CHEUNG KONG (HOLDINGS) LIMITED

(*Incorporated in Hong Kong with limited liability*)

(Stock Code: 0001)

INTERIM RESULTS FOR 2012

HIGHLIGHTS

	Six months ended 30th June		
	2012	2011	Change
	HK$ Million	HK$ Million	
Turnover *(Note 1)*	**17,717**	26,103	-32%
Profit before investment property revaluation	**7,572**	8,303	-9%
Investment property revaluation (net of tax)	**2,783**	1,826	+52%
Profit before share of results of Hutchison Whampoa Group	**10,355**	10,129	+2%
Share of results of Hutchison Whampoa Group			
Profit attributable to shareholders before profit on disposal of investments and others	**5,101**	4,555	+12%
	15,456	14,684	+5%
Profit on disposal of investments and others *(Note 2)*	−	18,575	-100%
Profit attributable to shareholders	**15,456**	33,259	-54%
Earnings per share	**HK$6.67**	HK$14.36	-54%
Dividend per share	**HK$0.53**	HK$0.53	−

Note 1: Turnover does not include the turnover of jointly controlled entities (except for proceeds from property sales shared by the Group) or the turnover of associates, notably the Hutchison Whampoa Group. Total revenue of the Hutchison Whampoa Group for the period amounted to HK$194,993 million (2011 (restated) – HK$183,387 million).

Note 2: This represents the Group's share of the Hutchison Whampoa Group's profit on disposal of investments and others after tax. In 2011, the Hutchison Whampoa Group recorded profit on disposal of investments and others after tax of HK$37,180 million, primarily due to the IPO of Hutchison Port Holdings Trust.

PROFIT FOR THE FIRST HALF YEAR

The Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2012 amounted to HK$15,456 million. Earnings per share were HK$6.67.

INTERIM DIVIDEND

The Directors have declared an interim dividend for 2012 of HK$0.53 per share (HK$0.53 per share in 2011) to shareholders whose names appear on the Register of Members of the Company on Thursday, 20th September, 2012. The dividend will be paid on Friday, 21st September, 2012.

PROSPECTS

Resilience in Challenging Times

Business Review

Operating Performance

The operating environment remained challenging in the first half of 2012. Global economic uncertainties were exacerbated by the deepening Eurozone debt crisis as well as the tepid recovery in the United States.

Achieving a fine balance between progress and stability has always been central to the Group's strategy. On both the financial and operating fronts, prudent measures are firmly in place to allow the Group to react quickly to unforeseen market changes and to mitigate any adverse impact. Our solid fundamentals have been strengthened in the current difficult business environment, providing a stronger platform for future sustainable development.

For the six months ended 30th June, 2012, the Group's profit before share of results of the Hutchison Whampoa Group was HK$10,355 million, an increase of 2% over the same period last year. The Group's share of results of the Hutchison Whampoa Group decreased during the first half of 2012. This comparative decline against the same period last year was primarily attributable to the significant one-off gain included in the 2011 interim results arising from the disposal of part of the Hutchison Whampoa Group's interests in port businesses. Excluding this significant one-off gain in 2011, the 2012 interim results would show an increase of 5% as compared to the 2011 interim results.

For the first half of 2012, the Group recorded a reduction in profit contribution from property sales. This comparative decline was due to the large number of developments being completed in the same period last year. Contributions from property rental and hotels and serviced suites increased over the corresponding period in 2011, and a significant increase in the fair value of investment properties was recorded during the period reflecting the growth in rentals.

Property sales recorded by the Group in Hong Kong decreased in the first half year as compared to the corresponding period in 2011. This was largely attributable to the reduced number of the Group's developments being completed during the period. Nevertheless, our property businesses have been progressing well and we have continued to invest in expanding our land reserve. With an ample land bank and a strong project pipeline, we are in a favourable position to drive sustainable growth. The property market outlook will largely hinge on the external economic conditions and the development of housing policies in Hong Kong. We expect market fundamentals to remain healthy in the second half year with property prices generally staying steady given support from end-user demand, and in the light of increasing inflation, rising construction costs and a low interest rate environment.

On the Mainland, property prices and sales volume were below expectations as the policy-led property market correction has continued. Despite the present market challenges, the Group is steadfast in driving further expansion on the Mainland by making focused but cautious investments. Sustainable growth is underpinned by a strong portfolio of prime sites and quality projects that are currently developing as planned, and in accordance with the terms of agreements executed with the local government authorities.

We will continue to position ourselves to make quality investments to increase our portfolio and to achieve a stronger presence beyond Hong Kong.

In 2011, the Group made its first foray into the infrastructure business arena through the acquisition of Northumbrian Water Group Limited ("Northumbrian Water"), a regulated water and sewerage company in the U.K., together with Cheung Kong Infrastructure Holdings Limited ("CKI") and Li Ka Shing Foundation Limited ("LKSF"). Northumbrian Water recorded better-than-expected performance and provided its first full period of contribution to the Group. In July 2012, the Group partnered with CKI, Power Assets Holdings Limited ("Power Assets") and LKSF to acquire Wales & West Utilities Limited ("WWU"), one of the eight gas distribution networks in the U.K. The acquisition is expected to be completed at the end of September conditional upon European Commission's approval. Reflecting our strategy of embracing new growth opportunities through diversification and globalisation, this quality investment is able to provide a long-term steady recurring income contribution to the Group.

Listed Affiliated Companies

The Group continued to benefit from the global opportunities arising from its strategic investments in listed affiliated companies, particularly through the Hutchison Whampoa Group's diversified portfolio of global businesses. Despite increasing challenges in the interim period, performances of the Group and its listed affiliated companies in markets beyond Hong Kong continued to be resilient.

The Hutchison Whampoa Group

After adjusting for the one-off gain generated from the initial public offer of units in Hutchison Port Holdings Trust in 2011, the performances of the Hutchison Whampoa Group's core operations remained solid during the first half of 2012. Except for Husky Energy Inc. and joint venture Vodafone Hutchison Australia, all major operating divisions reported improved recurring results. As a whole, the Hutchison Whampoa Group recorded recurring revenue, earnings and cash flow growth. Despite the difficult economic situation in Europe and continued uncertainty in the global financial markets in the second half year, barring unforeseen material adverse circumstances, the Hutchison Whampoa Group's business performance is expected to continue to improve.

CKI

CKI continued its upward momentum in the first half of 2012. Regulated businesses generating secure revenues place CKI in good stead to weather continued economic uncertainties. Three equity raising exercises were completed to enlarge CKI's capital base in 2012 to date, namely an issue of fixed rate callable perpetual securities via a fiduciary in February and the share placement exercises in March and July. Backed by its strong financial platform, CKI will continue to seek acquisitions that further enhance its asset base and income stream, and work hard to grow further and expand its existing businesses to generate improved returns for its shareholders. The acquisition of WWU, subject to completion, will extend CKI's growth momentum and generate recurring profit contributions similar to that of its other infrastructure projects.

Power Assets

Earnings from operations outside Hong Kong represented 60% of the total profit of Power Assets and were the driving force behind its record results achieved during the first six months of 2012. Power Assets' strategy of investing in businesses with stable and predictable income has resulted in the record half year results notwithstanding the uncertain global economic climate. Power Assets will continue with this strategy as it looks for further investments outside Hong Kong in order to grow its earnings base. The acquisition of WWU is in line with Power Assets' stated strategy of investing outside Hong Kong and will, subject to completion, further strengthen its portfolio of quality assets overseas.

CK Life Sciences

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") achieved a strong performance during the first half of 2012. Recent acquisitions have strengthened its agriculture-related business, and steady organic growth is expected within its existing operations in both agriculture-related and health businesses. The commencement of the Phase III clinical testing of the melanoma vaccine is poised to take CK Life Sciences to the next stage of development for the product. With solid financial strengths, CK Life Sciences will continue to explore opportunities for acquisitions around the world.

Outlook

Global market conditions will remain highly volatile in the second half year as uncertainties over the Eurozone debt crisis are anticipated to persist, and the pace of U.S. economic recovery is seen to be slowing.

China's economic performance was inevitably affected by external forces, but its economic conditions are stable as a whole. Proactive measures have been taken to ease monetary conditions and accelerate fiscal efforts to stimulate the economy following the Central Government's pledges to place a higher priority on stabilising growth. We expect positive growth in the second half year with GDP growth for 2012 maintained at 7.5%. In Hong Kong, positive economic growth is expected in 2012 though the pace will likely moderate. With close proximity to the Mainland, Hong Kong is poised to benefit from the many opportunities arising from China's continued development. We are optimistic about the long-term economic prospects for the Mainland and Hong Kong.

We see positive prospects for the Group in terms of operating results and business growth. The Group is steadfast in maintaining financial prudence and operational soundness as it drives solid, sustainable growth amid the evolving changes facing the local and global markets. We have the strength and resources to continue pursuing attractive investments and boosting the organic growth of our existing core operations, while maintaining our gearing at a healthy level. The Group is well prepared to meet the global market challenges which prevail today. Building on our sound financial position and strong growth capacity, we are well placed to pursue investments that are beneficial to our future development. We are strongly confident in the prospects for the Cheung Kong Group.

Intelligent, creative, dedicated and loyal employees are the Group's most valuable asset in this extremely competitive and challenging global environment. 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, 2nd August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed and Scheduled for Completion in 2012:

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
LOHAS Park La Splendeur	Site AB of The Remaining Portion of Tseung Kwan O Town Lot No. 70	82,685	Joint Venture
Alnwick Road Project	New Kowloon Inland Lot No. 4782	4,417	100%
CROWN by the Sea	Tuen Mun Town Lot No. 334	4,026	100%
Marina Bay Financial Centre Tower 3	Marina Bay, Singapore	151,776	16.67%
La Grande Ville Phase 2	Shun Yi District, Beijing	20,249	100%
Regency Park Phase 2C	Jingyue Economic Development Zone, Changchun	17,664	50%
Regency Residence Phases 1 and 2B	Nanguan District, Changchun	11,465	50%
Noble Hills Phase 3	Wangcheng County, Changsha	86,572	50%
Regency Park Phases 1, 2 and 3A	Tianning District, Changzhou	47,294	50%
Le Parc Phases 4A and 6A	Chengdu High-Tech Zone, Chengdu	80,484	50%
Regency Oasis Phases 1B and 2	Wenjiang District, Chengdu	228,479	50%

Name	Location	Total Gross Floor Area (sq.m.)	Group's Interest
Cape Coral Phase 2	Nanan District, Chongqing	146,703	47.5%
Noble Hills Phase 2B	Douxi, Chongqing	32,858	50%
Laguna Verona Phases D1a, D1b and G1a	Hwang Gang Lake, Dongguan	158,988	49.91%
Cape Coral Phase 3A	Panyu District, Guangzhou	84,053	50%
Zengcheng Project Phase 1A	Zengcheng, Guangzhou	75,321	50%
The Harbourfront Phase 1	Shibei District, Qingdao	214,470	45%
Regency Garden Phase 1	Pudong New District, Shanghai	34,463	42.5%
Le Sommet Phases 1B, 2 and 4A	Longgang District, Shenzhen	59,864	50%
Century Place Phases 1 and 2	Shennan Road, Huaqiangbei, Futian District, Shenzhen	179,433	40%
Noble Hills	Baoan District, Shenzhen	49,185	50%
The Metropolitan Tianjin Phases 1 and 2	Yingkoudao, Heping District, Tianjin	197,595	40%
Regency Cove Phase 1	Caidian District, Wuhan	90,860	50%
The Greenwich Phases 2A, 2B and 3A	Xian Hi-Tech Industries Development Zone, Xian	279,997	50%

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

Hong Kong

(1) May 2012: A wholly owned subsidiary of the Group successfully bid in a public tender exercise for the joint development of the site at Peel Street / Graham Street, Central, Inland Lot No. 9038 and entered into a development agreement with the Urban Renewal Authority. With an aggregate area of approximately 1,690 sq.m., the site is planned for a residential and commercial development estimated to have a total developable gross floor area of approximately 17,790 sq.m.

(2) June 2012: A wholly owned subsidiary of the Group has established a U.S.$2,000,000,000 Euro Medium Term Note Programme (the "Programme") as guaranteed by the Company for the purpose of issuing notes (the "Notes") which may be denominated in any currency as agreed with the dealer(s) from time to time. The Programme provides that the Notes may be listed on The Stock Exchange of Hong Kong Limited or such other stock exchanges as may be agreed with the relevant dealer(s). On 15th June, 2012, the Group issued U.S.$500,000,000 Floating Rate Notes due 2015 under the Programme, which have been listed on The Stock Exchange of Hong Kong Limited since 18th June, 2012. As at 30th June, 2012, Notes of an aggregate nominal amount of approximately U.S.$849 million were issued and outstanding under the Programme.

(3) July 2012: A wholly owned subsidiary of the Group issued HK$1,000 million Guaranteed Senior Perpetual Securities ("GSPS") at an issue price of 100 per cent. of the principal amount with distribution rate of 5.25% per annum, which have been listed on The Stock Exchange of Hong Kong Limited since 10th July, 2012. The GSPS is guaranteed by the Company.

(4) 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

(5) May 2012: An indirect 50/50 joint venture company of the Group and the Hutchison Whampoa Group signed a land use right transfer contract to acquire a piece of land with an area of approximately 144,480 sq.m. and a gross floor area of approximately 138,000 sq.m. at Zhao Xiang Town, Qing Pu District, Shanghai, the Mainland for development into residential properties.

(6) July 2012: Two indirect 30/30/30/10 joint venture companies of the Company, Cheung Kong Infrastructure Holdings Limited, Power Assets Holdings Limited and Li Ka Shing Foundation Limited had entered into an arrangement to acquire the issued share capital and the loan notes of MGN Gas Networks (UK) Limited at the consideration of approximately £645 million. It is expected that the completion will take place at the end of September 2012. The completion of the acquisition is conditional upon European Commission's approval.

(7) During the period under review, the Group continued to focus on project development and the marketing of properties on the Mainland and overseas in a timely manner.

Property Sales

Turnover of property sales for the first half year, including share of property sales of jointly controlled entities, was HK$15,521 million (2011 – HK$24,118 million), a decrease of HK$8,597 million when compared with the same period last year, and comprised mainly the sale of residential units of two property projects completed last year – Festival City Phase 3 in Hong Kong and The Greenwich Phase 1C in Beijing, and the sale of residential units of property projects completed during the period, including Crown by the Sea in Hong Kong, Century Place Phase 1 in Shenzhen, Cape Coral Phase 3A in Guangzhou, The Harbourfront Phase 1 in Qingdao, The Greenwich Phases 2A and 3A in Xian, Regency Garden Phase 1 in Shanghai, Regency Park Phase 2 in Changzhou and The Metropolitan Tianjin Phase 2 in Tianjin.

Contribution from property sales, including share of results of jointly controlled entities, was HK$6,040 million (2011 – HK$7,006 million), a decrease of HK$966 million when compared with the same period last year. During the period, residential property prices remained stable in Hong Kong on the back of solid demand from end users; and on the Mainland, property prices and sales were below expectations as the property market correction has continued.

Contribution from property sales for the second half year will mainly be derived from the sale of residential units of La Splendeur and Alnwick Road Project in Hong Kong, La Grande Ville Phase 2 in Beijing, Le Parc Phase 4A in Chengdu, Cape Coral Phase 2 in Chongqing, Laguna Verona Phases D1a, D1b and G1a in Dongguan and several other property projects scheduled for completion.

The presale of residential units of La Splendeur was launched in 2011 and all of the units have been presold. In June 2012, the presale of residential units of The Beaumount in Hong Kong, scheduled for completion in 2013, was launched and over 80% of all the units of the project have been presold. During the period, the sale/presale of residential units of various property projects on the Mainland were also progressing satisfactorily.

Property Rental

Turnover of the Group's property rental for the first half year was HK$905 million (2011 – HK$662 million), an increase of HK$243 million when compared with the same period last year, mainly due to increasing rental rates for retail properties in Hong Kong as demand for retail properties continued to be driven by growing tourist and domestic spending. The Group's investment properties comprise mainly retail shopping malls and commercial office properties in Hong Kong, which accounted for approximately 54% and 35% respectively of the turnover of the Group's property rental for the period.

Contribution from the Group's property rental was HK$843 million (2011 – HK$635 million), an increase of HK$208 million when compared with the same period last year, mainly attributable to an increase in contribution from the Group's retail shopping malls in Hong Kong. Property rental contribution from jointly controlled entities was HK$139 million (2011 – HK$284 million), a decrease of HK$145 million when compared with the same period last year due to the fact that Oriental Plaza in Beijing no longer provides rental contribution after its listing on the Hong Kong Stock Exchange in April 2011. Overall contribution from property rental, including share of results of jointly controlled entities, amounted to HK$982 million (2011 – HK$919 million), an increase of HK$63 million when compared with the same period last year.

At the interim period end date, the Group accounted for an increase in fair value of investment properties of HK$2,348 million (2011 – HK$1,419 million) based on a professional valuation and shared an increase in fair value of investment properties of HK$437 million (2011 – HK$514 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$1,116 million (2011 – HK$1,151 million), a decrease of HK$35 million when compared with the same period last year. The decrease in turnover was mainly due to the Group's disposal of a 70% interest in Sheraton Shenyang Lido Hotel on the Mainland in January 2012. The disposal contributed a surplus of HK$1,077 million to group profit for the period.

Contribution from the Group's hotels and serviced suites was HK$435 million (2011 – HK$414 million) and contribution including share of results of jointly controlled entities was HK$593 million (2011 – HK$545 million), an overall increase of HK$48 million when compared with the same period last year, notwithstanding a decrease in contribution from Sheraton Shenyang Lido Hotel as a result of the Group's reduced interest in the hotel. During the period, local business travel and inbound tourism continued to be active and operating results reported by most of the hotels and serviced suites in Hong Kong and on the Mainland owned by the Group and jointly controlled entities were satisfactory.

Despite uncertainties posed by the European debt issues and the ensuing global economic slowdown, contribution from the Group's hotels and serviced suites is expected to continue to grow in the second half year.

Property and Project Management

Turnover of the Group's property and project management for the first half year was HK$175 million (2011 – HK$172 million), of which income from property management was HK$78 million (2011 – HK$76 million), an increase of HK$2 million when compared with the same period last year, and income from project related services was HK$97 million (2011 – HK$96 million), an increase of HK$1 million when compared with the same period last year.

Contribution from the Group's property management was HK$52 million (2011 – HK$50 million), an increase of HK$2 million when compared with the same period last year, while the Group's project related services made a small contribution to group profit. The Group also shared the results of jointly controlled entities which were engaged in the management of major property projects, including Beijing Oriental Plaza on the Mainland and Marina Bay Financial Centre in Singapore, amounting to HK$24 million.

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 87 million sq.ft. 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, 2012 of HK$10,208 million (2011 – HK$46,296 million, including a net gain of HK$37,180 million on disposal of investments and others, mainly from the IPO of Hutchison Port Holdings Trust).

The CK Life Sciences Group, another listed associate, reported unaudited profit attributable to shareholders for the six months ended 30th June, 2012 of HK$115,630,000 (2011 – HK$82,332,000).

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 as appropriate. During the period, the Group issued notes with a three-year term under the Euro Medium Term Note Programme in the amount of US$500 million in Hong Kong.

At the interim period end date, the Group's bonds and notes, bank loans and other loans were HK$13.5 billion, HK$31 billion and HK$0.6 billion respectively, and the Group's total borrowings amounted to HK$45.1 billion, a decrease of HK$0.8 billion from the last year end date. The maturity profile is spread over a period of ten years, with HK$13.9 billion repayable within one year, HK$26.8 billion within two to five years and HK$4.4 billion beyond five years.

The Group's net debt to net total capital ratio at the interim period end date was approximately 6.1%. Net debt is arrived at by deducting bank balances and deposits of HK$24 billion from the Group's total borrowings and net total capital is the aggregate of the Group's total equity and net debt.

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 66.3% of the Group's borrowings were in HK$ and US$, with the balance in GBP and SGD mainly for the purpose of financing investments and property projects in the United Kingdom and Singapore. The Group derives its revenue mainly in HK$ and cash is mainly held in HK$. Income in foreign currencies, including RMB, SGD and GBP, is also generated from the Group's investments and property projects outside Hong Kong and cash in these foreign currencies is maintained for operational needs. 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 and where appropriate, swaps are arranged to convert the rates and related terms of the fixed rate bonds and notes issued to a floating rate basis.

At times of interest rate or exchange rate uncertainty or volatility and as appropriate, 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, there was no charge on assets of the Group (31st December, 2011 – HK$135 million).

Contingent Liabilities

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

(1) guarantee provided for the minimum share of revenue to be received by the partner of a joint development project amounted to HK$612 million (31st December, 2011 – HK$624 million); and

(2) guarantees provided for bank loans utilised by jointly controlled entities and investee company amounted to HK$1,482 million (31st December, 2011 – HK$1,617 million) and HK$352 million (31st December, 2011 – HK$334 million) respectively.

Employees

At the interim period end date, the Group employed approximately 9,000 employees for its principal businesses. The related employees' costs for the period (excluding directors' emoluments) amounted to approximately HK$1,096 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 THE COMPANY'S LISTED SECURITIES

During the six months ended 30th June, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

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

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices during the period from 1st January, 2012 to 31st March, 2012 and the Corporate Governance Code ("CG Code") during the period from 1st April, 2012 to 30th June, 2012 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rule"). In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Managing Director. In respect of code provision A.6.7 of the CG Code, a Non-executive Director was not in a position to attend the annual general meeting of the Company held on 25th May, 2012 due to an overseas commitment.

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

AUDIT COMMITTEE

The Company established the audit committee ("Audit Committee") in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. 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, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Group's interim results for the six months ended 30th June, 2012 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

In compliance with the CG Code, 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 of the Board, Mr. Li Ka-shing and two Independent Non-executive Directors, namely, Dr. Wong Yick-ming, Rosanna (Chairman of the Remuneration Committee) and Mr. Kwok Tun-li, Stanley.

CHEUNG KONG (HOLDINGS) LIMITED

(*Incorporated in Hong Kong with limited liability*)

(Stock Code: 0001)

NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2012

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, 2012 amounted to HK$15,456 million which represents earnings of HK$6.67 per share. The Directors have declared an interim dividend for 2012 of HK$0.53 per share to shareholders whose names appear on the Register of Members of the Company on Thursday, 20th September, 2012. The dividend will be paid on Friday, 21st September, 2012.

The Register of Members of the Company will be closed from Thursday, 13th September, 2012 to Thursday, 20th September, 2012, 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 Registrar, 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 Wednesday, 12th September, 2012.

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

Hong Kong, 2nd August, 2012

The Directors *(Note)* of the Company as at the date of this document 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)* and Mr. CHEONG Ying Chew, Henry 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, 2012

	(Unaudited) 2012 HK$ Million	2011 HK$ Million
Group turnover	**12,355**	22,418
Share of property sales of jointly controlled entities	**5,362**	3,685
Turnover	**17,717**	26,103
Group turnover	**12,355**	22,418
Investment and other income	**1,091**	497
Operating costs		
Property and related costs	**(6,948)**	(14,646)
Salaries and related expenses	**(792)**	(706)
Interest and other finance costs	**(176)**	(130)
Depreciation	**(175)**	(199)
Other expenses	**(198)**	(218)
	(8,289)	(15,899)
Share of net profit of jointly controlled entities	**2,336**	2,948
Increase in fair value of investment properties	**2,348**	1,419
Surplus on loss of control of interest in subsidiaries	**1,077**	-
Operating profit	**10,918**	11,383
Share of net profit of associates	**5,481**	23,284
Profit before taxation	**16,399**	34,667
Taxation	**(786)**	(1,350)
Profit for the period	**15,613**	33,317
Profit attributable to		
Shareholders of the Company	**15,456**	33,259
Non-controlling interests and holders of perpetual securities	**157**	58
	15,613	33,317
Earnings per share	**HK$6.67**	HK$14.36

	2012 HK$ Million	2011 HK$ Million
Interim dividend	**1,228**	1,228
Dividend per share	**HK$0.53**	HK$0.53

Consolidated Statement of Financial Position
As at 30th June, 2012

	(Unaudited) 30/6/2012 HK$ Million	(Audited) 31/12/2011 HK$ Million
Non-current assets		
Fixed assets	**10,241**	11,233
Investment properties	**27,528**	25,180
Associates	**193,218**	190,937
Jointly controlled entities	**48,104**	45,323
Investments available for sale	**9,844**	8,327
Long term loan receivables	**316**	180
	289,251	281,180
Current assets		
Stock of properties	**65,628**	68,932
Debtors, deposits and prepayments	**4,091**	2,805
Investments held for trading	**206**	220
Derivative financial instruments	**251**	155
Bank balances and deposits	**23,971**	19,894
	94,147	92,006
Current liabilities		
Bank and other loans	**13,910**	22,897
Creditors and accruals	**10,253**	9,701
Derivative financial instruments	**1,019**	826
Provision for taxation	**2,190**	1,607
Net current assets	**66,775**	56,975
Total assets less current liabilities	**356,026**	338,155
Non-current liabilities		
Bank and other loans	**31,231**	23,020
Deferred tax liabilities	**842**	850
	32,073	23,870
Net assets	**323,953**	314,285
Representing:		
Share capital	**1,158**	1,158
Share premium	**9,331**	9,331
Reserves	**305,781**	295,936
Shareholders' funds	**316,270**	306,425
Perpetual securities	**4,649**	4,648
Non-controlling interests	**3,034**	3,212
Total equity	**323,953**	314,285

Notes:

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

	Six months ended 30th June 2012 HK$ Million	2011 HK$ Million
Property sales	**10,159**	20,433
Property rental	**905**	662
Hotels and serviced suites	**1,116**	1,151
Property and project management	**175**	172
Group turnover	**12,355**	22,418
Share of property sales of jointly controlled entities	**5,362**	3,685
Turnover	**17,717**	26,103

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, turnover of the Group's operating activities outside Hong Kong (including property sales of jointly controlled entities) accounted for approximately 30% (2011 - 17%) of the turnover and was derived from the following location:

	Six months ended 30th June 2012 HK$ Million	2011 HK$ Million
The Mainland	**5,267**	4,398

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

	Six months ended 30th June					
	Company and subsidiaries		**Jointly controlled entities**		**Total**	
	2012 HK$ Million	2011 HK$ Million	**2012 HK$ Million**	2011 HK$ Million	**2012 HK$ Million**	2011 HK$ Million
Property sales	**3,327**	5,796	**2,713**	1,210	**6,040**	7,006
Property rental	**843**	635	**139**	284	**982**	919
Hotels and serviced suites	**435**	414	**158**	131	**593**	545
Property and project management	**61**	59	**24**	-	**85**	59
	4,666	6,904	**3,034**	1,625	**7,700**	8,529
Investment and finance					**596**	421
Infrastructure business in the United Kingdom					**538**	-
Interest and other finance costs					**(176)**	(130)
Increase in fair value of investment properties						
Subsidiaries					**2,348**	1,419
Jointly controlled entities					**437**	514
Surplus on loss of control of interest in subsidiaries					**1,077**	-
Surplus on loss of control of indirect interest in jointly controlled entities					**-**	1,731
Others					**77**	308
Taxation						
Company and subsidiaries					**(786)**	(1,350)
Jointly controlled entities					**(1,352)**	(1,292)
Profit attributable to non-controlling interests and holders of perpetual securities					**(157)**	(58)
					10,302	10,092
Share of net profit of listed associates						
Hutchison Whampoa Limited						
Profit attributable to shareholders before profit on disposal of investments and others					**5,101**	4,555
Profit on disposal of investments and others					**-**	18,575
CK Life Sciences Int'l., (Holdings) Inc.					**53**	37
Profit attributable to shareholders of the Company					**15,456**	33,259

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

	Six months ended 30th June **2012** HK$ Million	2011 HK$ Million
Interest and other finance costs	**389**	223
Less: Amount capitalised	**(213)**	(93)
	176	130
Costs of properties sold	**6,022**	13,428
Impairment of investments available for sale	**123**	385
Gain on disposal of investments available for sale	**(341)**	(21)
(Gain)/loss on investments held for trading	**8**	(35)

(3) Hong Kong profits tax has been provided for at the rate of 16.5% (2011 - 16.5%) on the estimated assessable profits for the period. Tax outside Hong Kong 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 **2012** HK$ Million	2011 HK$ Million
Current tax		
Hong Kong profits tax	**681**	1,123
Tax outside Hong Kong	**66**	168
Deferred tax	**39**	59
	786	1,350

(4) The calculation of earnings per share is based on profit attributable to shareholders of the Company and on 2,316,164,338 shares (2011 - 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 and deposits are payable in advance by tenants.

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

	30/6/2012 HK$ Million	31/12/2011 HK$ Million
Current to one month	**2,815**	434
Two to three months	**42**	70
Over three months	**28**	21
	2,885	525

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

	30/6/2012 HK$ Million	31/12/2011 HK$ Million
Current to one month	**1,930**	2,162
Two to three months	**34**	44
Over three months	**22**	19
	1,986	2,225

(6) The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1st January, 2012, the adoption has no significant impact on the Group's results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

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