- **Record first half year profit of HK$31,126 million**
- **Interim dividend per share of HK$0.51**
- **HK$25,520 million profit on disposal of investments less provisions**
- **80% of profit was generated outside of Hong Kong**
- **Continuing global diversification and expansion strategy in all core businesses**
- **Pursuing investment opportunities in telecommunication projects overseas**

HALF YEAR RESULTS

The Group's unaudited consolidated net profit for the half year ended 30 June 2000 amounted to HK$31,126 million, a 326% increase over the comparable period last year. The Group's overseas operations performed well and accounted for 80% of the Group's net profit. The results include profits on disposal of investments less provisions, totalling HK$25,520 million (1999 – HK$3,343 million) comprised of a HK$50,000 million profit from the exchange of a 10.2% interest in Mannesmann for an approximate 5% interest in Vodafone AirTouch; a HK$1,600 million profit from the subsequent disposal for cash of an approximate 1.5% interest in Vodafone AirTouch; a HK$1,720 million profit on the sale of a 50% interest in the Hong Kong fixed line telecommunications business to Global Crossing; a HK$2,200 million profit on the sale of a 19% interest in the Hong Kong cellular operation to NTT DoCoMo; and a HK$30,000 million provision for the potential effect of share price and exchange rate fluctuations on the Group's overseas investments. Excluding profits on disposal of investments less provisions, the Group's results increased 41% over the previous year's comparable results. The unaudited profit and loss account for the six months ended 30 June 2000 and the comparisons with last year are set out in the accompanying table.

DIVIDEND

Your Directors have today declared an interim dividend for 2000 of 51 cents per share (1999 – 43.6 cents as adjusted) payable on 17 October 2000 to those persons registered as shareholders on 16 October 2000. This represents an increase of 17% over the interim dividend paid in 1999 after adjusting for the share bonus issue earlier this year. The share register of members will be closed from 9 October 2000 to 16 October 2000 both days inclusive.

OPERATIONS

Ports and related services

The ports and related services division reported earnings before interest and tax (EBIT) of HK$2,555 million, a 21% increase over the previous year's comparable period. In Hong Kong, the Group's 89% owned Hongkong International Terminals and 44.5% owned COSCO-HIT experienced combined throughput and EBIT growth of 16% and 14% respectively, reflecting a recovery of import and export trade in the region. Construction work on the container terminal 9 consortium development commenced in July and the first berth is scheduled to be operational in the second quarter of 2002. Mid-Stream Holdings also benefited from increased trade and reported 37% growth in throughput and EBIT 20% better than the same period last year. The River Trade Terminal (33% owned) reported losses in line with the same period last year.

The Group's Mainland container terminal operations overall reported strong growth with combined throughput up 25% over the same period last year. Throughput at the 40% owned Shanghai Container Terminals grew over 17% compared to the first half of 1999 to approximately 1.4 million TEUs while throughput at the Yantian facility (50.5% owned) grew by 34% to approximately 0.9 million TEUs. EBIT for these two terminals increased 28% and 65% respectively compared to the same period last year. Take up of the additional capacity created by the completion in December last year of Yantian's phase 2 development is expected to result in continued growth in container volumes for this port. Hutchison Delta Ports' six joint venture river and coastal ports in the Mainland reported combined throughput 41% better than the comparable period last year and combined EBIT losses were reduced by 46% compared to those reported in the first half of last year.

In Indonesia, Jakarta International Container Terminal, in which the Group purchased a 51% interest in April last year, throughput increased to 0.7 million TEUs and EBIT grew in line with expectations.

In the United Kingdom (UK), the Group's container terminals (90% owned) at the Port of Felixstowe and Thamesport reported combined throughput growth of 10% compared to the same period last year and combined EBIT 43% above of last year's. At Harwich International Port (90% owned), which is adjacent to the Port of Felixstowe on the opposite side of the Harwich Haven, EBIT growth of 4% was reported from its passenger and freight roll-on roll-off operations. In continental Europe, the Group has an effective 31.5% interest in Europe Combined Terminals (ECT) in Rotterdam which has performed in line with expectations since our investment in November last year. Throughput for the first half of the year totalled 2.3 million TEUs.

Throughput at Freeport Container Port on Grand Bahama Island (45% interest) was in line with the first six months of the previous year. Development work to expand the Balboa facility in Panama (72% interest) is expected to be completed in the third quarter this year. The ports group is continuing to explore expansion opportunities at its existing terminals and on other major shipping routes.

Telecommunications and e-commerce

The telecommunications and e-commerce division reported EBIT totalling HK$614 million, 31% higher than the comparable 1999 earnings mainly due to increased contributions from the international division and the improved performance from 50% owned Hutchison Global Crossing (HGC). These earnings do not include the profits on disposal of telecommunication investments mentioned above.

The Hong Kong cellular operations, Hutchison Telephone Company (HTCL 55.9% interest), continued to operate in an environment of intense competition. Despite these market conditions, HTCL continued to report positive EBIT, increased its subscriber base during the period by 12% and consolidated its position as the largest cellular operator in Hong Kong with currently approximately 1.6 million subscribers and an approximate 34% market share. HGC performed very well during the period reporting improved results and strong subscriber growth for its 0080 IDD service, local voice and data line service and the HutchCity branded Internet service provider business. The Hong Kong landing of Asia Global Crossing's submarine fibre optic cable is expected in the fourth quarter this year, enabling HGC to link to Global Crossing's worldwide network and thereby providing higher speed capacity to Hong Kong customers. In June, HGC launched its first data centre in Hong Kong and is also on schedule to launch the phase one services of the public Electronic Service Delivery (ESD) system in October, initially offering online services with various government departments.

Overseas, Hutchison Telecommunications Australia (HTA), which is listed on the Australian Stock Exchange, reported that net profit after tax declined from A$6.8 million for the period ended 30 June 1999 to a loss of A$22.3 million for this half year due to increased costs associated with the start-up phase of its business. HTA launched its Home Zone CDMA networks in the greater Sydney and Melbourne areas during the period and also announced its successful bid in March for 1800 MHz licences covering five major cities in Australia thereby securing further growth opportunities. To fund its expansion plans HTA completed a renounceable rights issue in June which raised cash of approximately A$700 million for the company. The Group took up renounced rights and as a result increased its interest in HTA from 54% to 58%. In India, the 49% owned GSM network in Mumbai increased its subscriber base to over 165,000 during the period and reported a positive EBIT compared to EBIT losses in the same period last year. During the period, the Group expanded its footprint in India with the purchase in January of an approximate 49% interest in Sterling Cellular, which operates a mobile network in New Delhi. In Israel, Partner Communications (35% owned), which is quoted on the Nasdaq Stock Market and the London Stock Exchange, reported a net loss attributable to shareholders of US$76.8 million for the six months ended 30 June, an improvement over the loss of US$104.5 million reported in the comparable period last year. Partner Communications is continuing to build up its business and rapidly grew its subscriber base during the period to over 500,000 subscribers, a 42% increase from the beginning of the year. The Group's international operations are continuing to explore expansion opportunities in under-developed telecommunications markets.

In Europe, following the sale of its investment in Orange plc, the Group has been actively pursuing exciting investment opportunities in the next generation of wireless telecommunications networks, the third generation Universal Mobile Telecommunications System (UMTS). During the period, the Group successfully obtained a 90.1% interest in a licence to operate a national UMTS network in the UK auction for a winning bid of £4,385 million. Subsequent to the auction, the Group entered into an agreement to form a strategic alliance with NTT DoCoMo (20% interest), a publicly listed company in Japan, and KPN Mobile (15% interest), a publicly listed company in the Netherlands which would reduce the Group's interest in this project to approximately 65%. The Group will receive a total consideration of approximately £2,100 million upon the completion of this transaction, which is subject to regulatory approval. In addition, the Group and KPN Mobile have agreed to jointly participate in the Belgian UMTS licence auction and, together with NTT DoCoMo, in the French licence process. The Group also plans to pursue economically valued licences as they are offered later this year in Italy, Sweden, Switzerland and other European countries.

In the United States on 24 July, the Group agreed to vote in favour of a proposed merger between VoiceStream and Deutsche Telekom which currently values the Group's effective 22% interest in VoiceStream at approximately HK$65,000 million, compared to its cost of approximately HK$10,000 million. Under the terms of the merger agreement, each VoiceStream share will be converted into approximately US$30 in cash and 3.2 Deutsche Telekom shares, subject to certain potential adjustments. The transaction, assuming regulatory approvals are forthcoming, is expected to be completed in the first half of 2001 and a profit on disposal will be recorded at that time calculated with reference to the then share price of Deutsche Telekom.

During the period, the Group continued to develop the e-commerce operations and initiatives of each of its core businesses and encouraging progress has been made with strategic partners. Major investments undertaken to date are:

- bigboXX.com (100% interest), an office supplies procurement portal for business corporations in Hong Kong.

- DLJ Hutchison *direct* (50% interest), an online discount securities brokerage service.

- Hutchison-Priceline.com (50% interest), an online airline tickets, hotel and holiday packages purchase service.

- Global Transport eXchange (90% interest), a joint venture between Portsnportals and Oracle for a worldwide online exchange for the transportation services community.

- iBusinessCorporation.com (24.9% interest), to facilitate e-commerce businesses on the Internet.

- TOM.COM (31% interest), a company listed on Hong Kong's Growth Enterprise Market providing a Chinese content Internet megaportal.

Property and hotels

The property and hotels division's EBIT amounted to HK$967 million which is in line with the results of the same period last year. Rental income from the Group's investment properties in Hong Kong grew 7% compared to the first half of 1999, mainly due to a full six-month contribution from the Cheung Kong Center office tower which was completed during the first half of last year. The Group's portfolio of 12.2 million sq ft of commercial, office, industrial and residential properties in Hong Kong continue to be fully let. Development profits were below the comparable period last year due to reduced property sales. During the period, development profits were recorded from the initial phased sale of completed units at the Peninsula Heights and Monte Vista developments. The Group has a 50% interest in each development and the remaining units will be offered for sale in the second half of this year. In the Mainland, presale activity for the first phase of Le Parc, Shenzhen (50% interest), comprising 1.1 million sq ft of residential development, has been well received and all of the 810 units offered for sale have been pre sold. The development profit will be recorded upon completion of the first phase of construction which is scheduled for next year. The first phase shopping mall of the Beijing Oriental Plaza (18% interest) is almost complete and leasing activity is progressing well. The Group's other development projects in the Mainland are progressing satisfactorily. Overseas, the various development projects in London, Singapore and Tokyo are progressing on schedule. In Singapore, the Group recently increased its landbank with the acquisition of a 50% interest in a 400,000 sq ft residential project to be jointly developed with Cheung Kong (Holdings).

The Group's portfolio of eight operating hotels generally reported improved results and in April, the Harbour Plaza North Point (39% owned) was opened.

Retail and manufacturing

The retail and manufacturing division reported EBIT of HK$341 million, 71% below the comparable period last year, mainly due to the non-recurring profit recorded in the first half of last year from the sale of the Group's ice cream businesses and a reduced contribution from the Group's Mainland joint ventures with Procter & Gamble. Despite continuing strong competition in the retail food business in Hong Kong, PARKnSHOP increased its sales by 19% compared to the same period last year through competitive pricing and store expansion. However, lower margins have resulted in reduced earnings compared to the same period last year. The selective store closure and rationalisation programme of PARKnSHOP's Mainland chain store operation was completed during the period and management is focusing on strategies to return the operation to a profitable position. In the retail non-food division in Hong Kong, Watson's Personal Care Stores reported a 9% increase in sales and EBIT marginally ahead of the same period last year. In Taiwan, Watson's Personal Care Stores reported results similar to Hong Kong with sales increasing 4% and EBIT marginally ahead of last year's comparable period. Fortress, the Hong Kong consumer electronics chain, increased sales by 45% over the same period last year and also reported very strong EBIT growth compared to the first half of 1999. Overall, Watson's The Chemist in South East Asia performed well, reporting both sales and EBIT growth as it continued to expand its network of retail outlets in Malaysia and Thailand. The Group's 50% owned joint venture with Nuance International Holdings to operate concessions at the Hong Kong International Airport reported another period of improved results reflecting increased tourist traffic. The water and beverage manufacturing division reported reduced earnings from its Hong Kong and Mainland operations due to continuing price competition. However, this was offset by the results from the new and expanding UK and European home and office water operations. During the period, water manufacturing and distribution companies were acquired in Germany, Holland and Portugal. Currently the Group has operations in five countries in Europe and further opportunities are being pursued.

Energy, infrastructure, finance and investment

The energy, infrastructure, finance and investment division reported EBIT of HK$5,747 million, an increase of HK$2,748 million compared to the same period last year. Cheung Kong Infrastructure (CKI), the Group's 84.58% owned listed subsidiary, announced a consolidated profit attributable to shareholders of HK$1,389 million for the period ended 30 June 2000.

Husky Oil performed very well during the period and the Group's 49% share of Husky Oil's EBIT was more than double last year's comparable profit due to increased oil and gas prices and heavy oil upgrader refining margins. In June, Husky Oil entered into an agreement with Renaissance Energy, a publicly listed company based in Calgary, Canada to merge through a plan of arrangement. The merged company, to be called Husky Energy Inc. (HEI), will be one of Canada's largest integrated oil and gas companies with an exceptional growth profile, a strong cash generating asset base and financial flexibility to pursue strategic projects. The Group will hold an approximate 35% interest in the merged listed entity. The value of the consideration received by the Group for its holding in Husky Oil will be determined by the quoted share price of HEI when dealing in its shares commences later this month and the profit from this transaction will be recorded at that time.

OUTLOOK

The interim results reflect the continuing recovery of the Hong Kong and Asian economies, increased global trade and the benefits of the Group's geographically diversified core businesses. All of the Group's core businesses are continuing to report solid operating results, although competitive pressures will remain, particularly in the retail businesses in Asia and in telecommunications in Hong Kong.

During the period, the Group disposed of its European investments in second generation telecommunications which generated significant cash reserves and the Group is now pursuing a strategy to own and operate, with strategic partners, a Pan-European UMTS network and to globally expand its ports, telecommunications, retail and its other existing core businesses.

The Group is in a very strong financial position with a large pool of cash and liquid assets and benefits from the diversity of its core businesses which operate in 24 countries. The anticipated entry of China into the World Trade Organisation is expected to have a very positive effect on the Mainland, stimulating its economic recovery and presenting many new investment opportunities, and Hong Kong, in particular, will benefit because of its close proximity and long established trading relationships. The Group is well placed to invest in attractive business opportunities in the region which meet its stringent investment criteria.

These developments combined with the continuing successful expansion of overseas operations reinforce further the Group's solid base and its ability to support additional growth. From this strong position, the Group is committed to continue its global expansion strategy in all of its core businesses in a controlled manner while maintaining financial stability.

I am confident and optimistic about the Group's expansion plans, future development and performance and I wish to thank the Board of Directors and all the Group's employees for their hard work, continuing support and dedication.

Li Ka-shing
Chairman

Hong Kong, 24 August 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2000

	Six Months Ended 30 June (unaudited) 2000 HK$ Millions	1999 HK$ Millions	Year Ended 31 December (audited) 1999 HK$ Millions
Turnover	**28,091**	24,165	55,442
Cost of inventories sold	**10,760**	9,445	26,196
Staff costs	**3,470**	3,225	6,873
Depreciation and amortisation	**1,566**	1,568	3,314
Other operating expenses	**4,350**	2,934	5,681
Total operating expenses	**20,146**	17,172	42,064
Operating profit	**7,945**	6,993	13,378
Finance costs	**2,742**	2,588	5,081
Profit on disposal of investments less provisions	**25,520**	3,343	109,532
Share of profits less losses of associated companies	**1,273**	801	2,209
Share of profits less losses of jointly controlled entities	**464**	(174)	(52)
Profit before taxation	**32,460**	8,375	119,986
Taxation			
Hong Kong			
Company and subsidiaries	**245**	231	661
Associated companies	**94**	71	189
Jointly controlled entities	**42**	12	36
Overseas			
Company and subsidiaries	**120**	69	204
Associated companies	**224**	55	119
Jointly controlled entities	**23**	20	42
Profit after taxation	**31,712**	7,917	118,735
Minority interests	**586**	604	1,390
Profit Attributable to the Shareholders	**31,126**	7,313	117,345
Dividends	**2,174**	1,860	6,318
Profit for the Period Retained	**28,952**	5,453	111,027
Earnings per Share	**HK$7.30**	HK$1.72	HK$27.52
Dividends per Share	**HK$0.510**	HK$0.436	HK$1.482

Notes:

1. *Included in profit attributable to the shareholders is an amount of HK$25,280 million (30 June 1999 and 31 December 1999 – nil) transferred from investment revaluation reserves upon disposal of the relevant investments.*

2. *Profit on disposal of investments less provisions for the six months ended 30 June 2000 comprise of a profit of HK$50,000 million on disposal of the Group's holding of Mannesmann AG common shares in exchange for Vodafone AirTouch Plc ordinary shares, a profit of HK$1,600 million on the subsequent disposal of 925 million Vodafone shares, a profit of HK$2,200 million on the sale of a 19% interest in the Group's Hong Kong cellular operation and a profit of HK$1,720 million on the sale of a 50% interest in the Group's fixed line telecommunications business less a provision of HK$30,000 million for the potential effect of share price and exchange rate fluctuations on the Group's overseas investments. The comparative amounts for the periods ended 30 June 1999 and 31 December 1999 comprise of a profit of HK$5,000 million on disposal of approximately 4% of the Group's shareholding in Orange plc less a provision against the accumulated capitalized cost of acquiring new Hong Kong cellular subscribers of HK$1,657 million, net of minority interest. In addition, for the year ended 31 December 1999, the amount also includes a profit of HK$113,000 million on disposal of the Group's remaining shareholding in Orange plc and a profit of HK$1,392 million on the flotation of Partner Communications Company Ltd less a provision for diminution in value of investments in joint venture projects of HK$7,800 million and a further provision against the accumulated capitalized cost of acquiring new Hong Kong cellular subscribers of HK$403 million, net of minority interest.*

3. *Hong Kong profits tax has been provided for at the rate of 16% (1999 - 16%) on the estimated assessable profits for the period less available tax losses. Overseas taxation has been provided for at the applicable rate on the estimated assessable profits less available tax losses.*

4. *The calculation of earnings per share is based on profit attributable to shareholders and on 4,263,370,780 shares in issue during the period ended 30 June 2000 (30 June 1999 and 31 December 1999 - on 4,263,370,780 shares in issue after adjusting for the one for ten bonus share issue on 26 May 2000).*

5. *The calculation of dividends per share for the prior periods is after adjusting for the one for ten bonus share issue on 26 May 2000.*

DIRECTORS' INTERESTS

As at 30 June 2000, the interests of the directors in the shares of the Company and its associated corporations as required to be recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

(a) Interests in the Company

	No. of ordinary shares				
Name	**Personal Interests**	**Family Interests**	**Corporate Interests**	**Other Interests**	**Total**
Li Ka-shing	–	–	–	2,139,002,773 (1)	2,139,002,773
Li Tzar Kuoi, Victor	–	–	971,000	2,139,002,773 (1)	2,139,973,773
Li Tzar Kai, Richard	110,000	–	–	2,139,002,773 (1)	2,139,112,773
Fok Kin-ning, Canning	962,597	–	38,500	–	1,001,097
George Colin Magnus	880,000	9,900	–	–	889,900
Michael David Kadoorie	–	–	–	15,984,095 (2)	15,984,095
Simon Murray	16,000	–	–	–	16,000
William Shurniak	165,000	–	–	–	165,000
Peter Alan Lee Vine	33,000	–	–	–	33,000

Notes:

(1) *The three references to 2,139,002,773 shares relate to the same block of shares in the Company comprising:*

(a) *2,130,202,773 shares held by certain subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong"). Li Ka-Shing Unity Trustee Company Limited ("TUT") as trustee of The Li Ka-Shing Unity Trust (the "LKS Unity Trust") and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of Cheung Kong. All the issued and outstanding units in the LKS Unity Trust are held by Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and his wife and two daughters and Mr Li Tzar Kai, Richard. Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard, as directors of the Company, are taken to be interested in such shares in the Company held by the subsidiaries of Cheung Kong by virtue of their deemed interests in the shares of Cheung Kong as discretionary beneficiaries of such discretionary trusts. In accordance with the provisions of the SDI Ordinance, Mr Li Ka-shing is also taken to be interested in such 2,130,202,773 shares by virtue of his owning more than one-third of the issued share capital of Li Ka-Shing Unity Holdings Limited which in turn owns more than one-third of the issued share capital of the trustees of the LKS Unity Trust and the abovementioned discretionary trusts; and* *(b) 8,800,000 shares held by a unit trust. All issued and outstanding units of such unit trust are held by discretionary trusts. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and his wife and two daughters and Mr Li Tzar Kai, Richard and accordingly Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard, as directors of the Company, are taken to be interested in such 8,800,000 shares under the SDI Ordinance. In accordance with the provisions of the SDI Ordinance, Mr Li Ka-shing also is taken to be interested in the same 8,800,000 shares in the Company by virtue of his owning more than one-third of the issued share capital of Li Ka-Shing Castle Holdings Limited which in turn owns more than one-third of the issued share capital of the trustees of the abovementioned unit trust and discretionary trusts.*

(2) The Hon Michael David Kadoorie is deemed to be interested by virtue of the SDI Ordinance in 15,984,095 shares in the Company.

(b) Interests in Associated Corporations

As at 30 June 2000, Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard, as directors of the Company, were deemed to be interested in (i) 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited ("Cheung Kong Infrastructure") of which 1,906,681,945 shares were held by a subsidiary of the Company and 5,428,000 shares were held by companies controlled by TUT as trustee of the LKS Unity Trust as described in Note (1) above under the SDI Ordinance, (ii) 829,599,612 shares in Hongkong Electric Holdings Limited ("Hongkong Electric") which shares were held by certain subsidiaries of Cheung Kong Infrastructure, (iii) 1,380,000,000 shares in TOM.COM LIMITED ("TOM.COM") of which 920,000,000 shares were held by a subsidiary of the Company and 460,000,000 shares were held by companies controlled by TUT as trustee of the LKS Unity Trust as described in Note (1) above and (iv) all the shares of the subsidiary and associated companies of the Company held by the Company and its subsidiary companies by virtue of their interests in the shares of the Company as described in Note (1) above.

In addition, Mr Li Ka-shing had, as at 30 June 2000, corporate interests in 4,600 class C common shares in Husky Oil Holdings Limited and 13,800 common shares in Husky Oil Ltd.

Mr Li Tzar Kai, Richard had, as at 30 June 2000, corporate interests in 121,000,000 shares in TOM.COM, 11,066 shares in Marunochi N V and 55 shares in Asian Growth International Limited.

Mr Fok Kin-ning, Canning had, as at 30 June 2000, (i) a personal interest in 100,000 ordinary shares in Hutchison Telecommunications (Australia) Limited and (ii) corporate interests in a notional amount of US$11,000,000 in the 6.95% Notes due 2007 issued by Hutchison Whampoa Finance (CI) Limited and 25,000 American Depositary Shares (each representing one ordinary share) of Partner Communications Company Ltd ("Partner Communications").

Mr Frank John Sixt had, as at 30 June 2000, a personal interest in a nominal amount of US$530,000 in the 7% convertible bonds due 2001 issued by Hutchison Delta Finance Limited.

Mr George Colin Magnus had, as at 30 June 2000, a personal interest in 25,000 American Depositary Shares (each representing one ordinary share) in Partner Communications.

Mr Kam Hing Lam had, as at 30 June 2000, a personal interest in 100,000 shares in Cheung Kong Infrastructure.

Mr Peter Alan Lee Vine had, as at 30 June 2000, a personal interest in 80,000 shares in Hongkong Electric.

Save as outlined above, none of the directors had, as at 30 June 2000, any interests in the ordinary shares of the Company and its associated corporations or any right to subscribe for ordinary shares of the Company or its associated corporations which had been granted and exercised as recorded in the register required to be kept under Section 29 of the SDI Ordinance since no right to subscribe for the ordinary shares of the Company or its associated corporations had been granted to any director or his spouse or children under 18 years of age since 1 September 1991, the commencement of the SDI Ordinance.

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

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2000, the register required to be kept under Section 16(1) of the SDI Ordinance showed that the Company had been notified of the following interests in the issued ordinary share capital of the Company. These interests were in addition to those disclosed above in respect of the directors.

Name	No. of ordinary shares
Cheung Kong (Holdings) Limited	2,130,202,773 (1)
Continental Realty Limited	465,265,969 (2)

Notes:

(1) *This interest represents the total number of ordinary shares of the Company held by certain subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under Sections 8(2) and (3) of the SDI Ordinance.*

(2) *This is a subsidiary of Cheung Kong and its interests in the ordinary shares of the Company is duplicated in the interests of Cheung Kong. In addition, Li Ka-Shing Unity Holdings Limited, TUT as trustee of The LKS Unity Trust and Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust have notified the Company that each of them is to be taken as interested in the same 2,130,202,773 shares of the Company as described in Note (1) (a) above.*

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2000, 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 this period.

CODE OF BEST PRACTICE

With the exception that non-executive directors have no set term of office but retire from office on a rotational basis, none of the directors is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30 June 2000, in compliance with Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.