UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2001

- First half year profit of HK$7,193 million and earnings per share of HK$1.69
- Interim dividend per share of HK$0.51
- HK$30,000 million profit arising from the VoiceStream merger with Deutsche Telekom offset by HK$28,100 million provision for equity investments
- 69% of profit was generated outside of Hong Kong
- Cash and marketable securities exceeds total borrowings
- Continuing strategy of global diversification and prudent expansion in all core businesses

HALF YEAR RESULTS

The Group's unaudited profit attributable to shareholders for the half year amounted to HK$7,193 million compared to HK$31,126 million in the same period last year. Earnings per share amounted to HK$1.69 compared to HK$7.30 in the same period last year. These results include profits on the disposal of investments less provision totalling HK$1,900 million (2000 - HK$25,520 million) comprising the profit of HK$30,000 million realised upon the merger of VoiceStream with Deutsche Telekom, from which the Group received cash of approximately US$885 million and a 4.9% equity interest in Deutsche Telekom, less a HK$28,100 million provision for the effect of share price and exchange rate fluctuations on the Group's investments in Vodafone Group and Deutsche Telekom. Profit on disposal of investments less provisions in the previous year of HK$25,520 million are described in Note 4 to the unaudited consolidated profit and loss account.

DIVIDEND

Your Directors have today declared an interim dividend for 2001 of 51 cents per share (2000 - 51 cents) payable on 16 October 2001 to those persons registered as shareholders on 15 October 2001. The share register of members will be closed from 8 October 2001 to 15 October 2001 both days inclusive.

OPERATIONS

The Group's turnover and earnings before interest expense and tax ("EBIT"), including the Group's share of associated companies' and jointly controlled entities' turnover and EBIT, are shown by business segment in Note 2 to the unaudited consolidated profit and loss account.

Turnover for the period totalled HK$43,402 million, an increase of 5% over the comparable period last year, mainly due to increased turnover in the retail and manufacturing, infrastructure and energy businesses offset by reductions in the property and hotels and finance and investment divisions. Total EBIT for the period was HK$11,201 million, a 7% increase over last year's comparable interim period reflecting growth in the energy and infrastructure businesses.

PORTS AND RELATED SERVICES

Despite a global slowdown in import and export activity due to the slowing economies in the USA and Europe, the Group's ports and related services division reported turnover of HK$6,878 million, a 2% increase over last year's comparable period. The growth in turnover reflects increased throughput at the Group's Yantian port and the throughput of the ports acquired in the second half of 2000, including Koja Terminal in Indonesia and Kelang Multi Terminal in Malaysia, which more than offset throughput declines in the Hong Kong, Shanghai and the United Kingdom ("UK") ports. The combined throughput of the Group's worldwide operations increased 5% to over 12 million TEUs (twenty foot equivalent units). Despite reduced trading activity and heightened competition, this division reported EBIT of HK$2,593 million, which was in line with the previous year's EBIT.

Overall the Group's Hong Kong and Yantian deepwater port operations, which together serve the Shenzhen and Southern China manufacturing basin, were adversely affected by reduced export and import activity. Combined throughput and EBIT remained in line with the comparable prior year. In Hong Kong, Hongkong International Terminals and COSCO-HIT, an associated company, reported a 7% decline in combined throughput and a 9% decline in EBIT compared to the same period last year which was offset by Yantian Terminal's 23% growth in throughput. Construction work on the Container Terminal 9 consortium development in Hong Kong, which commenced in July last year, is continuing and the first berth is expected to be completed in the latter part of 2002.

The Group's associated company, Shanghai Container Terminals, was affected by strong competition from recently completed facilities in the area and reported a 9% decline in throughput and EBIT. Hutchison Delta Ports' six joint venture river and coastal ports reported combined throughput 29% better than the previous year and its first half year of combined EBIT compared to losses reported in previous periods.

In Southeast Asia, Jakarta International Container Terminal ("JICT") in Indonesia performed well despite the continuing political uncertainty. Although throughput was 3% below last year, there was a satisfactory growth in EBIT due to tariff adjustments and cost controls. The recently acquired Koja Terminal, adjacent to JICT, and Kelang Multi Terminal in Malaysia have both performed in line with expectations.

In the UK, container throughput and passenger volume have been adversely affected by both the slowing European economies and foot and mouth disease concerns. The Group's container terminals at the Port of Felixstowe and Thamesport reported a combined throughput decrease of 10% compared to the same period last year with a consequent reduction in EBIT.

The Group has significantly expanded its global presence with the acquisition in May of controlling interests in eight operating container terminals in six countries around the world - Mexico, Argentina, Saudi Arabia, Pakistan, Tanzania and Thailand. In addition, in South Korea, the Group together with two Korean partners successfully secured the rights to develop and operate under a lease arrangement seven berths in phase 2 at Kwangyang Port. The Group also signed an agreement in June to acquire a 49% interest in Beilun Phase II container terminal at Ningbo port. With these recent acquisitions the Group currently has interests in 29 container terminals with a total of 162 berths in 15 countries worldwide which provide a solid, diversified base for recurring earnings growth.

Telecommunications and e-commerce

The telecommunications and e-commerce division reported a 9% increase in turnover to HK$5,216 million, and EBIT of HK$618 million which was in line with last year's interim EBIT of HK$614 million.

The Hong Kong mobile and related operations overall reported EBIT marginally below the previous year's EBIT despite continued intense competition in the market place while it increased its subscriber base by 8% since the beginning of the year. The Group maintained its position as the largest mobile operator in Hong Kong with approximately 1.8 million subscribers currently and an approximate 32% market share. Hutchison Global Crossing ("HGC") reported strong customer growth for its data and voice services during the period. The connection to Asia Global Crossing's submarine cable earlier this year enables HGC to deliver high speed capacity and reliable global connectivity to customers in Hong Kong in a cost effective manner and the business is focused on increasing its customer base.

In Europe, the Group has continued to develop its 3G operations in the UK, Italy, Austria and Sweden and is currently focusing on designing and building state of the art 3G networks in each country. In the UK, Hutchison 3G UK recently increased its aggregate standalone project financing facilities to £3,200 million with the addition of attractive equipment vendor financing. These facilities are expected to fully fund the budgeted capital expenditures and operations for the next three to four years. In Italy, Hutchison 3G Italia (78.3% owned) is currently in advanced discussions with lenders to raise a long term financing facility for its business. Tiscali, an existing shareholder in Hutchison 3G Italia, came to an agreement, at no cost to the Group, not to exercise its option to acquire at cost up to 25.2% of the Group's interest in the company. The development of the 3G businesses are progressing well and the UK and Italian operations are on schedule to launch networks in the second half of 2002 to provide both mobile telephone and multimedia services. In both countries, contracts have been awarded for the network equipment and infrastructure and cell sites have been secured to expedite the rollout of the network. The Group has signed contracts with NEC Corporation and Motorola for the supply in the second half of 2002 of customised devices with the most up to date mobile data applications and multimedia services. The Group has also secured the exclusive mobile rights to F.A. Premier League Football and to date nine top soccer teams in Italy to provide content and official data to its customers.

The Hutchison Telecommunications International group's combined operations outside Europe reported EBIT ahead of the comparable period last year. In Australia, listed Hutchison Telecommunications Australia ("HTA") reported an 8.4% increase in subscribers from the beginning of the year, 9% increase in revenue and a net loss after tax of A$91 million for this half year compared to a net loss after tax of A$22 million for the comparable period last year. In March, HTA successfully bid for 3G licences with spectrum in the 2.1 GHz frequency covering five major cities. In May, HTA formed a strategic alliance with Telecom Corp of New Zealand ("TCNZ") which will initially contribute A$250 million for a 19.9% interest in a joint venture to jointly fund and develop HTA's 3G operation in Australia and as part of the same agreement, the Group has an option to acquire a 19.9% interest in TCNZ's 3G business for NZ$250 million. In India, the Group's telecommunication operations have all performed very well, reporting a threefold growth in EBIT compared to the same period last year and a 42% increase in its combined subscriber base from the beginning of the year which currently totals approximately 890,000. In Israel, listed Partner Communications announced a net loss attributable to shareholders of US$43 million for the six months ended 30 June 2001, a 54% improvement over the comparable period last year, which included a milestone first full quarter operating profit. Partner Communications continued to rapidly grow its subscriber base which at 30 June totalled over 1.1 million, a 37% increase.

Property and hotels

The property and hotels division's turnover amounted to HK$2,905 million, a 42% decrease over the comparable period last year mainly due to reduced development activity and EBIT of HK$980 million was comparable to last year's first half EBIT of HK$967 million. Gross rental income from the Group's investment properties, which are mainly in Hong Kong, grew 2% compared to the first half of 2000 and this portfolio of 12.4 million sq ft of commercial, office, industrial and residential properties in Hong Kong continues to be substantially fully let. Development profits, which related primarily to the completion of the first phase of the Le Parc development in Shenzhen, were comparable to the same period last year. The Group has recently increased its landbank in the Mainland with the signing of agreements to acquire a total site area of approximately 9.1 million sq ft. Overseas, various development projects in London, Singapore and Tokyo are progressing satisfactorily. The Group's portfolio of hotels performed marginally behind the previous year.

Retail and manufacturing

The retail and manufacturing division reported turnover of HK$14,589 million, a 10% increase over the comparable period last year reflecting increased PARKnSHOP sales and overseas expansion. EBIT of HK$273 million was 20% below the comparable EBIT of HK$341 million last year as a result of reduced margins, particularly in Taiwan and also in Hong Kong where consumer confidence and spending are being adversely affected by the slowing economies, partially offset by successful expansion in the UK and Europe.

Although the retail food market in Hong Kong has continued to be very competitive, PARKnSHOP reported a 7% increase in sales and a modest improvement in EBIT compared to the same period last year. In the Mainland, the two large format stores in Guangzhou reported encouraging results and one more large format store is to be opened later this year in Southern China. In the retail non-food division in Hong Kong, Watson's Personal Care Stores reported sales growth of 2% but lower EBIT than the same period last year while Fortress reported a decline in both sales and EBIT compared to the same period last year, reflecting weak consumer demand in Hong Kong. In Taiwan, Watson's Personal Care Stores was severely affected by a slowing economy and very difficult trading conditions and, as a result, reported an 11% decline in sales and a greatly reduced EBIT. This situation has stabilised and an improved performance is expected in the second half of this year. Watson's Personal Care Stores in other Asian countries continued to expand and reported improved combined sales and EBIT. In the UK, the Group purchased the Savers chain of stores last year and has aggressively expanded the store chain which continues to perform well and reported profits ahead of expectations. The water and beverage division in Hong Kong and the Mainland reported reduced sales and earnings due to continuing price competition. The water businesses in the UK and Europe have expanded aggressively and will benefit from growing economies of scale.

This division is focusing on expanding its PARKnSHOP operations in Southern China and its retail non-food and water operations in the UK and Europe. This expansion strategy is expected to provide the engine for future profit growth.

Infrastructure

Cheung Kong Infrastructure, a listed subsidiary, announced turnover and profit attributable to shareholders of HK$1,901 million and HK$1,509 million respectively for the period ended 30 June 2001, an increase of 19.5% and 8.6%.

ENERGY

Husky Energy, a listed associated company, performed very well during the period mainly due to increased commodity prices and increased production. The Group's 35% share of Husky Energy's revenue of HK$6,289 million and EBIT of HK$1,342 million were, respectively, 23% and 80% ahead of the comparable period last year. Daily production averaged 267,000 barrels of oil equivalents ("boe") a day during the period, a 112% increase compared to the 126,000 boe/day during the first half of 2000. The Terra Nova oil field development offshore the east coast of Canada is expected to commence production during the last quarter of this year and, at full production, will provide Husky Energy with approximately 16,000 boe/day of additional production.

OUTLOOK

The first half of this year has been characterised by slowing global trade, poor consumer sentiment, the continuing slowdown in the economies of the USA and Japan and more recently in Europe and Asia. The period also saw volatility and a rapid decline in equity market valuations, particularly in the telecommunication and technology sector. As a result, a prudent provision of HK$28,100 million was made against the Group's investments in Vodafone Group and Deutsche Telekom shares. Despite weaknesses in some sectors, the Group reported an improved and solid EBIT from its recurring operations during the first half of this year, benefiting from both its geographic and business diversity. The Group now has operations in 34 countries. The Group also realised a significant profit from the merger of VoiceStream with Deutsche Telekom which offset the prudent provision mentioned above.

Over the past two and one half years, the Group realised exceptional profits from the disposal of certain of its second generation telecommunication assets, near the height of their market valuations, for a combination of cash and listed equities. Despite the recent declines in telecommunication equity values for which the Group has made provisions, the Group has realised profits of around HK$137,000 million from these transactions as follows:

	HK$ million
Profit on disposal of Orange in 1999	118,000
Profit on exchange of Mannesmann for Vodafone Group shares in 2000	50,000
Profit on sale of 1.5% interest in Vodafone Group shares in 2000	1,600
Provision for Vodafone Group in 2000	(34,000)
Profit on merger of VoiceStream and Deutsche Telekom in 2001	30,000
Provision for Vodafone Group and Deutsche Telekom in first half of 2001	(28,100)
Total net profit	137,500

These exceptional profits have contributed to the Group's current very strong financial position with cash and marketable securities exceeding its total borrowings. This pool of cash and marketable securities totalling HK$156,007 million at 30 June 2001 puts the Group in a strong competitive position in the current financial market environment. The Group will continue to benefit from the steady cashflow from its existing core businesses and from the growth anticipated from its recent investments overseas, particularly in the ports and retail and manufacturing divisions. With this strong and expanding base, the Group will focus on developing its 3G telecommunication networks and businesses, and will pursue a conservative investment strategy to expand all its core businesses while maintaining a strong and stable financial position.

Although the Group will not be immune to the performance of the United States of America's economy and the effects of the slowing global economies, I am confident that the Group will continue to perform steadily for the remainder of the year and that the Group's investment and expansion plans will provide future growth and value to our shareholders. I would like to thank the Board of Directors and all the Group's employees around the world for their hard work, support and dedication.

Li Ka-shing
Chairman
Hong Kong, 23 August 2001

LIQUIDITY AND FINANCIAL RESOURCES

At 30 June 2001, the Group's cash, managed funds and other listed investments totalled HK$156,007 million (31 December 2000 - HK$174,821 million) of which 5% were denominated in HK dollars, 50% in US dollars, 21% in Pounds Sterling (mainly investment in Vodafone Group), 20% in Euro (mainly investment in Deutsche Telekom) and 4% in other currencies. This liquidity pool exceeded the Group's total interest bearing borrowings of HK$145,712 million (31 December 2000 - HK$124,526 million) by HK$10,295 million (31 December 2000 - HK$50,295 million).

During the first six months of the year, all bilateral borrowings that matured were either renewed at satisfactory rates and terms or, at the Group's option, were repaid at maturity. In January this year the Group issued US$2,657 million principal amount of 2% notes due in 2004, exchangeable into ordinary shares of Vodafone Group on the basis of US$1,000 principal amounts for 214.51 ordinary shares of Vodafone Group at an exchange price of US$4.6618 per share. In February this year the Group issued US$1,500 million 7% notes due in 2011 which are listed on the Luxembourg Stock Exchange. The proceeds from this issue were used to repay early, without penalty, a US$1,500 million bank loan facility which was due to mature in 2003.

Approximately 39% of the Group's borrowings bear interest at floating rates and the remaining 61% are at fixed rates.

The Group's borrowings at 30 June 2001 are denominated and repayable as follow:

	HK$	**US$**	**£**	**Euro**	**Others**	**Total**
Within 1 year	6%	1%	-	-	2%	9%
In years 2 to 4	10%	34%	2%	-	3%	49%
In year 5	7%	-	1%	2%	1%	11%
In years 6 to 10	8%	6%	1%	-	-	15%
In years 11 to 20	-	11%	2%	-	-	13%
Beyond 20 years	-	3%	-	-	-	3%
	31%	55%	6%	2%	6%	100%

At 30 June 2001, assets of HK$50,890 million (31 December 2000 - nil) were pledged as security for project financing facilities and HK$14,580 million (31 December 2000 - HK$7,272 million) were pledged as security for bank and other loans of the Group.

During the first six months of the year, the Group's capital expenditures, excluding expenditures for properties under development and for sale, totalled HK$2,887 million (30 June 2000 - $5,622 million). These expenditures were funded primarily from cash generated from the sale of selected telecommunication assets, cash on hand, internal cash generation and to the extent required, by borrowings.

TREASURY POLICIES

The Group's overall treasury and funding policies have remained the same as those described in the Annual Report for the year ended 31 December 2000. At 30 June 2001, the Group had no material exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

EMPLOYEES

At 30 June 2001, excluding associated companies, the Group employs 51,805 people (30 June 2000 - 42,214) of which 22,705 (30 June 2000 - 21,084) are employed in Hong Kong. During the first six months of the year, employees costs totalled HK$4,740 million (30 June 2000 - HK$3,588 million). The Group's employment and remuneration policies remained the same as those described in the Annual Report for the year ended 31 December 2000.

DIRECTORS' INTERESTS

As at 30 June 2001, 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	-	-	1,086,770	2,139,002,773[(1)]	2,140,089,543
Fok Kin-ning, Canning	962,597	-	148,278	-	1,110,875
George Colin Magnus	880,000	9,900	-	-	889,900
Michael David Kadoorie	-	-	-	15,984,095[(2)]	15,984,095
Simon Murray	25,000	7,000	-	-	32,000
William Shurniak	165,000	-	-	-	165,000
Peter Alan Lee Vine	33,000	-	-	-	33,000

Notes:

(1) The two 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 and Mr Li Tzar Kuoi, Victor, 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 and Mr Li Tzar Kuoi, Victor, 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 2001, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as directors of the Company, were deemed to be interested in the following:-

(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) 1,392,000,000 shares in TOM.COM LIMITED of which 928,000,000 shares were held by a subsidiary of the Company and 464,000,000 shares were held by a subsidiary of Cheung Kong;

(iv) 137,107,613 common shares and 628,599 transferable warrants in Husky Energy Inc. ("Husky Energy") which were held by a company in respect of which a trust company as trustee of The Li Ka-Shing Castle Discretionary Trust is indirectly entitled to substantially all the net assets thereof by virtue of their interests as the discretionary beneficiaries of certain discretionary trusts as described in Note (1) above; and

(v) 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 2001, corporate interests in 4,600 class C common shares in Husky Oil Holdings Limited and a total of 152,010,615 common shares and 696,925 transferable warrants in Husky Energy of which 137,107,613 common shares and 628,599 transferable warrants are duplicated in his deemed interests as described in (iv) above.

Mr Li Tzar Kuoi, Victor had, as at 30 June 2001, a corporate interest in a nominal amount of US$5,000,000 in the 7.00% Notes due 2011 issued by Hutchison Whampoa International (01/11) Limited ("HWI(01/11)").

Mr Fok Kin-ning, Canning had, as at 30 June 2001, (i) a personal interest of 100,000 ordinary shares in Hutchison Telecommunications (Australia) Limited and (ii) corporate interests in a nominal amount of US$11,000,000 in the 6.95% Notes due 2007 issued by Hutchison Whampoa Finance (CI) Limited, a nominal amount of US$6,000,000 in the 7.00% Notes due 2011 issued by HWI(01/11), 300,000 common shares in Husky Energy and 225,000 American Depositary Shares (each representing one ordinary share) of Partner Communications Company Ltd. ("Partner Communications").

Mr George Colin Magnus had, as at 30 June 2001, 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 2001, a personal interest in 100,000 shares in Cheung Kong Infrastructure.

Mr Peter Alan Lee Vine had, as at 30 June 2001, a personal interest in 80,000 shares in Hongkong Electric.

Save as outlined above, none of the directors had, as at 30 June 2001, 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 2001, 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 2001, 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 2001, in compliance with Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

INDEPENDENT REVIEW REPORT

To the board of directors of

Hutchison Whampoa Limited (incorporated in Hong Kong with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 12 to 24.

Directors' responsibilities

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with SSAP 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with SAS 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of Group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2001.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 August 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2001

Unaudited 2001 US$ millions		Note	Unaudited 2001 HK$ millions	2000 HK$ millions
	Turnover			
3,757	Company and subsidiary companies		**29,308**	28,091
1,807	Share of associated companies and jointly controlled entities		**14,094**	13,309
5,564		2	**43,402**	41,400
	Company and subsidiary companies			
3,757	Turnover		**29,308**	28,091
1,471	Cost of inventories sold		**11,473**	10,760
571	Staff costs		**4,453**	3,470
224	Depreciation and amortisation		**1,745**	1,566
537	Other operating expenses		**4,195**	4,169
954			**7,442**	8,126
385	Share of profits less losses of associated companies		**3,000**	1,714
97	Share of profits less losses of jointly controlled entities		**759**	632
1,436	**Earnings before interest and other finance costs and taxation ("EBIT")**	2	**11,201**	10,472
531	Interest and other finance costs, including share of associated companies and jointly controlled entities	3	**4,144**	3,532
243	Profit on disposal of investments less provisions	4	**1,900**	25,520
1,148	**Profit before taxation**		**8,957**	32,460
142	Taxation	5	**1,110**	748
1,006	**Profit after taxation**		**7,847**	31,712
84	Minority interests		**654**	586
922	**Profit attributable to shareholders**	6	**7,193**	31,126
279	**Interim dividend**		**2,174**	2,174
US$ 0.22	**Earnings per share**	7	**HK$ 1.69**	HK$ 7.30
US 6.54 cents	**Interim dividend per share**		**HK$ 0.51**	HK$ 0.51

CONSOLIDATED BALANCE SHEET

Unaudited 30 June 2001 US$ millions		Note	Unaudited 30 June 2001 HK$ millions	Audited 31 December 2000 HK$ millions
	ASSETS			
	Non-current assets			
11,602	Fixed assets		**90,497**	85,438
9,655	Other non-current assets	8	**75,310**	80,039
14	Goodwill		**111**	-
4,870	Associated companies		**37,989**	39,291
5,028	Interests in joint ventures		**39,216**	39,533
13,849	Managed funds and other investments	9	**108,019**	135,091
45,018	**Total non-current assets**		**351,142**	379,392
7,007	Cash and cash equivalents	10	**54,658**	47,375
2,395	Other current assets	10	**18,684**	14,633
4,961	Current liabilities	11	**38,703**	44,959
4,441	**Net current assets**		**34,639**	17,049
49,459	**Total assets less current liabilities**		**385,781**	396,441
	Non-current liabilities			
17,009	Long term liabilities	12	**132,673**	107,004
10	Deferred taxation		**79**	100
17,019	**Total non-current liabilities**		**132,752**	107,104
4,260	**Minority interests**		**33,226**	35,989
28,180	**Net assets**		**219,803**	253,348
	CAPITAL AND RESERVES			
137	Share capital	13	**1,066**	1,066
27,764	Reserves	14	**216,563**	247,081
279	Interim dividend proposed	14	**2,174**	-
-	Final dividend proposed	14	-	5,201
28,180	**Shareholders' funds**		**219,803**	253,348

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2001

Unaudited 2001 US$ millions		Unaudited 2001 HK$ millions	Unaudited 2000 HK$ millions
	Net cash inflow (outflow)		
1,200	Operating activities before changes in working capital	**9,364**	10,048
(794)	Changes in working capital	**(6,194)**	(7,802)
	Returns on investments		
191	Dividends received from associated companies and jointly controlled entities	**1,486**	1,184
	Servicing of finance		
(384)	Interest paid	**(2,992)**	(3,345)
(724)	Dividends paid	**(5,650)**	(5,131)
(76)	Taxation paid	**(591)**	(297)
	Investing activities		
(1,401)	Additions to managed funds and other investments	**(10,923)**	(14,529)
(370)	Additions to fixed assets	**(2,887)**	(5,622)
565	Other investing activities	**4,407**	3,970
2,726	Financing activities	**21,263**	21,974
933	**Increase in cash and cash equivalents**	**7,283**	450
6,074	**Cash and cash equivalents at 1 January**	**47,375**	40,013
7,007	**Cash and cash equivalents at 30 June**	**54,658**	40,463
	Analysis of cash, managed funds and other listed investments		
2,970	Managed funds, overseas	**23,161**	16,188
1,421	Held-to-maturity listed debt securities and long term deposits	**11,084**	6,798
779	Listed equity securities, Hong Kong	**6,079**	7,254
7,824	Listed equity securities, overseas	**61,025**	86,341
12,994	Managed funds and other listed investments	**101,349**	116,581
7,007	Cash and cash equivalents as above	**54,658**	40,463
20,001	Total cash, managed funds and other listed investments	**156,007**	157,044

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the six months ended 30 June 2001

Unaudited 2001 US$ millions		Unaudited 2001 HK$ millions	2000 HK$ millions
102	Surplus on revaluation of investments	**797**	18,639
-	Share of surplus on revaluation of investments in associated companies	**3**	18
(369)	Exchange differences on translation of financial statements of overseas subsidiary and associated companies and jointly controlled entities	**(2,884)**	(160)
(267)	Net gains (losses) not recognised in the profit and loss account	**(2,084)**	18,497
922	Net profit for the period	**7,193**	31,126
655	**Total recognised gains and losses**	**5,109**	49,623
78	Net goodwill charge in reserves	**607**	(2,220)
733		**5,716**	47,403

NOTES TO THE CONDENSED INTERIM ACCOUNTS

1 Accounting policies

These unaudited condensed consolidated interim accounts ("interim accounts") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting", as applicable to condensed interim accounts, issued by the Hong Kong Society of Accountants, and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited. These interim accounts should be read in conjunction with the 2000 annual accounts.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2000, except the Group has adopted the new and revised SSAPs which became effective on 1 January 2001. The adoption of these new SSAPs had no material effect on the Group's results.

In accordance with the revised SSAP 9 "Events after the balance sheet date", dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date. The effect of this change has increased shareholders' funds at 31 December 1999 and 2000 by HK$4,458 million and HK$5,201 million respectively and the dividend was then recorded as a dividend paid in the next reporting period.

In accordance with the new SSAP 30 "Business combinations", goodwill on acquisitions occurring on or after 1 January 2001 is being reported in the balance sheet as a separate asset or, as applicable, included within investments in associated companies and joint ventures, and is amortised using the straight line method over its estimated useful life. This is a change in accounting policy as in previous years goodwill on acquisitions was written off directly to reserves in the year of acquisition. In accordance with a transitional provision under SSAP 30, no retrospective adjustment to the goodwill written off directly to reserves is required.

Certain comparative figures have been reclassified to conform with the current period's presentation.

2 Segment information

The turnover comprises the gross value of goods and services invoiced to customers, income from investments and other joint ventures, proceeds from the sales of development properties, rental income from investment properties, interest income and finance charges earned.

An analysis of the turnover and EBIT for the periods by business and geographical segments is as follows:

BUSINESS SEGMENTS

Six months ended 30 June 2001

HK$ millions	Ports and related services	Telecom-munications and e-commerce	Property and hotels	Retail and manu-facturing	Infra-structure	Energy	Finance and investments	Elimination	Total
Turnover									
Company and subsidiary companies									
External	**5,580**	**3,526**	**1,853**	**13,392**	**2,270**	**-**	**2,687**	**-**	**29,308**
Inter-segment	**-**	**22**	**237**	**43**	**-**	**-**	**-**	**(302)**	**-**
	5,580	**3,548**	**2,090**	**13,435**	**2,270**	**-**	**2,687**	**(302)**	**29,308**
Share of associated companies and jointly controlled entities	**1,298**	**1,668**	**815**	**1,154**	**2,755**	**6,289**	**115**	**-**	**14,094**
	6,878	**5,216**	**2,905**	**14,589**	**5,025**	**6,289**	**2,802**	**(302)**	**43,402**
EBIT									
Company and subsidiary companies	**2,196**	**575**	**888**	**264**	**256**	**-**	**3,263**		**7,442**
Share of associated companies and jointly controlled entities	**397**	**43**	**92**	**9**	**1,726**	**1,342**	**150**		**3,759**
	2,593	**618**	**980**	**273**	**1,982**	**1,342**	**3,413**		**11,201**

Six months ended 30 June 2000

HK$ millions	Ports and related services	Telecom-munications and e-commerce	Property and hotels	Retail and manu-facturing	Infra-structure	Energy	Finance and investments	Elimination	Total
Turnover									
Company and subsidiary companies									
External	5,454	3,986	1,780	12,080	1,840	-	2,951	-	28,091
Inter-segment	-	9	253	31	-	-	-	(293)	-
	5,454	3,995	2,033	12,111	1,840	-	2,951	(293)	28,091
Share of associated companies and jointly controlled entities	1,292	784	2,958	1,126	1,912	5,125	112	-	13,309
	6,746	4,779	4,991	13,237	3,752	5,125	3,063	(293)	41,400
EBIT									
Company and subsidiary companies	2,135	588	896	306	782	153	3,266		8,126
Share of associated companies and jointly controlled entities	420	26	71	35	1,076	592	126		2,346
	2,555	614	967	341	1,858	745	3,392		10,472

2 Segment information (continued)

GEOGRAPHICAL SEGMENTS

	Six months ended 30 June 2001					
HK$ millions	**Hong Kong**	**Mainland China**	**Asia and Australia**	**Europe**	**Americas and others**	**Total**
Turnover						
Company and subsidiary companies	**16,894**	**2,571**	**4,181**	**2,621**	**3,041**	**29,308**
Share of associated companies and jointly controlled entities	**3,305**	**2,326**	**1,705**	**395**	**6,363**	**14,094**
	20,199	**4,897**	**5,886**	**3,016**	**9,404**	**43,402**
EBIT						
Company and subsidiary companies	**2,830**	**443**	**362**	**940**	**2,867**	**7,442**
Share of associated companies and jointly controlled entities	**1,250**	**415**	**696**	**29**	**1,369**	**3,759**
	4,080	**858**	**1,058**	**969**	**4,236**	**11,201**

	Six months ended 30 June 2000					
HK$ millions	Hong Kong	Mainland China	Asia and Australia	Europe	Americas and others	Total
Turnover						
Company and subsidiary companies	17,314	2,203	3,806	3,072	1,696	28,091
Share of associated companies and jointly controlled entities	5,372	1,321	896	508	5,212	13,309
	22,686	3,524	4,702	3,580	6,908	41,400
EBIT						
Company and subsidiary companies	3,315	713	450	1,549	2,099	8,126
Share of associated companies and jointly controlled entities	1,302	244	128	64	608	2,346
	4,617	957	578	1,613	2,707	10,472

3 Interest and other finance costs

	Six months ended 30 June 2001 HK$ millions	2000 HK$ millions
Company and subsidiary companies	**3,802**	3,439
Less: interest capitalised	**382**	516
	3,420	2,923
Share of associated companies	**489**	441
Share of jointly controlled entities	**235**	168
	4,144	3,532

4 Profit on disposal of investments less provisions

Profit on disposal of investments less provisions for the six months ended 30 June 2001 represents a profit of HK$30,000 million arising from the merger of VoiceStream Wireless Corporation ("VoiceStream") and Deutsche Telekom AG less a provision of HK$28,100 million for the potential effect of share price and exchange rate fluctuations on overseas investments. The comparative amounts for the six months ended 30 June 2000 comprise a profit of HK$50,000 million on disposal of Mannesmann AG common shares in exchange for Vodafone Group Plc ("Vodafone") 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 Hong Kong mobile operation and a profit of HK$1,720 million on the sale of a 50% interest in fixed line telecommunications business less a provision of HK$30,000 million for the potential effect of share price and exchange rate fluctuations on overseas investments.

5 Taxation

	Six months ended 30 June 2001 HK$ millions	2000 HK$ millions
Current taxation expense		
Hong Kong		
Subsidiary companies	**248**	280
Associated companies	**124**	93
Jointly controlled entities	**24**	48
Overseas		
Subsidiary companies	**177**	118
Associated companies	**27**	224
Jointly controlled entities	**33**	23
	633	786
Deferred taxation expense		
Hong Kong		
Subsidiary companies	**(4)**	(35)
Associated companies	**1**	1
Jointly controlled entities	**-**	(6)
Overseas		
Subsidiary companies	**(20)**	2
Associated companies	**500**	-
	477	(38)
	1,110	748

Hong Kong profits tax has been provided for at the rate of 16% (30 June 2000 - 16%) on the estimated assessable profits less available tax losses. Overseas taxation has been provided for at the applicable rate on the estimated assessable profits less available tax losses.

6 Profit attributable to shareholders

Included in profit attributable to shareholders is an amount of HK$34,060 million (30 June 2000 - HK$25,280 million) transferred from investment revaluation reserves upon disposal of the relevant investments.

7 Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of HK$7,193 million (30 June 2000 - HK$31,126 million) and on 4,263,370,780 shares in issue during 2001 (30 June 2000 - 4,263,370,780 shares).

8 Other non-current assets

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Cost of licences for 3G telecommunications spectrum		
At beginning of the period	**80,039**	-
Additions	**927**	80,039
Exchange translation differences	**(5,656)**	-
At end of the period	**75,310**	80,039

9 Managed funds and other investments

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Managed funds, overseas		
Listed held-to-maturity debt securities	**21,532**	14,868
Cash and cash equivalents	**1,629**	1,825
Other listed equity securities	**-**	11
	23,161	16,704
Held-to-maturity debt securities		
Listed debt securities	**6,912**	2,711
Long term deposits	**4,172**	4,174
Convertible debt securities	**4,993**	5,442
Other securities		
Listed equity securities, Hong Kong	**6,079**	4,813
Listed equity securities, overseas	**61,025**	99,044
Unlisted equity securities and advances	**1,677**	2,203
	108,019	135,091

10 Current assets

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Stocks	**3,986**	4,132
Trade receivables	**3,655**	3,569
Other receivables and prepayments	**11,043**	6,932
	18,684	14,633
Cash and cash equivalents	**54,658**	47,375
	73,342	62,008

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.

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

Current	**2,214**	2,318
31-60 days	**549**	614
61-90 days	**355**	181
Over 90 days	**537**	456
	3,655	3,569

11 Current liabilities

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Bank loans	**8,904**	14,991
Other loans	**123**	48
Notes and bonds		
US$ exchangeable bonds, 7% due 2001	**2,145**	2,145
HK$ notes, 7.88% due 2002	**1,500**	-
Trade payables	**4,636**	4,717
Other payables and accruals	**20,733**	22,252
Taxation	**662**	806
	38,703	44,959

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

Current	**2,685**	2,748
31-60 days	**990**	914
61-90 days	**547**	620
Over 90 days	**414**	435
	4,636	4,717

12 Long term liabilities

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
The loans are repayable as follows:		
Bank loans		
After 1 year, but within 2 years	**11,326**	22,911
After 2 years, but within 5 years	**22,291**	29,928
After 5 years	**14,039**	1,729
Other loans		
After 1 year, but within 2 years	**74**	16
After 2 years, but within 5 years	**959**	42
Exchangeable notes		
After 2 years, but within 5 years	**44,116**	23,393
Other notes and bonds		
After 1 year, but within 2 years	**500**	2,000
After 2 years, but within 5 years	**8,613**	4,037
After 5 years	**30,755**	22,948
	132,673	107,004

The exchangeable notes represent US$3,000 million and US$2,657 million notes exchangeable into ordinary shares of Vodafone anytime before maturity at the option of the holders on the basis of US$1,000 principal amount for 196.61 shares at US$5.086 per share and for 214.51 shares at US$4.6618 per share respectively.

13 Share capital

	30 June 2001 Number of shares	31 December 2000 Number of shares	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Authorised:				
Ordinary shares of HK$0.25 each	**5,500,000,000**	5,500,000,000	**1,375**	1,375
7-1/2% 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				
At beginning of the period	**4,263,370,780**	3,875,791,619	**1,066**	969
Bonus issue 1 for 10	**-**	387,579,161	**-**	97
At end of the period	**4,263,370,780**	4,263,370,780	**1,066**	1,066

14 Reserves

	Share premium HK$ millions	Investment properties revaluation HK$ millions	Investment revaluation HK$ millions	Exchange translation HK$ millions	Retained profit HK$ millions	30 June 2001 Total HK$ millions	31 December 2000 Total HK$ millions
At beginning of the period, as previously stated	**28,359**	**16,302**	**32,401**	**(3,296)**	**173,315**	**247,081**	244,981
Prior year adjustment on dividends	**-**	**-**	**-**	**-**	**5,201**	**5,201**	4,458
At beginning of the period, as restated	**28,359**	**16,302**	**32,401**	**(3,296)**	**178,516**	**252,282**	249,439
Prior year final dividend paid	**-**	**-**	**-**	**-**	**(5,201)**	**(5,201)**	(4,458)
Bonus issue	**-**	**-**	**-**	**-**	**-**	**-**	(97)
Revaluation surplus	**-**	**-**	**797**	**-**	**-**	**797**	9,235
Valuation released to profit and loss account	**-**	**-**	**(34,060)**	**-**	**-**	**(34,060)**	(25,236)
Net goodwill charge in reserves	**-**	**-**	**-**	**-**	**607**	**607**	(5,621)
Exchange translation differences	**-**	**-**	**-**	**(2,901)**	**-**	**(2,901)**	(2,408)
Company and subsidiary companies' profit for the period	**-**	**-**	**-**	**-**	**6,361**	**6,361**	31,018
Share of reserves of associated companies	**-**	**-**	**3**	**17**	**884**	**904**	545
Share of reserves of jointly controlled entities	**-**	**-**	**-**	**-**	**(52)**	**(52)**	(135)
At end of the period, before proposed dividends	**28,359**	**16,302**	**(859)**	**(6,180)**	**181,115**	**218,737**	252,282
Interim dividend proposed	**-**	**-**	**-**	**-**	**(2,174)**	**(2,174)**	-
Final dividend proposed	**-**	**-**	**-**	**-**	**-**	**-**	(5,201)
At end of the period, after proposed dividends	**28,359**	**16,302**	**(859)**	**(6,180)**	**178,941**	**216,563**	247,081

Included in share premium is a capital redemption reserve of HK$404 million (at 31 December 2000 - HK$404 million).

15 Major non-cash transactions

During the period, the investment in VoiceStream was exchanged for approximately 207 million Deutsche Telekom AG shares and a cash consideration of HK$6,908 million, giving rise to a profit of HK$30,000 million.

A provision of HK$28,100 million was made during the period for share price and exchange rate fluctuations on overseas investments.

16 Contingent liabilities

	30 June 2001 HK$ millions	31 December 2000 HK$ millions
Guarantees have been executed in respect of bank and other borrowings facilities available as follows:		
To associated companies	**2,368**	2,503
To jointly controlled entities	**6,155**	7,345

At 30 June 2001 the Group had contingent liabilities in respect of other guarantees amounting to HK$2,407 million (at 31 December 2000 - HK$2,662 million).

17 Commitments

There has been no material change in the total amount of capital commitments since 31 December 2000 except for amounts taken up during the period in the normal course of business.

18 Related parties transactions

The Group has entered into joint ventures with various parties, including Cheung Kong (Holdings) Limited, a substantial shareholder of the Company, to undertake property development projects. At 30 June 2001, in aggregate the Group had advanced HK$19,920 million (at 31 December 2000 - HK$15,597 million) to and had guaranteed bank and other borrowing facilities of HK$1,353 million (at 31 December 2000 - HK$3,039 million) for the benefit of these joint ventures. The Group has also entered into a joint venture, to develop a property in Japan, with a company controlled by Mr Li Tzar Kai, Richard, who at the inception of the joint venture, was a director of the Company (resigned on 16 August 2000). At 30 June 2001, the Group had advanced HK$72 million (at 31 December 2000 - HK$40 million) to and had guaranteed a bank loan facility of HK$1,522 million (at 31 December 2000 - HK$1,653 million) for the benefit of this joint venture. The risks, benefits and financing obligations of these joint ventures are shared in proportion to the respective shareholdings.

19 US dollar equivalents

The US dollar equivalents of the figures shown in the accounts have been translated at the rate of HK$7.80 to US$1.

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