

PRESS RELEASE 新聞稿

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



CHEUNG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0001)

INTERIM RESULTS FOR 2009

HIGHLIGHTS

	Six months ended 30th June		Change
	2009	2008 (Restated)	
	HK\$ Million	HK\$ Million	
Profit before share of results of Hutchison Whampoa Group	8,639	6,682	+29%
Share of profit of Hutchison Whampoa Group	2,878	4,291	-33%
Profit attributable to shareholders	11,517	10,973	+5%
Earnings per share	HK\$4.97	HK\$4.74	+5%
Dividend per share	HK\$0.50	HK\$0.50	

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2009 amounted to HK\$11,517 million. Earnings per share were HK\$4.97.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2009 of HK\$0.50 per share (HK\$0.50 per share in 2008) to shareholders whose names appear on the Register of Members of the Company on Monday, 5th October, 2009. The dividend will be paid on Tuesday, 6th October, 2009.

PROSPECTS

Solid Performance in Challenging Times

Solid Results

The Group recorded solid growth in overall results during the first half of 2009. For the six months ended 30th June, 2009, the Group's profit before share of results of the Hutchison Whampoa Group was HK\$8,639 million.

Solid progress was made in all of our operating activities during the period. We recorded increased contributions from property sales, property rental and property and project management. Contribution from hotels and serviced suites has decreased as a result of current economic conditions. Returns from investment and finance were lower as compared to the same period last year, but part of the mark-to-market losses recorded at the year end in 2008 have been reversed given the improvement in the financial markets during the first half of 2009. The significant increase in fair value of investment properties was recorded mainly due to the completion of a new project in the period under review.

Core Property Business

Hong Kong experienced a notable contraction in real GDP growth as various economic sectors were significantly affected by the severe global recession and the spread of Influenza A H1N1 during the period under review. While the negative impact of the global financial crisis has continued to weigh on Hong Kong's economy, the local property sector remains active as it is uniquely placed to benefit from strong underlying demand and the government's effective land policies. It is expected the property market will be on track to steady, healthy growth for the longer term.

The Group is expected to generate substantial cash flow for the remainder of 2009 and into next year, following positive sales results of well-located, high-quality residential projects, and the completion of top quality rental properties. The Group is confident in the prospects of its property business.

Our Hong Kong property portfolio comprises diversified, high-quality projects at prime locations with excellent accessibility. The development of those projects went well as planned during the period. Good progress in landbank expansion was made, increasing further our land reserve to provide ample resources for development over the next five to six years. In the Mainland, a number of large-scale developments have commenced work as scheduled, and further expansion will be made on a selective basis to enrich our property portfolio of quality sites and projects for sale or leasing. Leveraging on strong cash reserves and a sound financial base, the Group is well positioned to pursue selective investments and to capture attractive growth opportunities in Hong Kong, the Mainland and overseas markets.

Listed Affiliated Companies

The Group continued to capitalise on the synergies created through strategic investments in listed affiliated companies. Bearing in mind the extremely challenging economic conditions, all of the core businesses of those companies reported solid performances in the first half of 2009.

The Hutchison Whampoa Group The global economic downturn has adversely impacted several of the Hutchison Whampoa Group's diverse businesses around the world to differing degrees. Performances of Husky Energy, the ports and hotels operations were particularly affected. The 3 Group continued to progress and reported improved results in their local currencies in the first half year despite the difficult environment, and management expects LBIT from the 3 Group to continue to narrow in the second half year barring any significant adverse market developments or regulatory changes. We have full confidence in the strong capability of the Hutchison Whampoa Group to ride out the present challenges by building on its healthy cash position and focusing on maintaining strict operational and financial discipline to successfully execute its business strategy.

CKI Cheung Kong Infrastructure Holdings Limited ("CKI") achieved solid results during the period under review. The significant growth in unaudited profit after tax attributable to shareholders can be attributed to a one-off gain from the divestment of three Mainland China power plants, steady operational performance from CKI's portfolio of infrastructure investments, and improved results from treasury activities. With a strong cash position, CKI will continue to pursue new acquisitions that generate secure and attractive returns for shareholders.

HK Electric Hongkong Electric Holdings Limited (“HK Electric”) reported satisfactory performances of its operations in China, Australia, New Zealand, Thailand and Canada. Consolidated net profit of HK Electric has decreased as compared to the same period last year, resulting from lower earnings from its Hong Kong operations due to the lower rate of permitted return stipulated in the new Scheme of Control Agreement, and a reduction in deposit interest income.

CK Life Sciences The solid 2009 first half results demonstrate that the businesses of CK Life Sciences Int’l., (Holdings) Inc. (“CK Life Sciences”) are performing well. Despite uncertain economic conditions, CK Life Sciences’ fundamentals are well in place through consolidation of its businesses. CK Life Sciences will continue to streamline its existing operations, through cost cutting and efficiency enhancement measures, in order to enhance margins and boost growth.

Outlook

Market sentiment has generally improved as global credit market conditions stabilised during 2009. With the strong backing of the various local governments, the economic contraction in the U.S. and European economies is less severe than expected. In tandem with recent rebounds in global asset and commodity prices, the rate of global recession has started to ease and narrow. However, a broad-based, sustainable recovery is not expected until there are more concrete improvements in economic fundamentals.

The Mainland’s economy has shown signs of stabilisation and steady improvement on the back of accelerated growth in domestic demand and investment spending. Given the Central Government’s determination to achieve a targeted growth of about 8% for the year by strictly following proactive financial policies and moderately relaxed monetary measures, and its active efforts on economic structural adjustments, China is well placed to recover at a faster pace than other countries, and its long-term economic prospects remain positive.

Hong Kong’s economy is poised to benefit from the Mainland’s growth prospects and supportive policies, including the individual visit scheme that helps stimulate local consumption, as well as various policies that will underpin Hong Kong’s financial market development. Further economic integration with the Pearl River Delta, and the implementation of the pilot scheme for the use of renminbi for cross-border trade settlements are positive developments that will present immense growth opportunities for Hong Kong and strengthen its economic prospects.

The Group remains alert to further difficulties and challenges that may arise in the operating environment despite early signs of easing of the global contraction. By building on our key pillars of steady, sustainable development – sound financial structure and strong growth capacity, we are prepared to meet the challenges ahead and to transform new opportunities into our foundation for future growth and better value for shareholders. We look ahead to an overall satisfactory performance of the Cheung Kong Group for the year of 2009, and have strong confidence in its long-term prospects.

Intelligent, creative, dedicated and loyal employees are the Group's most valuable asset in this extremely competitive and challenging global environment. We 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, 13th August, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2009:

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
1881 Heritage	Kowloon Inland Lot No. 11161	13,023	100%
Celestial Heights Phases 1 and 2	Kowloon Inland Lot No. 11124	159,804	90%
Harbour Plaza 8 Degrees	The Remaining Portion of Kowloon Inland Lot No. 4013	21,420	100%
Le Prestige Phase 1	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70, Area 86 Tseung Kwan O	125,670	Joint Venture
Festival City Phase 1	Sha Tin Town Lot No. 529	100,372	Joint Venture
Regency Park Phase I	Jingyuetan, Changchun	61,243	50%
Regency Residence Phase I	Nangan, Changchun	102,858	50%
Noble Hills Phases 1A and 1B (Zone 1 and 2)	Changsha	50,769	50%
Le Parc Phase 1	Chengdu	192,107	50%
Cape Coral Phases 1A and 1B	Nanan, Chongqing	223,690	47.5%
Noble Hills Phase 1B (Show Flat Zone)	Chongqing	8,932	50%
Metropolitan Plaza	Guangzhou	87,018	50%

Name	Location	Total Gross Floor Area (sq. m.)	Group's Interest
Seasons Villas Phase 4A	Pudong Huamu, Shanghai	1,500	50%
Regency Park Phases VIA, VIII and VIIIA	Pudong Huamu, Shanghai	12,497	50%
Regency Cove Phase 1A	Maqiao, Shanghai	1,341	42.5%
Regency Park Phases 1 and 2	Guanlan, Shenzhen	97,275	50%
Le Sommet Phase 1	Shenzhen	63,382	50%
The Greenwich Phases 1A and 1B	Xian	257,082	50%
Kerry Everbright City Phase IIB	Zhabei District, Shanghai	55,150	24.75%

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

Hong Kong

- (1) April 2009: A wholly owned subsidiary of the Group reached agreement with the Government in respect of the site at 873 Lai Chi Kok Road, Cheung Sha Wan, New Kowloon Inland Lot No. 6354. With an area of approximately 2,844 sq. m., the site is designated for a commercial and residential development estimated to have a developable gross floor area of about 23,996 sq. m.
- (2) During the period under review, the Group continued to pursue opportunities for acquisition of properties and agricultural land with potential for development. Some of the properties and agricultural land are under varying stages of design and planning applications.

The Mainland and Overseas

- (3) During the period under review, the Group's property projects in the Mainland and overseas were 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\$14,328 million (2008 – HK\$11,238 million), an increase of HK\$3,090 million when compared with the same period last year, and comprised mainly the sale of the remaining residential units of four property projects completed last year – The Capitol and Seasons Monarch in Hong Kong and Maison des Artistes and Regency Park Phase VII in the Mainland – and the sale of residential units of Celestial Heights Phase 1 in Hong Kong which was completed during the period.

Contribution from property sales, including share of results of jointly controlled entities, was HK\$5,661 million (2008 – HK\$5,247 million), an increase of HK\$414 million when compared with the same period last year. While the economies of Hong Kong and the Mainland experienced a slowdown due to the global financial crisis, the residential property market was getting more active during the period and property prices began to pick up amid better market sentiment and low home mortgage interest rates.

Contribution from property sales for the second half year will mainly be derived from the sale of residential units of Le Prestige Phase 1, Celestial Heights Phase 2 and Festival City Phase 1 in Hong Kong, Le Parc Phase 1 in the Mainland and several other property projects scheduled for completion.

During the period, the presale of residential units of Central Park Towers Phase 2, scheduled for completion in 2010, was launched and all the units were sold within a short period. In July 2009, the presale of residential units of Le Prestige Phase 1 was also launched and all the units were sold within weeks.

Property Rental

Turnover of the Group's property rental for the first half year was HK\$525 million (2008 – HK\$449 million), an increase of HK\$76 million when compared with the same period last year, mainly due to higher rental secured by The Center, a commercial office property in Hong Kong, for leases renewed before the global financial crisis took place last year, and the completion of 1881 Heritage, a new heritage revitalisation landmark for cultural tourism, shopping and leisure in Hong Kong, which commenced generating rental income during the period. The Group's existing investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong which accounted for approximately 33% and 54% respectively of the turnover of the Group's property rental for the period.

Contribution from the Group's property rental was HK\$493 million (2008 – HK\$417 million), and contribution including share of results of jointly controlled entities was HK\$830 million (2008 – HK\$715 million), an increase of HK\$115 million when compared with the same period last year. During the period, the local commercial leasing market continued to ease as businesses cut back on costs and reduced floor space requirements in the wake of the global financial crisis.

At the interim period end date, the Group accounted for an increase in the fair value of investment properties of HK\$3,228 million (2008 – HK\$1,069 million) based on a professional valuation, mainly attributable to the completion of 1881 Heritage during the period, and shared an increase in the fair value of investment properties of HK\$670 million (2008 – HK\$256 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\$598 million (2008 – HK\$668 million), a decrease of HK\$70 million when compared with the same period last year as demand for hotel rooms and serviced suites remained weak while economic developments in Hong Kong and the Mainland were affected by the depressed global economy.

Contribution from the Group's hotels and serviced suites was HK\$171 million (2008 – HK\$221 million) and contribution including share of results of jointly controlled entities was HK\$241 million (2008 – HK\$364 million), a decrease of HK\$123 million when compared with the same period last year. During the period, operating conditions for hotels and serviced suites were difficult with low occupancy and room rates, and operating results were further affected by the spread of Influenza A H1N1 worldwide.

Harbour Grand Hong Kong, in which the Group has a joint development interest, had its soft opening during the period, and Harbour Plaza 8 Degrees, in which the Group has a 100% interest, was completed during the period and will commence operation in the second half year. Both hotels are located in Hong Kong and will soon make contribution to group profit.

Property and Project Management

Turnover of property and project management for the first half year was HK\$86 million (2008 – HK\$86 million), of which income from property management was HK\$75 million (2008 – HK\$73 million), an increase of HK\$2 million when compared with the same period last year, and income from project related services was HK\$11 million (2008 – HK\$13 million), a decrease of HK\$2 million when compared with the same period last year.

Contribution from property management was HK\$49 million (2008 – HK\$45 million), an increase of HK\$4 million when compared with the same period last year, while project related services made a small contribution to group profit.

The Group is committed to providing high quality services to properties under our management. At the interim period end date, the total floor area under the Group's property management was approximately 86 million square feet and this is expected to grow steadily following the gradual completion of the Group's property projects in the years ahead.

Major Associates

The Hutchison Whampoa Group, a listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2009 of HK\$5,760 million (2008 (restated) – HK\$8,589 million).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2009 of HK\$256,454,000 (2008 – HK\$8,269,000).

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. During the period, the Group purchased back notes due in 2010 in the total amount of HK\$122 million and redeemed notes upon maturity in the total amount of HK\$300 million.

At the interim period end date, the Group's bonds and notes, bank loans and other loans (including a loan from a joint development partner) amounted to HK\$7.9 billion, HK\$28.8 billion and HK\$6.2 billion respectively, and the Group's total borrowings were HK\$42.9 billion, a decrease of HK\$1.3 billion from the end of last year. The maturity profile is spread over a period of ten years, with HK\$13.7 billion repayable within one year, HK\$28 billion within two to five years and HK\$1.2 billion beyond five years.

The Group's gearing ratio at the interim period end date was approximately 15.1%, determined as the proportion of the Group's net borrowings (after deducting bank balances and deposits of HK\$7.6 billion) to 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 the interim period end date, approximately 81.5% of the Group's borrowings were in HK\$ with the balance in US\$ (or swapped into US\$), S\$ and RMB, mainly for the purpose of financing projects outside Hong Kong. The Group derives its revenue mainly in HK\$, cash balances and marketable securities are maintained mainly in HK\$ or US\$, and the Group ensures that its exposure to fluctuations in foreign exchange rates is minimised.

The Group's borrowings are principally on a floating rate basis. The fixed rate bonds and notes issued by the Group have associated swaps arrangements in place to convert the rates and related terms to a 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 by the Group in the management of exposure to interest rate and foreign exchange rate fluctuations.

Charges on Assets

At the interim period end date, certain subsidiaries of the Group pledged assets with aggregate carrying value of HK\$1,097 million (31st December, 2008 – HK\$1,097 million) to secure bank loan facilities utilised.

Contingent Liabilities

At the interim period end date, the Group's contingent liabilities were as follows:

- (1) guarantees provided for minimum share of revenue/profit receivable by other partners of joint development projects amounted to HK\$1,410 million (31st December, 2008 – HK\$1,410 million); and
- (2) guarantees provided for bank loans utilised by jointly controlled entities amounted to HK\$1,631 million (31st December, 2008 – HK\$1,534 million).

Employees

At the interim period end date, the Group employed approximately 8,300 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK\$759 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June, 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, 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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2009.

AUDIT COMMITTEE

The Company established the audit committee ("Audit Committee") in December 1998 and has formulated its written terms of reference, which may from time to time be modified, in accordance with the provisions set out in the Code on CG Practices. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine. 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 auditor of the Company.

The Group's interim results for the six months ended 30th June, 2009 have 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 Remuneration Committee comprises the Chairman, 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.



CHEUNG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0001)

NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2009

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, 2009 amounted to HK\$11,517 million which represents earnings of HK\$4.97 per share. The Directors have declared an interim dividend for 2009 of HK\$0.50 per share to shareholders whose names appear on the Register of Members of the Company on Monday, 5th October, 2009. The dividend will be paid on Tuesday, 6th October, 2009.

The Register of Members of the Company will be closed from Monday, 28th September, 2009 to Monday, 5th October, 2009, 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 4:30 p.m. on Friday, 25th September, 2009.

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

Hong Kong, 13th August, 2009

The Directors (*Note*) of the Company as at the date of this announcement are Mr. LI Ka-shing (*Chairman*), Mr. LI Tzar Kuoi, Victor (*Managing Director and Deputy Chairman*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Ms. PAU Yee Wan, Ezra, Ms. WOO Chia Ching, Grace and Mr. CHIU Kwok Hung, Justin as Executive Directors; Mr. LEUNG Siu Hon, Mr. FOK Kin-ning, Canning, Mr. Frank John SIXT, Mr. CHOW Kun Chee, Roland and Mr. George Colin MAGNUS as Non-executive Directors; and Mr. KWOK Tun-li, Stanley, Mr. YEH Yuan Chang, Anthony, Mr. Simon MURRAY, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Dr. WONG Yick-ming, Rosanna (*also Alternate Director to Mr. Simon MURRAY*), Mr. CHEONG Ying Chew, Henry and Mr. KWAN Chiu Yin, Robert as Independent Non-executive Directors.

Note: Other than Chairman, Managing Director and Deputy Managing Directors, order by date of appointment, and in the case of Non-executive Directors ("NED")/Independent Non-executive Directors ("INED"), order by date of appointment as NED/INED.

Consolidated Income Statement
For the six months ended 30th June, 2009

	(Unaudited)	
	2009	2008
	HK\$ Million	(Restated) HK\$ Million
Group turnover	12,140	10,286
Share of property sales of jointly controlled entities	3,397	2,155
Turnover	<u>15,537</u>	<u>12,441</u>
Group turnover	12,140	10,286
Investment and other income	817	1,227
Operating costs		
Property and related costs	(6,718)	(5,146)
Salaries and related expenses	(481)	(482)
Interest and other finance costs	(165)	(283)
Other expenses	(303)	(237)
	(7,667)	(6,148)
Share of net profit of jointly controlled entities	1,546	1,154
Increase in fair value of investment properties	3,228	1,069
Operating profit	<u>10,064</u>	7,588
Share of net profit of associates	3,047	4,349
Profit before taxation	13,111	11,937
Taxation	(1,303)	(797)
Profit for the period	11,808	11,140
Profit attributable to minority interests	(291)	(167)
Profit attributable to shareholders	11,517	10,973
Interim dividend	1,158	1,158
Earnings per share	HK\$4.97	HK\$4.74
Dividends per share	HK\$0.50	HK\$0.50

Consolidated Statement of Financial Position
As at 30th June, 2009

	(Unaudited) 30/6/2009 HK\$ Million	(Restated) 31/12/2008 HK\$ Million
Non-current assets		
Fixed assets	10,717	11,624
Investment properties	20,060	15,670
Associates	145,445	144,977
Jointly controlled entities	30,982	29,391
Investments available for sale	6,463	4,678
Long term loan receivables	989	1,093
	<u>214,656</u>	<u>207,433</u>
Current assets		
Stock of properties	61,741	64,273
Debtors, deposits and prepayments	6,899	3,904
Investments held for trading	1,096	858
Derivative financial instruments	36	22
Bank balances and deposits	7,619	7,173
	<u>77,391</u>	<u>76,230</u>
Current liabilities		
Bank and other loans	11,695	8,991
Creditors and accruals	6,826	6,940
Loan from joint development partner	2,000	2,000
Derivative financial instruments	473	872
Provision for taxation	1,462	768
	<u>54,935</u>	<u>56,659</u>
Net current assets	<u>269,591</u>	<u>264,092</u>
Total assets less current liabilities	<u>269,591</u>	<u>264,092</u>
Non-current liabilities		
Bank and other loans	27,191	31,258
Loan from joint development partner	2,000	2,000
Deferred tax liabilities	1,929	1,359
	<u>31,120</u>	<u>34,617</u>
Net assets	<u>238,471</u>	<u>229,475</u>
Representing:		
Share capital	1,158	1,158
Share premium	9,331	9,331
Reserves	223,516	214,644
Shareholders' funds	<u>234,005</u>	<u>225,133</u>
Minority interests	4,466	4,342
Total equity	<u>238,471</u>	<u>229,475</u>

Notes:

(1) Turnover of the Group by operating activities for the period is as follows:

	Six months ended 30th June	
	2009	2008
	HK\$ Million	HK\$ Million
Property sales	10,931	9,083
Property rental	525	449
Hotels and serviced suites	598	668
Property and project management	86	86
Group turnover	<u>12,140</u>	<u>10,286</u>
Share of property sales of jointly controlled entities	<u>3,397</u>	<u>2,155</u>
Turnover	<u><u>15,537</u></u>	<u><u>12,441</u></u>

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 which accounted for approximately 23% of the turnover.

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

	Company and subsidiaries		Jointly controlled entities		Total	
	Six months ended 30th June		Six months ended 30th June		Six months ended 30th June	
	2009	2008	2009	2008	2009	2008
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Property sales	4,193	3,999	1,468	1,248	5,661	5,247
Property rental	493	417	337	298	830	715
Hotels and serviced suites	171	221	70	143	241	364
Property and project management	50	46	-	-	50	46
	<u>4,907</u>	<u>4,683</u>	<u>1,875</u>	<u>1,689</u>	<u>6,782</u>	<u>6,372</u>
Investment and finance					668	1,167
Interest and other finance costs					(165)	(283)
Increase in fair value of investment properties						
Subsidiaries					3,228	1,069
Jointly controlled entities					670	256
Others					28	85
Taxation						
Company and subsidiaries					(1,303)	(797)
Jointly controlled entities					(1,094)	(1,024)
Profit attributable to minority interests					(291)	(167)
					<u>8,523</u>	<u>6,678</u>
Share of net profit of major listed associates						
Hutchison Whampoa Limited					2,878	4,291
CK Life Sciences Int'l., (Holdings) Inc.					116	4
Profit attributable to shareholders					<u><u>11,517</u></u>	<u><u>10,973</u></u>

(2) Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30th June	
	2009	2008
	HK\$ Million	HK\$ Million
Interest and other finance costs	335	524
Less: Amount capitalised	(170)	(241)
	<u>165</u>	<u>283</u>
Costs of properties sold	6,090	4,699
Depreciation	154	141
Gain on disposal of investments available for sale	(16)	(1,072)
(Gain)/loss on investments held for trading	(228)	127
Gain on disposal of investment properties	(21)	-
	<u><u>(21)</u></u>	<u><u>-</u></u>

(3) Hong Kong profits tax has been provided for at the rate of 16.5% (2008 - 16.5%) on the estimated assessable profits for the period. Overseas tax has been provided for at the local enacted rates on the estimated assessable profits of the individual company concerned. Deferred tax has been provided on temporary differences based on the applicable enacted rates.

	Six months ended 30th June	
	2009	2008
	HK\$ Million	HK\$ Million
Hong Kong profits tax	723	678
Overseas tax	10	13
Deferred tax	570	106
	<u>1,303</u>	<u>797</u>

(4) The calculation of earnings per share is based on profit attributable to shareholders and on 2,316,164,338 shares (2008 - 2,316,164,338 shares) in issue during the period.

(5) 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 period/year end date is as follows:

	30/6/2009	31/12/2008
	HK\$ Million	HK\$ Million
Current to one month	4,837	1,181
Two to three months	28	20
Over three months	7	6
	<u>4,872</u>	<u>1,207</u>

Ageing analysis of the Group's trade creditors at the period/year end date is as follows:

	30/6/2009	31/12/2008
	HK\$ Million	HK\$ Million
Current to one month	326	349
Two to three months	30	25
Over three months	13	14
	<u>369</u>	<u>388</u>

(6) The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). The adoption of the HKFRSs which are effective for accounting periods beginning on 1st January, 2009 has resulted in the following change in the Group's accounting policies.

In prior years, investment property under development was classified as land and buildings and carried at cost less provision for impairment. Following the adoption of amendments to HKAS 16 "Property, Plant and Equipment" and HKAS 40 "Investment Property", investment property under development is classified as investment property and stated at fair value when its fair value becomes reliably determinable or upon completion of its construction, whichever is the earlier. The change in accounting policy has been applied prospectively from 1st January, 2009 and has no material impact on the Group's results and financial position.

The adoption of the 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.

For those HKFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

During the period, Hutchison Whampoa Limited, a listed associate, had changes in accounting policies which have material effects on its profit attributable to shareholders and opening balance of shareholders' funds. The Group's share of the effects of these changes has the following impact on the interim financial statements:

	Six months ended 30th June	
	2009	2008
	HK\$ Million	HK\$ Million
Increase/(decrease) in share of net profit of associates	<u>231</u>	<u>(1,049)</u>
Increase/(decrease) in profit attributable to shareholders	<u>231</u>	<u>(1,049)</u>
Increase/(decrease) in earnings per share	<u>HK\$0.10</u>	<u>HK\$(0.45)</u>
	30/6/2009	31/12/2008
	HK\$ Million	HK\$ Million
Decrease in associates	<u>(5,800)</u>	<u>(6,031)</u>
Decrease in net assets	<u>(5,800)</u>	<u>(6,031)</u>
Decrease in retained profits at 1st January	<u>(6,031)</u>	<u>(3,542)</u>
Increase/(decrease) in retained profits for the period/year	<u>231</u>	<u>(2,489)</u>
Decrease in total equity	<u>(5,800)</u>	<u>(6,031)</u>

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