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 interim balance sheet date, approximately 99% of the Group's borrowings was in HK\$ with the balance in US\$ 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 interim balance sheet date, certain subsidiaries of the Group in the Mainland pledged assets of joint ventures with aggregate carrying value of HK\$1,103 million (31st December, 2004 (restated) – HK\$1,115 million) to secure bank loan facilities utilised by the joint ventures with other partners.

Contingent Liabilities

At interim balance sheet date, the Group's contingent liabilities were as follows:

- (1) share of contingent liability of a jointly controlled entity in respect of guaranteed return payments payable to the other party of a co-operative joint venture in the next 44 years amounted to HK\$4,504 million;
- (2) guarantee provided for the minimum share of revenue receivable by the other party of a joint venture project in a period of 40 years amounted to HK\$672 million; and
- (3) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK\$3,675 million (31st December, 2004 – HK\$3,597 million) and HK\$20 million (31st December, 2004 – HK\$21 million) respectively.

Employees

At the period end date, the Group employed approximately 6,900 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$521 million. 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, 2005, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listed Rules") as adopted by the Company, 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	–	–	13,580,000 (Note 1)	857,794,744 (Note 2)	871,374,744	37.62%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	100,000	1,529,000 (Note 4)	857,794,744 (Note 2)	859,643,744	37.11%
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%

1. Long Positions in Shares *(continued)*

(a) The Company *(continued)*

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Kam Hing Lam	Beneficial owner	10,000	–	–	–	10,000	0.0004%
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	0.003%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	384,000	–	–	384,000	0.02%
Simon Murray	Beneficial owner	27,000	–	–	–	27,000	0.001%
Hung Siu-lin, Katherine	Beneficial owner	20,000	–	–	–	20,000	0.0009%

(b) Associated Corporations

Hutchison Whampoa Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	47,577,000 (Note 1)	2,141,698,773 (Note 3)	2,189,275,773	51.35%
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%

1. Long Positions in Shares (continued)

(b) Associated Corporations (continued)

Hutchison Whampoa Limited (continued)

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	–	950,100 (Note 6)	1,000,000	0.02%
Kam Hing Lam	Beneficial owner	60,000	–	–	–	60,000	0.001%
Leung Siu Hon	Beneficial owner & interest of child or spouse	11,000	28,600	–	–	39,600	0.0009%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	4,310,875 (Note 7)	–	4,310,875	0.10%
Frank John Sixt	Beneficial owner	50,000	–	–	–	50,000	0.001%
Chow Kun Chee, Roland	Beneficial owner	49,931	–	–	–	49,931	0.001%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	100,000	–	–	100,000	0.002%
Simon Murray	Beneficiary of trust	–	–	–	87,000 (Note 8)	87,000	0.002%
Chow Nin Mow, Albert	Beneficial owner	97	–	–	–	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	–	–	–	34,000	0.0008%

1. Long Positions in Shares *(continued)*

(b) Associated Corporations *(continued)*

Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	–	–	–	1,912,109,945 (Note 11)	1,912,109,945	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	1,912,109,945 (Note 11)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	–	–	–	100,000	0.004%

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	1,880,005,715 (Note 1)	2,820,008,571 (Note 12)	4,700,014,286	73.35%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	1,500,000	–	–	2,820,008,571 (Note 12)	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	0.008%
Kam Hing Lam	Interest of child or spouse	–	4,150,000	–	–	4,150,000	0.06%

1. Long Positions in Shares (continued)

(b) Associated Corporations (continued)

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

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Chung Sun Keung, Davy	Beneficial owner	250,000	–	–	–	250,000	0.004%
Ip Tak Chuen, Edmond	Beneficial owner	1,500,000	–	–	–	1,500,000	0.02%
Pau Yee Wan, Ezra	Beneficial owner	600,000	–	–	–	600,000	0.009%
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 9)	–	529,400	0.008%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	1,000,000 (Note 7)	–	1,000,000	0.02%
Frank John Sixt	Beneficial owner	600,000	–	–	–	600,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	602,624	–	–	–	602,624	0.009%
Kwok Tun-li, Stanley	Interest of child or spouse	–	200,000	–	–	200,000	0.003%
Yeh Yuan Chang, Anthony	Beneficial owner	500,000	–	–	–	500,000	0.008%
Hung Siu-lin, Katherine	Beneficial owner	6,000	–	–	–	6,000	≈ 0%
Kwan Chiu Yin, Robert	Interest of controlled corporation	–	–	500,000 (Note 10)	–	500,000	0.008%

1. Long Positions in Shares *(continued)*

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 26)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	100,000,000 (Note 26)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	9,000 (Note 26)	9,000	90%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	9,000 (Note 26)	9,000	90%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,900 (Note 26)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,900 (Note 26)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	3,150,000 (Note 26)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	3,150,000 (Note 26)	3,150,000	100%
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	4 (Note 1)	6 (Note 27)	10	100%

1. Long Positions in Shares (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		
Hutchison Global Communications Holdings Limited	Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	286,312,000 (Notes 1 & 15)	3,875,632,628 (Notes 14(a) & 15)	4,161,944,628	60.28%
	Li Tzar Kuoi, Victor	Interest of controlled corporation & beneficiary of trust	–	–	26,300,000 (Notes 4 & 15)	3,875,632,628 (Notes 14(a) & 15)	3,901,932,628	56.52%
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	10,000,000 (Notes 7 & 15)	–	10,000,000	0.14%
Hutchison Telecommunications International Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	245,546 (Notes 1 & 16)	3,373,555,978 (Notes 13 & 16)	3,373,801,524	74.97%
	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	14,489 (Notes 4 & 17)	3,373,555,978 (Notes 13 & 17)	3,373,570,467	74.96%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	–	–	13,333	0.0003%
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	250,000 (Notes 7 & 21)	–	250,000	0.006%

1. Long Positions in Shares *(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		
Hutchison Harbour Ring Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	5,000,000 (Note 7)	–	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 7)	–	1,100,000	0.16%
	Frank John Sixt	Beneficial owner	1,000,000	–	–	–	1,000,000	0.15%

2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	18,613,202 (Note 19)	18,613,202
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	18,613,202 (Note 19)	18,613,202
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	31,644,803 (Note 20)	31,644,803
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	31,644,803 (Note 20)	31,644,803

2. Long Positions in Underlying Shares (continued)

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Global Communications Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,374,999,999 (Note 14(b))	4,374,999,999
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,374,999,999 (Note 14(b))	4,374,999,999
Hutchison Telecommunications International Limited	Frank John Sixt	Beneficial owner	255,000 (Note 22)	–	–	–	255,000
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	134,000 (Note 23)	–	1,340,001 (Notes 7 & 23)	–	1,474,001
Partner Communications Company Ltd.	George Colin Magnus	Beneficial owner	25,000 (Note 24)	–	–	–	25,000
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	225,000 (Note 25)	–	225,000

3. Short Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Number of Underlying Shares				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	18,613,202 (Note 19)	18,613,202
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	18,613,202 (Note 19)	18,613,202
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	31,644,801 (Note 20(b))	31,644,801
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	31,644,801 (Note 20(b))	31,644,801

4. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa International (01/11) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$2,000,000 7% Notes due 2011 (Note 4)	–	US\$2,000,000 7% Notes due 2011
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$11,000,000 6.5% Notes due 2013 (Note 4)	–	US\$11,000,000 6.5% Notes due 2013
Hutchison Whampoa International (03/33) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	US\$6,500,000 6.25% Notes due 2014 (Note 7)	–	US\$6,500,000 6.25% Notes due 2014

4. Long Positions in Debentures (continued)

Name of Company	Name of Director	Capacity	Amount of Debentures				Total
			Personal Interest	Family Interest	Corporate Interest	Other Interest	
Hutchison Whampoa Finance (OS) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	Euro12,600,000 4.125% Notes due 2015 (Note 7)	–	Euro12,600,000 4.125% Notes due 2015
Partner Communications Company Ltd.	Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	US\$1,500,000 13% Unsecured Senior Subordinated Notes due 2010 (Note 1)	US\$33,700,000 13% Unsecured Senior Subordinated Notes due 2010 (Note 18)	US\$35,200,000 13% Unsecured Senior Subordinated Notes due 2010
	Li Tzar Kuoi, Victor	Interest of controlled corporation & beneficiary of trusts	–	–	US\$10,989,000 13% Unsecured Senior Subordinated Notes due 2010 (Note 4)	US\$33,700,000 13% Unsecured Senior Subordinated Notes due 2010 (Note 18)	US\$44,689,000 13% Unsecured Senior Subordinated Notes due 2010
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	US\$4,000,000 13% Unsecured Senior Subordinated Notes due 2010 (Note 7)	–	US\$4,000,000 13% Unsecured Senior Subordinated Notes due 2010

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 857,794,744 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 857,794,744 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.

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

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 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 under the SFO.

Disclosure of Interests (continued)

- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
- (5) Such interests in the shares are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.
- (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
- (7) Such interests are held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (8) Such interests are held by an offshore family trust fund under which Mr. Simon Murray is a discretionary beneficiary.
- (9) Such interests are held by a company which is wholly owned by Mr. Leung Siu Hon and his wife.
- (10) Such interests are held by a company wholly owned by Mr. Kwan Chiu Yin, Robert.
- (11) 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.
- (12) 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.
- (13) Such shares of Hutchison Telecommunications International Limited ("HTIL") comprise:-
 - (a) 3,373,402,698 shares held by certain subsidiaries of the Company and 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 and HWL as described in Notes (2) and (3) above, are taken to have a duty of disclosure in relation to the said shares of HTIL under the SFO; and
 - (b) 153,280 shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of the deemed interests in TUT3 as trustee of UT3 as described in Note (3) above, are taken to have a duty of disclosure in relation to such shares of HTIL under the SFO.

(14) Such interests in Hutchison Global Communications Holdings Limited ("HGCH") comprise:–

- (a) 3,875,632,628 shares of which 248,743,835 shares and 3,626,888,793 shares were held by a wholly owned subsidiary of the Company and certain companies owned as to 74.33% by HWL respectively; and
- (b) 4,374,999,999 underlying shares of which 3,333,333,333 underlying shares and 1,041,666,666 underlying shares were derived from a nominal amount of HK\$3,200,000,000 in the 1% unsecured convertible notes due 2009 and the facility convertible notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000 respectively held by certain companies owned as to 74.33% by 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 and HWL as described in Notes (2) and (3) above, are taken to have a duty of disclosure in relation to the said shares and underlying shares of HGCH under the SFO.

- (15) Pursuant to the privatisation of HGCH by way of a scheme of arrangement under Section 99 of the Companies Act 1981 of Bermuda effective 15th July, 2005 ("Privatisation Scheme"), such shares were cancelled on 15th July, 2005 at the cancellation consideration of 2 HTIL shares for every 21 HGCH shares ("Cancellation Consideration").
- (16) Pursuant to the Privatisation Scheme, Mr. Li Ka-shing has been additionally entitled to 27,267,809 ordinary shares and 23,689,889 ordinary shares in HTIL under corporate interests and other interests respectively at the Cancellation Consideration since 1st August, 2005.
- (17) Pursuant to the Privatisation Scheme, Mr. Li Tzar Kuoi, Victor has been additionally entitled to 2,504,761 ordinary shares and 23,689,889 ordinary shares in HTIL under corporate interests and other interests respectively at the Cancellation Consideration since 1st August, 2005.
- (18) Such interests are held by a wholly owned subsidiary of CKH. 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 the interests in Partner Communications Company Ltd. ("Partner Communications") under the SFO.
- (19) Such underlying shares of HWL are held by an indirect wholly owned subsidiary of the Company comprising:–
 - (a) 10,463,201 underlying shares by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme; and
 - (b) 8,150,001 underlying shares by virtue of the HK Dollar equity-linked notes due 2008 issued under HK\$10,000,000,000 retail note issuance programme.

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 the said interests and short position in the underlying shares of HWL under the SFO.

- (20) Such underlying shares of CKI are held by an indirect wholly owned subsidiary of the Company comprising:–

- (a) 2 underlying shares by virtue of the HK\$300,000,000 capital guaranteed notes due 2009; and
- (b) 31,644,801 underlying shares by virtue of the HK Dollar equity-linked notes due 2007 issued under HK\$10,000,000,000 retail note issuance programme.

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 the said interests and short position in the underlying shares of CKI under the SFO.

- (21) Pursuant to the Privatisation Scheme, Mr. Fok Kin-ning, Canning has been additionally entitled to 952,380 ordinary shares in HTIL through a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife at the Cancellation Consideration since 18th July, 2005.
- (22) Such underlying shares are derived from the 17,000 American Depositary Shares (each representing 15 ordinary shares) in HTIL beneficially owned by Mr. Frank John Sixt.
- (23) Such underlying shares in Hutchison Telecommunications (Australia) Limited are derived from the listed and physically settled 5.5% unsecured convertible notes due 2007 issued by Hutchison Telecommunications (Australia) Limited.
- (24) Such underlying shares are derived from the 25,000 American Depositary Shares (each representing 1 ordinary share) in Partner Communications beneficially owned by Mr. George Colin Magnus.
- (25) Such underlying shares are derived from the 225,000 American Depositary Shares (each representing 1 ordinary share) in Partner Communications held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (26) 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.
- (27) 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, 2005, 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, 2005, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June, 2005, 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 or had otherwise notified to the Company 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	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	857,794,744 (Note)	37.04%

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	161,322,169	6.97%

Note: The three references to 857,794,744 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, 2005, 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.

Corporate Governance

The Company is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality board, sound internal control, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (“Code on CG Practices”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2005.

BOARD COMPOSITION AND BOARD PRACTICES

The Board of Directors (“Board”) of the Company 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 of the Company comprises a total of twenty-one Directors, with nine Executive Directors, four Non-executive Directors and eight Independent Non-executive Directors (“INEDs”). More than one-third of the Board is INEDs and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years in accordance with the Company’s Articles of Association and the Code on CG Practices.

The positions of the Chairman of the Board (“Chairman”) and the Managing Director are 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. Apart from regular Board meetings, the Chairman has meetings with the Non-executive Directors (including Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

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

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective 31st March, 2004. Enquiry has been made with all Directors and the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30th June, 2005.

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

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") in December 1998 and has formulated its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The existing Audit Committee of the Company comprises three Independent Non-executive Directors, namely, Mr. Kwan Chiu Yin, Robert (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Mr. Cheong Ying Chew, Henry. 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 and review of the relationship with the external auditors of the Company.

The Group's interim report for the six months ended 30th June, 2005 has been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

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

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure in relation to the remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has established different communication channels with shareholders and investors: (i) apart from printed copies of corporate communication (including but not limited to annual report, interim report, notice of meeting, circular and proxy forms) required under the Listing Rules, shareholders can select to receive such documents by electronic means; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group are available on the website of the Company; (iv) the Company's website offers communication channel between the Company and its shareholders and investors; (v) regular press conferences and briefing meetings with analysts from investment sectors are set up from time to time on updated performance information of the Group; and (vi) the Company's Registrars serve the shareholders respecting all share registration matters.

Other Information

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June, 2005. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

RULE 13.22 OF THE LISTING RULES

As at 30th June, 2005, the aggregate amount of the financial assistance provided by the Group to its associated companies and jointly controlled entities (collectively the "Affiliated Companies" within the meaning under Chapter 13 of the Listing Rules) and the guarantees given by the Group for facilities granted to the Affiliated Companies exceeded the relevant percentage ratios of 8% under the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined balance sheet of the Affiliated Companies, to which the provision of financial assistance and/or guarantees by the Group are subject to disclosure under Rule 13.16, is set out below:

Proforma Combined Balance Sheet As at 30th June, 2005	HK\$ Million	The Group's attributable interest HK\$ Million
Fixed assets	11,027	4,431
Investment properties	21,230	8,757
Other non-current assets	1,954	893
Current assets		
Stock of properties	24,375	11,642
Bank balances and deposits	5,072	2,317
Other current assets	6,867	3,387
Current liabilities		
Bank and other loans	(776)	(332)
Other current liabilities	(5,120)	(2,334)
Non-current liabilities		
Bank and other loans	(7,824)	(3,481)
Other non-current liabilities	(3,367)	(1,419)
Minority interests	(1,440)	(690)
Total shareholders' loan and equity	51,998	23,171

Interim Financial Statements

Consolidated Profit and Loss Account

For the six months ended 30th June, 2005

		(Unaudited) 2005 HK\$ Million	2004 (Restated) HK\$ Million
	Note		
Group turnover		2,787	7,305
Share of property sales of jointly controlled entities		3,588	1,626
Turnover	(2)	6,375	8,931
Group turnover		2,787	7,305
Investment and other income		664	867
Operating costs			
Property and related costs		(1,194)	(6,611)
Salaries and related expenses		(314)	(296)
Interest and other finance costs		(69)	(170)
Other expenses		(125)	(166)
		(1,702)	(7,243)
Share of results of jointly controlled entities		2,623	769
Increase in fair value of investment properties		962	–
Operating profit		5,334	1,698
Share of results of associates		5,179	5,495
Profit before taxation	(3)	10,513	7,193
Taxation	(4)	84	(308)
Profit for the period		10,597	6,885
Profit attributable to minority interests		(229)	(48)
Profit attributable to shareholders		10,368	6,837
Dividends			
Interim dividend of HK\$0.42 (2004 – HK\$0.38) per share		973	880
Earnings per share	(5)	HK\$4.48	HK\$2.95

Consolidated Balance Sheet

As at 30th June, 2005

	(Unaudited) 30/6/2005 HK\$ Million	(Audited) 31/12/2004 (Restated) HK\$ Million
Non-current assets		
Fixed assets	8,745	7,385
Investment properties	11,344	10,545
Associates	128,956	126,850
Jointly controlled entities	24,743	21,259
Investments available for sale	8,129	7,619
Long term loans	837	1,245
	182,754	174,903
Current assets		
Stock of properties	28,571	25,812
Debtors, deposits and prepayments	1,939	2,254
Investments held for trading	1,090	1,040
Derivative financial instruments	356	–
Bank balances and deposits	2,244	4,033
	34,200	33,139
Current liabilities		
Bank and other loans	1,873	3,139
Creditors and accruals	2,470	2,663
Derivative financial instruments	89	–
Provision for taxation	651	553
	29,117	26,784
Net current assets	29,117	26,784
Total assets less current liabilities	211,871	201,687
Non-current liabilities		
Bank and other loans	21,490	17,907
Deferred tax liabilities	472	428
	21,962	18,335
Net assets	189,909	183,352
Representing:		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	526	641
Retained profits	172,630	163,788
Dividend		
Interim dividend for 2005	973	–
Final dividend for 2004	–	3,289
Shareholders' funds	184,618	178,207
Minority interests	5,291	5,145
Total equity	189,909	183,352

Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2005

	Share capital and premium HK\$ Million	Capital reserve HK\$ Million	Investment revaluation reserve HK\$ Million	Exchange reserve HK\$ Million	Retained profits and proposed dividend HK\$ Million	Minority interests HK\$ Million	Total HK\$ Million
Balance at 1st January, 2005 as previously reported	10,489	345	–	296	169,035	5,232	185,397
Prior year adjustments (note 1)	–	–	–	–	(1,958)	(87)	(2,045)
Balance at 1st January, 2005, as restated	10,489	345	–	296	167,077	5,145	183,352
Adjustment at 1st January, 2005 upon adoption of HKAS 39 (note 1)							
Company and subsidiaries	–	–	–	–	669	–	669
Associates	–	–	–	–	(1,222)	–	(1,222)
Profit for the period	–	–	–	–	10,368	229	10,597
Change in fair value of investments available for sale	–	–	10	–	–	–	10
Exchange translation differences	–	–	–	(2)	–	–	(2)
Share of reserves of jointly controlled entities	–	–	–	(123)	–	–	(123)
Change in minority interests	–	–	–	–	–	45	45
Dividend paid	–	–	–	–	(3,289)	(128)	(3,417)
Balance at 30th June, 2005	10,489	345	10	171	173,603	5,291	189,909

	Share capital and premium HK\$ Million	Capital reserve HK\$ Million	Investment revaluation reserve HK\$ Million	Exchange reserve HK\$ Million	Retained profits and proposed dividend HK\$ Million	Minority interests HK\$ Million	Total HK\$ Million
Balance at 1st January, 2004 as previously reported	10,489	345	–	142	160,546	4,106	175,628
Prior year adjustments (note 1)	–	–	–	–	(1,341)	(67)	(1,408)
Balance at 1st January, 2004, as restated	10,489	345	–	142	159,205	4,039	174,220
Profit for the period	–	–	–	–	6,837	48	6,885
Exchange translation differences	–	–	–	7	–	–	7
Share of reserves of jointly controlled entities	–	–	–	5	–	–	5
Change in minority interests	–	–	–	–	–	150	150
Dividend paid	–	–	–	–	(3,011)	(2)	(3,013)
Balance at 30th June, 2004	10,489	345	–	154	163,031	4,235	178,254

Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2005

	(Unaudited)	
	2005 HK\$ Million	2004 HK\$ Million
Net cash from/(used in) operating activities	(2,908)	651
Net cash from/(used in) investing activities	(1,061)	115
Net cash from/(used in) financing activities	2,180	(3,660)
Net decrease in cash and cash equivalents	(1,789)	(2,894)
Cash and cash equivalents at 1st January	4,033	5,182
Cash and cash equivalents at 30th June	2,244	2,288

Notes to Interim Financial Statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The principal accounting policies used in the preparation of the interim financial statements are consistent with those used in the financial statements for the year ended 31st December, 2004, except for the changes described below.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) which are generally effective for accounting periods beginning on or after 1st January, 2005. The Group has already early adopted some of the HKFRSs in the preparation of financial statements for the year ended 31st December, 2004. The adoption of the other remaining HKFRSs has resulted in the following changes in the Group’s accounting policies for (i) hotel and serviced suite properties; and (ii) investments in securities:

- (i) In prior years, hotel and serviced suite properties, which are held for operation, were stated at cost less provision for impairment where appropriate. No depreciation was provided based on the properties’ high residual values if the unexpired lease terms were over 20 years.

Following the adoption of HK Interpretation 2 “The Appropriate Accounting Policies for Hotel Properties” which concludes that the residual value of land held under an operating lease would typically be zero and the residual value of a building situated on leasehold land will highly likely be insignificant relative to the depreciable amount, hotel and serviced suite properties, which are held for operation, are stated at cost less depreciation and provision for impairment where appropriate.

This change in accounting policy has been applied retrospectively.

- (ii) In prior years, investments in securities intended to be held on a continuing basis, which are not investments in subsidiaries, jointly controlled entities or associates, were classified as investment securities and were carried at cost less provision for impairment where appropriate. Results of these investments were included in the profit and loss account only to the extent of dividends and interests received and receivable. Other investments were stated at fair value in the balance sheet. Changes in fair value were dealt with in the profit and loss account.

1. Basis of preparation (continued)

(ii) (continued)

Following the adoption of HKAS 39 “Financial Instruments: Recognition and Measurement”, investments which are not subsidiaries, jointly controlled entities or associates are classified as either investments held for trading or investments available for sale, and are stated at fair value in the balance sheet. For investments held for trading, changes in fair value are included in the profit and loss account; and for investments available for sale, changes in fair value are dealt with in the reserves.

This change in accounting policy has been applied prospectively from 1st January, 2005. The difference between the carrying amount of investment securities and their fair value at 31st December, 2004 has been adjusted to retained profits at 1st January, 2005.

The above changes in the Group’s accounting policies have the following effects on the interim financial statements:

	Hotel and serviced suite properties		Investments in securities		Total	
	Six months ended 30th June		Six months ended 30th June		Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million	2005 HK\$ Million	2004 HK\$ Million	2005 HK\$ Million	2004 HK\$ Million
Decrease in investment and other income	–	–	(23)	–	(23)	–
Increase in depreciation	(51)	(50)	–	–	(51)	(50)
Decrease in share of results of jointly controlled entities	(27)	(17)	–	–	(27)	(17)
Decrease in taxation	4	5	–	–	4	5
Decrease in profit attributable to minority interests	10	10	–	–	10	10
Decrease in profit attributable to shareholders	(64)	(52)	(23)	–	(87)	(52)
Decrease in earnings per share	HK\$(0.03)	HK\$(0.03)	HK\$(0.01)	–	HK\$(0.04)	HK\$(0.03)

1. Basis of preparation (continued)

	Hotel and serviced suite properties		Investments in securities		Total	
	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million
Decrease in fixed assets	(506)	(455)	–	–	(506)	(455)
Increase in associates	–	–	146	–	146	–
Decrease in jointly controlled entities	(114)	(87)	–	–	(114)	(87)
Increase in investments available for sale	–	–	656	–	656	–
Decrease in deferred tax liabilities	37	33	–	–	37	33
Increase/(decrease) in net assets	(583)	(509)	802	–	219	(509)
Increase/(decrease) in retained profits at 1st January	(422)	(318)	815	–	393	(318)
Increase in investment revaluation reserve	–	–	10	–	10	–
Decrease in retained profits for the period/year	(64)	(104)	(23)	–	(87)	(104)
Decrease in minority interests	(97)	(87)	–	–	(97)	(87)
Increase/(decrease) in total equity	(583)	(509)	802	–	219	(509)

The adoption of the new and revised HKFRSs by Hutchison Whampoa Limited has material effects on its profit attributable to shareholders, various balance sheet items and opening balance of shareholders' funds. The Group's share of these effects has the following impact on the interim financial statements:

	Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million
Increase/(decrease) in share of results of associates	23	(830)
Increase in taxation	(43)	(31)
Decrease in profit attributable to shareholders	(20)	(861)
Decrease in earnings per share	HK\$(0.01)	HK\$(0.37)

1. Basis of preparation (continued)

	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million
Decrease in associates	(2,924)	(1,536)
Decrease in net assets	(2,924)	(1,536)
Decrease in retained profits at 1st January	(2,904)	(1,023)
Decrease in retained profits for the period/year	(20)	(513)
Decrease in total equity	(2,924)	(1,536)

In summary, the Group's profit attributable to shareholders was decreased by HK\$107 million for the six months ended 30th June, 2005 and was decreased by HK\$913 million for the six months ended 30th June, 2004 (restated from HK\$7,750 million to HK\$6,837 million); retained profits at 1st January, 2005 and 1st January, 2004 were decreased by HK\$2,511 million and HK\$1,341 million respectively; and earnings per share were decreased by HK\$0.05 for the six months ended 30th June, 2005 and were decreased by HK\$0.40 for the six months ended 30th June, 2004.

The adoption of the new and revised HKFRSs has also resulted in changes in the presentation of the interim financial statements and certain comparative figures have been restated to conform with the current period's presentation and basis of preparation. Comparative figures for change in fair value of investment properties have not been restated as fair value of investment properties at 30th June, 2004 has not been previously reported.

2. Turnover and contribution

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

	Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million
Property sales	2,086	6,626
Property rental	282	288
Hotels and serviced suites	303	282
Property and project management	116	109
Group turnover	2,787	7,305
Share of property sales of jointly controlled entities	3,588	1,626
Turnover	6,375	8,931

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 operating activities (including property sales of jointly controlled entities) were mainly in the Mainland and Singapore which accounted for approximately 5% and 4% of the turnover respectively.

2. Turnover and contribution (continued)

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

	Company and subsidiaries		Jointly controlled entities		Total	
	Six months ended 30th June		Six months ended 30th June		Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million	2005 HK\$ Million	2004 HK\$ Million	2005 HK\$ Million	2004 HK\$ Million
Property sales	971	121	1,349	496	2,320	617
Property rental	232	232	226	192	458	424
Hotels and serviced suites	58	23	69	28	127	51
Property and project management	47	34	–	3	47	37
	1,308	410	1,644	719	2,952	1,129
Investment and finance					582	440
Interest and other finance costs					(69)	(170)
Increase in fair value of investment properties						
Company and subsidiaries					962	–
Jointly controlled entities					862	–
Others					73	303
Taxation (excluding share of taxation of listed associates)					(673)	(192)
Profit attributable to minority interests					(229)	(48)
					4,460	1,462
Share of net profit of listed associates						
Hutchison Whampoa Limited					5,907	5,375
CK Life Sciences Int'l., (Holdings) Inc.					1	–
Profit attributable to shareholders					10,368	6,837

3. Profit before taxation

	Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million
Profit before taxation is arrived at after charging/(crediting):		
Interest and other finance costs	221	222
Less: Interest capitalised	(152)	(52)
	69	170
Costs of properties sold	998	6,026
Depreciation	86	102
Net realised and unrealised holding losses/(gains) on investments	35	(53)
Profit on disposal of investment properties	(117)	–
Profit on disposal of jointly controlled entities	(164)	–

4. Taxation

	Six months ended 30th June	
	2005 HK\$ Million	2004 HK\$ Million
Company and subsidiaries		
Hong Kong profits tax	98	62
Overseas tax	2	3
Deferred tax	44	26
Share of taxation charge/(credit)		
Jointly controlled entities	525	99
Associates	(753)	118
	(84)	308

Hong Kong profits tax has been provided for at the rate of 17.5% (2004 – 17.5%) 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 (2004 – 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:

	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million
Current to one month	980	714
Two to three months	42	8
Over three months	35	30
	1,057	752

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

	30/6/2005 HK\$ Million	31/12/2004 HK\$ Million
Current to one month	538	494
Two to three months	10	15
Over three months	12	9
	560	518

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\$360 million and HK\$25 million respectively, and advances made to/received from jointly controlled entities amounted to HK\$20,369 million and HK\$1,262 million respectively. Guarantees provided by the Group for bank loans utilised by jointly controlled entities amounted to HK\$3,675 million.

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

8. 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, 2005

The Board of Directors of Cheung Kong (Holdings) Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2005 amounted to HK\$10,368 million which represents earnings of HK\$4.48 per share. The Directors have declared an interim dividend for 2005 of HK\$0.42 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 13th October, 2005. The dividend will be paid on Friday, 14th October, 2005.

The Register of Members of the Company will be closed from Thursday, 6th October, 2005 to Thursday, 13th October, 2005, 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, 5th October, 2005.

By Order of the Board
CHEUNG KONG (HOLDINGS) LIMITED
Eirene Yeung
Company Secretary

Hong Kong, 25th August, 2005

Corporate Information

BOARD OF DIRECTORS

LI Ka-shing *Chairman*
LI Tzar Kuoi, Victor *Managing Director and Deputy Chairman*
George Colin MAGNUS *Deputy Chairman*
KAM Hing Lam *Deputy Managing Director*
CHUNG Sun Keung, Davy *Executive Director*
IP Tak Chuen, Edmond *Executive Director*
PAU Yee Wan, Ezra *Executive Director*
WOO Chia Ching, Grace *Executive Director*
CHIU Kwok Hung, Justin *Executive Director*

LEUNG Siu Hon *Non-executive Director*
FOK Kin-ning, Canning *Non-executive Director*
Frank John SIXT *Non-executive Director*
CHOW Kun Chee, Roland *Non-executive Director*

KWOK Tun-li, Stanley *Independent Non-executive Director*
YEH Yuan Chang, Anthony *Independent Non-executive Director*
Simon MURRAY *Independent Non-executive Director*
CHOW Nin Mow, Albert *Independent Non-executive Director*
HUNG Siu-lin, Katherine *Independent Non-executive Director*
WONG Yick-ming, Rosanna* *Independent Non-executive Director*
KWAN Chiu Yin, Robert *Independent Non-executive Director*
CHEONG Ying Chew, Henry *Independent Non-executive Director*

* Also alternate director to Simon MURRAY

AUDIT COMMITTEE

KWAN Chiu Yin, Robert *(Chairman)*
KWOK Tun-li, Stanley
CHEONG Ying Chew, Henry

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Eirene YEUNG

QUALIFIED ACCOUNTANT

MAN Ka Keung, Simon

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
BNP Paribas
Industrial and Commercial Bank of China (Asia) Limited
Sumitomo Mitsui Banking Corporation
Citibank, N.A.
Mizuho Corporate Bank, Ltd
The Bank of Tokyo-Mitsubishi, Ltd.
UFJ Bank Limited

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Woo, Kwan, Lee & Lo

REGISTERED OFFICE

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SHARE REGISTRARS AND TRANSFER OFFICE

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