

Report of the Directors

The Directors have pleasure in presenting to shareholders their report together with the audited financial statements of the Company and of the Group for the year ended 31st December, 2005.

Principal Activities

The principal activities of the Company are investment holding and project management. Its subsidiaries are active in the field of property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

Results and Dividends

Results of the Group for the year ended 31st December, 2005 are set out in the consolidated profit and loss account on page 100.

The Directors recommend the payment of a final dividend of HK\$1.58 per share which, together with the interim dividend of HK\$0.42 per share paid on 14th October, 2005, makes a total dividend of HK\$2.00 per share for the year.

Fixed Assets

Movements in fixed assets during the year are set out in note (8) to the financial statements.

Reserves

Movements in reserves of the Company and the Group during the year are set out in note (21) to the financial statements and in the consolidated statement of changes in equity on page 103 respectively.

Group Financial Summary

Results, assets and liabilities of the Group for the last ten years are summarised on page 2.

Properties

Particulars of major properties held by the Group are set out on pages 94 to 99.

Directors

The Directors of the Company are listed on page 148. The Directors' biographical information is set out on pages 24 to 27.

On 1st November, 2005, Mr. George Colin Magnus was re-designated as Non-executive Director of the Company and Mr. Ip Tak Chuen, Edmond was appointed as Deputy Managing Director of the Company.

In accordance with the Company's Articles of Association, the Directors of the Company (including Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Kam Hing Lam, Mr. Chung Sun Keung, Davy, Mr. Fok Kin-ning, Canning, Mr. Frank John Sixt, Mr. George Colin Magnus, Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine will retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Disclosure of Interests

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

As at 31st December, 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 Listing 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	–	–	27,244,000 (Note 1)	857,794,744 (Note 2)	885,038,744	38.21%
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%
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%
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%
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%
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%
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%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	124,000	–	–	124,000	0.003%
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%

Report of the Directors (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%
Kam Hing Lam	Interest of child or spouse	-	4,150,000	-	-	4,150,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	1,500,000	-	-	-	1,500,000	0.02%
Chung Sun Keung, Davy	Beneficial owner	250,000	-	-	-	250,000	0.004%
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%

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 & beneficiary of trust	502,240	400	–	7,360 (Note 5)	510,000	0.008%
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%

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 16)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	100,000,000 (Note 16)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	9,000 (Note 16)	9,000	90%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	9,000 (Note 16)	9,000	90%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,900 (Note 16)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,900 (Note 16)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	3,150,000 (Note 16)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	3,150,000 (Note 16)	3,150,000	100%

Report of the Directors (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 17)	10	100%
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	4,100,000	–	1,000,000 (Note 7)	–	5,100,000	0.75%
	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 13)	18,613,202	
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	18,613,202 (Note 13)	18,613,202	
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	31,644,803 (Note 14)	31,644,803	
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	31,644,803 (Note 14)	31,644,803	
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	134,000 (Note 15)	–	–	1,340,001 (Notes 7 & 15)	–	1,474,001

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 13)	18,613,202
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	18,613,202 (Note 13)	18,613,202
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	-	-	-	31,644,801 (Note 14(b))	31,644,801
	Li Tzar Kuoi, Victor	Beneficiary of trusts	-	-	-	31,644,801 (Note 14(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\$12,000,000 7% Notes due 2011 (Note 4)	-	US\$12,000,000 7% Notes due 2011
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	-	-	US\$21,000,000 6.5% Notes due 2013 (Note 4)	-	US\$21,000,000 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
Hutchison Whampoa Finance (05) 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

Report of the Directors (continued)

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.

- (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 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.

Report of the Directors (*continued*)

- (14) 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.
- (15) 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.
- (16) 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.
- (17) 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 31st December, 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 31st December, 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.

At no time during the year was the Company or subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

No other contracts of significance to which the Company or a subsidiary was a party and in which a Director has a material interest subsisted at the balance sheet date or at any time during the year.

None of the Directors has any service contract with the Company or any of its subsidiaries.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31st December, 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	151,068,706	6.52%

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 31st December, 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.

Continuing Connected Transaction

On 16th December, 2005, the Company had entered into a tenancy agreement with Turbo Top Limited (“Turbo Top”), which is a connected person of the Company within the meaning of the Listing Rules by virtue of its being a wholly owned subsidiary of HWL, which in turn is a substantial shareholder of certain subsidiaries of the Company, in respect of the lease of the whole of 7th, 8th, 9th, 10th and 11th Floors and Office Unit 1201 on 12th Floor of Cheung Kong Center, 2 Queen’s Road Central, Hong Kong with an aggregate lettable floor area of approximately 110,864 square feet as the headquarters and office premises of the Group in Hong Kong for a term of three years commencing from 1st September, 2005 to 31st August, 2008 at a monthly rental of HK\$3,968,932, exclusive of Government rates and other charges. The aggregate rent and service charges payable under the tenancy agreement are subject to an annual cap of HK\$59,000,000 taking into account the possible adjustment on the service charges. During the year, rent and service charges amounting to HK\$7,383,543 were payable by the Company to Turbo Top pursuant to the aforesaid tenancy agreement. The above transaction of the Group constituted a continuing connected transaction (the “Continuing Connected Transaction”) under the Listing Rules during the financial year ended 31st December, 2005.

An announcement (“Announcement”) was published on 19th December, 2005 regarding the Continuing Connected Transaction in accordance with the Listing Rules.

The Continuing Connected Transaction has been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that for the year 2005 the Continuing Connected Transaction has been entered into (i) in the ordinary and usual course of business of the Company; (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available to (or from) independent third parties; and (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Auditors of the Company have also confirmed that for the year 2005 the Continuing Connected Transaction (i) has received the approval of the Board of Directors of the Company; (ii) has been entered into in accordance with the relevant agreement governing the transaction; and (iii) has not exceeded the cap as disclosed in the Announcement.

Connected Transactions

- The Group had entered into the following joint venture arrangements (“JV Arrangements”) with HWL and/or its subsidiaries (the “HWL Group”) and established joint venture companies in which each of the Group and the HWL Group has 50% equity interests. HWL is a substantial shareholder of certain subsidiaries of the Company and hence a connected person of the Company within the meaning of the Listing Rules. Such JV Arrangements constituted connected transactions for the Company under the Listing Rules.

Date	Joint Venture Company	Details of JV Arrangements
4th February, 2005	Gislingham Limited (“Gislingham”)	Establishment of Gislingham for the purpose of owning and development of Lot No. 86A and Lot No. 86B in Maqiao, Minhang District, Shanghai, the Mainland (“Maqiao Land”), through the acquisition of the entire equity interest in, and the shareholders’ loans to, Shanghai Qi-long Property Company Limited (“Shanghai Qi-long”) at a total consideration of RMB262.28 million. Shanghai Qi-long had acquired and proposed to acquire the land use rights in respect of the Maqiao Land. To fund the payment of land cost, construction costs and other project costs for the development of Maqiao Land, Shanghai Qi-long would have a total investment of US\$82.8 million and its registered capital would be increased to US\$27.6 million. The acquisition cost for the equity interest in, and shareholders’ loans to, Shanghai Qi-long, and any contribution to the registered capital of, and any shareholders’ loans to, Shanghai Qi-long would be made equally by the Group and the HWL Group in proportion to their respective equity interests in Gislingham.
5th March, 2005	Hutchison Whampoa Properties (Chengdu) Wenjiang Limited (“HWPCW”)	Establishment of HWPCW for the purpose of effecting the acquisition and development of a piece of land in Wenjiang District, Chengdu, the Mainland (“Wenjiang Land”). To fund the payment of land cost, construction costs and other project costs for the development of the Wenjiang Land, the total investment and the registered capital of HWPCW were proposed to be RMB570 million and RMB200 million respectively. Any contribution to the registered capital of, and any shareholders’ loans to, HWPCW would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPCW.

Report of the Directors (continued)

Date	Joint Venture Company	Details of JV Arrangements
26th April, 2005	Hutchison Whampoa Properties (Changchun) Limited ("HWPCCL") Hutchison Whampoa Properties (Changsha WangCheng) Limited ("HWPCWC")	Establishment of HWPCCL and HWPCWC for the purpose of owning and developing 2 pieces of land in Changchun ("Changchun Land") and Changsha ("Changsha Land"), both in the Mainland, respectively. To fund the payment of land cost, construction costs and other project costs for the development of the Changchun Land and the Changsha Land, the total investment and registered capital of HWPCCL were proposed to be US\$52.8 million and US\$18.5 million respectively, and the total investment and registered capital of HWPCWC were proposed to be RMB413 million and RMB149 million respectively. Any contribution to the registered capital of, and any shareholders' loans to, each of HWPCCL and HWPCWC would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPCCL and HWPCWC respectively.
12th May, 2005	Hutchison Whampoa Properties (Wuhan Jiangnan North) Limited ("HWPWJN") Hutchison Whampoa Properties (Wuhan Jiangnan South) Limited ("HWPWJS")	Establishment of HWPWJN and HWPWJS for the purpose of owning and developing 2 pieces of land in Wuhan, the Mainland ("Wuhan Lands"). To fund the payment of land cost, construction costs and other project costs for the development of the Wuhan Lands, the total investment and registered capital of HWPWJN were proposed to be US\$121.7 million and US\$42.6 million respectively, and the total investment and registered capital of HWPWJS were proposed to be US\$188.4 million and US\$66 million respectively. Any contribution to the registered capital of, and any shareholders' loans to, each of HWPWJN and HWPWJS would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPWJN and HWPWJS respectively.
24th May, 2005	Rassin Property Enterprises Management (Beijing) Limited ("RPEMB")	Establishment of RPEMB for the purpose of owning and developing a piece of land in Beijing, the Mainland ("Beijing Land"). To fund the payment of land cost, construction costs and other project costs for the development of the Beijing Land, the total investment and registered capital of RPEMB were proposed to be US\$63.857 million and US\$22.35 million respectively. Any contribution to the registered capital of, and any shareholders' loans to, RPEMB would be made equally by the Group and the HWL Group in proportion to their respective equity interests in RPEMB.

Date	Joint Venture Company	Details of JV Arrangements															
13th June, 2005	Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited (“HWPCJ”)	Establishment of HWPCJ for the purpose of owning and developing a piece of land in Chongqing, the Mainland (“Chongqing Land”). To fund the payment of land cost, construction costs and other project costs for the development of the Chongqing Land, the total investment and registered capital of HWPCJ were RMB714 million and RMB250 million respectively. Any contribution to the registered capital of, and any shareholders’ loans to, HWPCJ would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPCJ.															
21st September, 2005	Hutchison Whampoa Properties (Guangzhou Zengcheng) Limited (“HWPGZ”) Guangzhou Walkin Real Estate Limited (“GWRE”) Guangzhou Crystal Rainbow Real Estate Limited (“GCRRE”) Guangzhou Eternal Star Real Estate Limited (“GESRE”)	Establishment of HWPGZ, GWRE, GCRRE and GESRE for the purpose of owning and developing 4 pieces of land at Zengcheng City, Guangzhou, the Mainland (“Zengcheng Lands”) respectively. To fund the payment of land costs, construction costs and other project costs for the development of the Zengcheng Lands, the aggregate amounts of the total investment and registered capital of HWPGZ, GWRE, GCRRE and GESRE were RMB580 million and RMB232 million respectively. The total investment and registered capital of each of HWPGZ, GWRE, GCRRE and GESRE were as follows: <table border="1" data-bbox="794 1192 1337 1360"> <thead> <tr> <th>JVCo</th> <th>Total Investment</th> <th>Registered Capital</th> </tr> </thead> <tbody> <tr> <td>HWPGZ</td> <td>RMB245 million</td> <td>RMB98 million</td> </tr> <tr> <td>GWRE</td> <td>RMB115 million</td> <td>RMB46 million</td> </tr> <tr> <td>GCRRE</td> <td>RMB105 million</td> <td>RMB42 million</td> </tr> <tr> <td>GESRE</td> <td>RMB115 million</td> <td>RMB46 million</td> </tr> </tbody> </table> <p>Any contribution to the registered capital of, and any shareholders’ loans to, each of HWPGZ, GWRE, GCRRE and GESRE would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPGZ, GWRE, GCRRE and GESRE respectively.</p>	JVCo	Total Investment	Registered Capital	HWPGZ	RMB245 million	RMB98 million	GWRE	RMB115 million	RMB46 million	GCRRE	RMB105 million	RMB42 million	GESRE	RMB115 million	RMB46 million
JVCo	Total Investment	Registered Capital															
HWPGZ	RMB245 million	RMB98 million															
GWRE	RMB115 million	RMB46 million															
GCRRE	RMB105 million	RMB42 million															
GESRE	RMB115 million	RMB46 million															
19th December, 2005	Mapleleaf Developments Limited (“Mapleleaf”)	Establishment of Mapleleaf for the purpose of forming another joint venture (“JVCo”) with another party on a 50/50 basis for acquiring a piece of land at Pudong District in Shanghai, the Mainland (“Pudong Land”). To fund the payment of land cost, construction costs and other project costs for the development of the Pudong Land, the total investment and registered capital of JVCo were proposed to be about US\$683 million and about US\$240 million respectively. Any contribution to the registered capital of, and any shareholders’ loans to, JVCo would be made by the Group and the HWL Group in proportion to their respective equity interests in JVCo.															

Report of the Directors (continued)

Date	Joint Venture Company	Details of JV Arrangements
6th February, 2006	Golden Castle Management Limited (“Golden Castle”)	Establishment of Golden Castle for the purpose of forming another joint venture (“JVCo”) between Golden Castle and another party on a 80/20 basis for owning and developing 4 pieces of land at Jinkeng Village, Zhongxin Town (Zhenlong), the Mainland (“Zhenlong Lands”). To expand and enhance the scale and quality of development of the Zhenlong Lands, the total investment and the registered capital of JVCo would be increased to RMB1,544.32 million and RMB1,040.64 million respectively. Any contribution to the registered capital of, and any shareholders’ loans to, JVCo through Golden Castle would be made equally by the Group and the HWL Group in proportion to their respective effective equity interests in JVCo.
22nd February, 2006	Upper Speed Limited (“Upper Speed”)	Establishment of Upper Speed for the purpose of effecting the acquisition from Taylor Woodrow Capital Developments Limited of (i) 50% of the issued share capital of, (ii) the benefits of the loans owed by, and (iii) the benefit of the bonds issued by, each of Circadian (CH) Limited and Circadian Limited (which in turn own developments located at Chelsea Harbour Phase II and the Lots Road Power Station in the United Kingdom respectively) at the total consideration of £41.5 million. The consideration paid by Upper Speed was funded by the Group and the HWL Group in proportion to their 50/50 interest in Upper Speed.

- The Group had provided guarantees (“Guarantees”) or financial assistance (“Financial Assistance”) for companies in respect of which both the Group and the HWL Group or other joint venture partner(s) have interests. The Guarantees or Financial Assistance were provided by the Group and the HWL Group or other joint venture partner(s) (as the case may be) on a several basis and pro-rated to their respective interests in the relevant company. HWL is a substantial shareholder of certain subsidiaries of the Company and hence a connected person of the Company within the meaning of the Listing Rules. Such Guarantees or Financial Assistance constituted connected transactions for the Company under the Listing Rules.

Date	Joint Venture Company	Guarantees or Financial Assistance provided by the Group
18th March, 2005	Clevinger International Limited (“Clevinger”)	50% of the obligations under the proposed acquisition at a consideration of HK\$880 million (subject to adjustment) by Clevinger of the entire issued share capital of and the benefit of the debt owed by Harvest Country Limited, and various pieces of land in Hung Shui Kiu, Yuen Long owned by its subsidiary, including the contribution to the consideration on an unsecured basis and on normal commercial terms in proportion to the 50% equity interest in Clevinger.
13th May, 2005	Convoys Investment S.à.r.l. (“CIS”)	50% of the obligations under the acquisition by CIS of the freehold premises comprising land and buildings with an aggregate area of approximately 16 hectares located at the Royal Naval Yard Deptford, London, the United Kingdom at the consideration of £100 million (excluding VAT), including the contribution to the consideration and any additional payment in connection with the development of the above property on an unsecured basis and on normal commercial terms in proportion to the 50% equity interest in CIS.
23rd May, 2005	Bayswater Developments Limited (“BDL”)	40% of the obligations under the acquisition of a piece of land located at Tianjin, the Mainland by BDL and a PRC partner, through the establishment of Hutchison Whampoa Properties (Tianjin) Limited (“HWPT”) with the PRC partner, including the financial assistance provided or to be provided by the Group and the HWL Group to BDL by way of the contribution to the registered capital of, and any shareholders’ loans to, HWPT through BDL on an unsecured basis and on normal commercial terms in proportion to the 50% equity interest in BDL.
10th June, 2005	Shanghai Helian Property Development Co., Ltd.	50% of the obligations under a term loan facility of RMB430 million in principal amount made available by an independent financial institution.

Report of the Directors (continued)

Date	Joint Venture Company	Guarantees or Financial Assistance provided by the Group
14th July, 2005	Choicewide Group Limited ("Choicewide")	50% of the obligations of Choicewide under the acquisition (a) of a parcel of land at Marina Boulevard/Central Boulevard, Singapore at a total consideration of up to S\$1,796.238 million (subject to adjustment); and (b) (subject to the exercise of an option) of another parcel of land at Marina Boulevard/Central Boulevard, Singapore at a total consideration of S\$164.04 million (subject to adjustment). The acquisitions were made through the formation of a joint venture company in Singapore in which each of the Group, the HWL Group and two other tendering parties held one-third of the equity interests therein. The financial assistance provided or to be provided by each of the Group and the HWL Group to Choicewide by way of contribution to the acquisition consideration and any payment would be made in proportion to their 50/50 interest in Choicewide.
6th February, 2006	Shenzhen Hutchison Whampoa CATIC Properties Limited	50% of the obligations under a term loan facility of HK\$660 million in principal amount made available by an independent financial institution.

Major Customers and Suppliers

During the year, 49% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 24% of the Group's purchases. The Group's turnover attributable to the Group's five largest customers was less than 30%.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers disclosed above, except that Ms. Pau Yee Wan, Ezra, Director of the Company, has beneficial interest in one of the Group's five largest suppliers and Templeton Global Advisors Ltd., one of the shareholders acting in its capacity as an investment manager performing investment management, advisory and related services for clients on a global basis holding more than 5% of the share capital of the Company, also has interest in one of the Group's five largest suppliers.

Directors' Interests in Competing Businesses

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

1. Core Business Activities of the Group

- (1) Property development and investment.
- (2) Hotel and serviced suite operation.
- (3) Property and project management.
- (4) Investment in securities.
- (5) Information technology, e-commerce and new technology.

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Li Ka-shing	Hutchison Whampoa Limited	Chairman	(1), (2), (3), (4) & (5)
Li Tzar Kuoi, Victor	Hutchison Whampoa Limited	Deputy Chairman	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Chairman	(4) & (5)
	Hongkong Electric Holdings Limited	Executive Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(4) & (5)
Kam Hing Lam	Hutchison Whampoa Limited	Executive Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Group Managing Director	(4) & (5)
	Hongkong Electric Holdings Limited	Executive Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	President and Chief Executive Officer	(4) & (5)

Report of the Directors (continued)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Ip Tak Chuen, Edmond	Cheung Kong Infrastructure Holdings Limited	Executive Director and Deputy Chairman	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(4) & (5)
	TOM Group Limited	Non-executive Director	(4) & (5)
	ARA Asset Management (Singapore) Limited	Director	(3)
	ARA Trust Management (Suntec) Limited	Director	(3)
	CATIC International Holdings Limited	Non-executive Director	(1) & (4)
	Excel Technology International Holdings Limited	Non-executive Director	(4) & (5)
	Hanny Holdings Limited	Non-executive Director (retired on 1st September, 2005)	(4) & (5)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(1) & (4)
Chiu Kwok Hung, Justin	ARA Asset Management (Singapore) Limited	Chairman	(3)
	ARA Trust Management (Suntec) Limited	Chairman	(3)
	Al Islami Far Eastern Real Estate Fund Limited	Chairman	(3) & (4)
	ARA Asset Management (Prosperity) Limited	Chairman	(3)
Leung Siu Hon	Rich Surplus Limited	Director and Substantial Shareholder	(1) & (2)
	Rich More Enterprises Limited	Director and Substantial Shareholder	(1)
Fok Kin-ning, Canning	Hutchison Whampoa Limited	Group Managing Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	(4) & (5)
	Hongkong Electric Holdings Limited	Chairman	(4) & (5)
	Hutchison Telecommunications International Limited	Chairman	(5)
	Hutchison Harbour Ring Limited	Chairman	(1) & (5)
	Hanny Holdings Limited	Non-executive Director (retired on 1st September, 2005)	(4) & (5)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Frank John Sixt	Hutchison Whampoa Limited	Group Finance Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Executive Director	(4) & (5)
	Hongkong Electric Holdings Limited	Executive Director	(4) & (5)
	TOM Group Limited	Chairman	(4) & (5)
	TOM Online Inc.	Chairman	(5)
	Hutchison Telecommunications International Limited	Non-executive Director	(5)
George Colin Magnus	Hutchison Whampoa Limited	Non-executive Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Non-executive Director	(4) & (5)
	Hongkong Electric Holdings Limited	Non-executive Director	(4) & (5)

Note: Such businesses may be made through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

Community Relations

During the year, the Group supported a wide variety of charities and activities beneficial to the community. Donations made by the Group during the year amounted to approximately HK\$400,000.

Rule 13.22 of The Listing Rules

As at 31st December, 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 assets ratio of 8% under the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a 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:

Combined Balance Sheet As at 31st December, 2005	HK\$ Million	The Group's attributable interest HK\$ Million
Fixed assets	11,192	4,489
Investment properties	18,436	7,338
Other non-current assets	931	408
Current assets		
Stock of properties	31,057	12,851
Bank balances and deposits	6,067	2,732
Other current assets	7,925	3,757
Current liabilities		
Bank and other loans	(1,230)	(581)
Other current liabilities	(6,242)	(2,837)
Non-current liabilities		
Bank and other loans	(9,929)	(4,429)
Other non-current liabilities	(3,941)	(1,679)
Minority interests	(1,928)	(945)
Total shareholders' loan and equity	52,338	21,104

Auditors

The financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who retire and offer themselves for re-appointment.

On behalf of the Board

Li Ka-shing

Chairman

Hong Kong, 23rd March, 2006