UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2001

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

HALF YEAR RESULTS

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

DIVIDEND

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

OPERATIONS

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

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

PORTS AND RELATED SERVICES

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

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

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

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

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

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

Telecommunications and e-commerce

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

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

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

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

Property and hotels

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

Retail and manufacturing

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

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

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

Infrastructure

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

ENERGY

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

OUTLOOK

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

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

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

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

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

Li Ka-shing
Chairman
Hong Kong, 23 August 2001