Hutchison Whampoa Limited

Stock Code: 013

2007 Interim Report

Corporate Information

BOARD OF DIRECTORS

Chairman

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

Deputy Chairman

LI Tzar Kuoi, Victor, BSc, MSc

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),
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
William Elkin MOCATTA, FCA
(Alternate to Michael David Kadoorie)
OR Ching Fai, Raymond, JP
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, FCS, FCIS

QUALIFIED ACCOUNTANT

Donald Jeffrey ROBERTS, BCom, CA, CPA

AUDITOR

PricewaterhouseCoopers

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
ABN AMRO Bank N.V.
Standard Chartered Bank (Hong Kong) Limited

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Highlights

Unaudited Results for the Six Months Ended 30 June 2007

- Total revenue grew 14% to HK$141,523 million
- First half-year profit increased 53% to HK$28,759 million
- Earnings per share increased 53% to HK$6.75
- Recurring EBIT from the established businesses (excluding profit on disposal of investments) increased 10% to HK$20,869 million
- 3G customer base grew 7% and currently totals over 15.9 million worldwide
- **3** Group's total revenue grew 20% to HK$28,191 million
- **3** Group achieved its cashflow target, reporting positive monthly EBITDA after all CACs during the first half of the year
- **3** Group's total LBITDA after all CACs for the first half reduced by 72% to HK$1,605 million
- Net debt reduced 24%

Chairman's Statement

The Group's established businesses and the **3** Group recorded healthy growth in the first half. The Group's total revenue grew 14% to HK$141,523 million. Total revenue and recurring earnings before interest and other finance costs and tax ("EBIT") from the Group's established businesses grew 12% and 10% to HK$113,332 million and HK$20,869 million respectively. During the period, the **3** Group's total revenue increased by 20% to HK$28,191 million. In addition, the **3** Group achieved its cashflow target, reporting positive monthly EBITDA after all CACs[1] during the first half of 2007. Management expects this to be sustainable in the second half. This is an important milestone, as it means that overall the **3** Group's total revenue from the businesses is now expected to cover both running operating costs and the costs of acquiring and retaining customers.

In May, Hutchison Telecommunications International ("HTIL") completed the sale of its entire interest in its mobile business in India for a cash consideration of approximately HK$86,600 million and reported a gain on disposal of HK$69,343 million. Subsequently, HTIL declared a special dividend of HK$6.75 per share which was paid on 29 June 2007. The Group's share of HTIL's gain on disposal was HK$35,820 million and its share of the cash dividend was HK$16,037 million.

Half-Year Results

The Group's profit attributable to shareholders for the first half year amounted to HK$28,759 million, a 53% increase compared to last year's interim profit of HK$18,800 million. Earnings per share amounted to HK$6.75 (2006 – HK$4.41), an increase of 53%. These results include a profit on revaluation of investment properties of HK$767 million (2006 – HK$1,690 million) and a profit on disposal of investments of HK$35,020 million (2006 – HK$23,361 million), being the Group's share of HTIL's gain on disposal of its mobile business in India, partially offset by a one-time charge of HK$800 million relating to the disposal of a toll road infrastructure project in the Mainland.

Dividends

The Board has today declared an interim dividend of HK$0.51 per share (2006 – HK$0.51), payable on 5 October 2007 to those persons registered as shareholders on 4 October 2007. The register of members will be closed from 27 September 2007 to 4 October 2007, both days inclusive.

Established Businesses

Ports and Related Services

The ports and related services division continued to grow steadily. Total revenue increased 16% to HK$17,758 million. Total throughput at 31.5 million TEUs (twenty-foot equivalent units) was 14% higher compared with the same period last year. Major contributors to throughput growth and their respective growth rates were:

- Yantian port in the Mainland, 14%;
- Kwai Tsing terminals in Hong Kong, 11%;
- the Shanghai area ports container terminals in the Mainland, 10%;
- Europe Container Terminals in Rotterdam, the Netherlands, 12%;
- Jakarta port container terminals in Indonesia, 17%;

together with the first-year contribution from Terminal Catalunya ("TERCAT") in Barcelona, Spain, which was acquired in the third quarter of 2006.

The division's EBIT increased 10% to HK$5,760 million. Major contributors to EBIT growth and their respective growth rates were:

- Yantian port, 13%;
- Europe Container Terminals in Rotterdam, 34%;
- Hutchison Ports (UK), 32%;

together with the EBIT contribution from TERCAT.

This division contributed 16% and 28% respectively to the total revenue and EBIT of the Group's established businesses for the first half.

During the period, the division continued to expand its existing facilities in Yantian, Gaolan in Zhuhai, Rotterdam and Panama. Construction and improvement of newly acquired facilities in Spain, Ecuador, Vietnam and Oman also progressed satisfactorily. In addition, the division has continued to selectively pursue new investment opportunities. In April, the Group was chosen as the preferred operator for the development of container berths 11 and 12 in the Port of Brisbane, Australia. In May, a consortium in which the Group has a 25% interest was awarded a 49-year concession right to operate a new terminal at the Port of Izmir, Turkey. This concession includes general and bulk cargo and cruise facilities as well as container terminals and is expected to commence operations before the end of 2007. Currently, this division operates in five of the seven busiest container ports in the world, with interests in a total of 45 ports comprising 257 berths in 23 countries.

(1) EBITDA after all CACs represents earnings before interest and other finance costs, tax, depreciation and amortisation ("EBITDA") and after deducting all customer acquisition and retention costs ("CACs").

Property and Hotels

The property and hotels division reported a total revenue of HK$5,343 million and EBIT of HK$2,129 million, 8% and 9% better than the comparable period last year respectively. This division contributed 5% and 10% to the total revenue and EBIT of the Group's established businesses respectively. Gross rental income of HK$1,472 million was 10% higher than the same period last year, primarily due to increased rental income from investment properties in Hong Kong, reflecting the continued strong demand for office premises which has resulted in higher renewal rates. The rental properties portfolio is 95% let. Development profits, which arose mainly from the sale of residential units of Shanghai Regency Park, were 121% better than the comparable period last year. This division is focused on the development of its substantial landbank interests in the Mainland and is continuing to seek additional development opportunities which provide satisfactory returns. The Group's current attributable share of landbank interests (including interests held by joint ventures, associates and jointly controlled entities) can be developed into 93 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.

The Group's hotel operations reported EBIT 11% better than the same period last year, benefiting from the continued robust tourism and travel industry in Hong Kong and the Mainland.

Retail

Total revenue of the Group's retail division was HK$51,365 million, a 12% increase, mainly due to the growth of certain health and beauty operations, including Watsons in the Mainland, Rossmann in Germany and Poland and Kruidvat in the Benelux countries, and to the full period contribution from the health and beauty business in Ukraine, which was acquired in November last year. EBIT from this division totalled HK$803 million, 5% above the same period last year, mainly due to the improved results from PARKnSHOP, Fortress and Watsons in Hong Kong, health and beauty operations in Asia and Continental Europe, and the full period contribution from Ukraine. These improved results were partially offset by lower results from the UK Savers and Superdrug health and beauty businesses and Marionnaud Parfumeries in France. The retail division contributed 45% and 4% respectively to the total revenue and EBIT of the Group's established businesses for the period.

Following a management restructuring implemented at the end of last year, the retail division's new management team has focused on the integration and streamlining of its operations to improve efficiency and profitability, and on reducing inventory levels, which had a one-time adverse effect on margins in the first half of the year. During this period, expansion has been limited to organic growth, primarily in the Mainland. The number of retail outlets increased slightly in the first half of 2007 and currently stands at over 7,800 outlets, covering 36 markets worldwide. The retail division will continue to focus on further improving its operational efficiencies and the financial performance of its existing businesses in the second half of 2007.

Energy, Infrastructure, Finance & Investments and Others

Cheung Kong Infrastructure ("CKI"), a listed subsidiary, announced turnover, including its share of jointly controlled entities' turnover, of HK$2,746 million, 15% above the comparable period last year. Profit attributable to shareholders of HK$2,018 million was 27% above the same period last year. CKI contributed 7% and 16% respectively to the total revenue and EBIT of the Group's established businesses for the period.

On 9 August 2007, CKI announced the disposal of its entire equity interest and shareholder's loans in the jointly controlled entity, Guangzhou ESW Ring Road, for a consideration of RMB1,221 million (approximately HK$1,258 million) and an estimated gain on disposal of HK$810 million which will be reported in CKI's second-half results. After adjusting for the Group's asset valuation consolidation adjustments, the Group has recorded a one-time anticipated loss on disposal before taxation of HK$890 million during the period under review.

Husky Energy ("Husky"), an associated company listed in Canada, continued to report satisfactory operating results. Total revenue was C$6,407 million, a 4% improvement. Net earnings of C$1,371 million were 9% below the comparable period last year. Net earnings for the period included benefits due to tax rate reductions of C$30 million compared with C$328 million in the first half of 2006. Excluding these tax benefits, net earnings increased 14%. Total production increased 10% to 384,600 barrels of oil equivalent per day compared to 348,700 barrels of oil equivalent per day in the first half of 2006. Husky contributed 13% and 22% respectively to the total revenue and EBIT from the Group's established businesses for the period.

Husky's major development projects progressed satisfactorily and several new expansion opportunities were developed during the period. The Tucker Oil Sands project is ramping up production, which is expected to reach 30,000 barrels per day by the end of 2008. In April, Husky announced the receipt of regulatory approval to increase production to 50 million barrels of oil annually with a daily maximum production of 140,000 barrels per day at the White Rose oil field where a seventh production well has been completed. In June, Husky was awarded an 87.5% interest in exploration licences in two blocks covering an area of 21,067 square kilometres located approximately 120 kilometres offshore the west coast of Disko Island, Greenland. In July, Husky completed the acquisition of a refinery in Lima, Ohio with a throughput capacity of 165,000 barrels per day. Various options will be examined to enhance the value of this refinery including opportunities to integrate Husky's heavy oil and oil sands production.

The Group's EBIT from its finance and investments operations mainly represents returns earned on the Group's substantial holdings of cash and liquid investments together with the Group's share of the results of Hutchison Whampoa (China), listed subsidiary Hutchison Harbour Ring and listed associate TOM Group. EBIT for these operations amounted to HK$2,239 million, 23% lower than the comparable period due to a one-time dilution gain of HK$307 million recorded in 2006 on the initial public offering of Hutchison China MediTech and reduced profits in 2007 on disposal of certain equity investments. Finance and investments operations contributed 11% of the Group's EBIT from established businesses. At 30 June 2007, the Group's consolidated cash and liquid investments, including the consolidation of subsidiary HTIL's position, totalled HK$185,834 million, a 43% increase from HK$130,402 million at 31 December 2006. Consolidated debt at 30 June 2007 was HK$301,536 million, including the consolidation of HTIL's position. Consolidated debt, net of cash and liquid investments, reduced by 24% during the period to total HK$115,702 million at 30 June 2007.

Hutchison Telecommunications International

HTIL, a listed subsidiary company, announced turnover from continued operations, which excludes turnover of the Indian operations, of HK$9,639 million, a 12% increase over the comparable period last year. Profit attributable to shareholders for the first half was HK$70,088 million (2006 – HK$2 million), which included profit on disposal of its mobile telecommunication business in India of HK$69,343 million. At 30 June 2007, HTIL had a consolidated mobile customer base of 6.8 million. The Group's share of HTIL's turnover and EBIT amounted to 8% and 9% of the total revenue and EBIT of the Group's established businesses respectively.

The Group announced on 14 June 2007 that it had increased its shareholding in HTIL from approximately 49.75% to over 50%. From that date, HTIL has been accounted for as a subsidiary of the Group and its balance sheet and results have been consolidated into the accounts of the Group.

Telecommunications – 3 Group

During the period, the **3** Group continued to grow its customer base and all businesses reported improved LBITDA after all CACs, except **3** Italia which was adversely affected by the industry-wide effect of regulation eliminating the fees charged by all operators to prepaid customers upon top-up of their prepaid cards ("Bersani Decree").

	For the six months ended 30 June		
	2007	2006	%
	HK$ millions		improvement
Revenue	**28,191**	23,509	+20%
EBITDA before all CACs	**6,823**	4,211	+62%
Total CACs	**(8,428)**	(9,896)	+15%
LBITDA after all CACs	**(1,605)**	(5,685)	+72%
Capitalised contract CACs	**5,755**	6,810	+15%
Reported EBITDA after expensed prepaid CACs	**4,150**	1,125	+269%

The Group's registered 3G customer base increased 7% during the period and currently stands at over 15.9 million customers. Despite continued intense competition in all markets, the **3** Group's average monthly customer churn continued to improve in the first half of 2007 to 2.7%, a reduction from 3.2% for the same period last year and the 2.9% for the full year of 2006. Higher-value contract customers as a percentage of the registered customer also continued to improve, accounting for 48% of the **3** Group's base at 30 June 2007, compared to 45% at the end of 2006. The proportion of active customers of the **3** Group's registered customer base improved to approximately 80% at 30 June 2007, compared to 79% at 31 December 2006. During the period, regulations were implemented reducing interconnection and other fees in Italy, the UK and Australia which adversely affect revenue. Average revenue per active user on a trailing 12-month average active customer basis ("ARPU") overall declined marginally by 2% to €44.74 compared to €45.63 for the full year of 2006. Although the UK, Sweden and Denmark reported increased average ARPU, this was offset by a reduction in Italy, which was adversely affected by the Bersani Decree. **3** Group's non-voice revenue as a percentage of total ARPU, on a trailing 12-month average basis, was 30% of total ARPU, 2 percentage points better than the comparable period in 2006 and in line with the full-year 2006. In the second half of the year, the **3** Group will continue to focus on acquiring higher-value customers and promoting non-voice revenue to help offset the adverse effects of the regulated reductions in fees. The X-Series portfolio of services was launched in all major markets during the period and USB broadband modems and other broadband services are currently being launched. Take up of these new services has been encouraging. Promotional discounts during the period remained under strict control and amounted to approximately 4% of ARPU, in line with full-year 2006.

As a result of the continuing focus on acquiring quality customers and improvement in churn, total revenue increased 20% to total HK$28,191 million for the first half of 2007. With the growth in revenue and the continued focus on cost controls, the **3** Group achieved a 62% increase in EBITDA before all CACs totalling HK$6,823 million. CACs, including costs incurred to acquire new customers and to retain existing contract customers, totalled HK$8,428 million, a 15% reduction compared to the same period last year. This improvement reflects the continuing downward trend in handset costs and the benefits from the restructuring of distribution arrangements in the UK and Italy during the period. As a result, the **3** Group's weighted average per customer acquisition cost, on a 12-month trailing basis, continued to trend lower, reducing 11% from €250 for the full-year 2006 to €222 at 30 June 2007, and on a six-month trailing basis to €196, a 20% reduction. LBITDA after all CACs reduced by 72%, improving to HK$1,605 million.

Depreciation and amortisation expense, which includes the depreciation of networks, amortisation of licence fees, content and other rights and amortisation of capitalised contract CACs, totalled HK$15,474 million, 18% above the same period last year. This increase was mainly due to higher amortisation of capitalised contract CACs relating to customer acquisition in early 2006, and also reflects non-cash exchange rate translation increase of HK$1,445 million as a result of the strengthening of the Euro and the British pounds against the Hong Kong dollar. Network depreciation also increased due to additional roll out and HSDPA upgrade by the **3** Group's networks during the period.

LBIT for the period improved 6% to HK$11,324 million. The improvement in LBIT was also adversely affected by exchange rate movements on translation to Hong Kong dollars. Although these movements on translation do not affect the underlying operating performance, they increased the reported LBIT by HK$1,022 million. Excluding the effect of these movements LBIT reduced 14%.

Key Business Indicators

Key business indicators for the **3** Group and HTIL's 3G businesses are:

Customer Base

	Registered Customers at 22 August 2007 ('000)			Registered Customer Growth (%) from 31 December 2006 to 30 June 2007		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
Italy	5,566	2,111	**7,677**	–	19%	**5%**
UK & Ireland	1,623	2,472	**4,095**	3%	3%	**3%**
Australia[(1)]	157	1,293	**1,450**	7%	14%	**13%**
Sweden & Denmark	112	729	**841**	29%	19%	**20%**
Austria	138	336	**474**	16%	10%	**12%**
3 Group Total	7,596	6,941	**14,537**	2%	11%	**6%**
Hong Kong[(1)]	23	911	**934**	2%	18%	**18%**
Israel[(1)]	–	453	**453**	–	44%	**44%**
Total	7,619	8,305	**15,924**	2%	13%	**7%**

Customer Revenue Base

	Revenue for the 6 months ended 30 June 2007 ('000)			Revenue Growth (%) compared to the 6 months ended 31 December 2006		
	Prepaid	Postpaid	Total	Prepaid	Postpaid	Total
Italy	€441,798	€555,173	**€996,971**	-22%	20%	**-3%**
UK & Ireland	£81,499	£730,242	**£811,741**	1%	-1%	**-1%**
Australia	A$34,893	A$506,533	**A$541,426**	-3%	12%	**11%**
Sweden & Denmark	SEK37,557	SEK1,788,829	**SEK1,826,386**	39%	23%	**24%**
Austria	€2,974	€91,726	**€94,700**	3%	4%	**4%**
3 Group Total	€591,246	€2,235,151	**€2,826,397**	-17%	8%	**1%**

	Revenue Growth (%) compared to the 6 months ended 30 June 2006		
	Prepaid	Postpaid	Total
Italy	-24%	19%	**-4%**
UK & Ireland	22%	15%	**16%**
Australia	17%	51%	**50%**
Sweden & Denmark	32%	59%	**58%**
Austria	-25%	19%	**17%**
3 Group Total	-16%	25%	**14%**

12-month Trailing Average Revenue per Active User ("ARPU")[(2)] to 30 June 2007

	Total				Non-voice	
	Prepaid	Postpaid	Blended Total	% Variance compared to 31 December 2006	ARPU	ARPU %
			Local Currency / HK$		Local Currency / HK$	
Italy	€22.39	€52.99	**€31.54 / 321**	-7%	**€10.21 / 104**	32%
UK & Ireland	£18.82	£56.00	**£46.81 / 708**	1%	**£15.00 / 227**	32%
Australia	A$41.19	A$72.81	**A$69.16 / 426**	-2%	**A$17.09 / 105**	25%
Sweden & Denmark	SEK84.58	SEK465.04	**SEK427.45 / 475**	6%	**SEK96.71 / 107**	23%
Austria	€17.50	€52.73	**€49.57 / 506**	-3%	**€10.67 / 109**	22%
3 Group Average	€23.10	€62.44	**€44.74 / 456**	-2%	**€13.60 / 139**	30%

Note 1: Active customers as at 30 June 2007 announced by listed subsidiaries Hutchison Telecommunications Australia ("HTAL") and HTIL updated for net additions to 22 August.

Note 2: ARPU equals total revenue before promotional discounts and 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.

Highlights for the **3** Group are as follows:

Italy

3 Italia's registered customer base increased 5% during the period to total 7.42 million at 30 June 2007 and currently stands at 7.7 million which includes over 719,000 customers using the Digital Video Broadcast-Handheld ("DVB-H") Mobile Television services. Contract customers represented 27% of the registered customer base, up from 24% at the 2006 year-end. The monthly churn rate increased to 2.7% compared to 2.3% in the second half of 2006. Active customers increased 7% during the period and represented 77% of the registered customer base at 30 June 2007. ARPU, on a trailing 12-month average basis, declined from €33.99 for the full year of 2006 to €31.54, adversely affected by the enactment of the Bersani Decree during the period. The usage of non-voice services represented 32% of total ARPU, on a trailing 12-month average basis, remaining above the market average. As a result, revenue in local currency was 4% below the same period last year and 3% below the second half of last year, and EBITDA before all CACs was also adversely affected. Although **3** Italia did achieve positive EBITDA after all CACs for certain months during the period, it did not achieve positive total EBITDA after all CACs for the period. Management is implementing measures to alleviate to the extent possible the effects of the Bersani Decree and is targeting to report positive EBITDA after all CACs for the year. The HSDPA network upgrade in Italy is continuing and currently covers 82% of the network. **3** Italia is reviewing cell site and other infrastructure sharing joint venture opportunities to further reduce its costs and exploit synergies.

UK and Ireland

The new management team at **3** UK has made good progress during the period and is continuing to target higher-value contract customers, and to limit its activity in the prepaid market. **3** Ireland has also continued to grow steadily. The combined registered customer base increased 3% during the period to total 4.0 million at 30 June 2007 and currently stands at over 4.1 million. Contract customers represented 60% of the registered customer base at 30 June 2007 in line with the end of 2006 and contributed approximately 90% of the revenue. Monthly churn, which for prudence takes into account the potential disconnection of inactive prepaid customers on the registered customer base, has continued to improve. Combined prepaid and contract customer churn for the first half of 2007 averaged 3.6%, compared to the 3.8% in the second half of 2006. Encouragingly, the churn rate of contract customers, which represent 90% of the revenue base, stabilised at 2.5%, in line with the second half of 2006. Active customers as a proportion of the total registered customer base remained in line with 31 December 2006 at 75%. Despite the adverse impact of new regulations introduced in April 2007 which reduced interconnection and roaming fees, ARPU, on a trailing 12-month average basis improved by 1% to £46.81. Non-voice revenue, on a trailing 12-month average basis, also improved from 29% of total ARPU to 32%, or £15.00 versus £13.44 in 2006. Combined revenue, in British pounds, was 16% above the first half of 2006, but 1% lower than the second half of last year reflecting the adverse effect of regulated interconnection fee reductions introduced in April. Recurring EBITDA before all CACs, in British pounds, continued to improve and was 31% better than the comparable period last year. **3** UK significantly reduced its customer acquisition costs during the period through various initiatives resulting in lower distribution costs and lower average handset costs. Average per customer acquisition cost reduced 17% compared to the second half of 2006. Total CACs were reduced by over £160 million or 43% compared to the same period last year. As a result, **3** UK's cashflow results improved significantly during the period. Recurring LBITDA after all CACs, in British pounds, reduced 96% compared to the same period last year. During the period, the Group refinanced certain non-Sterling borrowings with Sterling bank loans to create a natural currency hedge against the **3** UK assets denominated in Sterling and recorded a foreign exchange gain of HK$368 million. The network upgrade to roll out HSDPA has commenced in major cities and is progressing satisfactorily. **3** UK is also reviewing network sharing and other infrastructure sharing joint venture opportunities to further reduce costs and enhance its coverage.

Australia

In Australia, the active customer base of listed subsidiary, Hutchison Telecommunications Australia, grew 13% during the period to 1.40 million at 30 June 2007 and currently stands at 1.45 million. Contract customers represented 89% of the active customer base at 30 June 2007 and contributed over 93% of the revenue. The monthly postpaid churn rate for the first half of 2007 averaged 1.2%, compared to the 1.0% in the second half of 2006. ARPU was adversely affected by regulated interconnection fee reductions introduced on 1 January 2007. ARPU, on a trailing 12-month average basis, declined 2% to A$69.16. The proportion of non-voice revenue remained in line with 2006 at 25%. Revenue, in local currency, increased 50% compared to the same period last year and was 11% better than the second half of 2006, and HTAL maintained positive EBITDA after all CACs for the first half of 2007. The network upgrade to roll out HSDPA was completed in March this year. New wireless broadband access products, taking advantage of the enhanced network's data transmission speeds, have been launched and initial customer response to these products is encouraging.

Other 3 Group operations

In each of the other 3G operations, the operating and financial performance continues to progress:

- The combined operations in Sweden and Denmark reported a strong improvement for the period. The registered customer base grew 20% during the period to total 806,000 at 30 June 2007 and currently stands at 841,000. Contract customers at 30 June 2007 represented 87% of registered customer base. Monthly churn has improved significantly during the period and averaged 1.8% compared to 2.7% in the second half of 2006. Active customers represented 94% of the registered customer base at 30 June 2007. Combined ARPU increased 6% to SEK427.45 (HK$475) and the proportion of non-voice ARPU increased from 21% in 2006 to 23%. Combined revenue, in Swedish Kronas, grew 58% compared to same period last year and 24% compared to the second half of 2006. The combined operations achieved positive EBITDA before all CACs, in Swedish Kronas, for the period, a 241% turnaround from an LBITDA position in the comparable period last year. LBITDA after all CACs of the combined operation, in Swedish Kronas, reduced by 59% from the same period last year. The HSDPA upgrade to the networks in Sweden and Denmark has been completed. New wireless broadband access products, taking advantage of the enhanced network's data transmission speeds, have been launched in both countries and initial customer response to these products is encouraging.

- **3** Austria also reported improved results. The registered customer base grew 12% during the period to total 454,000 at 30 June 2007 and currently stands at 474,000. The proportion of contract customers at 30 June 2007 represented 72% of the registered customer base. Monthly churn improved significantly to average 0.9% compared to 1.8% in the second half of 2006. Active customers represented 76% of the registered customer base at 30 June 2007. Although ARPU, on a trailing 12-month average basis, declined 3% to €49.57, the proportion of non-voice revenue increased from 18% in 2006 to 22% during the period. Revenue, in local currency, grew 17% compared to the same period last year and 4% compared to the second half of 2006. As a result, **3** Austria achieved positive EBITDA before all CACs, in local currency, for the first half of 2007, a 131% turnaround from the LBITDA in the comparable period last year. LBITDA after all CACs, in local currency, also reduced, by 46% against the same period last year. The HSDPA upgrade to the existing network has been completed. New wireless broadband access products, taking advantage of the enhanced network's data transmission speeds, have been launched and initial customer response to these products is encouraging. Extension of the network into the rural areas of Austria continues to progress.

Outlook

The global economy continued to grow in the first half of 2007 despite increasing volatility, particularly in credit markets, and high energy prices. Hong Kong and the Asia region continued to benefit from the continuing robust economic performance of the Mainland. Although there are emerging concerns relating to the credit environment in the US and Europe and the possible slowing of growth in the US, the economies of the Mainland and Asia region remain healthy and should continue to support a growth trend from which the Group's diversified portfolio of businesses will continue to benefit.

The results of the first half of 2007 reflect continuing strong performance of our established businesses overall and continuing improvement of the **3** Group's financial performance. In addition, the Group's financial position was significantly enhanced by the strong cash generation during the period and the continuing reduction in the Group's net debt position. Looking ahead, the Group's well-diversified portfolio of established businesses is expected to continue to report healthy growth. Barring any further unfavourable regulatory or market developments, management also expects the **3** Group to achieve its cashflow target of reporting positive EBITDA after all CACs for the full second half of the year and positive monthly EBIT on a sustainable basis during 2008. With a strong financial foundation and the positive results reported in the first half, I am confident the Group will continue to perform well.

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

Li Ka-shing
Chairman

Hong Kong, 23 August 2007

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 fluctuations 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-Hong Kong 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 a combination of interest rate swaps and forward rate agreements to manage its long-term interest rate exposure and exposure to short-term interest rate volatility respectively. The Group's main interest rate exposures relate to US dollar, British pounds, Euro and HK dollar borrowings.

At 30 June 2007, approximately 54% of the Group's principal amount of borrowings were at floating rates and the remaining 46% were at fixed rates. The Group has entered into various interest rate agreements with major creditworthy financial institutions to swap approximately HK$89,700 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$9,063 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 80% of the Group's principal amount of borrowings were at floating rates and the remaining 20% were at fixed rates at 30 June 2007.

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 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 attractive, the Group may not borrow in the local currency and instead monitor the development of the businesses' cashflow and the debt markets with a view to refinancing these businesses with local currency borrowings in future when conditions are appropriate. Exposure to movements in exchange rates for individual transactions 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. During the six-month period, the HK dollar weakened against the currencies of most of those countries where the Group has overseas operations. This gave rise to an unrealised gain of HK$4,963 million (31 December 2006 – gain of HK$15,416 million) on translation of these operations' net assets to the Group's HK dollar reporting currency, which was reflected as a movement in the Group's reserves.

At 30 June 2007, the Group had currency swap arrangements and foreign exchange forward contracts with banks to swap US dollar principal amount of borrowings equivalent to HK$800 million to non-US dollar principal amount of borrowings and non-US dollar principal amount of borrowings of HK$2,364 million to non-US dollar principal amount of borrowings to match currency exposures of the underlying businesses. The Group's borrowings, excluding loans from minority shareholders and after taking into consideration these currency swaps, are denominated as follows: 14% in HK dollars, 31% in US dollars, 9% in British pounds, 32% in Euro and 14% in others currencies.

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their credit ratings and setting approved counterparty credit limits that are regularly reviewed. In addition, the Group does not invest liquidity in financial products (including hedge funds or similar vehicles) with significant underlying leverage or derivative exposure.

Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment gradings 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 2007, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch and all ratings are with a stable outlook.

Liquid Assets

The Group continues to have a strong financial position benefiting from both the steady and growing cash flow from its established businesses and improving cash flow from the **3** Group businesses. Cash, liquid funds and other investments ("liquid assets") on hand amounted to HK$185,834 million at 30 June 2007, 43% higher than the balance at 31 December 2006 of HK$130,402 million, mainly attributed to the receipt of US$2,052 million (HK$16,037 million) dividend from HTIL following the disposal of its India mobile telecommunications operation and the consolidation of HTIL as a subsidiary effective from 14 June 2007. Of the liquid assets, 12% were denominated in HK dollars, 70% in US dollars, 2% in British pounds, 6% in Euro and 10% in other currencies.

Cash and cash equivalents represented 61% (31 December 2006 – 50%) of the liquid assets, listed fixed income securities 27% (31 December 2006 – 37%), listed equity securities 10% (31 December 2006 – 10%) and long-term deposits 2% (31 December 2006 – 3%).

The listed fixed income securities, including those held under managed funds, comprise US treasury notes (46%), government issued guaranteed notes (23%), supranational notes (17%) and others (14%). Of these listed fixed income securities, 83% are rated at Aaa/AAA with an average maturity of approximately 1.5 years on the overall portfolio. The Group currently has no exposure in mortgage backed securities, collateralised debt obligations or similar asset classes.

Cash Flow

Consolidated EBITDA before all CACs amounted to HK$71,235 million (2006 – HK$55,432 million) for the first half of 2007, a 29% increase from the comparable period last year. This included cash profits arising from HTIL's disposal of its India telecommunications operation totalling HK$35,820 million. Excluding the cash profits from disposals in both periods, EBITDA before all CACs increased 17% to HK$35,415 million (2006 – HK$30,301 million) for the period. Funds from operations ("FFO"), before cash profits from disposals, capital expenditure, investment in all CACs and changes in working capital amounted to HK$31,922 million (2006 – HK$13,531 million), a 136% increase, mainly due to the receipt of HK$16,037 million dividend from HTIL as mentioned previously. The increase in recurring EBITDA and FFO are attributed to the solid and steady improvement in financial performance of the Group's established businesses and the significantly better results of the **3** Group, which reported a 62% improvement in EBITDA before all CACs. EBITDA and FFO from the Group's established businesses continued to be sound, totalling HK$28,592 million (2006 – HK$26,090 million) and HK$30,115 million (2006 – HK$13,989 million) respectively.

The **3** Group's investment in CACs totalled HK$8,428 million for the period, a 15% reduction from the comparable amount in 2006 of HK$9,896 million, mainly due to the lower average cost to acquire a customer as a result of the continuing downward trend in handset costs and benefits from the restructuring of distribution arrangements in the UK and Italy during the period, including the increase of own-store outlets. Prepaid CACs, which are expensed as incurred, totalled HK$2,673 million, a 13% reduction from the comparable 2006 total of HK$3,086 million. Postpaid CACs totalled HK$5,755 million during the period, a decrease of 15% compared to HK$6,810 million in the same period last year.

In the first half of 2007, the Group's capital expenditures increased 3% to total HK$9,005 million (2006 – HK$8,761 million), of which HK$4,990 million (2006 – HK$4,258 million) related to the **3** Group. The increase in the Group's total capital expenditures reflects the higher spending by the **3** Group for the additional roll-out and HSDPA upgrade of the networks. Capital expenditures for the ports and related services division amounted to HK$3,126 million (2006 – HK$3,321 million); for the property and hotels division HK$52 million (2006 - HK$114 million); for the retail division HK$749 million (2006 – HK$962 million) and for the energy, infrastructure, finance & investments and others division HK$88 million (2006 – HK$106 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 borrowings, excluding loans from minority shareholders, at 30 June 2007 amounted to HK$301,536 million (31 December 2006 - HK$283,040 million). The increase in borrowings was mainly due to the effect of the translation of foreign currency denominated loans to HK dollars of HK$4,482 million; increased borrowings of £200 million to refinance the intercompany loan to **3** UK; and also the consolidation of HTIL. Loans from minority shareholders, which are viewed as quasi-equity, totalled HK$12,328 million at 30 June 2007 (31 December 2006 – HK$12,030 million). The Group's weighted average cost of debt during the six months to 30 June 2007 was 6.1% (31 December 2006 – 5.7%).

The maturity profile of the Group's total borrowings, excluding loans from minority shareholders and after taking into consideration related foreign currency swaps, at 30 June 2007 is set out below:

	HK$	US$	£	€	Others	Total
Within 6 months	2%	3%	2%	–	1%	8%
In calendar year 2008	5%	1%	1%	1%	3%	11%
In calendar year 2009	2%	–	–	6%	3%	11%
In calendar year 2010	1%	4%	–	1%	5%	11%
In calendar year 2011	4%	4%	–	14%	1%	23%
In years 2012 to 2016	–	13%	2%	10%	–	25%
In years 2017 to 2026	–	1%	4%	–	–	5%
Beyond 2027 years	–	5%	–	–	1%	6%
Total	14%	31%	9%	32%	14%	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

During the period, listed subsidiary Hutchison Telecommunications Australia repaid borrowings amounting to A$950 million. In addition, the five-year floating rate €3,000 million bank loan facility which was arranged in December 2006, was fully drawn during the period to refinance **3** Italy's existing project financing loans. Subsequent to the end of the period, the Group repaid notes of US$750 million on maturity and also repaid on maturity, a floating-rate, short-term facility of HK$500 million.

Capital, Net Debt and Interest Coverage Ratios

The Group's total shareholders' funds increased 12% to HK$307,499 million at 30 June 2007 compared to HK$273,794 million at 31 December 2006. The increase in shareholders' funds mainly reflects the profit for the first six-month period ended 30 June 2007 and the favourable impact of exchange translation differences arising on translation of the net assets of overseas businesses to HK dollars recorded in reserves as mentioned previously.

At 30 June 2007, consolidated net debt of the Group, excluding loans from minority shareholders which are viewed as quasi-equity, was HK$115,702 million (31 December 2006 – HK$152,638 million), a 24% reduction from the beginning of the year, and on this basis, the Group's net debt to net total capital ratio decreased from 33% at 31 December 2006 to 24% at 30 June 2007.

As additional information, the following table shows the net debt to net total capital ratio calculated on the basis of including 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 2007.

Net debt/Net total capital ratios at 30 June 2007:	**Total**
A1 — excluding loans from minority shareholders from debt	24%
A2 — as in A1 above and investments in listed subsidiaries and associated companies marked to market value	20%
B1 — including loans from minority shareholders as debt	26%
B2 — as in B1 above and investments in listed subsidiaries and associated companies marked to market value	22%

The Group's consolidated gross interest expense and finance costs of subsidiaries, before capitalisation, for the first six months of 2007 increased to total HK$9,380 million, compared to HK$7,728 million for the same period last year, mainly due to higher effective market interest rates in 2007 and also the higher average total loan balance reflecting British pound borrowings arranged in the latter part of last year.

Consolidated EBITDA and FFO before all CACs covered consolidated net interest expense and finance costs 10.8 times and 6.0 times respectively (31 December 2006 – 7.9 times and 3.6 times).

Secured Financing

At 31 December 2006, the shares of H3G S.p.A. owned by the Group, totalling HK$81,007 million were pledged as security for its project financing facilities. Subsequently, in January, the project financing facilities of H3G S.p.A. were refinanced and the shares are no longer pledged as security under a new replacement syndicated bank loan. At 30 June 2007, assets of the Group totalling HK$15,399 million (31 December 2006 – HK$10,781 million) were pledged as security for bank and other loans and certain performance guarantees of the Group.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 30 June 2007 amounted to the equivalent of HK$13,180 million (31 December 2006 - HK$12,946 million).

Contingent Liabilities

At 30 June 2007, the Group provided guarantees for banking and other borrowing facilities granted to associated companies and jointly controlled entities of HK$4,277 million (31 December 2006 – HK$13,322 million), and provided performance and other guarantees of HK$5,865 million (31 December 2006 – HK$5,681 million).

Employee Relations

At 30 June 2007, the Company and its subsidiaries employed 176,011 people (30 June 2006 – 148,679 people) and the related employee costs for the six-month period, excluding Directors' emoluments, totalled HK$14,477 million (2006 – HK$12,440 million). Including the Group's associates, at 30 June 2007, the Group employed 229,973 people of whom 29,562 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 maintained 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 2007, 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, 27 September 2007 to Thursday, 4 October 2007, both days 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 Tuesday, 25 September 2007.

Disclosure of Interests

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

As at 30 June 2007, 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 deemed or taken 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 and underlying shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Li Ka-shing	(i) Founder of discretionary trusts	(i) Other interest	2,141,698,773 (1)	18,613,202 (2)		
	(ii) Interest of controlled corporations	(ii) Corporate interest	48,577,000 (3)	–	2,208,888,975	51.8109%
Li Tzar Kuoi, Victor	(i) Beneficiary of trusts	(i) Other interest	2,141,698,773 (1)	18,613,202 (2)		
	(ii) Interest of controlled corporations	(ii) Corporate interest	1,086,770 (4)	–	2,161,398,745	50.6969%
Fok Kin-ning, Canning	Interest of a controlled corporation	Corporate interest	4,310,875 (5)	–	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	Beneficial owner	Personal interest	60,000	–	60,000	0.0014%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of discretionary trust(s)	Other interest	15,984,095 (6)	–	15,984,095	0.3749%
Holger Kluge	Beneficial owner	Personal interest	40,000	–	40,000	0.0009%

Name of Director		Capacity		Nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
George Colin Magnus	(i)	Founder and beneficiary of a discretionary trust	(i)	Other interest	950,100 [7]	–		
	(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%

Short positions in the underlying shares of the Company

Name of Director	Capacity	Nature of interests	Number of underlying shares held	Approximate % of shareholding
Li Ka-shing	Founder of discretionary trusts	Other interest	18,613,202 [2]	0.4366%
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	18,613,202 [2]	0.4366%

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) The references to 18,613,202 underlying shares of the Company relate to the same block of underlying shares comprising:

(a) 10,463,201 underlying shares of the Company by virtue of the HK Dollar equity-linked notes due 2007 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong; and

(b) 8,150,001 underlying shares of the Company by virtue of the HK Dollar equity-linked notes due 2008 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong.

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

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

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

(6) 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.

(7) 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 2007, 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) (a) 1,912,109,945 shares, representing approximately 84.82% of the then issued share capital, in Cheung Kong Infrastructure Holdings Limited ("CKI") of which 1,906,681,945 shares were held by a wholly owned subsidiary of the Company and 5,428,000 shares were held by TUT1 as trustee of UT1;

(b) 2 underlying shares in CKI by virtue of the HK$300,000,000 capital guaranteed notes due 2009 held by a wholly owned subsidiary of Cheung Kong; and

(c) 31,644,801 underlying shares in CKI by virtue of the HK Dollar equity-linked notes due 2007 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong;

(ii) 2,440,115,597 ordinary shares, representing approximately 51.10% of the then issued share capital, in Hutchison Telecommunications International Limited ("Hutchison Telecom") of which 52,092,587 ordinary shares and 2,387,869,730 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. In addition, according to the disclosures made to the Company pursuant to and solely for the purposes of the SFO, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor appeared to be taken as being interested in the 917,759,172 ordinary shares, representing approximately 19.22% of the then issued share capital, in Hutchison Telecom beneficially owned by Orascom Telecom Eurasia Limited ("Orascom"), a substantial shareholder of Hutchison Telecom and controlled exclusively by Orascom and Orascom Telecom Holding S.A.E. ("OTH"), another substantial shareholder of Hutchison Telecom as a result of the application of Sections 317 and 318 of the SFO by virtue of the Company, one of the abovementioned wholly owned subsidiaries of the Company, OTH and Orascom being parties to a shareholders' agreement dated 21 December 2005 that imposes obligations or restrictions on any party with respect to their use, retention or disposal of their ordinary shares of Hutchison Telecom even though no ordinary shares of Hutchison Telecom have been acquired in pursuance of that agreement;

(iii) (a) 829,599,612 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; and

(b) 20,990,201 underlying shares in HEH by virtue of the HK Dollar equity-linked notes due 2007 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong;

(iv) 1,429,024,545 shares, representing approximately 36.71% of the then issued share capital, in TOM Group Limited of which 476,341,182 shares and 952,683,363 shares were held by a wholly owned subsidiary of each of Cheung Kong and the Company respectively;

(v) 146,809,478 common shares, representing approximately 34.59% of the then issued share capital, in Husky Energy Inc. ("Husky") held by a wholly owned subsidiary of the Company; and

(vi) 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 152,801,701 common shares, representing approximately 36.00% 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. In addition, Mr Li Ka-shing had, as at 30 June 2007, corporate interests in (i) 4,600 class C common shares, representing 46% of the then issued share capital, in Husky Oil Holdings Limited; and (ii) 27,513,355 ordinary shares, representing approximately 0.58% of the then issued share capital, in Hutchison Telecom, which were held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at 30 June 2007, the following interests:

(i) family interests in 151,000 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$21,000,000 in the 6.50% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited ("HWI(03/13)"); (b) a nominal amount of US$12,000,000 in the 7% Notes due 2011 issued by Hutchison Whampoa International (01/11) Limited; (c) a nominal amount of US$8,000,000 in the 6.25% Notes due 2014 issued by Hutchison Whampoa International (03/33) Limited ("HWI(03/33)"); (d) a nominal amount of US$15,000,000 in the 7.45% Notes due 2033 issued by HWI(03/33); and (e) 2,519,250 ordinary shares, representing approximately 0.05% of the then issued share capital, in Hutchison Telecom, 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 2007, the following interests:

(i) corporate interests in (a) a nominal amount of US$2,500,000 in the 6.50% Notes due 2013 issued by HWI(03/13); (b) a nominal amount of US$2,000,000 in the 7.45% Notes due 2033 issued by HWI(03/33); (c) a nominal amount of US$2,500,000 in the 5.45% Notes due 2010 issued by HWI(03/33); and (d) a nominal amount of US$2,500,000 in the 6.25% Notes due 2014 issued by HWI(03/33);

(ii) corporate interests in 5,000,000 ordinary shares, representing approximately 0.075% of the then issued share capital, in Hutchison Harbour Ring Limited;

(iii) (a) 5,100,000 ordinary shares, representing approximately 0.75% 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; and

(b) 1,474,001 underlying shares in HTAL comprising personal and corporate interests in 134,000 underlying shares and 1,340,001 underlying shares respectively on conversion of the listed and physically settled 5.5% Unsecured Convertible Notes due 2007 issued by HTAL;

(iv) corporate interests in 1,202,380 ordinary shares, representing approximately 0.025% of the then issued share capital, in Hutchison Telecom;

(v) corporate interests in 100,000 common shares, representing approximately 0.02% of the then issued share capital, in Husky; and

(vi) corporate interests in 225,000 American Depositary Shares (each representing one ordinary share), representing approximately 0.14% 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 2007, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in Hutchison Telecom.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 30 June 2007, personal interests in (i) 1,000,000 ordinary shares, representing approximately 0.15% of the then issued share capital, in HTAL; and (ii) 17,000 American Depositary Shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in Hutchison Telecom.

Mr Kam Hing Lam in his capacity as a beneficial owner had, as at 30 June 2007, personal interests in 100,000 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 2007, personal interests in (i) 200,000 ordinary shares, representing approximately 0.03% of the then issued share capital, in HTAL; and (ii) 10,000 common shares and 1,759 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 2007, the following interests:

(i) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in Hutchison Telecom 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

(ii) 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 2007, personal interests in 1,609 common shares, representing approximately 0.0004% of the then issued share capital, in Husky.

Short positions in the underlying shares of the associated corporations of the Company

As at 30 June 2007, 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, among others, their interests in the shares of Cheung Kong as described in Note (1) above:

(i) 31,644,801 underlying shares in CKI by virtue of the HK Dollar equity-linked notes due 2007 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong; and

(ii) 20,990,201 underlying shares in HEH by virtue of the HK Dollar equity-linked notes due 2007 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong.

Save as disclosed above, as at 30 June 2007, 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 2007, 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 and underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee and beneficiary of a trust	2,130,202,773 (1)	18,613,202 (2)	2,148,815,975	50.40%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee and beneficiary of a trust	2,130,202,773 (1)	18,613,202 (2)	2,148,815,975	50.40%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee	2,130,202,773 (1)	18,613,202 (2)	2,148,815,975	50.40%
Cheung Kong (Holdings) Limited ("Cheung Kong")	Interest of controlled corporations	2,130,202,773 (1)	18,613,202 (2)	2,148,815,975	50.40%
Continental Realty Limited	Beneficial owner	465,265,969 (3)	–	465,265,969	10.91%

Short positions in the underlying shares of the Company

Name	Capacity	Number of underlying shares held	Approximate % of shareholding
TDT1	Trustee and beneficiary of a trust	18,613,202 (2)	0.43%
TDT2	Trustee and beneficiary of a trust	18,613,202 (2)	0.43%
TUT1	Trustee	18,613,202 (2)	0.43%
Cheung Kong	Interest of controlled corporations	18,613,202 (2)	0.43%

(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 (3)	7.57%
Winbo Power Limited	Beneficial owner	236,260,200 (3)	5.54%
Polycourt Limited	Beneficial owner	233,065,641 (3)	5.47%
Well Karin Limited	Beneficial owner	226,969,600 (3)	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) The references to 18,613,202 underlying shares of the Company relate to the same block of interest and short position in the underlying shares of the Company which were derived from the HK Dollar equity-linked notes due 2007 and the HK Dollar equity-linked notes due 2008 issued under HK$10,000,000,000 retail note issuance programme held by a wholly owned subsidiary of Cheung Kong. By virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same block of interest and short position in the 18,613,202 underlying 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".

(3) 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 2007, there was no other person (other than the Directors and 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

The Company has no share option scheme but certain of the Company's subsidiary companies have adopted share option schemes. The outstanding share options under such share option schemes for the six months ended 30 June 2007 are set out below.

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

Particulars of 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 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	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 €
Employees in aggregate	20.5.2004	17,843,471	–	–	(852,457)	16,991,014	From Listing [(2)] to 16.7.2009	5.17	5.00	N/A
	20.11.2004	2,685,537	–	–	(192,250)	2,493,287	From Listing to 16.7.2009	5.17	5.00	N/A
	2.2.2005	335,320	–	–	(149,031)	186,289	From Listing to 16.7.2009	5.17	5.00	N/A
	6.9.2005	4,162,438	–	–	(1,004,470)	3,157,968	From Listing to 16.7.2009	5.17	5.00	N/A
Total:		25,026,766	–	–	(2,198,208)	22,828,558				

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 2007, **3** Italia had 22,828,558 share options outstanding under the **3** Italia Plan.

No option had been granted under the **3** Italia Plan during the six months ended 30 June 2007.

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

Particulars of 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 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	Exercise period of share options	Exercise price of share options £	Price of 3UK share At grant date of share options [(3)] £	Price of 3UK share At exercise date of share options £
Employees in aggregate	20.5.2004	18,342,000	–	–	(10,372,500)	7,969,500	From Listing [(2)] to 18.4.2011	1.00	1.00	N/A
	20.5.2004	43,624,250	–	–	(5,412,000)	38,212,250	From Listing to 18.4.2011	1.35	1.00	N/A
	20.5.2004	3,722,000	–	–	(77,750)	3,644,250	From Listing to 20.8.2011	1.35	1.00	N/A
	20.5.2004	1,545,000	–	–	(125,000)	1,420,000	From Listing to 18.12.2011	1.35	1.00	N/A
	20.5.2004	937,750	–	–	(70,000)	867,750	From Listing to 16.5.2012	1.35	1.00	N/A
	20.5.2004	1,982,750	–	–	(75,000)	1,907,750	From Listing to 29.8.2012	1.35	1.00	N/A
	20.5.2004	372,500	–	–	(10,000)	362,500	From Listing to 28.10.2012	1.35	1.00	N/A
	20.5.2004	630,000	–	–	(50,000)	580,000	From Listing to 11.5.2013	1.35	1.00	N/A
	20.5.2004	4,537,500	–	–	(340,000)	4,197,500	From Listing to 14.5.2014	1.35	1.00	N/A
	27.1.2005	2,867,750	–	–	(45,500)	2,822,250	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	1,118,250	–	–	(60,000)	1,058,250	From Listing to 10.7.2015	1.35	1.00	N/A
Total:		79,679,750	–	–	(16,637,750)	63,042,000				

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 2007, **3** UK had 63,042,000 share options outstanding under the **3** UK Plan.

No option had been granted under the **3** UK Plan during the six months ended 30 June 2007.

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

Particulars of 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 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	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 £
Christian Hogg (a director of Chi-Med)	19.5.2006 (1)	768,182	–	–	–	768,182	19.5.2006 to 3.6.2015	1.09	2.505 (3)	N/A
Other employees in aggregate	19.5.2006 (1)	1,203,483	–	–	(204, 848)	998, 635	19.5.2006 to 3.6.2015	1.09	2.505 (3)	N/A
Employees in aggregate	11.9.2006 (1)	161,063	–	–	(40, 253)	120, 810	11.9.2006 to 18.5.2016	1.715	1.715 (4)	N/A
	23. 3. 2007 (2)	N/A	153, 636	–	(128, 030)	25, 606	23.3.2007 to 22.3.2017	1.75	1.75 (4)	N/A
	18. 5. 2007 (2)	N/A	314, 146	–	–	314, 146	18.5.2007 to 17.5.2017	1.535	1.535 (4)	N/A
Total:		2,132,728	467,782	–	(373,131)	2,227,379				

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, 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 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 stated price was the closing price of the shares quoted on the AIM on the date of admission of listing of the shares.

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

As at 30 June 2007, Chi-Med had 2,227,379 share options outstanding under the Chi-Med Plan.

The fair value of share options granted during the six months ended 30 June 2007, determined using the Binomial Model was as follows:

	Date of grant of share options	
	23 March 2007	18 May 2007
Value of each share option	£0.635	£0.533
Significant inputs into the valuation model:		
Exercise price	£1.750	£1.535
Share price at grant date	£1.79	£1.54
Expected volatility	40.0%	40.0%
Annual risk-free interest rate	4.834%	5.098%
Expected life of share options	10 years	10 years
Expected dividend yield	0%	0%

The volatility of the underlying stock during the life of the share options is estimated based on the historical volatility of the comparable companies for the past one to two years as of the respective valuation date, that is, the date of grant of share options, since there is no or only a relatively short period of trading record of shares of Chi-Med at the respective grant dates. Changes in such subjective input assumptions could affect the fair value estimate.

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

Particulars of 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 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	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$
Employees in aggregate	3.6.2005	71,732,000	–	–	(7,132,000)	64,600,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	N/A	33,000,000	–	–	33,000,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Total:		71,732,000	33,000,000	–	(7,132,000)	97,600,000				

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 quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the share options.*

As at 30 June 2007, HHR had 97,600,000 share options outstanding under the HHR Plan.

The fair value of share options granted during the six months ended 30 June 2007, determined using the Binomial Model was as follows:

	Date of grant of share options 25 May 2007
Value of each share option	HK$0.2565
Significant inputs into the valuation model:	
Exercise price	HK$0.616
Share price at grant date	HK$0.61
Expected volatility	37.4%
Annual risk-free interest rate	4.318%
Expected life of share options	7 years
Expected dividend yield	0.98%

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year immediately preceding the grant date. Changes in such subjective input assumptions could affect the fair value estimate.

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

(i) Executive Option Plan

Particulars of options outstanding under the executive option plan of HTAL (the "Old HTAL Plan") *(1)* at the beginning and at the end of the financial period for the six months ended 30 June 2007 and 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 (2)	Number of share options held at 1 January 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007 (1)	Exercise period of share options	Exercise price of share options (1) A$	Price of HTAL share: At grant date of share options (4) A$	Price of HTAL share: At exercise date of share options A$
Employees in aggregate	23.7.2004	10,450,000	–	–	(10,450,000)	–	12.9.2005 to 31.12.2010	0.455	0.455	N/A
	30.7.2004	50,000	–	–	(50,000)	–	1.9.2005 to 31.12.2010	0.460	0.460	N/A
	10.12.2004	450,000	–	–	(450,000)	–	1.9.2005 to 31.12.2010	0.360	0.360	N/A
	23.12.2004	150,000	–	–	(150,000)	–	1.9.2005 to 31.12.2010	0.345	0.345	N/A
	3.6.2005	50,000	–	–	(50,000)	–	1.9.2005 to 31.12.2010	0.270	0.270	N/A
	1.7.2005	200,000	–	–	(200,000)	–	1.9.2005 to 31.12.2010	0.270	0.270	N/A
	5.8.2005	200,000	–	–	(200,000)	–	1.9.2005 to 31.12.2010	0.270	0.270	N/A
	31.3.2006	3,965,000	–	–	(3,965,000)	–	1.9.2005 to 31.12.2010	0.255	0.255	N/A
	13.4.2006	150,000	–	–	(150,000)	–	1.9.2005 to 31.12.2010	0.250	0.250	N/A
Total:		15,665,000	–	–	(15,665,000)	–				

Notes:

(1) The Old HTAL Plan was terminated with effect from 30 June 2007, by which date all share options granted thereunder had either lapsed or been exercised or cancelled with the consent of the respective option holders.

(2) The share options were or would have been exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-fourth on 1 September 2005, one-half on 1 September 2006 and the remaining one-fourth on 1 September 2007 if they had not lapsed or been cancelled as aforesaid.

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

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

(ii) Employee Option Plan

A new employee option plan was adopted by HTAL with effect from 17 May 2007 (the "New HTAL Plan"). Particulars of options outstanding under the New HTAL Plan at the beginning and at the end of the financial period for the six months ended 30 June 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	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$
Employees in aggregate	14.6.2007	N/A	29,320,000	–	–	29,320,000	14.6.2007 to 13.6.2012	0.145	0.145	N/A

Notes:

(1) *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.*

(2) *The stated exercise price of share option was the closing price of the shares on the ASX on the day on which the share options were deemed to be granted.*

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

As at 30 June 2007, HTAL had 29,320,000 share options outstanding under the New HTAL Plan.

The fair value of options granted during the six months ended 30 June 2007, determined using the Binomial Approximation Model, was A$0.0549 per share. The significant inputs into the model were weighted average share price of A$0.14 at the grant date, weighted average exercise price of A$0.145 per share, weighted average expected life of options which is the period from grant date to the midpoint between first exercise and last exercise date, zero expected dividend paid out rate and weighted average annual risk-free interest rate of 6.39%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year immediately preceding the grant date. Changes in such subjective input assumptions could affect the fair value estimate.

(VI) Hutchison Telecommunications International Limited ("Hutchison Telecom")

Following the purchase of additional shares of Hutchison Telecom by the Company in the open market through the Stock Exchange between 6 June 2007 and 14 June 2007, Hutchison Telecom became a subsidiary of the Company on 14 June 2007.

Particulars of options outstanding under the share option scheme of Hutchison Telecom (the "Hutchison Telecom Plan") at the beginning and at the end of the financial period for the six months ended 30 June 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	Exercise period of share options	Exercise price of share options (2) HK$	Price of Hutchison Telecom share: At grant date of share options (3) HK$	Price of Hutchison Telecom share: At exercise date of share options (4) HK$
Employees in aggregate	8.8.2005	50,457,000	–	(9,423,667)	–	41,033,333	8.8.2006 to 7.8.2015	1.95	8.60	15.80

Notes:

(1) The share options will be vested according to a schedule, namely, as to as close one-third of the shares of Hutchison Telecom 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 delineated in the Hutchison Telecom Plan) on such vesting date.

(2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the Hutchison Telecom Plan (as amended). As contemplated in the circular to shareholders of Hutchison Telecom dated 4 April 2007 (the "Circular"), the exercise price of 41,033,333 outstanding and unvested share options was adjusted, with effect from HK$8.70 to HK$1.95 per share as a result of the payment of a special dividend by Hutchison Telecom on 29 June 2007 and pursuant to the terms of the Share Option Terms Change Proposal (as defined in the Circular).

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

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

As at 30 June 2007, Hutchison Telecom had 41,033,333 share options outstanding under the Hutchison Telecom Plan.

No option had been granted under the Hutchison Telecom Plan during the six months ended 30 June 2007.

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

Partner is a subsidiary of Hutchison Telecom and it became a subsidiary of the Company on 14 June 2007, the date on which Hutchison Telecom became a subsidiary of the Company.

Particulars of 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 2007 and 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 2007	Granted during the six months ended 30 June 2007	Exercised during the six months ended 30 June 2007	Lapsed/ cancelled during the six months ended 30 June 2007	Number of share options held at 30 June 2007	Exercise period of share options (2)	Exercise price of share options 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
Employees in aggregate										
1998 Plan	5.11.1998 to 22.12.2002	21,893	–	(18,504)	(3)	3,386	5.11.1999 to 15.12.2011	US$0.343 and NIS 20.45	0.01	53.68
2000 Plan	3.11.2000 to 30.12.2003	600,106	–	(363,356)	–	236,750	3.11.2000 to 30.12.2012	NIS 17.25 to NIS 27.35	17.25 to 27.35	58.90
2003 Amended Plan	30.12.2003	62,500	–	(62,500)	–	–	30.12.2003 to 30.12.2012	NIS 20.45	34.12	60.72
2004 Plan	29.11.2004 to 4.6.2007	4,388,375	730,000	(1,606,775)	(149,750)	3,361,850	29.11.2004 to 4.6.2017	NIS 26.74 to NIS 57.96	31.45 to 68.19	57.63
Total:		5,072,874	730,000	(2,051,135)	(149,753)	3,601,986				

Notes:

(1) The number of share options disclosed is the aggregate figure of share options held at 30 June 2007 under each of the four employee stock option plans. The share options were granted on various date(s) during the corresponding period(s) and in respect of the 2003 Amended Plan, on the date of grant as disclosed.

(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 Employee Stock Option Committee.

(3) The stated price was the average closing price of the shares as recorded by the Tel Aviv Stock Exchange 30 days prior to the date of grant of share options.

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

As at 30 June 2007, Partner had, in aggregate, 3,601,986 share options outstanding under the Partner Plans.

The fair value of options granted during the six months ended 30 June 2007, determined using the Black-Scholes valuation model, was NIS 10.87 per share. The significant inputs into the model were share price of NIS 56.93 at the date of grant, exercise price of NIS 51.44 per share, standard deviation of expected share price returns of 28%, expected life of options of five years, expected dividend paid out rate of 5.94% and annual risk-free interest rate of 4.4%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over five 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 to 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 2007. 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 2006, which were set out in the 2006 Annual Report of the Company.

Compliance with the Model Code

The Board has adopted 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 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 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 external auditors 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 Group's website.

Remuneration Committee

The Remuneration Committee of the Company comprises three members with expertise in human resources and personnel emoluments. The 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 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 Committee adopted by the Board are published on the Group's website.

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 34 to 56, which comprises the condensed consolidated balance sheet of Hutchison Whampoa Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2007, and the condensed consolidated profit and loss account, the condensed consolidated statement of recognised income and expense and the condensed consolidated cash flow statement 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, 23 August 2007

Interim Accounts

Condensed Consolidated Profit and Loss Account

for the six months ended 30 June 2007

Unaudited 2007 US$ millions		Note	Unaudited 2007 HK$ millions	2006 HK$ millions
	Company and subsidiary companies:			
12,608	Revenue	3	98,345	85,042
(4,397)	Cost of inventories sold		(34,297)	(30,996)
(1,740)	Staff costs		(13,570)	(12,100)
(342)	**3** Group telecommunications expensed prepaid customer acquisition costs		(2,673)	(3,086)
(2,376)	Depreciation and amortisation	3	(18,537)	(15,727)
(3,961)	Other operating expenses		(30,896)	(25,860)
119	Change in fair value of investment properties		929	1,146
(114)	Profit (loss) on disposal of investments and others	4	(890)	23,361
	Share of profits less losses after tax of:			
602	Associated companies before profit on disposal of investments		4,694	5,444
214	Jointly controlled entities		1,670	1,343
4,592	Associated company's profit on disposal of an investment	4	35,820	–
5,205		3	40,595	28,567
(1,174)	Interest and other finance costs	5	(9,157)	(7,553)
4,031	**Profit before tax**		31,438	21,014
(102)	Current tax charge	6	(792)	(666)
(21)	Deferred tax charge	6	(160)	(602)
3,908	**Profit after tax**		30,486	19,746
(221)	**Allocated as : Profit attributable to minority interests**		(1,727)	(946)
3,687	**Profit attributable to shareholders of the Company**		28,759	18,800
279	**Interim dividend**		2,174	2,174
US86.5 cents	**Earnings per share for profit attributable to shareholders of the Company**	7	HK$ 6.75	HK$ 4.41
US6.54 cents	**Interim dividend per share**		HK$ 0.51	HK$ 0.51

Condensed Consolidated Balance Sheet

at 30 June 2007

Unaudited 30 June 2007 US$ millions		Note	Unaudited 30 June 2007 HK$ millions	Audited 31 December 2006 HK$ millions
	ASSETS			
	Non-current assets			
20,923	Fixed assets	8	**163,197**	140,181
5,471	Investment properties		**42,674**	41,657
4,518	Leasehold land		**35,238**	35,293
11,954	Telecommunications licences		**93,238**	89,077
1,294	Telecommunications postpaid customer acquisition and retention costs		**10,097**	10,532
3,568	Goodwill		**27,829**	21,840
1,561	Brand names and other rights		**12,176**	7,582
8,848	Associated companies		**69,017**	74,954
5,089	Interests in joint ventures		**39,696**	38,507
2,284	Deferred tax assets	9	**17,814**	17,159
548	Other non-current assets	10	**4,275**	3,762
9,276	Liquid funds and other listed investments	11	**72,350**	66,251
75,334			**587,601**	546,795
	Current assets			
14,549	Cash and cash equivalents	12	**113,484**	64,151
6,903	Trade and other receivables	13	**53,845**	44,188
2,729	Inventories		**21,288**	22,382
24,181			**188,617**	130,721
	Current liabilities			
9,883	Trade and other payables	14	**77,085**	66,487
5,271	Bank and other debts	15	**41,116**	22,070
254	Current tax liabilities		**1,981**	1,629
15,408			**120,182**	90,186
8,773	**Net current assets**		**68,435**	40,535
84,107	**Total assets less current liabilities**		**656,036**	587,330
	Non-current liabilities			
33,387	Bank and other debts	15	**260,420**	260,970
1,581	Interest bearing loans from minority shareholders		**12,328**	12,030
2,095	Deferred tax liabilities	9	**16,339**	15,019
229	Pension obligations		**1,788**	2,378
1,326	Other non-current liabilities	16	**10,344**	6,368
38,618			**301,219**	296,765
45,489	**Net assets**		**354,817**	290,565
	CAPITAL AND RESERVES			
137	Share capital	17	**1,066**	1,066
39,286	Reserves		**306,433**	272,728
39,423	**Total shareholders' funds**		**307,499**	273,794
6,066	Minority interests		**47,318**	16,771
45,489	**Total equity**	18	**354,817**	290,565

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2007

Unaudited 2007 US$ millions		Note	Unaudited 2007 HK$ millions	2006 HK$ millions
	Operating activities			
	Cash generated from operating activities before interest and other finance costs, tax paid, **3** Group telecommunications expensed prepaid CACs [(a)] and			
5,364	changes in working capital	19 (a)	**41,845**	21,918
(1,148)	Interest and other finance costs paid		**(8,953)**	(7,352)
(124)	Tax paid		**(970)**	(1,035)
4,092	Funds from operations before **3** Group telecommunications expensed prepaid CACs		**31,922**	13,531
(342)	**3** Group telecommunications expensed prepaid CACs		**(2,673)**	(3,086)
3,750	**Funds from operations**		**29,249**	10,445
(67)	Changes in working capital	19 (b)	**(519)**	(3,903)
3,683	**Net cash from operating activities**		**28,730**	6,542
	Investing activities			
(507)	Purchase of fixed assets and investment properties for established businesses		**(3,958)**	(4,107)
(640)	Purchase of fixed assets for 3G businesses		**(4,990)**	(4,258)
(7)	Additions to leasehold land		**(57)**	(396)
(738)	Additions to **3** Group telecommunications postpaid CACs		**(5,755)**	(6,810)
(22)	Additions to brand names and other rights		**(168)**	(1,193)
5,826	Purchase of subsidiary companies	19 (c)	**45,440**	(843)
(28)	Purchase of minority interests		**(219)**	–
(20)	Purchase of and advances to associated companies		**(157)**	(1,323)
(332)	Purchase of and advances to jointly controlled entities		**(2,593)**	(3,020)
(2)	Additions to other unlisted investments		**(15)**	(159)
	Repayments from associated companies and non-property			
147	jointly controlled entities		**1,142**	355
100	Deposits from associated companies and jointly controlled entities		**783**	558
23	Proceeds on disposal of fixed assets, leasehold land and investment properties		**179**	1,998
14	Proceeds on disposal of subsidiary companies	19 (d)	**109**	114
–	Proceeds on partial disposal of subsidiary companies	19 (e)	**–**	33,595
36	Proceeds on disposal of associated companies		**285**	–
18	Proceeds on disposal of jointly controlled entities		**142**	–
2	Proceeds on disposal of other unlisted investments		**14**	547
55	Disposal of liquid funds and other listed investments		**429**	495
(101)	Additions to liquid funds and other listed investments		**(787)**	(2,588)
3,824	**Cash flows from investing activities**		**29,824**	12,965

Unaudited 2007 US$ millions		Note	Unaudited 2007 HK$ millions	2006 HK$ millions
	Financing activities			
5,019	New borrowings		**39,145**	12,391
(5,348)	Repayment of borrowings		**(41,711)**	(9,215)
1	Issue of shares by subsidiary companies to minority shareholders		**6**	751
(187)	Dividends paid to minority shareholders		**(1,460)**	(1,390)
(667)	Dividends paid to shareholders		**(5,201)**	(5,201)
(1,182)	**Cash flows used in financing activities**		**(9,221)**	(2,664)
6,325	Increase in cash and cash equivalents		**49,333**	16,843
8,224	Cash and cash equivalents at 1 January		**64,151**	49,717
14,549	**Cash and cash equivalents at 30 June**		**113,484**	66,560
	Analysis of cash, liquid funds and other listed investments			
14,549	Cash and cash equivalents, as above	12	**113,484**	66,560
9,276	Liquid funds and other listed investments	11	**72,350**	63,505
23,825	**Total cash, liquid funds and other listed investments**		**185,834**	130,065
38,658	Bank and other debts		**301,536**	264,966
1,581	Interest bearing loans from minority shareholders		**12,328**	11,847
16,414	**Net debt**		**128,030**	146,748
(1,581)	Interest bearing loans from minority shareholders		**(12,328)**	(11,847)
14,833	**Net debt (excluding interest bearing loans from minority shareholders)**		**115,702**	134,901

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

Condensed Consolidated Statement of Recognised Income and Expense

for the six months ended 30 June 2007

Unaudited 2007 US$ millions		Note	**Unaudited 2007 HK$ millions**	2006 HK$ millions
665	Fair value changes in available-for-sale investments		**5,183**	933
–	Fair value adjustment upon transfer from other properties to investment properties		**–**	4
(20)	Valuation released upon disposal of available-for-sale investments		**(162)**	(398)
(9)	Loss on cash flow hedges		**(70)**	(56)
–	Transfer to initial carrying amount of non-financial items on cash flow hedges		**2**	–
680	Exchange translation differences		**5,302**	8,775
79	Actuarial gains and losses of defined benefit plans		**620**	165
(25)	Deferred tax effect on actuarial gains and losses of defined benefit plans		**(195)**	(44)
1,370	Net income recognised directly in equity	18	**10,680**	9,379
3,908	Profit after tax		**30,486**	19,746
5,278	Total recognised income and expense	18	**41,166**	29,125
298	Allocated as : Attributable to minority interests		**2,319**	1,270
4,980	Attributable to shareholders of the Company		**38,847**	27,855

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. These interim accounts should be read in conjunction with the 2006 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.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the 2006 annual accounts, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning 1 January 2007. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

The presentation of comparative information in respect of the six months ended 30 June 2006 which appears in these interim accounts has been conformed with the presentation adopted in the 2006 annual accounts.

3 Segment information

Segment information is presented in respect of the Group's primary business segments and secondary geographical segments. 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.

Telecommunications – **3** Group includes 3G operations in the UK, Italy, Sweden, Austria, Denmark, Norway, Ireland and Australia (30 June 2006 - Telecommunications – **3** Group includes 3G operations in the UK, Italy, Sweden, Austria, Denmark, Norway and Ireland and the 2G and 3G operations in Australia).

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated attributable to Ports and related services is HK$19 million (30 June 2006 - nil), Property and hotels is HK$152 million (30 June 2006 - HK$126 million), and Finance & investments and others is HK$479 million (30 June 2006 - HK$215 million).

Business segment

	Revenue							
	Six months ended 30 June 2007				Six months ended 30 June 2006			
	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	**15,580**	**2,178**	**17,758**	**16%**	13,506	1,854	15,360	15%
Property and hotels	**2,644**	**2,699**	**5,343**	**5%**	2,413	2,553	4,966	5%
Retail	**44,633**	**6,732**	**51,365**	**45%**	40,228	5,484	45,712	46%
Cheung Kong Infrastructure	**1,113**	**6,843**	**7,956**	**7%**	1,077	6,104	7,181	7%
Husky Energy	**–**	**15,364**	**15,364**	**13%**	–	14,464	14,464	14%
Finance & investments and others	**5,219**	**1,200**	**6,419**	**6%**	4,309	1,116	5,425	5%
Hutchison Telecommunications International	**965**	**8,162**	**9,127**	**8%**	–	7,831	7,831	8%
Subtotal – established businesses	**70,154**	**43,178**	**113,332**	**100%**	61,533	39,406	100,939	100%
TELECOMMUNICATIONS – 3 Group	**28,191**	**–**	**28,191**		23,509	–	23,509	
	98,345	**43,178**	**141,523**		85,042	39,406	124,448	

3 Segment information (continued)

Business segment (continued)

	EBIT (LBIT) [b]							
	Six months ended 30 June 2007				Six months ended 30 June 2006			
	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	4,988	772	5,760	28%	4,518	702	5,220	28%
Property and hotels	1,473	656	2,129	10%	1,353	596	1,949	10%
Retail	499	304	803	4%	525	239	764	4%
Cheung Kong Infrastructure	524	2,842	3,366	16%	319	2,402	2,721	14%
Husky Energy	–	4,619	4,619	22%	–	4,104	4,104	22%
Finance & investments and others	1,957	282	2,239	11%	2,552	339	2,891	15%
Hutchison Telecommunications International	258	1,695	1,953	9%	–	1,240	1,240	7%
EBIT – established businesses	9,699	11,170	20,869	100%	9,267	9,622	18,889	100%
TELECOMMUNICATIONS – 3 Group [c]								
EBIT before depreciation, amortisation and telecommunications expensed prepaid CACs	6,820	3	6,823		4,207	4	4,211	
Telecommunications expensed prepaid CACs	(2,673)	–	(2,673)		(3,086)	–	(3,086)	
EBIT before depreciation and amortisation and after telecommunications expensed prepaid CACs	4,147	3	4,150		1,121	4	1,125	
Depreciation	(5,352)	–	(5,352)		(4,440)	–	(4,440)	
Amortisation of licence fees and other rights	(3,293)	–	(3,293)		(3,053)	–	(3,053)	
Amortisation of telecommunications postpaid CACs	(6,829)	–	(6,829)		(5,622)	–	(5,622)	
EBIT (LBIT) – Telecommunications – 3 Group	(11,327)	3	(11,324)		(11,994)	4	(11,990)	
Change in fair value of investment properties	929	–	929		1,146	775	1,921	
Profit (loss) on disposal of investments and others (See note 4)	(890)	35,820	34,930		23,361	–	23,361	
EBIT (LBIT)	(1,589)	46,993	45,404		21,780	10,401	32,181	
Group's share of the following profit and loss items of associated companies and jointly controlled entities:								
Interest and other finance costs	–	(1,894)	(1,894)		–	(1,817)	(1,817)	
Current tax charge	–	(1,173)	(1,173)		–	(1,654)	(1,654)	
Deferred tax (charge) credit	–	(1,371)	(1,371)		–	215	215	
Minority interests	–	(371)	(371)		–	(358)	(358)	
	(1,589)	42,184	40,595		21,780	6,787	28,567	

3 Segment information (continued)

Business segment (continued)

	Depreciation and amortisation					
	Six months ended 30 June 2007			Six months ended 30 June 2006		
	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	**1,562**	**266**	**1,828**	1,389	265	1,654
Property and hotels	**151**	**76**	**227**	144	79	223
Retail	**1,040**	**93**	**1,133**	964	70	1,034
Cheung Kong Infrastructure	**63**	**890**	**953**	61	1,005	1,066
Husky Energy	**–**	**2,309**	**2,309**	–	2,007	2,007
Finance & investments and others	**88**	**46**	**134**	54	42	96
Hutchison Telecommunications International	**159**	**980**	**1,139**	–	1,121	1,121
Subtotal – established businesses	**3,063**	**4,660**	**7,723**	2,612	4,589	7,201
TELECOMMUNICATIONS – 3 Group	**15,474**	**–**	**15,474**	13,115	–	13,115
	18,537	**4,660**	**23,197**	15,727	4,589	20,316

	Capital expenditure				
	Six months ended 30 June 2007				
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**3 Group telecom-munications postpaid CACs HK$ millions**	**Brand names and other rights HK$ millions**	**Total HK$ millions**
ESTABLISHED BUSINESSES					
Ports and related services	**3,126**	**–**	**–**	**–**	**3,126**
Property and hotels	**52**	**–**	**–**	**–**	**52**
Retail	**749**	**–**	**–**	**–**	**749**
Cheung Kong Infrastructure	**18**	**–**	**–**	**–**	**18**
Husky Energy	**–**	**–**	**–**	**–**	**–**
Finance & investments and others	**70**	**–**	**–**	**–**	**70**
Hutchison Telecommunications International	**–**	**–**	**–**	**–**	**–**
Subtotal – established businesses	**4,015**	**–**	**–**	**–**	**4,015**
TELECOMMUNICATIONS – 3 Group [(d)]	**4,990**	**–**	**5,755**	**168**	**10,913**
	9,005	**–**	**5,755**	**168**	**14,928**

3 Segment information (continued)

Business segment (continued)

	Capital expenditure				
	Six months ended 30 June 2006				
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	3 Group telecom-munications postpaid CACs HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
ESTABLISHED BUSINESSES					
Ports and related services	3,321	–	–	–	3,321
Property and hotels	114	–	–	–	114
Retail	962	–	–	–	962
Cheung Kong Infrastructure	20	–	–	–	20
Husky Energy	–	–	–	–	–
Finance & investments and others	86	–	–	–	86
Hutchison Telecommunications International	–	–	–	–	–
Subtotal – established businesses	4,503	–	–	–	4,503
TELECOMMUNICATIONS – 3 Group [(d)]	4,258	–	6,810	1,193	12,261
	8,761	–	6,810	1,193	16,764

Geographical segment

	Revenue							
	Six months ended 30 June 2007				Six months ended 30 June 2006			
	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	**15,726**	**7,720**	**23,446**	**17%**	15,274	6,638	21,912	18%
Mainland China	**8,873**	**4,583**	**13,456**	**9%**	7,296	3,659	10,955	9%
Asia and Australia	**11,835**	**8,217**	**20,052**	**14%**	9,433	8,750	18,183	15%
Europe	**56,794**	**6,931**	**63,725**	**45%**	48,734	5,772	54,506	43%
Americas and others	**5,117**	**15,727**	**20,844**	**15%**	4,305	14,587	18,892	15%
	98,345	**43,178**	**141,523**	**100%**	85,042	39,406	124,448	100%

3 Segment information (continued)

Geographical segment (continued)

	EBIT (LBIT) (b)							
	Six months ended 30 June 2007				Six months ended 30 June 2006			
	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	2,064	2,209	4,273	9%	2,554	2,309	4,863	15%
Mainland China	2,107	1,764	3,871	9%	2,073	1,236	3,309	10%
Asia and Australia	1,513	1,686	3,199	7%	416	1,334	1,750	5%
Europe	(9,793)	670	(9,123)	-20%	(9,657)	638	(9,019)	-28%
Americas and others	2,481	4,844	7,325	16%	1,887	4,109	5,996	19%
Change in fair value of investment properties	929	–	929	2%	1,146	775	1,921	6%
Profit (loss) on disposal of investments and others (See note 4)	(890)	35,820	34,930	77%	23,361	–	23,361	73%
EBIT (LBIT)	(1,589)	46,993	45,404	100%	21,780	10,401	32,181	100%
Group's share of the following profit and loss items of associated companies and jointly controlled entities:								
Interest and other finance costs	–	(1,894)	(1,894)		–	(1,817)	(1,817)	
Current tax charge	–	(1,173)	(1,173)		–	(1,654)	(1,654)	
Deferred tax (charge) credit	–	(1,371)	(1,371)		–	215	215	
Minority interests	–	(371)	(371)		–	(358)	(358)	
	(1,589)	42,184	40,595		21,780	6,787	28,567	

	Capital expenditure				
	Six months ended 30 June 2007				
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	3 Group telecom-munications postpaid CACs HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	152	–	–	–	152
Mainland China	1,104	–	–	–	1,104
Asia and Australia	1,322	–	630	–	1,952
Europe	5,594	–	5,125	168	10,887
Americas and others	833	–	–	–	833
	9,005	–	5,755	168	14,928

3 Segment information (continued)

Geographical segment (continued)

	Capital expenditure				
	Six months ended 30 June 2006				
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	**3** Group telecom-munications postpaid CACs HK$ millions	Brand names and other rights HK$ millions	Total HK$ millions
Hong Kong	305	–	–	–	305
Mainland China	1,847	–	–	–	1,847
Asia and Australia	984	–	55	–	1,039
Europe	5,269	–	6,755	1,193	13,217
Americas and others	356	–	–	–	356
	8,761	–	6,810	1,193	16,764

(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.

(c) Included in EBIT (LBIT) of Telecommunications - **3** Group at 30 June 2007 is a foreign exchange gain totalling HK$368 million (30 June 2006 - nil) which is arising from the Group's refinancing of certain non-Sterling borrowings with Sterling bank loans.

(d) Included in capital expenditures of Telecommunications - **3** Group at 30 June 2007 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 30 June 2007 which increased by an amount of HK$931 million (30 June 2006 - increase of HK$270 million).

4 Profit (loss) on disposal of investments and others

	Six months ended 30 June	
	2007 HK$ millions	2006 HK$ millions
ESTABLISHED BUSINESSES		
Profit on partial disposal of subsidiaries	**–**	24,380
Loss on disposal of a toll road infrastructure investment in Mainland China	**(890)**	–
Group's share of an associated company's profit on sale of India mobile business	**35,820**	–
TELECOMMUNICATIONS – 3 Group		
Profit on sale of **3**UK data centres	**–**	751
CDMA network closure costs	**–**	(1,770)
	34,930	23,361

4 Profit (loss) on disposal of investments and others (continued)

Loss on disposal of a toll road infrastructure investment in Mainland China represents the Group's loss on the proposed sale by Cheung Kong Infrastructure of its entire equity and loan interests in Guangzhou ESW Ring Road.

The Group's share of an associated company's profit on sale of India mobile business represents the Group's share of the disposal profit of Hutchison Telecommunications International Limited ("HTIL"), an associated company of the Group at the time of the transaction, on the sale of its entire interest in its mobile business in India.

Profit on partial disposal of subsidiaries for the six months ended 30 June 2006 arose from the disposal of 20% equity interest in Hutchison Port Holdings and Hutchison Ports Investments. The CDMA network closure costs related to the closure in August 2006 of the Group's 2G CDMA services in Australia and the costs to migrate the 2G customers to the 3G network.

5 Interest and other finance costs

	Six months ended 30 June	
	2007	2006
	HK$ millions	HK$ millions
Interest and other finance costs	**9,176**	7,527
Notional non-cash interest accretion	**204**	201
	9,380	7,728
Less: interest capitalised	**(223)**	(175)
	9,157	7,553

Notional non-cash interest accretion represents amortisation of upfront facility fees and other notional adjustments to accrete the carrying amount of certain obligations recognised in the balance sheet 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	
	2007	2006
	HK$ millions	HK$ millions
Current tax charge		
Hong Kong	**193**	150
Outside Hong Kong	**599**	516
	792	666
Deferred tax charge (credit)		
Hong Kong	**165**	163
Outside Hong Kong	**(5)**	439
	160	602
	952	1,268

Hong Kong profits tax has been provided for at the rate of 17.5% (30 June 2006 - 17.5%) 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 assets has been recognised for the losses of 3G businesses (30 June 2006 - 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$28,759 million (30 June 2006 - HK$18,800 million) and on 4,263,370,780 shares in issue during 2007 (30 June 2006 - 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 and convertible debts outstanding as at 30 June 2007. The employee share options and convertible debts of these subsidiary and associated companies outstanding as at 30 June 2007 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$8,942 million (30 June 2006 - HK$8,351 million). Fixed assets with a net book value of HK$188 million (30 June 2006 - HK$1,238 million) were disposed of during the period, resulting in a loss on disposal of HK$45 million (30 June 2006 - gain of HK$742 million).

9 Deferred tax

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Deferred tax assets	**17,814**	17,159
Deferred tax liabilities	**16,339**	15,019
Net deferred tax assets	**1,475**	2,140
Analysis of net deferred tax assets:		
Unused tax losses	**19,780**	17,697
Accelerated depreciation allowances	**(4,259)**	(2,366)
Fair value adjustments arising from acquisitions	**(6,320)**	(5,871)
Revaluation of investment properties and other investments	**(4,904)**	(4,849)
Withholding tax on unremitted earnings	**(2,670)**	(2,221)
Other temporary differences	**(152)**	(250)
	1,475	2,140

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 balance sheet are determined after appropriate offset.

At 30 June 2007, the Group has recognised deferred tax assets amounting to HK$17,814 million (31 December 2006 – HK$17,159 million) of which HK$16,818 million (31 December 2006 - HK$16,680 million) relates to the Group's 3G businesses.

The potential net deferred tax asset mainly arising from unutilised tax losses, after appropriate offsetting, which has not been provided for in the accounts amounted to HK$44,243 million at 30 June 2007 (31 December 2006 - HK$35,576 million).

10 Other non-current assets

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	**2,151**	2,250
Infrastructure project investments	**571**	699
	2,722	2,949
Available-for-sale investments		
Unlisted equity securities	**1,482**	775
Cash flow hedges		
Interest rate swaps	**58**	38
Forward foreign exchange contracts	**13**	–
	4,275	3,762

11 Liquid funds and other listed investments

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	**44,586**	43,773
Listed debt securities	**5,240**	5,324
Listed equity securities, Hong Kong	**11,586**	8,109
Listed equity securities, outside Hong Kong	**5,700**	4,216
	67,112	61,422
Loans and receivables		
Long term deposits	**4,187**	3,771
Financial assets at fair value through profit or loss	**1,051**	1,058
	72,350	66,251
Components of Managed funds, outside Hong Kong are as follows:		
Listed debt securities	**44,040**	42,803
Cash and cash equivalents	**546**	970
	44,586	43,773

12 Cash and cash equivalents

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Cash at bank and in hand	**10,029**	10,889
Short term bank deposits	**103,455**	53,262
	113,484	64,151

13 Trade and other receivables

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Trade receivables	**26,697**	20,178
Other receivables and prepayments	**27,148**	24,010
	53,845	44,188

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.

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

Less than 31 days	**13,362**	12,024
Within 31 to 60 days	**2,929**	2,533
Within 61 to 90 days	**1,334**	980
Over 90 days	**9,072**	4,641
	26,697	20,178

14 Trade and other payables

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Trade payables	**26,554**	21,023
Other payables and accruals	**45,617**	41,652
Provisions	**1,722**	1,351
Interest free loans from minority shareholders	**2,431**	2,318
Fair value hedges		
Interest rate swaps	**9**	61
Cash flow hedges		
Cross currency interest rate swaps	**550**	–
Forward foreign exchange contracts	**202**	82
	77,085	66,487

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

Less than 31 days	**14,226**	12,557
Within 31 to 60 days	**4,062**	3,980
Within 61 to 90 days	**1,982**	1,966
Over 90 days	**6,284**	2,520
	26,554	21,023

15 Bank and other debts

The amount of bank and other debts scheduled for repayment by calendar year were as follows:

	Bank loans HK$ millions	Other loans HK$ millions	Notes and bonds HK$ millions	30 June 2007 Total HK$ millions
2007, remainder of year	**18,202**	**102**	**5,841**	**24,145**
2008	**25,002**	**945**	**7,697**	**33,644**
2009	**26,805**	**4,616**	**911**	**32,332**
2010	**21,813**	**235**	**12,424**	**34,472**
2011	**57,137**	**65**	**12,525**	**69,727**
2012 to 2016	**886**	**93**	**73,249**	**74,228**
2017 to 2026	**19**	**23**	**14,532**	**14,574**
2027 and thereafter	**–**	**20**	**18,394**	**18,414**
	149,864	**6,099**	**145,573**	**301,536**
Less: current portion	**(27,444)**	**(134)**	**(13,538)**	**(41,116)**
	122,420	**5,965**	**132,035**	**260,420**

	Bank loans HK$ millions	Other loans HK$ millions	Notes and bonds HK$ millions	31 December 2006 Total HK$ millions
2007	16,145	136	5,789	22,070
2008	19,464	885	7,244	27,593
2009	37,373	5,501	–	42,874
2010	27,448	1,769	11,276	40,493
2011	29,787	1,896	11,316	42,999
2012 to 2016	762	88	73,020	73,870
2017 to 2026	19	–	14,343	14,362
2027 and thereafter	–	19	18,760	18,779
	130,998	10,294	141,748	283,040
Less: current portion	(16,145)	(136)	(5,789)	(22,070)
	114,853	10,158	135,959	260,970

16 Other non-current liabilities

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
Fair value hedges		
Interest rate swaps	**4,589**	3,257
Cash flow hedges		
Cross currency interest rate swaps	**33**	200
Forward foreign exchange contracts	**203**	178
Obligations for telecommunications licences and other rights	**4,758**	2,118
Provisions	**761**	615
	10,344	6,368

17 Share capital

	30 June 2007 Number of shares	31 December 2006 Number of shares	**30 June 2007 HK$ millions**	31 December 2006 HK$ millions
Authorised:				
Ordinary shares of HK$0.25 each	**5,500,000,000**	5,500,000,000	**1,375**	1,375
7½% 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

18 Equity

	Share capital HK$ millions	Share 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
At 1 January 2007	1,066	28,359	21,801	3,807	218,761	273,794	16,771	290,565
Fair value changes in available -for-sale investments	–	–	–	4,953	–	4,953	230	5,183
Valuation released upon disposal of available-for-sale investments	–	–	–	(164)	–	(164)	2	(162)
Loss on cash flow hedges	–	–	–	(72)	19	(53)	(17)	(70)
Transfer to initial carrying amount of non-financial items on cash flow hedges	–	–	–	2	–	2	–	2
Exchange translation differences	–	–	4,963	–	–	4,963	339	5,302
Actuarial gains and losses of defined benefit plans	–	–	–	–	560	560	60	620
Deferred tax effect on actuarial gains and losses of defined benefit plans	–	–	–	–	(173)	(173)	(22)	(195)
Net income recognised directly in equity	–	–	4,963	4,719	406	10,088	592	10,680
Profit after tax	–	–	–	–	28,759	28,759	1,727	30,486
Total recognised income and expense	–	–	4,963	4,719	29,165	38,847	2,319	41,166
Dividends paid relating to 2006	–	–	–	–	(5,201)	(5,201)	–	(5,201)
Dividends paid to minority interests	–	–	–	–	–	–	(1,671)	(1,671)
Equity contribution from minority interests	–	–	–	–	–	–	6	6
Capitalisation of loan from minority interests	–	–	–	–	–	–	558	558
Share option scheme	–	–	–	36	–	36	2	38
Relating to subsidiary companies acquired	–	–	–	–	–	–	29,328	29,328
Relating to disposal of an associated company	–	–	(57)	80	–	23	5	28
At 30 June 2007	1,066	28,359	26,707	8,642	242,725	307,499	47,318	354,817

18 Equity (continued)

	Share capital HK$ millions	Share 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
At 1 January 2006	1,066	28,359	7,118	1,405	205,606	243,554	10,075	253,629
Fair value changes in available-for-sale investments	–	–	–	859	–	859	74	933
Fair value adjustment upon transfer from other properties to investment properties	–	–	–	3	–	3	1	4
Valuation released upon disposal of available-for-sale investments	–	–	–	(398)	–	(398)	–	(398)
Loss on cash flow hedges	–	–	–	(44)	–	(44)	(12)	(56)
Exchange translation differences	–	–	8,526	–	–	8,526	249	8,775
Actuarial gains and losses of defined benefit plans	–	–	–	–	147	147	18	165
Deferred tax effect on actuarial gains and losses of defined benefit plans	–	–	–	–	(38)	(38)	(6)	(44)
Net income recognised directly in equity	–	–	8,526	420	109	9,055	324	9,379
Profit after tax	–	–	–	–	18,800	18,800	946	19,746
Total recognised income and expense	–	–	8,526	420	18,909	27,855	1,270	29,125
Dividends paid relating to 2005	–	–	–	–	(5,201)	(5,201)	–	(5,201)
Dividends paid to minority interests	–	–	–	–	–	–	(1,778)	(1,778)
Equity contribution from minority interests	–	–	–	–	–	–	751	751
Capitalisation of loan from minority interests	–	–	–	–	–	–	693	693
Share option scheme	–	–	–	36	–	36	4	40
Share option lapsed	–	–	–	(5)	5	–	–	–
Relating to subsidiary companies acquired	–	–	–	–	–	–	(3)	(3)
Relating to partial disposal of subsidiary companies	–	–	(724)	(123)	(49)	(896)	3,507	2,611
At 30 June 2006	1,066	28,359	14,920	1,733	219,270	265,348	14,519	279,867

(a) Capital redemption reserve of HK$404 million was included in share premium in all reporting periods.

(b) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 30 June 2007, revaluation reserve surplus amounted to HK$8,576 million (1 January 2007 - HK$3,787 million and 30 June 2006 - HK$1,583 million), hedging reserve deficit amounted to HK$153 million (1 January 2007 - HK$163 million and 30 June 2006 - HK$84 million) and other capital reserves surplus amounted to HK$219 million (1 January 2007 - HK$183 million and 30 June 2006 - HK$234 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 cashflow hedges are included in the hedging reserve.

19 Notes to consolidated cash flow statement

(a) Reconciliation of profit after tax to cash generated from operating activities before interest and other finance costs, tax paid, **3** Group telecommunications expensed prepaid CACs and changes in working capital

	Six months ended 30 June	
	2007	2006
	HK$ millions	HK$ millions
Profit after tax	**30,486**	19,746
Adjustments for:		
Current tax charge	**792**	666
Deferred tax charge	**160**	602
Interest and other finance costs	**9,157**	7,553
Change in fair value of investment properties	**(929)**	(1,146)
Depreciation and amortisation	**18,537**	15,727
Non-cash items included in profit (loss) on disposal of investments and others	**890**	1,770
Share of associated companies' and jointly controlled entities'		
Minority interests	**371**	358
Current tax charge	**1,173**	1,654
Deferred tax charge (credit)	**1,371**	(215)
Interest and other finance costs	**1,894**	1,817
Change in fair value of investment properties	**–**	(775)
Depreciation and amortisation	**4,660**	4,589
EBITDA[a]	**68,562**	52,346
3 Group telecommunications expensed prepaid CACs	**2,673**	3,086
EBITDA before 3 Group telecommunications expensed prepaid CACs	**71,235**	55,432
Share of EBITDA of associated companies and jointly controlled entities	**(51,653)**	(14,215)
Profit on disposal of unlisted investments	**–**	(111)
Loss (profit) on disposal of fixed assets, leasehold land and investment properties	**24**	(764)
Dividends received from associated companies and jointly controlled entities	**20,192**	4,025
Distribution from property jointly controlled entities	**1,546**	2,180
Profit on disposal of subsidiary and associated companies and jointly controlled entities	**(152)**	(24,760)
Other non-cash items	**653**	131
	41,845	21,918

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.

19 Notes to consolidated cash flow statement (continued)

(b) Changes in working capital

	Six months ended 30 June 2007 HK$ millions	2006 HK$ millions
Decrease (increase) in inventories	**2,291**	(1,440)
Increase in debtors and prepayments	**(2,830)**	(4,354)
Increase in creditors	**211**	433
Other non-cash items	**(191)**	1,458
	(519)	(3,903)

(c) Purchase of subsidiary companies

	2007 Book Value HK$ millions	2007 Fair Value HK$ millions	2006 Fair Value HK$ millions
Aggregate net assets acquired at acquisition date:			
Fixed assets	**19,592**	**19,592**	328
Leasehold land	**6**	**6**	8
Telecommunications licences	**4,566**	**4,566**	–
Telecommunications postpaid CACs	**368**	**368**	–
Goodwill	**4,728**	**5,282**	–
Brand names and other rights	**4,659**	**4,659**	935
Associated companies	**2**	**2**	–
Liquid funds and other listed investments	**444**	**444**	38
Inventories	**453**	**453**	181
Cash and cash equivalents	**45,564**	**45,564**	77
Trade and other receivables	**5,899**	**5,899**	462
Bank and other debts	**(18,373)**	**(18,373)**	(436)
Pension obligations	**(22)**	**(22)**	–
Other non-current liabilities	**(3,084)**	**(3,084)**	–
Creditors and current tax liabilities	**(7,801)**	**(7,801)**	(506)
Deferred tax	**(612)**	**(612)**	(348)
Loans from minority shareholders	**(272)**	**(272)**	–
Minority interests	**(29,389)**	**(29,389)**	3
	26,728	**27,282**	742
Goodwill arising on acquisition		**67**	85
		27,349	827
Less: Cost of investments just prior to purchase		**(27,225)**	(20)
Excess of the Group's interest in the net fair value over acquisition cost		**–**	(7)
Discharged by cash payment		**124**	800
Net cash outflow (inflow) arising from acquisition:			
Cash payment		**124**	800
Deferred consideration paid		**–**	120
Total consideration		**124**	920
Cash and cash equivalents acquired		**(45,564)**	(77)
Total net cash consideration		**(45,440)**	843

19 Notes to consolidated cash flow statement (continued)

(c) Purchase of subsidiary companies (continued)

Included in the net assets and liabilities acquired during the period are acquisition of a further 0.25% shareholding in HTIL in June 2007 that resulted in HTIL ceasing to be an associated company and becoming a subsidiary company of the Group.

The goodwill can be attributable to the anticipated profitability of the acquired future operating synergies from the combination of the businesses.

The effect on the Group's results from the subsidiaries acquired is immaterial for the six months ended 30 June 2007 and 2006.

As at 23 August 2007, the initial accounting to determine the fair value of assets and liabilities acquired for the above acquisitions can only be determined provisionally due to the proximity of the acquisition dates to the date of approval of the interim accounts.

(d) Disposal of subsidiary companies

	Six months ended 30 June	
	2007	2006
	HK$ millions	HK$ millions
Aggregate net assets disposed at date of disposal (excluding cash and cash equivalents):		
Fixed assets	**16**	77
Leasehold land	**–**	10
Inventories	**44**	–
Trade and other receivables	**176**	32
Bank and other debts	**(60)**	–
Creditors and current tax liabilities	**(123)**	(72)
Other non-current liabilities	**(9)**	–
	44	47
Profit on disposal	**65**	67
	109	114
Satisfied by:		
Cash and cash equivalents received as consideration	**175**	118
Less: Cash and cash equivalents sold	**(66)**	(4)
Total net cash consideration	**109**	114

The effect on the Group's results from the disposal of subsidiary companies is not material for the six months ended 30 June 2007 and 2006.

(e) Partial disposal of subsidiary companies

Proceeds on partial disposal of subsidiary companies in 2006 mainly represented sales proceeds of US$4,388 million arising from the disposal of 20% equity interest in Hutchison Port Holdings and Hutchison Ports Investments.

20 Contingent liabilities

The holding company, Hutchison Whampoa Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities utilised by its associated companies and jointly controlled entities as follows:

	30 June 2007 HK$ millions	31 December 2006 HK$ millions
To associated companies		
Telecommunications businesses	**–**	8,141
To jointly controlled entities		
Property businesses	**3,095**	3,213
Other businesses	**1,182**	1,968
	4,277	5,181

At 30 June 2007 the Group had provided performance and other guarantees of HK$5,865 million (31 December 2006 - HK$5,681 million) primarily for telecommunications businesses.

21 Commitments

There have been no material changes in the total amount of capital commitments since 31 December 2006 except for the amounts taken up during the period in the normal course of business.

22 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 2006.

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 2007, included in associated companies and interests in joint ventures on the balance sheet is a total amount of HK$22,358 million (31 December 2006 - HK$21,674 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$3,619 million (31 December 2006 - HK$3,213 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 year other than the emoluments paid to them (being the key management personnel compensation).

23 Legal proceedings

As at 30 June 2007, 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.

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 2007, 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

The Stock Exchange of Hong Kong Limited	013

Financial Calendar

Closure of Register of Members	27 September 2007 – 4 October 2007
Payment of 2007 Interim Dividend	5 October 2007

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Investor Information

Corporate press releases, financial reports and other investor information on the Group are available online at the Company's website.

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