Hutchison Whampoa Limited

Stock Code: 13

2009 Interim Report

Corporate Information

BOARD OF DIRECTORS

Chairman

LI Ka-shing, KBE, GBM, LLD (Hon), DSSc (Hon), JP
Grand Officer of the Order Vasco Nunez de Balboa
Commandeur de l'Ordre de Léopold
Commandeur de la Légion d'Honneur

Deputy Chairman

LI Tzar Kuoi, Victor, BSc, MSc, LLD (Hon)

Group Managing Director

FOK Kin-ning, Canning, BA, DFM, CA (Aus)

Executive Directors

CHOW WOO Mo Fong, Susan, BSc
Deputy Group Managing Director
Frank John SIXT, MA, LLL
Group Finance Director
LAI Kai Ming, Dominic, BSc, MBA
KAM Hing Lam, BSc, MBA

Non-executive Directors

George Colin MAGNUS, OBE, BBS, MA
William SHURNIAK, LLD (Hon)

Independent Non-executive Directors

The Hon Sir Michael David KADOORIE, GBS, LLD (Hon), DSc (Hon)
Officier de la Légion d'Honneur
Commandeur de l'Ordre de Léopold II
Commandeur de l'Ordre des Arts et des Lettres
Holger KLUGE, BCom, MBA
Margaret LEUNG KO May Yee, JP
William Elkin MOCATTA, FCA
Alternate to Michael David Kadoorie
WONG Chung Hin, CBE, JP

AUDIT COMMITTEE

WONG Chung Hin *(Chairman)*
Holger KLUGE
William SHURNIAK

REMUNERATION COMMITTEE

LI Ka-shing *(Chairman)*
Holger KLUGE
WONG Chung Hin

COMPANY SECRETARY

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)

AUDITOR

PricewaterhouseCoopers

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

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Highlights

Unaudited Results for the Six Months Ended 30 June 2009

- Total revenue and EBIT declines were significantly affected by adverse foreign currency movements and economic conditions. Although total revenue and total EBIT in Hong Kong dollars declined by 20% and 40% respectively, declines before adverse foreign currency translation movements were 7% and 37% respectively
- Profit attributable to shareholders and earnings per share are HK$5,760 million and HK$1.35 respectively
- 3G customer base currently totals over 25.3 million worldwide
- **3** Group's LBIT reduced by 66% to HK$1,810 million

Chairman's Statement

In the first half of this year, the global economy continued to slow, currency markets remained volatile, and many of the world's major economies were in recession. In local currencies, revenue and earnings before interest expense and finance costs, taxation and minority interest ("EBIT") of the Group's established businesses decreased 9% and 39% respectively. However, after translation to Hong Kong dollars, revenue declined 20% to HK$114,648 million and EBIT totalled HK$19,842 million, 44% lower than the first half of 2008. In local currencies, all **3** Group operations reported year on year growth in revenue except **3** Italia and **3** Austria, and all operations reported reduced recurring LBIT except **3** Austria. In local currencies, **3** Group total revenue increased 3%. However, after translation to Hong Kong dollars, total revenue declined 18% to HK$26,380 million. In local currencies, **3** Group LBIT reduced 46% and after translation, LBIT amounted to HK$1,810 million, a 66% reduction from last year's results. LBIT for the **3** Group in the period includes a gain of HK$3,641 million resulting from the merger of **3** Australia and Vodafone Australia, and LBIT in the comparable 2008 results includes one-time foreign exchange gains totalling HK$2,945 million. Excluding these gains in both years, LBIT for the **3** Group in local currencies reduced 20%.

The Group's total revenue in local currencies decreased 7% and after translation to Hong Kong dollars totalled HK$141,028 million, a 20% decrease. The Group's total EBIT in local currencies decreased 37% and after translation to Hong Kong dollars totalled HK$18,032 million, a 40% decrease compared to the first half of 2008.

Subsequent to 30 June 2009, Hutchison Telecommunications International ("HTIL"), the Group's 60.4% owned listed subsidiary, announced on 12 August 2009 that a wholly owned subsidiary had entered into an agreement to sell its entire shareholding in Partner Communications in Israel, for a total consideration, subject to adjustment, of NIS5,290,960,470 (approximately US$1,381 million) (approximately HK$10,706 million). The consideration is comprised of cash of NIS4,141,960,470 (US$1,081 million) (HK$8,381 million) and a loan note of US$300 million (HK$2,325 million). The transaction, subject to certain completion conditions including regulatory approval, is targeted to be completed in the second half of this year. The Group's share of HTIL's disposal gain before taxation, after adjusting for asset valuation consolidation adjustments, on completion of the transaction and translation into US$ (HK$) is estimated to be approximately US$575 million (HK$4,456 million).

Results

The Group's profit attributable to shareholders for the period amounted to HK$5,760 million, a 33% reduction to last year's comparable profit of HK$8,589 million. Earnings per share were HK$1.35 (2008 – HK$2.01).

Profit on property revaluation during the period amounted to HK$700 million (2008 – HK$824 million). The 2009 results also include profits on disposal of investments totalling HK$4,655 million (2008 – HK$3,854 million), comprised of the following:

	HK$ millions
• **3** Group – Gain on merger of **3** Australia with Vodafone's Australian operations	3,641
• Established businesses – Gain on disposal of equity interest in three power plants in Mainland China	847
• Established businesses – Profit on disposal of telecommunications tower assets in Indonesia	167

Dividends

The Board recommends the payment of an interim dividend of HK$0.51 per share (30 June 2008 – HK$0.51 per share) payable on 25 September 2009 to those persons registered as shareholders on 24 September 2009. The register of members will be closed from 17 September 2009 to 24 September 2009, both days inclusive.

Established Businesses

Ports and Related Services

The sharp reduction in global trade volume that started in the fourth quarter of last year continued into the first quarter of 2009. During the second quarter, volumes generally stabilised, albeit at levels well below 2008. This decline has adversely affected the results of the ports and related services division. The division handled a total throughput of 30.3 million twenty-foot equivalent units ("TEUs") in the first six months of 2009, 8% lower than that of the same period last year. Total revenue in local currencies decreased 13% and after translation to Hong Kong dollars, decreased 21% to HK$15,556 million. The division's EBIT in local currencies declined 31% and in Hong Kong dollars was HK$4,487 million, 35% below the same period last year. During the first half, the division implemented cost reduction initiatives targeting to achieve an EBIT percentage decline not greater than the revenue percentage decline. The full effect of many of these is expected to be realised in the second half of the year. Although trade volumes are normally seasonally higher in the second half of the year, the Group's current expectation is that trading activity will recover slowly, presenting a continuing challenge to the division's full year earnings prospect.

Property and Hotels

The property and hotels division reported total revenue of HK$6,628 million and EBIT of HK$3,239 million, a 24% increase and a 37% decrease respectively over the comparable period last year. However, excluding a HK$2,141 million profit realised on disposal of an investment property in the first half of 2008, EBIT for the first half of 2009 increased by 7%. Gross rental income of HK$1,894 million was 16% higher than the same period last year, with the rental properties portfolio 94% let. Development profits for the period were 28% higher than the same period last year, mainly due to the sale of residential property units in Mainland China, particularly in Shanghai and Shenzhen. Offsetting the positive performance of the property group, hotel operations reported sharply lower profits in the first half of 2009 due to the impact of swine flu (H1N1) and the ongoing economic downturn.

Retail

Consumer sentiment continued to be adversely affected by the global economic environment in the first half of the year. Nevertheless, the Group's retail division reported a 4% underlying sales growth in local currencies, although in Hong Kong dollars, reported revenues decreased by 9% to HK$53,444 million. In local currencies, EBIT increased by 67%, and in Hong Kong dollars increased 52% to HK$1,873 million compared to the same period last year, driven by cost reduction programmes, reduced inventory levels and enhanced operating efficiencies.

Cheung Kong Infrastructure

Cheung Kong Infrastructure ("CKI"), a listed subsidiary, announced its group turnover and its share of jointly controlled entities' turnover of HK$2,222 million, 30% lower than the comparable period last year. Profit attributable to shareholders of HK$3,885 million was 67% above the same period last year.

Included in these results is a gain of HK$1,314 million on disposal of its 45% equity interest in three power plants in Zhuhai to Hongkong Electric ("HKE"), which after asset valuation consolidation adjustments, amounted to a gain of HK$847 million in the Group's results.

Husky Energy

Husky Energy ("Husky") announced sales and operating revenues of C$7,566 million and net earnings of C$758 million, 38% and 66% below the comparable period last year, reflecting lower commodity prices and crack spreads compared to the first half of 2008. Average total production during the first half of 2009 was 329,600 barrels of oil equivalent per day ("BOEs per day") compared to 354,700 BOEs per day in the first half of 2008. With commodity prices remaining significantly below last year's levels, Husky's contribution to the Group's earnings for the second half of the year is expected to continue to be lower than last year.

Finance and Investments

The Group's EBIT from its finance and investments operations represents returns earned on the Group's holdings of cash and liquid investments. EBIT amounted to HK$2,478 million, 21% below the same period last year, mainly due to lower interest income as a result of significantly lower market interest rates and reduced cash and liquid investments on hand after the repayment of debts in 2008 and in 2009. In the first half of 2009, the Group repaid debts as they matured and repaid early certain loans and notes totalling HK$43,446 million. The Group's consolidated cash and liquid investments totalled HK$75,752 million as at 30 June 2009 and consolidated debt totalled HK$245,450 million. Consolidated net debt, net of cash and liquid investments, amounted to HK$169,698 million at 30 June 2009 compared to HK$165,863 million at 31 December 2008.

Hutchison Telecommunications Hong Kong

In May 2009, Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), the holding company of the Hong Kong and Macau telecommunications operations, was spun-off from HTIL by way of a distribution in specie of the entire share capital of HTHKH, and was separately listed on the Main Board of The Stock Exchange of Hong Kong by way of introduction. HTHKH continues to be a 60.4% owned subsidiary of the Group and its results are consolidated in the Group's results. HTHKH announced turnover and profit attributable to shareholders for the first half of 2009 of HK$4,097 million and HK$256 million respectively, an 8% and 4% increase over the same period last year. At 30 June 2009, HTHKH announced a consolidated mobile active customer base of over 2.7 million, of which 1.4 million are 3G customers.

Hutchison Telecommunications International

HTIL announced turnover for the period of HK$6,411 million, a 20% decrease over the same period last year, and a loss attributable to shareholders of HK$285 million, compared to a profit of HK$1,165 million reported for the first half of 2008. The decrease reflects the spin off of HTHKH in 2009, as well as start-up losses incurred as HTIL builds its businesses in Indonesia and Vietnam. At 30 June 2009, HTIL announced a combined mobile active customer base, excluding Thailand, totalling 10.5 million, a 43% increase over the comparable base last year.

3 Group

The Group's registered 3G customer base, including 3G customers of HTHKH and HTIL, increased 25% during the period and currently stands at over 25.3 million customers, reflecting continued growth and the additional customers arising from the merger of the Group's Australian business with Vodafone's business in Australia which was completed in June. Hutchison Telecommunications (Australia) Limited ("HTAL") and Vodafone each have equal 50% interests in the combined business. The **3** Group's customer base includes over 3.8 million mobile broadband access customers, a 170% increase from the same period last year.

Average revenue per active user on a 12-month trailing average active customer basis ("ARPU") overall declined by 11% to €29.87 compared to full year 2008. This decline reflects price competition, as well as continuous reductions of roaming and termination rates in certain markets and the increase in the proportion of mobile broadband access customers in **3** Group's customer base. Although ARPU declined in local currencies, total revenue overall increased 3% from the comparable period last year. After translation to Hong Kong dollars, **3** Group total revenue decreased 18% to HK$26,380 million.

In local currencies, recurring LBIT reduced 20% compared to the same period last year, before one-time gains in both years, mainly due to cost savings from outsourcing activities, other stringent cost controls, and lower depreciation and amortisation charges. In order to increase the comparability of performance with other operators within the global industry and to more closely align the income statement with the cash flow statement, the Group retrospectively adopted a new accounting policy during the period to expense as incurred all acquisition and retention costs related to contract customers. Previously these costs were capitalised and amortised over the contract terms. The impact of this change has been included in the Group's results and amounts to a reduction of **3** Group reported LBIT in the current period by HK$467 million (first half of 2008 – increased LBIT by HK$2,098 million). In addition, the terms of **3** Italia's telecommunications licence have been revised to provide for continuous renewal and extension such that the licence has an indefinite life. On this basis, the licence cost is no longer required to be amortised and **3** Italia ceased recording an amortisation charge during the period. The effect of this change is to reduce **3** Group reported LBIT in the current period by HK$465 million.

Total **3** Group LBIT, including the previously mentioned one-time gains and after translation to Hong Kong dollars, amounted to HK$1,810 million, a 66% improvement over the comparable LBIT in the first half of 2008.

Barring any further significant adverse market or regulatory developments, management expects LBIT from the **3** Group to continue to narrow in the second half of the year.

Outlook

In the first half of 2009, the impact of the decline of the global economy adversely affected several of the Group's global businesses. However, with the support of Central Government's initiatives, the Mainland economy has to date maintained healthy domestic demand and the impact of external economic factors affecting Hong Kong have to date been largely mitigated.

The global economy has not regained its strength and in this difficult economic environment, the Group will continue to focus on maintaining strict operational and financial discipline. The Group's liquidity remains healthy. Although the economic environment will have differing adverse effects on the Group's various businesses around the world, looking ahead, the Group's established businesses are expected to continue to be profitable and to perform satisfactorily, and the **3** Group is expected to continue to progress. The Group's second half performance should be better than the first half and I have full confidence in the long term prospects of the Group.

I would like to thank the Board of Directors and all employees around the world for their loyalty, hard work, professionalism and contributions to the Group.

Li Ka-shing
Chairman

Hong Kong, 13 August 2009

Supplementary Information and Key Business Indicators

Hutchison Whampoa Limited's Group results can be summarised as per below:

(in HK$ millions)	For the six months ended 30 June				
	2009	2008 Restated (Note 1)	**2009**	2008	% Change
REVENUE *					
Ports and related services	**15,556**	19,576	**13%**	14%	-21%
Property and hotels	**6,628**	5,343	**6%**	4%	24%
Retail	**53,444**	58,427	**47%**	40%	-9%
Cheung Kong Infrastructure	**7,528**	9,396	**6%**	6%	-20%
Husky Energy	**16,965**	32,964	**15%**	23%	-49%
Finance & Investments	**1,033**	2,311	**1%**	2%	-55%
Hutchison Telecommunications Hong Kong Holdings	**4,097**	3,716	**3%**	2%	10%
Hutchison Telecommunications International	**6,411**	8,615	**6%**	6%	-26%
Others	**2,986**	3,739	**3%**	3%	-20%
Total revenue of established businesses	**114,648**	144,087	**100%**	100%	-20%
3 Group	**26,380**	32,094			-18%
Total revenue	**141,028**	176,181			-20%
EARNINGS BEFORE INTEREST EXPENSE AND TAXATION ("EBIT")					
Established businesses:					
Ports and related services	**4,487**	6,854	**25%**	22%	-35%
Property and hotels	**3,239**	5,165	**18%**	17%	-37%
Retail	**1,873**	1,230	**10%**	4%	52%
Cheung Kong Infrastructure	**3,663**	3,820	**20%**	13%	-4%
Husky Energy	**1,998**	8,543	**11%**	28%	-77%
Finance & Investments	**2,478**	3,117	**14%**	10%	-21%
Hutchison Telecommunications Hong Kong Holdings	**308**	430	**2%**	1%	-28%
Hutchison Telecommunications International	**166**	1,648	**1%**	5%	-90%
Others	**(84)**	(265)	**-1%**	0%	68%
EBIT of established businesses before the following	**18,128**	30,542	**100%**	100%	-41%
Change in fair value of investment properties	**700**	824			-15%
Profit on disposal of investments and others - established businesses	**1,014**	3,854			-74%
EBIT of established businesses	**19,842**	35,220			-44%
3 Group: (Note 2)					
EBITDA of **3** Group before all CAC expenses	**8,073**	12,257			-34%
- CAC expenses	**(7,893)**	(9,498)			17%
EBITDA of **3** Group	**180**	2,759			-93%
- Depreciation	**(3,693)**	(5,172)			29%
- Amortisation of licence fees and other rights	**(1,938)**	(2,860)			32%
LBIT of **3** Group before the following	**(5,451)**	(5,273)			-3%
Profit on disposal of investments and others - **3** Group	**3,641**	–			N/A
LBIT of **3** Group	**(1,810)**	(5,273)			66%
Total EBIT	**18,032**	29,947			-40%
Interest expense and other finance costs					
- Company and subsidiary companies	**(5,078)**	(9,001)			44%
- Share of associated companies and jointly controlled entities	**(1,435)**	(1,523)			6%
	(6,513)	(10,524)			38%
Profit before tax	**11,519**	19,423			-41%
Tax *					
- Current tax	**(3,835)**	(3,621)			-6%
- Deferred tax	**696**	(3,342)			121%
	(3,139)	(6,963)			55%
Profit after tax	**8,380**	12,460			-33%
Minority interests *	**(2,620)**	(3,871)			32%
Profit attributable to shareholders	**5,760**	8,589			-33%

* Includes share of associated companies and jointly controlled entities

Note 1: 2008 results have been restated to reflect the change in accounting policy whereby costs associated with acquiring and retaining contract customers in the Group's telecommunications businesses are now expensed to the profit and loss account as and when incurred.

Note 2: Includes 3G operations in the UK, Ireland, Italy, Australia, Sweden, Denmark, Norway and Austria.

Supplementary Information and Key Business Indicators

Note: All comparing against the performance in the first six months of 2008

Established Businesses

Ports and Related Services

Total revenue	decreased 21% (decreased 13% in local currencies)
EBIT	decreased 35% (decreased 31% in local currencies)

Contributed 13% and 25% respectively to total revenue and EBIT of the Group's established businesses

Major contributors to the division's overall 8% throughput decline were:

	Decrease
Ports in Hong Kong and the Mainland	11%
Ports in Asia (excluding Hong Kong and the Mainland)	15%

Major contributors to the division's overall 35% EBIT decrease were:

	Decrease
Ports in Hong Kong and the Mainland	24%
Ports in Europe	40%
Ports in Asia (excluding Hong Kong and the Mainland)	22%
Ports in Americas, Middle East and Africa	24%

Property and Hotels

Total revenue	increased 24%
EBIT	decreased 37% (increased 7% excluding one-time gains in 2008)

Contributed 6% and 18% respectively to total revenue and EBIT of the Group's established businesses

Development profits for the first half of the year were 28% higher than the comparable period last year, mainly from the sales of units in the "Maison des Artistes" and the "Regency Park" residential developments in Shanghai, as well as the "Regency Park" residential development in Shenzhen. The Group's current attributable landbank (including direct interests and its proportionate share of interests held by joint ventures, associates and jointly controlled entities) can be developed into 101 million square feet of mainly residential property, of which 96% is situated in the Mainland, 3% in the UK and overseas and 1% in Hong Kong. This landbank comprises 44 projects in 20 cities and is expected to be developed in a phased manner over several years. The increase in property valuations in the first six months of 2009 is primarily attributable to the adoption of revised requirements of Hong Kong Accounting Standard 40 "Investment Properties", which became effective on 1 January 2009, and requires, in addition to completed investment properties, investment properties under construction to also be marked at market value.

Retail

Total revenue	decreased 9% (increased 4% in local currencies)
EBIT	increased 52% (increased 67% in local currencies)

Contributed 47% and 10% respectively to total revenue and EBIT of the Group's established businesses

The number of retail outlets increased marginally during the first half of the year and currently totals over 8,400 outlets in 34 markets worldwide. The retail division is focusing on organic growth primarily in the Mainland, and also strict cost controls to maintain margins in a difficult economic environment.

Cheung Kong Infrastructure, subsidiary listed on Stock Exchange of Hong Kong

Announced group turnover and its share of jointly controlled entities' turnover	decreased 30%
Announced profit attributable to shareholders	increased 67% (increased 10% excluding gain on disposal of equity interests in power plants)

Contributed 6% and 20% respectively to total revenue and EBIT of the Group's established businesses

Husky Energy, associated company listed on Toronto Stock Exchange

Announced sales and operating revenues, in C$	decreased 38%
Announced net earnings, in C$	decreased 66%

Contributed 15% and 11 % respectively to total revenue and EBIT of the Group's established businesses

Hutchison Telecommunications Hong Kong Holdings, subsidiary listed on Stock Exchange of Hong Kong

Announced turnover	increased 8%
Announced profit attributable to shareholders	increased 4%

Contributed 3% and 2% respectively to total revenue and EBIT of the Group's established businesses

Hutchison Telecommunications International, subsidiary listed on Stock Exchange of Hong Kong and New York Stock Exchange

Announced turnover	decreased 20%
Announced loss attributable to shareholders	loss of HK$285 million compared to a profit last year of HK$1,165 million

Contributed 6% and 1% respectively to total revenue and EBIT of the Group's established businesses

3 Group

Total revenue	decreased 18 % (increased 3% in local currencies)
Total LBIT	decreased 66 % (decreased 46% in local currencies)

	30 June 2009 HK$ millions	30 June 2008 HK$ millions (Restated)
EBITDA before all customer acquisition costs and retention costs ("CACs") - decreased 34%	**8,073**	12,257
CAC expenses - decreased 17%	**(7,893)**	(9,498)
EBITDA	**180**	2,759

The **3** Group overall reported total EBITDA before all CACs of HK$8,073 million, 34% lower than the comparable period last year. This was mainly due to the adverse effect of foreign exchange rate movements on the translation of **3** Group results in local currencies to Hong Kong dollars and also, in the first half of last year, the Group refinanced certain non-Euro and non-Sterling borrowings with respective Euro and Sterling bank loans to create a natural hedge against the assets of certain **3** Group operations denominated in Euros and British Pounds and recorded a foreign exchange gain of HK$2,945 million. Excluding these effects, EBITDA before all CACs increased 10% compared to the same period last year.

Total CACs amounted to HK$7,893 million, a decrease of 17% compared to same period last year mainly driven by the positive effect of foreign exchange movements on translation to Hong Kong dollars and also the continuing decline of lower weighted average per customer acquisition cost.

3 Group Overall

	30 June 2009	30 June 2008
Weighted average per customer acquisition cost, on a 12-month trailing average basis - reduced 7%	**€131**	€141
Contract customers as a percentage of total registered customer base	**53%**	51%
Average monthly customer churn rate - total registered customer base	**2.4%**	2.8%
Average monthly customer churn rate - total contract registered customer base	**1.7%**	2.1%
Active customers as a percentage of total registered customer base	**83%**	77%
Active contract customers as a percentage of total contract registered customer base	**96%**	98%

Key Business Indicators

Registered customers grew in all operations.

	Customer Base					
	Registered Customers at 12 August 2009 ('000)			Registered Customer Growth (%) from 31 December 2008 to 30 June 2009		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
UK & Ireland	1,850	3,741	**5,591**	2%	5%	**4%**
Italy	5,870	3,061	**8,931**	–	10%	**3%**
Australia[(1)]	2,619	3,433	**6,052**	1,310%	83%	**198%**
Sweden & Denmark	169	1,254	**1,423**	30%	10%	**12%**
Austria	187	586	**773**	6%	17%	**14%**
3 Group Total	10,695	12,075	**22,770**	32%	22%	**27%**
Hong Kong and Macau[(2)]	119	1,337	**1,456**	23%	6%	**8%**
Israel[(3)]	37	1,102	**1,139**	–	13%	**16%**
Total	10,851	14,514	**25,365**	32%	20%	**25%**

Customer service revenue, in local currencies, grew year on year in all operations except **3** Italia and **3** Austria.

	Customer Service Revenue							
	Revenue for the six months ended 30 June 2009 (millions)					Growth (%) compared to the six months ended 30 June 2008		
						Revenue		
	Prepaid	% of total revenue	Postpaid	% of total revenue	Total	Prepaid	Postpaid	Total
UK & Ireland	£82.8	11%	£701.2	89%	**£784.0**	2%	2%	**2%**
Italy	€220.8	27%	€612.3	73%	**€833.1**	-25%	4%	**-6%**
Australia[(1)]	A$84.2	10%	A$778.9	90%	**A$863.1**	123%	20%	**26%**
Sweden & Denmark	SEK57.2	2%	SEK2,602.8	98%	**SEK2,660.0**	30%	20%	**20%**
Austria	€2.3	3%	€79.7	97%	**€82.0**	-18%	-6%	**-6%**

ARPU decreased in all countries reflecting continuous reductions of roaming rates in certain countries and scheduled reductions in regulated mobile termination rates, as well as the increase in the proportion of mobile broadband customers in **3** Group's customer base and also price competition.

	12-month Trailing Average Revenue per Active User ("ARPU")[(4)] to 30 June 2009					
	Total				Non-voice	
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2008	ARPU	% of total ARPU
UK & Ireland	£12.92	£34.71	**£29.36**	-13%	**£10.12**	34.5%
Italy	€12.40	€39.08	**€24.23**	-4%	**€8.78**	36.2%
Australia[(1)]	A$30.81	A$69.31	**A$62.62**	-6%	**A$21.18**	33.8%
Sweden & Denmark	SEK115.90	SEK374.41	**SEK357.38**	-6%	**SEK144.82**	40.5%
Austria	€12.27	€28.04	**€27.04**	-18%	**€11.86**	43.9%
3 Group Average	€13.37	€38.30	**€29.87**	-11%	**€10.69**	35.8%

Note 1: Revenue, ARPU and active customers (excluding customers of mobile virtual network operators ("MVNOs") of 30 June 2009 as announced by listed subsidiary HTAL with active customers (excluding customers of MVNOs) updated for net additions to 12 August 2009. Revenue represents the results of the **3** business for the five months to May 2009 and 50% of the merged business for the month of June 2009.

Note 2: Hong Kong and Macau active customers of 30 June 2009 as announced by listed subsidiary HTHKH updated for net additions to 12 August 2009.

Note 3: Israel active customers of 30 June 2009 as announced by listed subsidiary HTIL updated for net additions to 12 August 2009.

Note 4: ARPU equals total revenue excluding handset and connection revenues, divided by the average number of active customers during the period, where an active customer is one that has generated revenue from either an outgoing or incoming call or 3G service in the preceding three months.

UK and Ireland (combined)

Combined customer service revenue, in GBP	increased 2%
Combined LBIT, in GBP, excluding non-recurring foreign exchange gains in first half of 2008	reduced 24%

	30 June 2009	30 June 2008
Contract customers as a percentage of total registered customer base	**68%**	65%
Average monthly customer churn rate – total registered customer base	**2.9%**	2.9%
Average monthly customer churn rate – total contract registered customer base (accounts for 89% of the revenue base)	**1.7%**	2.0%
Active customers as a percentage of total registered customer base	**89%**	81%
Active contract customers as a percentage of total contract registered customer base	**96%**	97%

Italy

Customer service revenue, in EURO	decreased 6%
LBIT, in EURO, excluding non-recurring foreign exchange gains in first half of 2008	reduced 20%

	30 June 2009	30 June 2008
Contract customers as a percentage of total registered customer base	**34%**	27%
Average monthly customer churn rate – total registered customer base	**2.3%**	3.0%
Average monthly customer churn rate – total contract registered customer base (accounts for 73% of the revenue base)	**2.2%**	3.2%
Active customers as a percentage of total registered customer base	**66%**	67%
Active contract customers as a percentage of total contract registered customer base	**90%**	97%

Hutchison Telecommunications Australia, subsidiary listed on Australian Securities Exchange

Announced service revenue, in AUD	increased 26%
Announced profit attributable to shareholders, in AUD	increased 746% (loss decreased 59% excluding gain on the merger of **3** Australia with Vodafone Australia)

Sweden and Denmark (combined)

Combined customer service revenue, in SEK	increased 20%
Combined LBIT, in SEK	reduced 54%

	30 June 2009	30 June 2008
Contract customers as a percentage of total registered customer base	**89%**	90%
Average monthly customer churn rate – total registered customer base	**2.1%**	2.4%
Active customers as a percentage of total registered customer base	**96%**	97%
Active contract customers as a percentage of total contract registered customer base	**100%**	100%

Austria

Customer service revenue, in EURO	decreased 6%
LBIT, in EURO, excluding non-recurring foreign exchange gains in first half of 2008	increased 11%

	30 June 2009	30 June 2008
Contract customers as a percentage of total registered customer base	**76%**	70%
Average monthly customer churn rate – total registered customer base	**1.4%**	1.4%
Active customers as a percentage of total registered customer base	**80%**	75%
Active contract customers as a percentage of total contract registered customer base	**99%**	99%

Group Capital Resources and Other Information

Group Capital Resources and Liquidity

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures approved by the Executive Directors, which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuation in interest rates and exchange rates and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. The Group cautiously uses derivatives, principally interest rate and foreign currency swaps and forward currency contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Cash Management and Funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associates to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, which change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

Interest Rate Exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposures. The Group's main interest rate exposures relate to US dollar, British Pound, Euro and HK dollar borrowings.

At 30 June 2009, approximately 51% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 49% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$53,881 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$3,502 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 71% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 29% were at fixed rates at 30 June 2009.

Foreign Currency Exposure

For overseas subsidiaries and associates and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinancing these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to the underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long term equity investments in overseas subsidiaries and associates. During the first half of the year, the currencies of most of those countries where the Group has overseas operations strengthened against the HK dollar compared to the 31 December 2008 exchange rates. This gave rise to an unrealised gain of HK$12,218 million (30 June 2008, as restated – loss of HK$986 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, which was reflected as a movement in the Group's reserves.

At 30 June 2009, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$11,665 million to non-US dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts are denominated as follows: 24% in HK dollars, 31% in US dollars, 32% in Euro, 5% in British Pounds and 8% in other currencies.

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward currency contracts with financial institutions exposes the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements, credit ratings and setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, which is continuously monitored by the local operational management.

Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A3 on the Moody's Investor Service scale, A- on the Standard & Poor's Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances. At 30 June 2009, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch.

Market Price Risk

The Group's main market price risk exposures relate to listed debt and equity securities described in "liquid assets" below and the interest rate swaps as described in "interest rate exposure" above. The Group's holding of listed debt and equity securities represented approximately 34% (31 December 2008 – approximately 33%) of the Group's liquid assets. The Group controls this risk through monitoring the price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

Liquid Assets

The Group continues to have a healthy financial position. Cash, liquid funds and other listed investments ("liquid assets") amounted to HK$75,752 million at 30 June 2009, 14% lower than the balance as at 31 December 2008 of HK$88,021 million, mainly attributable to the Group's utilisation of some of its cash on hand to repay debts as they matured and also to repay early certain debts and notes. In the first half of 2009, debts and notes totalling HK$43,446 million were repaid, partially offset by new borrowings of HK$37,690 million. Of the liquid assets, 8% were denominated in HK dollars, 47% in US dollars, 16% in Euro, 12% in Renminbi, 5% in British Pounds and 12% in other currencies.

Cash and cash equivalents represented 65% (31 December 2008 – 65%) of the liquid assets, US Treasury notes and listed/traded fixed income securities 28% (31 December 2008 – 29%), listed equity securities 6% (31 December 2008 – 5%) and long-term deposits and others 1% (31 December 2008 – 1%).

The US Treasury notes and listed/traded fixed income securities, including those held under managed funds, consisted of supranational notes (27%), government guaranteed notes (26%), financial institutions issued notes (25%), government related entities issued notes (13%), notes issued by the Group's associated company, Husky Energy Inc. (8%) and US Treasury notes (1%). Of these US Treasury notes and listed/traded fixed income securities, 60% are rated at Aaa/AAA with an average maturity of approximately 1.1 years on the overall portfolio. The Group has no exposure in mortgage backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

Consolidated EBITDA after all telecommunications CAC expenses amounted to HK$27,910 million for the first half of 2009, a 36% decrease from HK$43,934 million, as restated, for the comparable period last year. Consolidated funds from operations ("FFO") after all telecommunications CAC expenses but before cash profits from disposals, capital expenditures and changes in working capital amounted to HK$12,139 million, in line with the HK$12,186 million, as restated, for the comparable period last year.

As a result of the change in the Group's accounting policy, cost associated with acquiring and retaining contract customers are expensed as incurred. The total customer acquisition costs for the first six months of 2009 was HK$8,440 million, a 17% decrease compared to HK$10,226 million, as restated, for the comparable period last year. These costs have been deducted to arrive at the EBITDA and FFO amounts mentioned above.

In the first half of 2009, the Group's capital expenditures decreased 25% to total HK$8,896 million (30 June 2008 – HK$11,808 million). The decrease in the Group's total capital expenditures is primarily due to reduced expenditures by the ports and related services division and the **3** Group. Capital expenditures for the ports and related services division amounted to HK$2,104 million (30 June 2008 – HK$3,255 million); for the property and hotels division HK$32 million (30 June 2008 – HK$42 million); for the retail division HK$357 million (30 June 2008 – HK$729 million); for the energy and infrastructure division HK$38 million (30 June 2008 – HK$54 million); for the finance and investments division HK$10 million (30 June 2008 – HK$5 million); for HTHKH HK$583 million (30 June 2008 – HK$402 million); for HTIL HK$2,441 million (30 June 2008 – HK$1,806 million); for others HK$17 million (30 June 2008 – HK$28 million) and for the **3** Group HK$3,314 million (30 June 2008 – HK$5,487 million).

The capital expenditures of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

Debt Maturity and Currency Profile

The Group's total principal amount of bank and other debts at 30 June 2009 decreased 3% to total HK$245,450 million (31 December 2008 - HK$253,884 million) of which 50% is notes and bonds and 50% is bank and other loans. The net decrease in principal amount of bank and other debts was mainly due to the repayment of debts as they matured and also prepayment of certain debts and notes in the first six months of 2009 totalling HK$43,446 million, net of increased borrowings of HK$37,690 million primarily used for refinancing, as well as the unfavourable effect on the translation of foreign currency denominated loans to HK dollars of HK$1,214 million. The Group's weighted average cost of debt for the period to 30 June 2009 reduced by 1.6% to 3.6% (31 December 2008 - 5.2%). Interest bearing loans from minority shareholders, which are viewed as quasi-equity, totalled HK$13,329 million at 30 June 2009 (31 December 2008 - HK$13,348 million).

The maturity profile of the Group's total principal amount of bank and other debts at 30 June 2009 is set out below:

	HK$	US$	Euro	GBP	Others	Total
Within 6 months	–	–	2%	–	2%	4%
In 2010	4%	4%	2%	–	4%	14%
In 2011	9%	4%	17%	1%	1%	32%
In 2012	–	2%	1%	–	–	3%
In 2013	5%	10%	4%	–	–	19%
In year 2014 - 2018	2%	6%	6%	2%	–	16%
In year 2019 - 2028	4%	1%	–	2%	–	7%
Beyond year 2028	–	4%	–	–	1%	5%
Total	24%	31%	32%	5%	8%	100%

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings, as a matter of policy, have credit rating triggers that would accelerate the maturity dates of the debt outstanding.

Changes in Financing

The significant financing activities in the first half of 2009 were as follows:

- In March, obtained two five-year floating rate loan facilities totalling HK$5,000 million, primarily to refinance existing indebtedness;
- Between March and May, prepaid a syndicated loan facility totalling HK$1,750 million;
- In April, issued ten-year, fixed rate US$1,500 million (approximately HK$11,700 million) guaranteed notes, to refinance existing indebtedness;
- In April, repaid at maturity, a loan of €240 million (approximately HK$2,425 million);
- In May, obtained a four-year, floating rate term loan facility of HK$1,500 million, to refinance existing indebtedness;
- In May, obtained a five-year, floating rate term loan facility of HK$2,000 million, to refinance existing indebtedness;
- In May, obtained a four-year, floating rate syndicated loan facility of HK$8,000 million, to refinance existing indebtedness;
- In May, listed subsidiaries HTHKH and HTIL, repaid on maturity, a floating rate term and revolving credit facility loan totalling HK$6,260 million;
- In May, listed subsidiary HTHKH obtained a 13-month, floating rate loan facility of HK$5,200 million, to refinance existing indebtedness;
- In May, repaid on maturity, a floating rate loan facility of HK$3,300 million;
- In June, through various tenders, purchased and effectively retired US$1,845 million (approximately HK$14,391 million), GBP275 million (approximately HK$3,518 million) and €276 million (approximately HK$3,019 million) of the Group's outstanding notes of various maturities. The Group has also purchased US$152 million (approximately HK$1,187 million) and €40 million (approximately HK$437 million) of these outstanding notes of various maturities during the first six months of 2009;
- In June, obtained a two-year, floating rate term loan facility of €300 million (approximately HK$3,246 million), to refinance existing indebtedness;
- In June, prepaid a floating rate term loan facility of €300 million (approximately HK$3,279 million);
- In June, listed subsidiary HTIL, prepaid floating rate Israeli notes of NIS167 million (approximately HK$327 million) maturing in March 2012;
- In July, obtained a five-year, floating rate term loan facility of HK$1,000 million, to refinance existing indebtedness; and
- In July, put options were exercised to retire US$196 million (approximately HK$1,532 million) fixed rate notes maturing in August 2037.

Capital, Net Debt and Interest Coverage Ratios

The Group's total shareholders' funds increased 5% to HK$273,115 million at 30 June 2009 compared to HK$260,319 million at 31 December 2008 (after restatement for the retroactive change of the CAC accounting policy), reflecting the profits for the six months to 30 June 2009 net of dividends paid and the non-cash favourable effect of HK$12,218 million arising from the translation of overseas subsidiaries' net assets at 30 June 2009 exchange rates. At 30 June 2009, the consolidated net debt of the Group, excluding interest bearing loans from minority shareholders which are viewed as quasi-equity, unamortised loan facilities fee and premium or discount on issue and fair value changes of interest rate swap contracts, was HK$169,698 million (31 December 2008 – HK$165,863 million), a 2% increase from the beginning of the period. The Group's net debt to net total capital ratio is affected each year by foreign currency translation effects on shareholders' funds and also on loans. This ratio before the effects of foreign currency translation and other non-cash movements at 30 June 2009 is 35%, and decreases to 34% including this effect (31 December 2008 restated – 35%).

As additional information, the following table shows the net debt to net total capital ratio calculated on the basis of including interest bearing loans from minority shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at 30 June 2009.

Net debt/Net total capital ratios at 30 June 2009:	**Before the effect of foreign currency translation and other non-cash movements**	**After the effect of foreign currency translation and other non-cash movements**
A1 – excluding interest bearing loans from minority shareholders from debt	35%	34%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	33%	32%
B1 – including interest bearing loans from minority shareholders as debt	38%	37%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	36%	35%

The Group's consolidated gross interest expense and other finance costs of subsidiaries, before capitalisation for the first six months of 2009, decreased 43% to total HK$5,243 million, compared to HK$9,220 million for the same period last year, mainly due to lower effective market interest rates in the first half of 2009 and lower loan balances as a result of the previously mentioned debt repayments in the first half of 2009.

Consolidated EBITDA and FFO for the period covered consolidated net interest expense and other finance costs 9.0 times and 6.2 times respectively (31 December 2008 restated – 7.5 times and 4.4 times).

Secured Financing

At 30 June 2009, assets of the Group totalling HK$7,510 million (31 December 2008 – HK$10,857 million) were pledged as security for bank and other debts.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 30 June 2009 amounted to the equivalent of HK$11,760 million (31 December 2008 – HK$13,342 million).

Contingent Liabilities

At 30 June 2009, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities of HK$3,789 million (31 December 2008 – HK$3,749 million), and provided performance and other guarantees of HK$8,330 million (31 December 2008 – HK$7,820 million).

Employee Relations

At 30 June 2009, the Company and its subsidiaries employed 153,562 people (30 June 2008 – 166,679 people) and the related employee costs for the six-month period, excluding Directors' emoluments, totalled HK$14,911 million (2008 – HK$17,489 million). Including the Group's associated companies, at 30 June 2009, the Group employed 218,492 people of whom 28,970 were employed in Hong Kong. All of the Group's subsidiaries are equal opportunity employers, with the selection and promotion of individuals based on suitability for the position offered. The salary and benefit levels of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

The Company does not have a share option scheme for the purchase of ordinary shares in the Company. Certain subsidiaries and associates of the Group offer various equity-linked compensation elements appropriate to their sector and market. A wide range of benefits including medical coverage, provident funds and retirement plans and long service awards are also provided to employees. In addition, training and development programmes are provided on an on-going basis throughout the Group. Many social, sporting and recreational activities were arranged during the period for employees on a Group-wide basis. Group employees also participated in community-oriented events.

Purchase, Sale or Redemption of Shares

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares. In addition, the Company has not redeemed any of its ordinary shares during the period.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 17 September 2009 to Thursday, 24 September 2009, both dates inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on Wednesday, 16 September 2009.

Disclosure of Interests

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

As at 30 June 2009, the interests and short positions of the Directors and Chief Executive 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 (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the Chief Executive of the Company 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 pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company (the "Model Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares held	Total	Approximate % of shareholding
Li Ka-shing	(i) Founder of discretionary trusts	(i) Other interest	2,141,698,773 [(1)]		
	(ii) Interest of controlled corporations	(ii) Corporate interest	49,177,000 [(2)]	2,190,875,773	51.3883%
Li Tzar Kuoi, Victor	(i) Beneficiary of trusts	(i) Other interest	2,141,698,773 [(1)]		
	(ii) Interest of controlled corporations	(ii) Corporate interest	1,086,770 [(3)]	2,142,785,543	50.2604%
Fok Kin-ning, Canning	Interest of a controlled corporation	Corporate interest	4,310,875 [(4)]	4,310,875	0.1011%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	150,000	150,000	0.0035%
Frank John Sixt	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Kam Hing Lam	(i) Beneficial owner	(i) Personal interest	60,000		
	(ii) Interest of child	(ii) Family interest	40,000	100,000	0.0023%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of discretionary trust(s)	Other interest	15,984,095 [(5)]	15,984,095	0.3749%

Name of Director	Capacity	Nature of interests	Number of shares held	Total	Approximate % of shareholding
Holger Kluge	Beneficial owner	Personal interest	40,000	40,000	0.0009%
George Colin Magnus	(i) Founder and beneficiary of a discretionary trust	(i) Other interest	950,100 [(6)]		
	(ii) Beneficial owner	(ii) Personal interest	40,000		
	(iii) Interest of spouse	(iii) Family interest	9,900	1,000,000	0.0235%
William Shurniak	Beneficial owner	Personal interest	165,000	165,000	0.0039%

Notes:

(1) The two references to 2,141,698,773 shares of the Company relate to the same block of shares comprising:

(a) 2,130,202,773 shares held by certain subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong"). 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 its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies") hold more than one-third of the issued share capital of Cheung Kong.

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 Cheung Kong 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 Cheung Kong 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 Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies and the said shares of the Company held by the subsidiaries of Cheung Kong under the SFO as directors of Cheung Kong. 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 Cheung Kong and has no duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

(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 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 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 the Company 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 the Company held by TUT3 as trustee of UT3 under the SFO.

(2) Such shares were held by certain companies of which Mr Li Ka-shing is interested in the entire issued share capital.

(3) Such shares were held by certain companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

(4) Such shares were held by a company which is equally controlled by Mr Fok Kin-ning, Canning and his spouse.

(5) Such shares were ultimately held by discretionary trust(s) of which The Hon Sir Michael David Kadoorie is either the founder, a beneficiary and/or a discretionary object.

(6) Such shares were indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and a discretionary beneficiary.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 30 June 2009, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or the Company as described in Note (1) above:

(i) 1,912,109,945 ordinary shares, representing approximately 84.82% of the then issued share capital, in Cheung Kong Infrastructure Holdings Limited ("CKI") of which 1,906,681,945 ordinary shares were held by a wholly owned subsidiary of the Company and 5,428,000 ordinary shares were held by TUT1 as trustee of UT1;

(ii) 6,399,728,952 ordinary shares, representing approximately 71.50% of the then issued share capital, in Hutchison Harbour Ring Limited ("HHR") held by certain wholly owned subsidiaries of the Company;

(iii) 2,958,068,120 ordinary shares, representing approximately 61.44% of the then issued share capital, in Hutchison Telecommunications International Limited ("HTIL") of which 52,092,587 ordinary shares and 2,905,822,253 ordinary shares were held by certain wholly owned subsidiaries of each of Cheung Kong and the Company respectively and 153,280 ordinary shares were held by TUT3 as trustee of UT3;

(iv) 2,958,068,120 ordinary shares, representing approximately 61.44% of the then issued share capital, in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") of which 52,092,587 ordinary shares and 2,905,822,253 ordinary shares were held by certain wholly owned subsidiaries of each of Cheung Kong and the Company respectively and 153,280 ordinary shares were held by TUT3 as trustee of UT3;

(v) 829,599,612 ordinary shares, representing approximately 38.87% of the then issued share capital, in Hongkong Electric Holdings Limited ("HEH") which shares were held by certain wholly owned subsidiaries of CKI;

(vi) 1,429,024,545 ordinary shares, representing approximately 36.70% of the then issued share capital, in TOM Group Limited of which 476,341,182 ordinary shares and 952,683,363 ordinary shares were held by a wholly owned subsidiary of each of Cheung Kong and the Company respectively;

(vii) 293,618,956 common shares, representing approximately 34.55% of the then issued share capital, in Husky Energy Inc. ("Husky") held by a wholly owned subsidiary of the Company; and

(viii) all interests in shares, underlying shares and/or debentures in all associated corporations of the Company.

As Mr Li Ka-shing may be regarded as a founder of DT3 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of DT3 as disclosed in Note (1) above, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in 305,603,402 common shares, representing approximately 35.96% of the then issued share capital, in Husky which were held by a company in respect of which TDT3 as trustee of DT3 is indirectly entitled to substantially all the net assets thereof and of which Mr Li Ka-shing is additionally entitled to exercise or control the exercise of one-third or more of the voting power at its general meetings.

Mr Li Ka-shing, as Director of the Company, was also deemed to be interested in (a) a nominal amount of US$100,000,000 in the 5.90% Notes due 2014 issued by Husky; and (b) a nominal amount of US$100,000,000 in the 7.25% Notes due 2019 issued by Husky held by a wholly owned subsidiary of the Company by virtue of his interests in the shares of the Company as described in Note (1) above.

In addition, Mr Li Ka-shing had, as at 30 June 2009, corporate interests in (i) a nominal amount of US$30,200,000 in the 6.988% Notes due 2037 issued by Hutchison Whampoa Finance (CI) Limited (the "2037 Notes"); (ii) a nominal amount of US$100,000,000 in the 5.90% Notes due 2014 issued by Husky; (iii) 266,621,499 ordinary shares, representing approximately 5.54% of the then issued share capital, in HTIL; and (iv) 266,621,499 ordinary shares, representing approximately 5.54% of the then issued share capital, in HTHKH, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital. On 8 June 2009, certain companies of which Mr Li Ka-shing is interested in the entire issued share capital exercised their options as noteholders to seek early repayment of the 2037 Notes for a total principal amount of US$30,200,000 together with interests. As the 2037 Notes have been repaid on 1 August 2009 according to the terms thereof, Mr Li Ka-shing was regarded as ceasing to have an interest in the 2037 Notes on that date under the SFO.

Mr Li Tzar Kuoi, Victor had, as at 30 June 2009, the following interests:

(i) family interests in 151,000 ordinary shares, representing approximately 0.007% of the then issued share capital, in HEH held by his spouse; and

(ii) corporate interests in (a) a nominal amount of US$10,208,000 in the 6.50% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited ("HWI(03/13)"); (b) a nominal amount of US$45,792,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited ("HWI(09)"); (c) 2,519,250 ordinary shares, representing approximately 0.05% of the then issued share capital, in HTIL; and (d) 2,519,250 ordinary shares, representing approximately 0.05% of the then issued share capital, in HTHKH, which were held by companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

Mr Fok Kin-ning, Canning had, as at 30 June 2009, the following interests:

(i) corporate interests in (a) a nominal amount of US$1,216,000 in the 6.50% Notes due 2013 issued by HWI(03/13); (b) a nominal amount of US$4,000,000 in the 7.625% Notes due 2019 issued by HWI(09); and (c) a nominal amount of US$2,000,000 in the 7.25% Notes due 2019 issued by Husky;

(ii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.06% of the then issued share capital, in HHR;

(iii) 5,100,000 ordinary shares, representing approximately 0.04% of the then issued share capital, in Hutchison Telecommunications (Australia) Limited ("HTAL") comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;

(iv) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the then issued share capital, in HTIL;

(v) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the then issued share capital, in HTHKH;

(vi) corporate interests in 200,000 common shares, representing approximately 0.02% of the then issued share capital, in Husky; and

(vii) corporate interests in 225,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.15% of the then issued share capital, in Partner Communications Company Ltd. ("Partner").

Mr Fok Kin-ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 30 June 2009, personal interests in (a) 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in HTIL; and (b) 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in HTHKH.

Mr Frank John Sixt had, as at 30 June 2009, the following interests:

(i) personal interests in (a) 1,000,000 ordinary shares, representing approximately 0.007% of the then issued share capital, in HTAL; (b) 17,000 American Depositary Shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in HTIL; and (c) 17,000 American Depositary Shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in HTHKH; and

(ii) corporate interests in a nominal amount of US$1,000,000 in the 5.90% Notes due 2014 issued by Husky.

Mr Kam Hing Lam in his capacity as a beneficial owner had, as at 30 June 2009, personal interests in 100,000 ordinary shares, representing approximately 0.004% of the then issued share capital, in CKI.

Mr Holger Kluge in his capacity as a beneficial owner had, as at 30 June 2009, personal interests in (i) 200,000 ordinary shares, representing approximately 0.001% of the then issued share capital, in HTAL; and (ii) 20,000 common shares and 9,508 unlisted and physically settled Deferred Share Units (each representing one common share), in aggregate representing approximately 0.003% of the then issued share capital, in Husky.

Mr George Colin Magnus had, as at 30 June 2009, the following interests:

(i) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in HTIL comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse;

(ii) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in HTHKH comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse; and

(iii) personal interests in 25,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.02% of the then issued share capital, in Partner held in his capacity as a beneficial owner.

Mr William Shurniak in his capacity as a beneficial owner had, as at 30 June 2009, personal interests in 7,239 common shares, representing approximately 0.0009% of the then issued share capital, in Husky.

Save as disclosed above, as at 30 June 2009, none of the Directors or Chief Executive of the Company and their respective associates had any interest or short position 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 had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was 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 pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

Interests and Short Positions of Shareholders Discloseable under the SFO

So far as is known to any Directors or Chief Executive of the Company, as at 30 June 2009, other than the interests and short positions of the Directors or Chief Executive of the Company as disclosed above, the following persons 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 as otherwise notified to the Company and the Stock Exchange:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee and beneficiary of a trust	2,130,202,773 (1)	49.97%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee and beneficiary of a trust	2,130,202,773 (1)	49.97%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee	2,130,202,773 (1)	49.97%
Cheung Kong (Holdings) Limited ("Cheung Kong")	Interest of controlled corporations	2,130,202,773 (1)	49.97%
Continental Realty Limited	Beneficial owner	465,265,969 (2)	10.91%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Honourable Holdings Limited	Interest of controlled corporations	322,942,375 [(2)]	7.57%
Winbo Power Limited	Beneficial owner	236,260,200 [(2)]	5.54%
Polycourt Limited	Beneficial owner	233,065,641 [(2)]	5.47%
Well Karin Limited	Beneficial owner	226,969,600 [(2)]	5.32%

Notes:

(1) The four references to 2,130,202,773 shares of the Company relate to the same block of shares of the Company which represent the total number of shares of the Company held by certain wholly owned subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under the SFO. In addition, by virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same 2,130,202,773 shares of the Company held by Cheung Kong as described in Note (1)(a) of the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(2) These are wholly owned subsidiaries of Cheung Kong and their interests in the shares of the Company are duplicated in the interests of Cheung Kong.

Save as disclosed above, as at 30 June 2009, there was no other person (other than the Directors or Chief Executive of the Company) who had an interest or short position 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 as otherwise notified to the Company and the Stock Exchange.

Share Option Schemes

Employees' stock option scheme interests in the Company's subsidiary companies for the six months ended 30 June 2009 are set out below.

(I) 3 Italia S.p.A. ("3 Italia")

Particulars of share options outstanding under the share option scheme of **3** Italia (the "**3** Italia Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Effective date of grant or date of grant of share options [1]	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options €	Price of 3 Italia share at grant date of share options [3] €	Price of 3 Italia share at exercise date of share options €
Directors										
Christian Salbaing	20.5.2004	1,490,313	–	–	–	1,490,313	From Listing [2] to 16.7.2009	5.17	5.00	N/A
Vincenzo Novari	20.5.2004	1,490,313	–	–	–	1,490,313	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	1,402,382	–	–	–	1,402,382	From Listing to 16.7.2009	5.17	5.00	N/A
		2,892,695	–	–	–	2,892,695				
Giorgio Moroni	20.5.2004	745,156	–	–	–	745,156	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	149,031	–	–	–	149,031	From Listing to 16.7.2009	5.17	5.00	N/A
		894,187	–	–	–	894,187				
Secondina Ravera	20.5.2004	484,351	–	–	–	484,351	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	335,320	–	–	–	335,320	From Listing to 16.7.2009	5.17	5.00	N/A
		819,671	–	–	–	819,671				

Name or category of participant	Effective date of grant or date of grant of share options [1]	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options €	Price of 3 Italia share at grant date of share options [3] €	Price of 3 Italia share at exercise date of share options €
Antonella Ambriola	20.5.2004	335,320	–	–	–	335,320	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	76,006	–	–	–	76,006	From Listing to 16.7.2009	5.17	5.00	N/A
		411,326	–	–	–	411,326				
Sub-total:		6,508,192	–	–	–	6,508,192				
Other employees in aggregate	20.5.2004	10,245,865	–	–	(445,602)	9,800,263	From Listing to 16.7.2009	5.17	5.00	N/A
	20.11.2004	1,490,309	–	–	(105,812)	1,384,497	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	523,099	–	–	–	523,099	From Listing to 16.7.2009	5.17	5.00	N/A
Sub-total:		12,259,273	–	–	(551,414)	11,707,859				
Total:		18,767,465	–	–	(551,414)	18,216,051				

Notes:

(1) The share options shall vest as to one-third on the date of (and immediately following) a Listing, as to a further one-third on the date one calendar year after a Listing and as to the final one-third on the date two calendar years after a Listing.

(2) Listing refers to an application being made to the competent listing authority for admission to trading on a recognised stock exchange of the ordinary share capital of **3** Italia.

(3) Nominal value of shares on date of grant set out for reference only.

As at 30 June 2009, **3** Italia had 18,216,051 share options outstanding under the **3** Italia Plan.

No share option had been granted under the **3** Italia Plan during the six months ended 30 June 2009.

(II) Hutchison 3G UK Holdings Limited ("3 UK")

Particulars of share options outstanding under the share option scheme of **3** UK (the "**3** UK Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Effective date of grant or date of grant of share options [1]	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options £	Price of 3 UK share at grant date of share options [3] £	Price of 3 UK share at exercise date of share options £
Employees in aggregate	20.5.2004	6,274,500	–	–	–	6,274,500	From Listing [2] to 18.4.2011	1.00	1.00	N/A
	20.5.2004	25,770,250	–	–	(1,529,500)	24,240,750	From Listing to 18.4.2011	1.35	1.00	N/A
	20.5.2004	3,213,750	–	–	(102,750)	3,111,000	From Listing to 20.8.2011	1.35	1.00	N/A
	20.5.2004	420,000	–	–	–	420,000	From Listing to 18.12.2011	1.35	1.00	N/A
	20.5.2004	247,750	–	–	–	247,750	From Listing to 16.5.2012	1.35	1.00	N/A
	20.5.2004	1,737,750	–	–	(90,000)	1,647,750	From Listing to 29.8.2012	1.35	1.00	N/A
	20.5.2004	272,500	–	–	–	272,500	From Listing to 28.10.2012	1.35	1.00	N/A
	20.5.2004	430,000	–	–	(40,000)	390,000	From Listing to 11.5.2013	1.35	1.00	N/A
	20.5.2004	1,165,000	–	–	–	1,165,000	From Listing to 14.5.2014	1.35	1.00	N/A
	27.1.2005	1,547,250	–	–	–	1,547,250	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	477,750	–	–	–	477,750	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	3,060,500	–	–	(260,000)	2,800,500	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		44,617,000	–	–	(2,022,250)	42,594,750				

Notes:

(1) The share options granted to certain founders of **3** UK shall vest as to 50% on the date of (and immediately following) a Listing, as to a further 25% on the date one calendar year after a Listing and as to the final 25% on the date two calendar years after a Listing. The share options granted to non-founders of **3** UK shall vest as to one-third on the date of (and immediately following) a Listing, as to a further one-third on the date one calendar year after a Listing and as to the final one-third on the date two calendar years after a Listing.

(2) Listing refers to an application being made to the Financial Services Authority for admission to the official list of the ordinary share capital of **3** UK or to have the shares of **3** UK admitted to trading on the Alternative Investment Market operated by London Stock Exchange plc ("AIM") or in the United Kingdom or elsewhere.

(3) Nominal value of shares on date of grant set out for reference only.

As at 30 June 2009, **3** UK had 42,594,750 share options outstanding under the **3** UK Plan.

No share option had been granted under the **3** UK Plan during the six months ended 30 June 2009.

(III) Hutchison China MediTech Limited ("Chi-Med")

Particulars of share options outstanding under the share option scheme of Chi-Med (the "Chi-Med Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Effective date of grant or date of grant of share options	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options £	Price of Chi-Med share at grant date of share options £	Price of Chi-Med share at exercise date of share options £
Director										
Christian Hogg	19.5.2006 (1)	768,182	–	–	–	768,182	19.5.2006 to 3.6.2015	1.09	2.505 (4)	N/A
Other employees in aggregate	19.5.2006 (1)	603,683	–	–	–	603,683	19.5.2006 to 3.6.2015	1.09	2.505 (4)	N/A
	11.9.2006 (1)	80,458	–	–	–	80,458	11.9.2006 to 18.5.2016	1.715	1.715 (5)	N/A
	23.3.2007 (2)	8,535	–	–	–	8,535	23.3.2007 to 22.3.2017	1.75	1.75 (5)	N/A
	18.5.2007 (2)	90,298	–	–	–	90,298	18.5.2007 to 17.5.2017	1.535	1.535 (5)	N/A
	24.8.2007	256,060	–	–	(256,060)	–	24.8.2007 to 23.8.2017	1.685	1.685 (5)	N/A
	25.8.2008 (3)	256,146	–	–	–	256,146	25.8.2008 to 24.8.2018	1.26	1.26 (5)	N/A
Total:		2,063,362	–	–	(256,060)	1,807,302				

Notes:

(1) The share options granted to certain founders of Chi-Med are exerciseable subject to, amongst other relevant vesting criteria, the vesting schedule of 50% on 19 May 2007 and 25% on each of 19 May 2008 and 19 May 2009. The share options granted to non-founders of Chi-Med are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of 19 May 2007, 19 May 2008 and 19 May 2009.

(2) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(3) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 25% on each of the first, second, third and fourth anniversaries of the date of grant of share options.

(4) The stated price was the closing price of the shares of Chi-Med quoted on the AIM on the date of admission of listing of the shares.

(5) The stated price was the closing price of the shares of Chi-Med quoted on the AIM on the trading day immediately prior to the date of grant of the share options.

As at 30 June 2009, Chi-Med had 1,807,302 share options outstanding under the Chi-Med Plan.

No share option had been granted under the Chi-Med Plan during the six months ended 30 June 2009.

(IV) Hutchison Harbour Ring Limited ("HHR")

Particulars of share options outstanding under the share option scheme of HHR (the "HHR Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Date of grant of share options [(1)]	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options HK$	Price of HHR share at grant date of share options [(2)] HK$	Price of HHR share at exercise date of share options HK$
Directors										
Chan Wen Mee, May (Michelle)	3.6.2005	12,000,000	–	–	–	12,000,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
Endo Shigeru	3.6.2005	5,000,000	–	–	–	5,000,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
Kwok Siu Kai, Dennis [(3)]	3.6.2005	4,000,000	–	–	(4,000,000)	–	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	4,000,000	–	–	(4,000,000)	–	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Sub-total:		25,000,000	–	–	(8,000,000)	17,000,000				
Other employees in aggregate	3.6.2005	15,600,000	–	–	(7,200,000)	8,400,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	21,524,000	–	–	(3,572,000)	17,952,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Sub-total:		37,124,000	–	–	(10,772,000)	26,352,000				
Total:		62,124,000	–	–	(18,772,000)	43,352,000				

Notes:

(1) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(2) The stated price was the closing price of the shares of HHR quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the share options.

(3) Mr Kwok Siu Kai, Dennis resigned as executive director of HHR with effect from 24 January 2009.

As at 30 June 2009, HHR had 43,352,000 share options outstanding under the HHR Plan.

No share option had been granted under the HHR Plan during the six months ended 30 June 2009.

(V) Hutchison Telecommunications (Australia) Limited ("HTAL")

Particulars of share options outstanding under the employee option plan of HTAL (the "HTAL Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Date of grant of share options	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options (2) A$	Price of HTAL share at grant date of share options (3) A$	Price of HTAL share at exercise date of share options A$
CEO										
Nigel Dews	14.6.2007 (1a)	6,700,000	–	–	–	6,700,000	1.7.2008 to 13.6.2012	0.145	0.145	N/A
	4.6.2008 (1c)	300,000	–	–	–	300,000	1.1.2010 to 3.6.2013	0.139	0.139	N/A
Sub-total:		7,000,000	–	–	–	7,000,000				
Other employees in aggregate	14.6.2007 (1a)	20,700,000	–	–	(225,000)	20,475,000	1.7.2008 to 13.6.2012	0.145	0.145	N/A
	14.11.2007 (1b)	300,000	–	–	–	300,000	1.1.2009 to 13.11.2012	0.20	0.20	N/A
	21.5.2008 (1c)	200,000	–	–	(200,000)	–	1.1.2010 to 20.5.2013	0.165	0.165	N/A
Sub-total:		21,200,000	–	–	(425,000)	20,775,000				
Total:		28,200,000	–	–	(425,000)	27,775,000				

Notes:

(1) (a) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on 1 July 2008, one-third on 1 January 2009 and the remaining one-third on 1 January 2010.

(b) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-half on 1 January 2009 and the remaining one-half on 1 January 2010.

(c) The share options are exercisable, subject to amongst other relevant vesting criteria, on 1 January 2010.

(2) The stated exercise price of share option was the higher of (i) the closing price of the shares of HTAL on the Australian Securities Exchange ("ASX") on the day on which the share options are granted; and (ii) the average closing price of the shares of HTAL for the five trading days immediately preceding the day on which the share options are granted.

(3) The stated price was the ASX closing price of the shares of HTAL on the trading day immediately prior to the date of grant of the share options.

As at 30 June 2009, HTAL had 27,775,000 share options outstanding under the HTAL Plan.

No share option had been granted under the HTAL Plan during the six months ended 30 June 2009.

(VI) Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")

Particulars of share options outstanding under the share option scheme of HTHKH (the "HTHKH Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Date of grant of share options [(1)]	Number of share options held at 1 January 2009	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options [(2)] HK$	Price of HTHKH share at grant date of share options [(3)] HK$	Price of HTHKH share at exercise date of share options HK$
Employees in aggregate	1.6.2009	N/A	4,750,000	–	–	4,750,000	1.6.2009 to 31.5.2019	1.00	0.96	N/A
Total:		N/A	4,750,000	–	–	4,750,000				

Notes:

(1) The share options will be vested according to a schedule, namely, as to as close to one-third of the shares of HTHKH which are subject to the share options as possible on each of 1 June 2009, 23 November 2009 and 23 November 2010, and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTHKH Plan) on such vesting date.

(2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the HTHKH Plan.

(3) The stated price was the Stock Exchange closing price of the shares of HTHKH on the trading day immediately prior to the date of grant of the share options.

As at 30 June 2009, HTHKH had 4,750,000 share options outstanding under the HTHKH Plan.

The fair value of share options granted during the six months ended 30 June 2009 determined using the Black-Scholes model was approximately HK$0.27 each. The significant inputs into the model were an expected volatility of 49%, an expected dividend yield of 5.9%, an expected option life up to six years and annual risk-free interest rate of 1.65%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the comparable companies over one and a half years immediately preceding the grant date.

(VII) Hutchison Telecommunications International Limited ("HTIL")

Particulars of share options outstanding under the share option scheme of HTIL (the "HTIL Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plan during the period were as follows:

Name or category of participant	Date of grant of share options [1]	Number of share options held at 1 January 2009 [4]	Granted during the six months ended 30 June 2009 [5] [6]	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009 [5] [6]	Number of share options held at 30 June 2009	Exercise period of share options	Exercise price of share options [2] HK$	Price of HTIL share at grant date of share options [3] HK$	Price of HTIL share at exercise date of share options HK$
Director										
Christopher John Foll	12.12.2008	5,000,000	–	–	(5,000,000)	–	12.12.2009 to 11.12.2018	2.20	2.22	N/A
	1.6.2009	N/A	5,000,000	–	–	5,000,000	12.12.2009 to 31.5.2019	1.61	1.58	N/A
Sub-total:		5,000,000	5,000,000	–	(5,000,000)	5,000,000				
Other employees in aggregate	23.11.2007	8,766,666	–	–	(8,766,666)	–	23.11.2008 to 22.11.2017	4.51	11.26	N/A
	15.12.2008	4,383,334	–	–	(4,383,334)	–	15.12.2008 to 14.12.2018	4.51	2.09	N/A
	1.6.2009	N/A	8,400,000	–	–	8,400,000	1.6.2009 to 31.5.2019	1.61	1.58	N/A
Sub-total:		13,150,000	8,400,000	–	(13,150,000)	8,400,000				
Total:		18,150,000	13,400,000	–	(18,150,000)	13,400,000				

Notes:

(1) The share options will be vested according to a schedule, namely, as to as close to one-third of the shares of HTIL which are subject to the share options as possible by each of the three anniversaries of the date of offer of the share options and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTIL Plan) on such vesting date.

(2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the HTIL Plan.

(3) The stated price was the Stock Exchange closing price of the shares of HTIL on the trading day immediately prior to the date of grant of the share options.

(4) 4,383,334 share options granted on 15 December 2008 are vested immediately on the grant date.

(5) On 1 June 2009, 5,000,000 new share options were granted to Mr Christopher John Foll subject to his acceptance of the grant and consent to cancellation of his then existing 5,000,000 share options (the "Director Replacement Options"). The new share options are exercisable subject to the vesting schedule of one-third of the share options on each of 12 December 2009, 12 December 2010 and 12 December 2011.

(6) On 1 June 2009, a total of 8,400,000 new share options were granted to other employees subject to their acceptance of the grant and consent to cancellation of their then existing 8,400,000 share options (the "Employees Replacement Options"). The new share options are exercisable subject to the vesting schedule of one-third of the share options on each of 1 June 2009, 23 November 2009 and 23 November 2010.

As at 30 June 2009, HTIL had 13,400,000 share options outstanding under the HTIL Plan.

The fair value of the Director Replacement Options was determined using the Black-Scholes model. The weighted average fair value of the Director Replacement Options was increased from HK$0.77 to HK$0.93. The significant inputs into the model were standard deviation of expected share price returns of 38.24%, expected life of share options of 5.0 to 6.0 years and annual risk-free interest rate of 2.49%. The volatility measured at the standard deviation of the expected share price returns is based on the statistical analysis of daily share prices of HTIL over the last one year up to 24 April 2009.

The fair value of the Employees Replacement Options was determined using the Black-Scholes model. The weighted average fair value of the Employees Replacement Options was increased from HK$2.82 to HK$3.25. The significant inputs into the model were standard deviation of expected share price returns of 38.24%, expected life of share options of 4.0 to 5.0 years and annual risk-free interest rate of 2.02%. The volatility measured at the standard deviation of the expected share price returns is based on the statistical analysis of daily share prices of HTIL over the last one year up to 24 April 2009.

(VIII) Partner Communications Company Ltd. ("Partner")

Particulars of share options outstanding under the employee stock option plans of Partner (the "Partner Plans") at the beginning and at the end of the financial period for the six months ended 30 June 2009 and share options granted, exercised, cancelled or lapsed under such plans during the period were as follows:

Name or category of participant	Date of grant of share options [1]	Number of share options held at 1 January 2009 [1]	Granted during the six months ended 30 June 2009	Exercised during the six months ended 30 June 2009	Lapsed/ cancelled during the six months ended 30 June 2009	Number of share options held at 30 June 2009 [1]	Exercise period of share options [2]	Exercise price of share options [5] US$/NIS	Price of Partner share at grant date of share options [3] NIS	Price of Partner share at exercise date of share options [4] NIS
Chief Executive										
2004 Plan										
David Avner	20.4.2005 to 24.3.2009	453,776	1,250,000	(123,776)	–	1,580,000	20.4.2005 to 23.3.2019	NIS33.72 to NIS59.97	38.10 to 57.45	67.19
Sub-total:		453,776	1,250,000	(123,776)	–	1,580,000				
Other employees in aggregate										
2000 Plan	3.11.2000 to 30.12.2003	144,800	–	(21,000)	–	123,800	3.11.2000 to 30.12.2012	NIS17.25 to NIS27.35	17.25 to 27.35	64.53
2004 Plan	29.11.2004 to 21.5.2009	1,632,611	2,905,500	(217,259)	(66,750)	4,254,102	29.11.2004 to 20.5.2019	NIS26.74 to NIS66.87	33.13 to 78.40	63.42
Sub-total:		1,777,411	2,905,500	(238,259)	(66,750)	4,377,902				
Total:		2,231,187	4,155,500	(362,035)	(66,750)	5,957,902				

Notes:

(1) The number of share options disclosed is the aggregate figure of share options held at 30 June 2009 under the employee stock option plans. The share options were granted on various date(s) during the corresponding period(s).

(2) Subject to the terms of individual stock option plans, vesting schedules are in general: 25% of the share options become vested on each of the first, second, third and fourth anniversary of the date of employment of the grantee or date of grant, unless otherwise specified by the compensation committee of Partner.

(3) The stated price was the closing price of the shares of Partner as recorded by the Tel Aviv Stock Exchange immediately before the date of grant of the share options.

(4) The stated price was the weighted average closing price of the shares of Partner immediately before the dates on which the share options were exercised.

(5) In accordance with the provisions of the 2004 Plan (as amended), the exercise price of the share options is subject to adjustment and option holders are allowed to exercise their vested options, during a fixed period, only through a cashless exercise procedure.

As at 30 June 2009, Partner had, in aggregate 5,957,902 share options outstanding under the Partner Plans.

The fair value of share options granted during the six months ended 30 June 2009 determined using the Black-Scholes model was NIS8.9 at measurement date. The significant inputs into the model were standard deviation of expected share price returns of 27%, weighted average dividend yield of 4.4%, expected life of share options of four years and annual risk-free interest rate of 2.9%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over four years immediately preceding the grant date. Changes in such subjective input assumptions could affect the fair value estimate.

Corporate Governance

The Company strives to attain and maintain the highest standards of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safe guarding shareholder interests. The Company has accordingly adopted sound corporate governance principles that emphasise a quality board of directors (the "Board"), effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

Compliance with the Code on Corporate Governance Practices

The Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2009. Corporate governance practices adopted by the Company during such period are in conformity with those adopted by the Company for the year ended 31 December 2008, which were set out in the 2008 Annual Report of the Company.

Compliance with the Model Code

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that they have complied with the Model Code in their securities transactions throughout the accounting period covered by this interim report.

Audit Committee

The Audit Committee of the Company comprises two Independent Non-executive Directors and one Non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements. The Audit Committee is chaired by Mr Wong Chung Hin with Messrs Holger Kluge and William Shurniak as members. The Audit Committee meets regularly with management and the representatives of external auditor of the Company and reviews matters relating to audit, accounting and financial statements as well as internal control, risk evaluation and general compliance of the Group and reports directly to the Board. The terms of reference of the Audit Committee adopted by the Board are published on the website of the Company.

Remuneration Committee

The Remuneration Committee of the Company comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by the Chairman Mr Li Ka-shing with Messrs Holger Kluge and Wong Chung Hin, both Independent Non-executive Directors, as members. The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating people of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. The Remuneration Committee assists the Group in the administration of a fair and transparent procedure for setting remuneration policies including assessing the performance of Directors and senior executives of the Group and determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the website of the Company.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the changes in information of directors of the Company subsequent to the date of the 2008 Annual Report or the date of his/her appointment as director of the Company subsequent to the date of the 2008 Annual Report are set out below:

Name of Director	**Details of Changes**
Fok Kin-ning, Canning	Appointed as chairman and non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")*
Chow Woo Mo Fong, Susan	Appointed as non-executive director of HTHKH*
Frank John Sixt	Appointed as non-executive director of HTHKH*
Lai Kai Ming, Dominic	Appointed as non-executive director of HTHKH*
Holger Kluge	Retired as director of Husky Energy Inc., a company listed on the Toronto Stock Exchange, on 21 April 2009 (Calgary time)
Margaret Leung Ko May Yee	Appointed as - standing committee member of Chinese People's Political Consultative Conference in Henan - member of the Board of Trustees of Ho Leung Ho Lee Foundation - court member of Hong Kong Baptist University - member of Hong Kong Export Credit Insurance Corporation Advisory Board - member of Hong Kong Special Administrative Region Commission on Strategic Development - group general manager of HSBC Holdings plc - Justice of the Peace - member of the Advisory Committee of Securities and Futures Commission - board member of The Community Chest of Hong Kong - chairman of the Campaign Committee of The Community Chest of Hong Kong - member of the Executive Committee of The Community Chest of Hong Kong - second vice president of The Community Chest of Hong Kong

* a company listed on the Main Board of the Stock Exchange on 8 May 2009

Report on Review of Interim Financial Report

TO THE BOARD OF DIRECTORS OF
HUTCHISON WHAMPOA LIMITED
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 43 to 72, which comprises the condensed consolidated statement of financial position of Hutchison Whampoa Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 13 August 2009

Interim Accounts

Condensed Consolidated Income Statement

for the six months ended 30 June 2009

Unaudited 2009 US$ millions		Note	Unaudited 2009 HK$ millions	Unaudited As restated Note 2 2008 HK$ millions
	Company and subsidiary companies:			
12,888	Revenue	3	**100,530**	119,126
(4,446)	Cost of inventories sold		**(34,680)**	(38,163)
(1,787)	Staff costs		**(13,940)**	(16,410)
(1,082)	Telecommunications customer acquisition costs		**(8,440)**	(10,226)
(1,255)	Depreciation and amortisation	3	**(9,789)**	(13,335)
(3,713)	Other operating expenses		**(28,964)**	(30,863)
8	Change in fair value of investment properties		**67**	672
597	Profit on disposal of investments and others	4	**4,655**	732
	Share of profits less losses after tax of:			
345	Associated companies before profit on disposal of investments and others		**2,688**	7,385
316	Jointly controlled entities		**2,469**	2,226
–	Associated company's profit on disposal of investments and others	4	**–**	3,122
1,871		3	**14,596**	24,266
(651)	Interest and other finance costs	5	**(5,078)**	(9,001)
1,220	**Profit before tax**		**9,518**	15,265
(184)	Current tax charge	6	**(1,438)**	(1,504)
38	Deferred tax credit (charge)	6	**301**	(1,302)
1,074	**Profit after tax**		**8,381**	12,459
(336)	**Allocated as : Profit attributable to minority interests**		**(2,621)**	(3,870)
738	**Profit attributable to shareholders of the Company**		**5,760**	8,589
US17.3 cents	**Earnings per share for profit attributable to shareholders of the Company**	7	**HK$ 1.35**	HK$ 2.01

Details of interim dividend payable to the shareholders of the Company are set out in note 17(b).

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2009

Unaudited 2009 US$ millions		Unaudited 2009 HK$ millions	Unaudited As restated Note 2 2008 HK$ millions
1,074	**Profit after tax**	**8,381**	12,459
	Other comprehensive income		
	Available-for-sale investments:		
10	Valuation gains (losses) taken to reserves	**80**	(1,689)
(11)	Valuation gains transferred to income statement	**(85)**	(1,869)
	Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:		
(9)	Losses taken to reserves	**(71)**	(116)
–	Losses transferred to income statement	**–**	95
–	Losses (gains) transferred to initial cost of non-financial items	**3**	(12)
1,273	Gains on translating accounts of foreign operations taken to reserves	**9,933**	1,886
–	Gains on refinancing of foreign currency borrowings transferred to income statement	**–**	(2,945)
(93)	Net actuarial losses of defined benefit plans	**(729)**	(433)
–	Others	**1**	10
387	Share of other comprehensive income of associated companies	**3,017**	(344)
1	Share of other comprehensive income of jointly controlled entities	**5**	1,666
1,558	Other comprehensive income	**12,154**	(3,751)
23	Income tax relating to components of other comprehensive income	**174**	239
1,581	Other comprehensive income (net of tax)	**12,328**	(3,512)
2,655	**Total comprehensive income**	**20,709**	8,947
(348)	**Allocated as : Attributable to minority interests**	**(2,712)**	(5,005)
2,307	**Attributable to shareholders of the Company**	**17,997**	3,942

Condensed Consolidated Statement of Financial Position

at 30 June 2009

Unaudited 30 June 2009 US$ millions		Note	Unaudited 30 June 2009 HK$ millions	As restated Note 2 31 December 2008 HK$ millions
	ASSETS			
	Non-current assets			
22,069	Fixed assets	8	172,136	173,246
5,288	Investment properties		41,248	41,282
4,404	Leasehold land		34,351	34,745
9,148	Telecommunications licences		71,357	72,175
3,731	Goodwill		29,103	30,436
1,238	Brand names and other rights		9,652	10,486
10,130	Associated companies		79,012	76,478
7,909	Interests in joint ventures		61,692	45,865
1,898	Deferred tax assets	9	14,802	13,248
819	Other non-current assets	10	6,390	8,904
3,404	Liquid funds and other listed investments	11	26,553	30,735
70,038			546,296	537,600
	Current assets			
6,308	Cash and cash equivalents	12	49,199	57,286
6,899	Trade and other receivables	13	53,817	54,767
2,195	Inventories		17,120	18,528
15,402			120,136	130,581
	Current liabilities			
9,421	Trade and other payables	14	73,483	82,599
3,360	Bank and other debts	15	26,211	23,945
166	Current tax liabilities		1,290	1,274
12,947			100,984	107,818
2,455	**Net current assets**		19,152	22,763
72,493	**Total assets less current liabilities**		565,448	560,363
	Non-current liabilities			
28,344	Bank and other debts	15	221,088	234,141
1,709	Interest bearing loans from minority shareholders		13,329	13,348
1,711	Deferred tax liabilities	9	13,347	13,616
425	Pension obligations		3,314	2,541
563	Other non-current liabilities	16	4,392	4,586
32,752			255,470	268,232
39,741	**Net assets**		309,978	292,131
	CAPITAL AND RESERVES			
137	Share capital	17	1,066	1,066
34,878	Reserves		272,049	259,253
35,015	**Total shareholders' funds**		273,115	260,319
4,726	Minority interests		36,863	31,812
39,741	**Total equity**		309,978	292,131

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2009

Unaudited 2009 US$ millions		Note	Unaudited 2009 HK$ millions	Unaudited As restated Note 2 2008 HK$ millions
	Operating activities			
3,430	Cash generated from operating activities before interest and other finance costs, tax paid, telecommunications CACs [a] and changes in working capital	18(a)	26,756	32,770
(613)	Interest and other finance costs paid		(4,779)	(8,602)
(179)	Tax paid		(1,398)	(1,756)
2,638	Funds from operations before telecommunications CACs		20,579	22,412
(1,082)	Telecommunications CACs		(8,440)	(10,226)
1,556	**Funds from operations**		12,139	12,186
(1,033)	Changes in working capital	18(b)	(8,063)	(1,584)
523	**Net cash from operating activities**		4,076	10,602
	Investing activities			
(711)	Purchase of fixed assets and investment properties for established businesses		(5,544)	(6,262)
(423)	Purchase of fixed assets for **3** Group		(3,299)	(5,051)
(2)	Additions to leasehold land		(15)	(28)
–	Additions to telecommunications licences		–	(384)
(5)	Additions to brand names and other rights		(38)	(83)
(60)	Purchase of minority interests		(471)	(4,851)
(31)	Additions to other unlisted investments		(243)	(19)
167	Repayments from associated companies and non-property jointly controlled entities		1,306	471
(295)	Purchase of and net advances (including deposits from) to associated companies and jointly controlled entities		(2,306)	(1,002)
56	Proceeds on disposal of fixed assets, leasehold land and investment properties		439	1,487
673	Proceeds on disposal of subsidiary companies	18(c)	5,249	4,687
4	Proceeds on disposal of associated companies		32	6
6	Proceeds on disposal of jointly controlled entities		47	670
15	Proceeds on disposal of other unlisted investments		117	28
2	Proceeds on disposal of infrastructure project investments		18	112
–	Partner Communications Company Ltd's repurchase of its shares		–	(453)
878	Disposal of liquid funds and other listed investments		6,849	13,436
(306)	Additions to liquid funds and other listed investments		(2,392)	(1,807)
(32)	**Cash flows from (used in) investing activities**		(251)	957
491	**Net cash inflow before financing activities**		3,825	11,559

Unaudited 2009 US$ millions		Note	Unaudited 2009 HK$ millions	As restated Note 2 2008 HK$ millions
	Financing activities			
4,832	New borrowings		**37,690**	22,395
(5,570)	Repayment of borrowings		**(43,446)**	(21,165)
	Issue of shares by subsidiary companies to minority shareholders			
27	and loans from minority shareholders		**205**	808
(149)	Dividends paid to minority shareholders		**(1,160)**	(1,974)
(667)	Dividends paid to shareholders		**(5,201)**	(5,201)
(1,527)	**Cash flows used in financing activities**		**(11,912)**	(5,137)
(1,036)	Increase (decrease) in cash and cash equivalents		**(8,087)**	6,422
7,344	Cash and cash equivalents at 1 January		**57,286**	111,307
6,308	**Cash and cash equivalents at 30 June**		**49,199**	117,729
	Analysis of cash, liquid funds and other listed investments			
6,308	Cash and cash equivalents, as above	12	**49,199**	117,729
3,404	Liquid funds and other listed investments	11	**26,553**	54,560
9,712	**Total cash, liquid funds and other listed investments**		**75,752**	172,289
31,468	Total principal amount of bank and other debts		**245,450**	324,876
1,709	Interest bearing loans from minority shareholders		**13,329**	12,934
23,465	**Net debt**		**183,027**	165,521
(1,709)	Interest bearing loans from minority shareholders		**(13,329)**	(12,934)
21,756	**Net debt (excluding interest bearing loans from minority shareholders)**		**169,698**	152,587

(a) CACs represents customer acquisition costs and customer retention costs.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2009

Total equity US$ millions		Share capital and premium[(a)] HK$ millions	Exchange reserve HK$ millions	Other reserves[(b)] HK$ millions	Retained profit HK$ millions	Total shareholders' funds HK$ millions	Minority interests HK$ millions	Total equity HK$ millions
38,992	At 1 January 2009, as previously reported	29,425	(10,226)	1,983	250,394	271,576	32,560	304,136
(1,539)	Prior year adjustments (note 2)	–	815	–	(12,072)	(11,257)	(748)	(12,005)
37,453	At 1 January 2009, as restated	29,425	(9,411)	1,983	238,322	260,319	31,812	292,131
1,074	Profit for the period	–	–	–	5,760	5,760	2,621	8,381
	Other comprehensive income							
	Available-for-sale investments:							
10	Valuation gains taken to reserves	–	–	126	–	126	(46)	80
(11)	Valuation gains transferred to income statement	–	–	(85)	–	(85)	–	(85)
	Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:							
(9)	Losses taken to reserves	–	–	(60)	–	(60)	(11)	(71)
–	Losses transferred to initial cost of non-financial items	–	–	3	–	3	–	3
1,273	Gains on translating accounts of foreign operations taken to reserves	–	9,923	–	–	9,923	10	9,933
(93)	Net actuarial losses of defined benefit plans	–	–	–	(611)	(611)	(118)	(729)
–	Surplus on revaluation of properties upon transfer from other properties to investment properties	–	–	1	–	1	–	1
387	Share of other comprehensive income of associated companies	–	2,291	359	146	2,796	221	3,017
1	Share of other comprehensive income of jointly controlled entities	–	4	–	–	4	1	5
23	Income tax relating to components of other comprehensive income	–	–	(25)	165	140	34	174
1,581	Other comprehensive income (net of tax)	–	12,218	319	(300)	12,237	91	12,328
2,655	Total comprehensive income	–	12,218	319	5,460	17,997	2,712	20,709
(667)	Dividends paid relating to 2008	–	–	–	(5,201)	(5,201)	–	(5,201)
(290)	Dividends of subsidiaries paid to minority interests	–	–	–	–	–	(2,265)	(2,265)
531	Equity contribution from minority interests	–	–	–	–	–	4,139	4,139
5	Share option scheme	–	–	17	–	17	23	40
–	Share option scheme lapsed	–	–	5	(5)	–	–	–
57	Relating to purchase of minority interests	–	–	–	–	–	445	445
(3)	Relating to disposal of subsidiary companies	–	(10)	(7)	–	(17)	(3)	(20)
39,741	At 30 June 2009	29,425	2,797	2,317	238,576	273,115	36,863	309,978

(a) Share capital and premium comprise share capital of HK$1,066 million, share premium of HK$27,955 million and capital redemption reserve of HK$404 million in all reporting periods.

(b) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 30 June 2009, revaluation reserve surplus amounted to HK$2,461 million (1 January 2009 - HK$2,444 million and 30 June 2008 - HK$4,946 million), hedging reserve deficit amounted to HK$223 million (1 January 2009 - HK$523 million and 30 June 2008 - surplus of HK$218 million) and other capital reserves surplus amounted to HK$79 million (1 January 2009 - HK$62 million and 30 June 2008 - HK$226 million). Fair value changes arising from business combination and revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities which are available for sale are included in the revaluation reserve. Fair value changes arising from the effective portion of hedging instruments designated as cash flow hedges are included in the hedging reserve.

Total equity US$ millions		Share capital and premium[(a)] HK$ millions	Exchange reserve HK$ millions	Other reserves[(b)] HK$ millions	Retained profit HK$ millions	Total shareholders' funds HK$ millions	Minority interests HK$ millions	Total equity HK$ millions
45,982	At 1 January 2008, as previously reported	29,425	28,954	8,563	243,072	310,014	48,644	358,658
(1,132)	Prior year adjustments (note 2)	–	(1,056)	–	(7,089)	(8,145)	(685)	(8,830)
44,850	At 1 January 2008, as restated	29,425	27,898	8,563	235,983	301,869	47,959	349,828
1,597	Profit for the period	–	–	–	8,589	8,589	3,870	12,459
	Other comprehensive income							
	Available-for-sale investments:							
(217)	Valuation losses taken to reserves	–	–	(1,508)	–	(1,508)	(181)	(1,689)
(240)	Valuation gains transferred to income statement	–	–	(1,780)	–	(1,780)	(89)	(1,869)
	Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:							
(15)	Losses taken to reserves	–	–	(73)	–	(73)	(43)	(116)
12	Losses transferred to income statement	–	–	56	–	56	39	95
(2)	Gains transferred to initial cost of non-financial items	–	–	(12)	–	(12)	–	(12)
242	Gains on translating accounts of foreign operations taken to reserves	–	640	–	–	640	1,246	1,886
(377)	Gains on refinancing of foreign currency borrowings transferred to income statement	–	(2,945)	–	–	(2,945)	–	(2,945)
(55)	Net actuarial losses of defined benefit plans	–	–	–	(380)	(380)	(53)	(433)
1	Surplus on revaluation of properties upon transfer from other properties to investment properties	–	–	8	–	8	2	10
(44)	Share of other comprehensive income of associated companies	–	(177)	81	(263)	(359)	15	(344)
214	Share of other comprehensive income of jointly controlled entities	–	1,496	–	–	1,496	170	1,666
31	Income tax relating to components of other comprehensive income	–	–	80	130	210	29	239
(450)	Other comprehensive income (net of tax)	–	(986)	(3,148)	(513)	(4,647)	1,135	(3,512)
1,147	Total comprehensive income	–	(986)	(3,148)	8,076	3,942	5,005	8,947
(667)	Dividends paid relating to 2007	–	–	–	(5,201)	(5,201)	–	(5,201)
(209)	Dividends of subsidiaries paid to minority interests	–	–	–	–	–	(1,630)	(1,630)
35	Equity contribution from minority interests	–	–	–	–	–	270	270
39	Capitalisation of loan from minority interests	–	–	–	–	–	302	302
5	Share option scheme	–	–	18	–	18	23	41
–	Share option scheme lapsed	–	–	(22)	22	–	–	–
(37)	Relating to repurchase of shares from minority shareholders	–	–	–	–	–	(289)	(289)
(593)	Relating to purchase of minority interests	–	–	–	–	–	(4,623)	(4,623)
(62)	Relating to disposal of subsidiary companies	–	(255)	(21)	–	(276)	(208)	(484)
44,508	At 30 June 2008	29,425	26,657	5,390	238,880	300,352	46,809	347,161

Notes to the Condensed Interim Accounts

1 Basis of preparation

These unaudited condensed interim accounts are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKSE"). These interim accounts should be read in conjunction with the 2008 annual accounts.

2 Significant accounting policies

These interim accounts have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values.

In the current period, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2009. The adoption of these new and revised standards, amendments and interpretations has resulted in changes to the format of the Group's accounts in 2009 (including revised titles for these interim accounts), the transfer of investment properties under construction from fixed assets to investment properties and a change to the Group's accounting policy in respect of customer loyalty credits that has affected the amounts reported for the current and prior periods. In addition, the Group's policy in relation to telecommunications customer acquisition costs has been changed.

Customer loyalty credits

HK (IFRIC)-Int 13, Customer Loyalty Programmes requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The Group maintains loyalty points programmes within its Retail division which allows customers to accumulate points when they purchase products in the retail stores. These points can then be redeemed for free or discounted products, subject to certain terms and conditions. The Group has historically recorded a liability at the time of sale based on the costs expected to be incurred to supply awards in the future. With effect from 1 January 2009, in order to comply HK (IFRIC)-Int 13, this change in accounting policy has been applied retrospectively. The prior period financial information has therefore been restated.

Telecommunications customer acquisition costs

Telecommunications customer acquisition costs ("CACs") comprise the net costs to acquire and retain mobile telecommunications customers, which are primarily 3G customers.

In prior years these costs to acquire and retain customers on contracts with early termination penalty clauses were capitalised and amortised over the period of the contract which is generally a period of 12 to 24 months. Having undertaken a comprehensive review of the policies of other businesses operating in the telecommunications sector particularly those operating in Europe, with effect from 1 January 2009, the Group has changed its policy to expense these costs in operating expenses as the costs are incurred. The Group believes that this change will bring our policy in line with other major telecommunications companies, provide greater comparability with such businesses and align more closely our profit and loss performance with our cash flow, and will therefore provide reliable and more relevant information to shareholders and other users of the accounts. Comparative information has been restated to reflect this change in policy.

Except for the above, the accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the 2008 annual accounts.

As a result of the changes in accounting policies mentioned above, certain adjustments were made to the 2008 financial information. The effect, where material, of these changes are summarised below:

2 Significant accounting policies (continued)

(i) Effect on the condensed consolidated income statement for the six month period ended 30 June 2008

	As previously reported HK$ millions	Changes in accounting policies: Customer loyalty credits HK$ millions	Changes in accounting policies: Telecom-munications CACs HK$ millions	As restated HK$ millions
Company and subsidiary companies:				
Revenue	119,164	(38)	–	119,126
Cost of inventories sold	(38,290)	–	127	(38,163)
Staff costs	(16,474)	–	64	(16,410)
3 Group telecommunications expensed customer acquisition costs	(1,762)	–	1,762	–
Telecommunications customer acquisition costs	–	–	(10,226)	(10,226)
Depreciation and amortisation	(19,242)	–	5,907	(13,335)
Other operating expenses	(31,161)	31	267	(30,863)
Change in fair value of investment properties	672	–	–	672
Profit on disposal of investments and others	732	–	–	732
Share of profits less losses after tax of:				
Associated companies before profit on disposal of investments and others	7,385	–	–	7,385
Jointly controlled entities	2,226	–	–	2,226
Associated company's profit on disposal of investments and others	3,122	–	–	3,122
	26,372	(7)	(2,099)	24,266
Interest and other finance costs	(9,001)	–	–	(9,001)
Profit before tax	17,371	(7)	(2,099)	15,265
Current tax charge	(1,504)	–	–	(1,504)
Deferred tax charge	(1,302)	–	–	(1,302)
Profit after tax	14,565	(7)	(2,099)	12,459
Allocated as: Profit attributable to minority interests	(3,877)	–	7	(3,870)
Profit attributable to shareholders of the Company	10,688	(7)	(2,092)	8,589
Earnings per share for profit attributable to shareholders of the Company	HK$2.51	–	(HK$0.50)	HK$2.01

2 Significant accounting policies (continued)

(ii) Effect on the condensed consolidated statement of financial position as at 31 December 2008

	As previously reported HK$ millions	Changes in accounting policies: Customer loyalty credits HK$ millions	Changes in accounting policies: Telecommunications CACs HK$ millions	As restated HK$ millions
ASSETS				
Non-current assets				
Fixed assets	173,246	–	–	173,246
Investment properties	41,282	–	–	41,282
Leasehold land	34,745	–	–	34,745
Telecommunications licences	72,175	–	–	72,175
Telecommunications postpaid customer acquisition and retention costs	12,022	–	(12,022)	–
Goodwill	30,318	–	118	30,436
Brand names and other rights	10,486	–	–	10,486
Associated companies	76,478	–	–	76,478
Interests in joint ventures	45,865	–	–	45,865
Deferred tax assets	13,248	–	–	13,248
Other non-current assets	8,904	–	–	8,904
Liquid funds and other listed investments	30,735	–	–	30,735
	549,504	–	(11,904)	537,600
Current assets				
Cash and cash equivalents	57,286	–	–	57,286
Trade and other receivables	54,767	–	–	54,767
Inventories	18,528	–	–	18,528
	130,581	–	–	130,581
Current liabilities				
Trade and other payables	82,497	102	–	82,599
Bank and other debts	23,945	–	–	23,945
Current tax liabilities	1,275	–	(1)	1,274
	107,717	102	(1)	107,818
Net current assets	22,864	(102)	1	22,763
Total assets less current liabilities	572,368	(102)	(11,903)	560,363
Non-current liabilities				
Bank and other debts	234,141	–	–	234,141
Interest bearing loans from minority shareholders	13,348	–	–	13,348
Deferred tax liabilities	13,616	–	–	13,616
Pension obligations	2,541	–	–	2,541
Other non-current liabilities	4,586	–	–	4,586
	268,232	–	–	268,232
Net assets	304,136	(102)	(11,903)	292,131
CAPITAL AND RESERVES				
Share capital	1,066	–	–	1,066
Reserves	270,510	(102)	(11,155)	259,253
Total shareholders' funds	271,576	(102)	(11,155)	260,319
Minority interests	32,560	–	(748)	31,812
Total equity	304,136	(102)	(11,903)	292,131

2 Significant accounting policies (continued)

(iii) Estimated effect on the condensed consolidated income statement for the six month period ended 30 June 2009

	Changes in accounting policies		
	Customer loyalty credits HK$ millions	Telecom-munications CACs HK$ millions	Total HK$ millions
Company and subsidiary companies:			
Revenue	11	–	11
Cost of inventories sold	–	–	–
Staff costs	–	–	–
Telecommunications customer acquisition costs	–	(6,580)	(6,580)
Depreciation and amortisation	–	6,809	6,809
Other operating expenses	(4)	–	(4)
Change in fair value of investment properties	–	–	–
Profit on disposal of investments and others	–	–	–
Share of profits less losses after tax of:			
Associated companies before profit on disposal of investments and others	–	–	–
Jointly controlled entities	–	–	–
Associated company's profit on disposal of investments and others	–	–	–
	7	229	236
Interest and other finance costs	–	–	–
Profit before tax	7	229	236
Current tax credit	–	1	1
Deferred tax credit	–	43	43
Profit after tax	7	273	280
Allocated as: Loss attributable to minority interests	–	182	182
Profit attributable to shareholders of the Company	7	455	462
Earnings per share for profit attributable to shareholders of the Company	–	HK$0.11	HK$0.11

2 Significant accounting policies (continued)

(iv) Estimated effect on the condensed consolidated statement of financial position as at 30 June 2009

	Changes in accounting policies		
	Customer loyalty credits HK$ millions	Telecom-munications CACs HK$ millions	Total HK$ millions
ASSETS			
Non-current assets			
Fixed assets	–	–	–
Investment properties	–	–	–
Leasehold land	–	–	–
Telecommunications licences	–	–	–
Telecommunications postpaid customer acquisition and retention costs	–	(12,345)	(12,345)
Goodwill	–	118	118
Brand names and other rights	–	–	–
Associated companies	–	–	–
Interests in joint ventures	–	–	–
Deferred tax assets	–	–	–
Other non-current assets	–	–	–
Liquid funds and other listed investments	–	–	–
	–	(12,227)	(12,227)
Current assets			
Cash and cash equivalents	–	–	–
Trade and other receivables	–	–	–
Inventories	–	–	–
	–	–	–
Current liabilities			
Trade and other payables	95	–	95
Bank and other debts	–	–	–
Current tax liabilities	–	(2)	(2)
	95	(2)	93
Net current assets	(95)	2	(93)
Total assets less current liabilities	(95)	(12,225)	(12,320)
Non-current liabilities			
Bank and other debts	–	–	–
Interest bearing loans from minority shareholders	–	–	–
Deferred tax liabilities	–	(43)	(43)
Pension obligations	–	–	–
Other non-current liabilities	–	–	–
	–	(43)	(43)
Net assets	(95)	(12,182)	(12,277)
CAPITAL AND RESERVES			
Share capital	–	–	–
Reserves	(95)	(11,277)	(11,372)
Total shareholders' funds	(95)	(11,277)	(11,372)
Minority interests	–	(905)	(905)
Total equity	(95)	(12,182)	(12,277)

2 Significant accounting policies (continued)

The adoption of revised requirements of HKAS 40, Investment Property, which became effective on 1 January 2009 increased profit before tax (before share of jointly controlled entities' tax expenses) and profit attributable to shareholders of the Company for the six months ended 30 June 2009 by HK$700 million and HK$560 million respectively. The effect of the adoption of other new and revised standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning 1 January 2009 was not material to the Group's results of operations or financial position.

In addition, the Group has revised its estimate of the useful life of its 3G licence in Italy to indefinite time period. The Group obtained its 3G licence in Italy in 2001 with an initial licence period of 15 years. In 2002, the contractual term of Group's 3G licence in Italy was extended from 15 years to 20 years at no additional costs. In 2007, the Ministry of the Italian Government announced that 3G licences can be further extended for another 15 years to 35 years on the submission of a valid application. In 2007, the Group submitted an application to extend the licence period of its 3G licence in Italy from 20 years to 35 years. In 2009, the Ministry of the Italian Government further confirmed that the Group's 3G licence term can be continuously extended for a period equivalent to the previous term, effectively making it a perpetual licence.

Based on the above and other developments, amortisation of licence in **3** Italy ceased with effect from 1 January 2009. The effect of this change in accounting estimate of the useful life of the Group's 3G licence in Italy has been recognised prospectively, resulting in a reduction in the amortisation expense charged to the current period's income statement by approximately HK$465 million with a corresponding increase in the carrying value of telecommunications licences which compares to a charge of HK$535 million for the six month period ended 30 June 2008 (difference from 2009 effect is due to exchange rate fluctuations). It is expected that this change in estimate will have a similar effect in future periods.

3 Segment information

HKFRS 8, Operating Segments, replaces HKAS 14, Segment Reporting, with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires the disclosure of information about the Group's operating segments. It replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the Group's results of operations or financial position. The Group determines that the operating segments are the same as the business segments previously identified under HKAS 14. Following the completion of a spin-off by way of a distribution in specie and a separate listing on the HKSE of the entire capital of Hutchison Telecommunications Hong Kong, the holding company of the Hong Kong and Macau mobile and fixed line telecommunications operations, by Hutchison Telecommunications International in first half of the current year, Hutchison Telecommunications Hong Kong is disclosed as a separate segment. Prior period corresponding segment information that is presented for comparative purposes has been restated accordingly.

The column headed as Company and Subsidiaries refers to the Company and subsidiary companies' respective items. The column headed as Associates and JCE refers to the Group's share of associated companies' and jointly controlled entities' respective items and is included as supplementary information.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated attributable to Ports and related services is HK$6 million (30 June 2008 - HK$26 million), Property and hotels is HK$186 million (30 June 2008 - HK$160 million), Finance & Investments is HK$5 million (30 June 2008 - nil) and Others is HK$209 million (30 June 2008 - HK$223 million).

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue							
	Six months ended 30 June 2009				Six months ended 30 June 2008			
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]
ESTABLISHED BUSINESSES								
Ports and related services	**13,635**	**1,921**	**15,556**	**13%**	17,277	2,299	19,576	14%
Property and hotels	**2,588**	**4,040**	**6,628**	**6%**	2,675	2,668	5,343	4%
Retail	**44,917**	**8,527**	**53,444**	**47%**	49,134	9,293	58,427	40%
Cheung Kong Infrastructure	**1,062**	**6,466**	**7,528**	**6%**	1,247	8,149	9,396	6%
Husky Energy	**–**	**16,965**	**16,965**	**15%**	–	32,964	32,964	23%
Finance & Investments	**863**	**170**	**1,033**	**1%**	2,081	230	2,311	2%
Hutchison Telecommunications Hong Kong	**4,097**	**–**	**4,097**	**3%**	3,716	–	3,716	2%
Hutchison Telecommunications International	**6,411**	**–**	**6,411**	**6%**	8,615	–	8,615	6%
Others	**1,796**	**1,190**	**2,986**	**3%**	2,585	1,154	3,739	3%
Subtotal - Established businesses	**75,369**	**39,279**	**114,648**	**100%**	87,330	56,757	144,087	100%
TELECOMMUNICATIONS - 3 Group	**25,161**	**1,219**	**26,380**		31,796	298	32,094	
	100,530	**40,498**	**141,028**		119,126	57,055	176,181	

3 Segment information (continued)

	EBIT (LBIT) [b]							
	Six months ended 30 June 2009				Six months ended 30 June 2008			
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%[a]
ESTABLISHED BUSINESSES								
Ports and related services	**3,823**	**664**	**4,487**	**25%**	5,960	894	6,854	22%
Property and hotels [c]	**1,464**	**1,775**	**3,239**	**18%**	3,411	1,754	5,165	17%
Retail	**1,486**	**387**	**1,873**	**10%**	829	401	1,230	4%
Cheung Kong Infrastructure	**827**	**2,836**	**3,663**	**20%**	530	3,290	3,820	13%
Husky Energy	**–**	**1,998**	**1,998**	**11%**	–	8,543	8,543	28%
Finance & Investments	**2,317**	**161**	**2,478**	**14%**	2,888	229	3,117	10%
Hutchison Telecommunications Hong Kong	**316**	**(8)**	**308**	**2%**	430	–	430	1%
Hutchison Telecommunications International [d]	**166**	**–**	**166**	**1%**	1,648	–	1,648	5%
Others	**(243)**	**159**	**(84)**	**-1%**	(257)	(8)	(265)	–
EBIT - Established businesses[b]	**10,156**	**7,972**	**18,128**	**100%**	15,439	15,103	30,542	100%
TELECOMMUNICATIONS - 3 Group [e]								
EBIT before depreciation, amortisation and telecommunications CACs	**7,575**	**498**	**8,073**		12,155	102	12,257	
3 Group telecommunications CACs	**(7,554)**	**(339)**	**(7,893)**		(9,498)	–	(9,498)	
EBIT before depreciation and amortisation and after telecommunications CACs	**21**	**159**	**180**		2,657	102	2,759	
Depreciation	**(3,554)**	**(139)**	**(3,693)**		(5,107)	(65)	(5,172)	
Amortisation of licence fees and other rights	**(1,906)**	**(32)**	**(1,938)**		(2,860)	–	(2,860)	
EBIT (LBIT) - Telecommunications - **3** Group[b]	**(5,439)**	**(12)**	**(5,451)**		(5,310)	37	(5,273)	
Change in fair value of investment properties[f]	**67**	**633**	**700**		672	152	824	
Profit on disposal of investments and others (See note 4)	**4,655**	**–**	**4,655**		732	3,122	3,854	
EBIT	**9,439**	**8,593**	**18,032**		11,533	18,414	29,947	
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	**–**	**(1,435)**	**(1,435)**		–	(1,523)	(1,523)	
Current tax	**–**	**(2,397)**	**(2,397)**		–	(2,117)	(2,117)	
Deferred tax	**–**	**395**	**395**		–	(2,040)	(2,040)	
Minority interests	**–**	**1**	**1**		–	(1)	(1)	
	9,439	**5,157**	**14,596**		11,533	12,733	24,266	

3 Segment information (continued)

	Depreciation and amortisation					
	Six months ended 30 June 2009			Six months ended 30 June 2008		
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES						
Ports and related services	1,499	281	1,780	1,696	269	1,965
Property and hotels	138	74	212	146	77	223
Retail	939	177	1,116	1,086	195	1,281
Cheung Kong Infrastructure	60	960	1,020	63	1,129	1,192
Husky Energy	–	2,744	2,744	–	2,815	2,815
Finance & Investments	33	–	33	39	–	39
Hutchison Telecommunications Hong Kong	654	1	655	710	–	710
Hutchison Telecommunications International	967	–	967	1,551	–	1,551
Others	39	22	61	77	48	125
Subtotal - Established businesses	4,329	4,259	8,588	5,368	4,533	9,901
TELECOMMUNICATIONS - 3 Group	5,460	171	5,631	7,967	65	8,032
	9,789	4,430	14,219	13,335	4,598	17,933

	Capital expenditure			
	Six months ended 30 June 2009			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES				
Ports and related services	2,104	–	–	2,104
Property and hotels	32	–	–	32
Retail	357	–	–	357
Cheung Kong Infrastructure	38	–	–	38
Husky Energy	–	–	–	–
Finance & Investments	10	–	–	10
Hutchison Telecommunications Hong Kong	560	–	23	583
Hutchison Telecommunications International	2,441	–	–	2,441
Others	17	–	–	17
Subtotal - Established businesses	5,559	–	23	5,582
TELECOMMUNICATIONS - 3 Group	3,299	–	15	3,314
	8,858	–	38	8,896

3 Segment information (continued)

	Capital expenditure			
	Six months ended 30 June 2008			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES				
Ports and related services	3,255	–	–	3,255
Property and hotels	42	–	–	42
Retail	729	–	–	729
Cheung Kong Infrastructure	54	–	–	54
Husky Energy	–	–	–	–
Finance & Investments	5	–	–	5
Hutchison Telecommunications Hong Kong	371	–	31	402
Hutchison Telecommunications International	1,806	–	–	1,806
Others	28	–	–	28
Subtotal - Established businesses	6,290	–	31	6,321
TELECOMMUNICATIONS - 3 Group	5,051	384	52	5,487
	11,341	384	83	11,808

Additional disclosures on segment information by geographical location are shown below:

	Revenue							
	Six months ended 30 June 2009				Six months ended 30 June 2008			
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%
Hong Kong	**19,935**	**4,909**	**24,844**	**18%**	19,776	5,591	25,367	14%
Mainland China	**9,891**	**6,605**	**16,496**	**12%**	10,040	6,328	16,368	9%
Asia and Australia	**17,738**	**3,036**	**20,774**	**15%**	21,644	2,364	24,008	14%
Europe	**49,909**	**8,546**	**58,455**	**41%**	62,150	9,285	71,435	41%
Americas and others	**3,057**	**17,402**	**20,459**	**14%**	5,516	33,487	39,003	22%
	100,530	**40,498**	**141,028**	**100%**	119,126	57,055	176,181	100%

3 Segment information (continued)

	EBIT (LBIT) [b]							
	Six months ended 30 June 2009				Six months ended 30 June 2008			
	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	Total HK$ millions	%
Hong Kong	2,389	2,018	4,407	24%	3,193	2,034	5,227	17%
Mainland China	2,152	2,679	4,831	27%	4,992	2,982	7,974	27%
Asia and Australia	2,323	502	2,825	16%	2,864	636	3,500	12%
Europe	(3,756)	757	(2,999)	-17%	(3,370)	871	(2,499)	-8%
Americas and others	1,609	2,004	3,613	20%	2,450	8,617	11,067	36%
Change in fair value of investment properties[f]	67	633	700	4%	672	152	824	3%
Profit on disposal of investments and others (See note 4)	4,655	–	4,655	26%	732	3,122	3,854	13%
EBIT	9,439	8,593	18,032	100%	11,533	18,414	29,947	100%
Group's share of the following income statement items of associated companies and jointly controlled entities:								
Interest and other finance costs	–	(1,435)	(1,435)		–	(1,523)	(1,523)	
Current tax	–	(2,397)	(2,397)		–	(2,117)	(2,117)	
Deferred tax	–	395	395		–	(2,040)	(2,040)	
Minority interests	–	1	1		–	(1)	(1)	
	9,439	5,157	14,596		11,533	12,733	24,266	

	Capital expenditure			
	Six months ended 30 June 2009			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	697	–	23	720
Mainland China	221	–	–	221
Asia and Australia	3,122	–	–	3,122
Europe	4,166	–	15	4,181
Americas and others	652	–	–	652
	8,858	–	38	8,896

3 Segment information (continued)

	Capital expenditure			
	Six months ended 30 June 2008			
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom- munications licences HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	608	–	31	639
Mainland China	440	–	–	440
Asia and Australia	2,773	–	–	2,773
Europe	6,441	384	52	6,877
Americas and others	1,079	–	–	1,079
	11,341	384	83	11,808

(a) The percentages shown represent the contributions to total revenues and EBIT of established businesses.

(b) Earnings (losses) before interest expense and tax ("EBIT" or "LBIT") represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and jointly controlled entities which is included as supplementary information. EBIT (LBIT) is defined as earnings (losses) before interest expense and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of profit (loss) from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to profit (loss) from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

"EBIT - Established businesses" and "EBIT (LBIT) - Telecommunications - **3** Group" are presented before the change in fair value of investment properties and profit on disposal of investments and others.

(c) Included in EBIT of Property and hotels for the six months ended 30 June 2008 is a gain of HK$2,141 million on disposal of subsidiaries, whose principal asset is an investment property, by a listed subsidiary, Hutchison Harbour Ring ("HHR"). The result of operations of HHR, other than this gain, is presented under Others.

(d) Included in EBIT of Hutchison Telecommunications International for the six months ended 30 June 2009 are contributions from certain suppliers amounting to HK$66 million (30 June 2008 - HK$731 million) in relation to its Indonesian operations.

(e) Included in EBIT (LBIT) of Telecommunications - **3** Group for the six months ended 30 June 2008 are foreign exchange gains totalling HK$2,945 million which mainly comprise a HK$586 million gain arising from the Group's refinancing of certain non-Sterling borrowings with Sterling bank loans and a HK$2,359 million gain arising from the Group's refinancing of certain non-Euro borrowings with Euro bank loans.

(f) Included in the change in fair value of investment properties for the six months ended 30 June 2009 is an increase in fair value of properties under construction or development for future use as an investment property amounted to HK$700 million to comply with the amendments to HKAS 40, Investment Property. As the adoption of the amendments to HKAS 40 is required to be applied prospectively, no restatement of previously reported balances is required.

4 Profit on disposal of investments and others

	Six months ended 30 June	
	2009	2008
	HK$ millions	HK$ millions
ESTABLISHED BUSINESSES		
Gain on disposal of equity interest in three power plants in Mainland China	**847**	–
Profit on disposal of certain telecommunications tower assets [(a)]	**167**	732
Group's share of Husky's gain on partial disposal in a resource property [(b)]	**–**	3,122
TELECOMMUNICATIONS - 3 Group		
Gain on merger of **3** Australia with Vodafone's Australian operations	**3,641**	–
	4,655	3,854

(a) Profit on disposal of certain telecommunications tower assets represents the profit on the sale by a listed subsidiary, Hutchison Telecommunications International, of certain mobile telecommunications tower assets in Indonesia.

(b) During the six months ended 30 June 2008 , Husky Energy ("Husky"), a Canadian listed associated company, formed an integrated oil sands joint venture with a third party and contributed its Sunrise oil sands property to the joint venture in exchange for a 50% equity interest in the joint venture. The Group's share of Husky's gain on partial disposal of 50% of its Sunrise oil sands property represents the Group's share of this gain under HKFRS.

5 Interest and other finance costs

	Six months ended 30 June	
	2009	2008
	HK$ millions	HK$ millions
Interest on borrowings	**4,803**	8,789
Amortisation of loan facility fees and premiums or discounts relating to borrowings	**120**	134
Notional non-cash interest accretion	**179**	265
Other finance costs	**141**	32
	5,243	9,220
Less: interest capitalised	**(165)**	(219)
	5,078	9,001

Notional non-cash interest accretion represents notional adjustments to accrete the carrying amount of certain obligations recognised in the statement of financial position such as asset retirement obligation to the present value of the estimated future cash flows expected to be required for their settlement in the future.

6 Tax

	Six months ended 30 June	
	2009	2008
	HK$ millions	HK$ millions
Current tax charge		
Hong Kong	**245**	387
Outside Hong Kong	**1,193**	1,117
	1,438	1,504
Deferred tax charge (credit)		
Hong Kong	**(255)**	(129)
Outside Hong Kong	**(46)**	1,431
	(301)	1,302
	1,137	2,806

Hong Kong profits tax has been provided for at the rate of 16.5% (30 June 2008 - 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses. During the period, no deferred tax asset has been recognised for the losses of **3** Group (30 June 2008 - nil).

7 Earnings per share for profit attributable to shareholders of the Company

The calculation of earnings per share is based on profit attributable to shareholders of the Company HK$5,760 million (30 June 2008 - HK$8,589 million) and on 4,263,370,780 shares in issue during 2009 (30 June 2008 - 4,263,370,780 shares).

The Company has no share option scheme. Certain of the Company's subsidiary and associated companies have employee share options outstanding as at 30 June 2009. The employee share options of these subsidiary and associated companies outstanding as at 30 June 2009 did not have a dilutive effect on earnings per share.

8 Fixed assets

During the period, the Group acquired fixed assets with a cost of HK$8,843 million (30 June 2008 - HK$11,302 million). Fixed assets with a net book value of HK$281 million (30 June 2008 - HK$624 million) were disposed of during the period, resulting in a gain on disposal of HK$158 million (30 June 2008 - HK$848 million).

9 Deferred tax

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Deferred tax assets	**14,802**	13,248
Deferred tax liabilities	**13,347**	13,616
Net deferred tax assets (liabilities)	**1,455**	(368)
Analysis of net deferred tax assets (liabilities):		
Unused tax losses	**16,805**	15,446
Accelerated depreciation allowances	**(3,946)**	(3,685)
Fair value adjustments arising from acquisitions	**(5,597)**	(5,763)
Revaluation of investment properties and other investments	**(4,312)**	(4,268)
Withholding tax on undistributed earnings	**(394)**	(343)
Other temporary differences	**(1,101)**	(1,755)
	1,455	(368)

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The amounts shown in the consolidated statement of financial position are determined after appropriate offset.

At 30 June 2009, the Group has recognised deferred tax assets amounting to HK$14,802 million (31 December 2008 - HK$13,248 million) of which HK$13,271 million (31 December 2008 - HK$12,002 million) relates to **3** Group.

The potential net deferred tax asset mainly arising from accumulated unutilised tax losses, after appropriate offsetting, which has not been provided for in the accounts amounted to HK$39,904 million at 30 June 2009 (31 December 2008 - HK$44,053 million).

10 Other non-current assets

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	**1,978**	1,792
Infrastructure project investments	**–**	697
	1,978	2,489
Available-for-sale investments		
Unlisted equity securities	**1,570**	1,603
Fair value hedges		
Interest rate swaps	**2,842**	4,188
Cash flow hedges		
Forward foreign exchange contracts	**–**	624
	6,390	8,904

11 Liquid funds and other listed investments

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	**14,331**	19,928
Listed / traded debt securities, outside Hong Kong	**6,972**	5,245
Listed equity securities, Hong Kong	**569**	840
Listed equity securities, outside Hong Kong	**3,854**	3,740
	25,726	29,753
Loans and receivables		
Long term deposits	**51**	65
Financial assets at fair value through profit or loss	**776**	917
	26,553	30,735
Components of Managed funds, outside Hong Kong are as follows:		
Listed debt securities	**14,070**	19,592
Cash and cash equivalents	**261**	336
	14,331	19,928

Included in listed / traded debt securities outside Hong Kong is a principal amount of US$200 million bonds issued by listed associated company, Husky Energy, acquired by the Group during the period. Of which, US$100 million of these bonds mature in 2014 and US$100 million of these bonds mature in 2019.

12 Cash and cash equivalents

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Cash at bank and in hand	**13,250**	16,835
Short term bank deposits	**35,949**	40,451
	49,199	57,286

13 Trade and other receivables

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Trade receivables	**25,393**	27,044
Other receivables and prepayments	**27,933**	27,442
Cash flow hedges		
Forward foreign exchange contracts	**491**	281
	53,817	54,767

13 Trade and other receivables (continued)

Trade and other receivables are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable.

At end of period, the ageing analysis of the trade receivables is as follows:

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Less than 31 days	**11,455**	13,502
Within 31 to 60 days	**2,364**	2,793
Within 61 to 90 days	**940**	909
Over 90 days	**10,634**	9,840
	25,393	27,044

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 45 days. The carrying amount of these assets approximates their fair value. As stated above trade receivables which are past due at the statement of financial position date are stated at the expected recoverable amount, net of estimated impairment losses for bad debts. Given the profile of our customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

14 Trade and other payables

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Trade payables	**20,547**	23,571
Other payables and accruals	**46,995**	51,810
Provisions	**2,932**	3,723
Interest free loans from minority shareholders	**2,878**	3,465
Cash flow hedges		
Interest rate swaps	**25**	–
Cross currency interest rate swaps	**8**	8
Forward foreign exchange contracts	**98**	22
	73,483	82,599

At end of period, the ageing analysis of the trade payables is as follows:

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Less than 31 days	**10,369**	12,454
Within 31 to 60 days	**2,396**	2,917
Within 61 to 90 days	**949**	1,266
Over 90 days	**6,833**	6,934
	20,547	23,571

15 Bank and other debts

The carrying amount of bank and other debts comprises of items measured at amortised cost and an element of fair value which is due to movements in interest rates. The following is an analysis of the carrying amount of the bank and other debts:

	Current portion HK$ millions	**Non-current portion HK$ millions**	**30 June 2009 Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	31 December 2008 Total HK$ millions
Bank loans	**22,953**	**97,956**	**120,909**	19,022	96,613	115,635
Other loans	**344**	**456**	**800**	3,842	380	4,222
Notes and bonds	**2,964**	**120,777**	**123,741**	1,110	132,917	134,027
Total principal amount of bank and other debts	**26,261**	**219,189**	**245,450**	23,974	229,910	253,884
Unamortised loan facility fees and premiums or discounts related to debts	**(50)**	**(275)**	**(325)**	(29)	43	14
Unrealised gain on fair value changes of interest rate swap contracts	**–**	**2,174**	**2,174**	–	4,188	4,188
	26,211	**221,088**	**247,299**	23,945	234,141	258,086

Bank and other debts at principal amount are scheduled for repayment by calendar year as follows:

	Bank loans HK$ millions	**Other loans HK$ millions**	**Notes and bonds HK$ millions**	**30 June 2009 Total HK$ millions**
2009, remainder of year	**8,133**	**185**	**2,248**	**10,566**
2010	**24,031**	**288**	**10,854**	**35,173**
2011	**66,715**	**117**	**11,350**	**78,182**
2012	**6,110**	**38**	**358**	**6,506**
2013	**10,900**	**26**	**35,362**	**46,288**
2014 to 2018	**5,000**	**87**	**33,842**	**38,929**
2019 to 2028	**20**	**57**	**18,193**	**18,270**
2029 and thereafter	**–**	**2**	**11,534**	**11,536**
	120,909	**800**	**123,741**	**245,450**
Less: current portion	**(22,953)**	**(344)**	**(2,964)**	**(26,261)**
	97,956	**456**	**120,777**	**219,189**

15 Bank and other debts (continued)

	Bank loans HK$ millions	Other loans HK$ millions	Notes and bonds HK$ millions	31 December 2008 Total HK$ millions
2009	19,022	3,842	1,110	23,974
2010	22,875	252	12,694	35,821
2011	66,201	87	13,155	79,443
2012	6,117	19	370	6,506
2013	1,400	5	38,041	39,446
2014 to 2018	–	9	44,055	44,064
2019 to 2028	20	6	8,524	8,550
2029 and thereafter	–	2	16,078	16,080
	115,635	4,222	134,027	253,884
Less: current portion	(19,022)	(3,842)	(1,110)	(23,974)
	96,613	380	132,917	229,910

Of the total notes and bonds outstanding as at 30 June 2009 amounting to HK$123,741 million, US$241 million notes-Series D due 2037 are subject to early repayment at the option of the holders thereof on 1 August 2009. Holders of US$196 million principal amount exercised the early repayment option.

In July 2009, the Group obtained a 5 year floating rate term loan facility of HK$1,000 million to refinance certain of the current portion of debts.

16 Other non-current liabilities

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
Fair value hedges		
Cross currency interest rate swaps	**233**	–
Cash flow hedges		
Interest rate swaps	**16**	50
Cross currency interest rate swaps	**–**	4
Obligations for telecommunications licences and other rights	**3,198**	3,549
Provisions	**945**	983
	4,392	4,586

17 Share capital and dividends

(a) Share capital

	30 June 2009 Number of shares	31 December 2008 Number of shares	**30 June 2009 HK$ millions**	31 December 2008 HK$ millions
Authorised:				
Ordinary shares of HK$0.25 each	**5,500,000,000**	5,500,000,000	**1,375**	1,375
7-½% cumulative redeemable participating preference shares of HK$1 each	**402,717,856**	402,717,856	**403**	403
			1,778	1,778
Issued and fully paid:				
Ordinary shares	**4,263,370,780**	4,263,370,780	**1,066**	1,066

(b) Dividends

	Six months ended 30 June 2009 HK$ millions	2008 HK$ millions
Interim dividend	**2,174**	2,174
Interim dividend per share	**HK$ 0.51**	HK$ 0.51

In addition, final dividend in respect of the 2008 year of HK$1.22 per share (2007 - HK$1.22 per share) totalling HK$5,201 million (2007 - HK$5,201 million) was approved and paid during the interim period.

18 Notes to condensed consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest and other finance costs, tax paid, telecommunications CACs and changes in working capital

	Six months ended 30 June 2009 HK$ millions	2008 HK$ millions
Profit after tax	**8,381**	12,459
Adjustments for:		
Current tax charge	**1,438**	1,504
Deferred tax charge (credit)	**(301)**	1,302
Interest and other finance costs	**5,078**	9,001
Change in fair value of investment properties	**(67)**	(672)
Depreciation and amortisation	**9,789**	13,335
Non-cash items included in profit on disposal of investments and others	**(3,641)**	(3,122)
Share of associated companies' and jointly controlled entities'		
Minority interests	**(1)**	1
Current tax charge	**2,397**	2,117
Deferred tax charge (credit)	**(395)**	2,040
Interest and other finance costs	**1,435**	1,523
Change in fair value of investment properties	**(633)**	(152)
Depreciation and amortisation	**4,430**	4,598
EBITDA[a]	**27,910**	43,934
Telecommunications CACs	**8,440**	10,226
EBITDA before telecommunications CACs	**36,350**	54,160
Share of EBITDA of associated companies and jointly controlled entities	**(12,390)**	(19,738)
Profit on disposal of fixed assets, leasehold land and investment properties	**(158)**	(856)
Dividends received from associated companies and jointly controlled entities	**4,120**	4,143
Distribution from property jointly controlled entities	**269**	67
Profit on disposal of subsidiary and associated companies and jointly controlled entities	**(643)**	(2,418)
Profit on disposal of unlisted investments	**(41)**	–
Other non-cash items	**(751)**	(2,588)
	26,756	32,770

a EBITDA, included as a subtotal as supplementary information, represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of associated companies and jointly controlled entities. EBITDA is defined as earnings before interest expense and other finance costs, tax, depreciation and amortisation, and includes profit on disposal of investments and others and other earnings of a cash nature but excludes changes in the fair value of investment properties. Information concerning EBITDA has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles in Hong Kong and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flow as determined in accordance with generally accepted accounting principles in Hong Kong.

18 Notes to condensed consolidated statement of cash flows (continued)

(b) Changes in working capital

	Six months ended 30 June 2009 HK$ millions	2008 HK$ millions
Decrease in inventories	**1,411**	562
Decrease (increase) in debtors and prepayments	**(783)**	841
Decrease in creditors	**(10,097)**	(4,196)
Other non-cash items	**1,406**	1,209
	(8,063)	(1,584)

(c) Disposal of subsidiary companies

	Six months ended 30 June 2009 HK$ millions	2008 HK$ millions
Aggregate net assets disposed at date of disposal (excluding cash and cash equivalents):		
Fixed assets	**6,640**	8
Investment properties	**–**	3,217
Leasehold land	**–**	1
Telecommunications licences	**2,739**	–
Brand names and other rights	**176**	–
Goodwill	**2,050**	189
Associated companies	**660**	–
Interests in joint ventures	**5,153**	254
Inventories	**378**	–
Trade and other receivables	**2,513**	18
Bank and other debts	**(5)**	–
Creditors and current tax liabilities	**(1,256)**	(150)
Deferred tax liabilities	**(59)**	(603)
Minority interests	**(3)**	(113)
Reserves	**(13)**	(259)
	18,973	2,562
Profit on disposal	**4,488**	2,125
	23,461	4,687
Less: Investments retained subsequent to disposal	**(18,212)**	–
	5,249	4,687
Satisfied by:		
Cash and cash equivalents received as consideration	**5,467**	4,877
Less: Cash and cash equivalents sold	**(218)**	(190)
Total net cash consideration	**5,249**	4,687

The effect on the Group's results from the subsidiaries disposed is not material for the six months ended 30 June 2009 and 2008.

19 Contingent liabilities

The holding company, Hutchison Whampoa Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and jointly controlled entities of HK$4,332 million (31 December 2008 - HK$4,334 million).

The amount utilised by its associated companies and jointly controlled entities are as follows:

	30 June 2009 HK$ millions	31 December 2008 HK$ millions
To associated companies		
Other businesses	**969**	871
To jointly controlled entities		
Property businesses	**1,629**	1,535
Other businesses	**1,191**	1,343
	2,820	2,878

At 30 June 2009, the Group had provided performance and other guarantees of HK$8,330 million (31 December 2008 - HK$7,820 million) primarily for telecommunications businesses.

20 Commitments

There have been no material changes in the total amount of capital commitments since 31 December 2008 except for the amounts taken up during the period in the normal course of business.

21 Related parties transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

There have been no material changes in the total amount of outstanding balances with associated companies and jointly controlled entities since 31 December 2008.

The Group has entered into joint ventures with Cheung Kong (Holdings) Limited, a substantial shareholder of the Company, to undertake various, mainly property, projects. At 30 June 2009, included in associated companies and interests in joint ventures on the statement of financial position is a total amount of HK$25,608 million (31 December 2008 - HK$25,301 million) representing equity contributions to and the net amount due from these related entities. The Group had guaranteed bank and other borrowing facilities of HK$2,129 million (31 December 2008 - HK$2,283 million) for the benefit of these same entities.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

22 Legal proceedings

As at 30 June 2009, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

23 Subsequent event

Subsequent to 30 June 2009, Hutchison Telecommunications International ("HTIL"), the Group's 60.4% owned listed subsidiary, announced on 12 August 2009 that a wholly owned subsidiary had entered into an agreement to sell its entire shareholding in Partner Communications in Israel, for a total consideration, subject to adjustment, of NIS5,290,960,470 (approximately US$1,381 million) (approximately HK$10,706 million). The consideration is comprised of cash of NIS4,141,960,470 (US$1,081 million) (HK$8,381 million) and a loan note of US$300 million (HK$2,325 million). The transaction, subject to certain completion conditions including regulatory approval, is targeted to be completed in the second half of this year. The Group's share of HTIL's disposal gain before taxation, after adjusting for asset valuation consolidation adjustments, on completion of the transaction and translation into US$ (HK$) is estimated to be approximately US$575 million (HK$4,456 million).

24 US dollar equivalents

Amounts in these accounts are stated in Hong Kong dollars (HK$), the currency of the place in which the Company is incorporated and is the functional currency of the Company. The translation into US dollars of these accounts as of, and for the six months ended, 30 June 2009, is for convenience only and has been made at the rate of HK$7.80 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into United States dollars at this or any other rate.

Information for Shareholders

LISTING	The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited
STOCK CODE	13
PUBLIC FLOAT CAPITALISATION	Approximately HK$103,810 million (approximately 48% of the issued share capital of the Company) as at 30 June 2009
FINANCIAL CALENDAR	Closure of Register of Members: 17 September 2009 – 24 September 2009 Payment of 2009 Interim Dividend: 25 September 2009
REGISTERED OFFICE	22nd Floor, Hutchison House 10 Harcourt Road, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705
SHARE REGISTRARS	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong Telephone: +852 2862 8628 Facsimile: +852 2865 0990
INVESTOR INFORMATION	Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company
INVESTOR RELATIONS CONTACT	Please direct enquiries to: Group Corporate Affairs Department 22nd Floor, Hutchison House 10 Harcourt Road, Hong Kong Telephone: +852 2128 1188 Facsimile: +852 2128 1705 Email: info@hwl.com.hk
WEBSITE ADDRESS	www.hutchison-whampoa.com