

The Directors have pleasure in presenting to shareholders their report together with the audited financial statements of the Company and of the Group for the year ended 31st December, 2004.

Principal Activities

The principal activities of the Company are investment holding and project management. Its subsidiaries are active in the field of property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

Results and Dividends

Results of the Group for the year ended 31st December, 2004 are set out in the consolidated profit and loss account on page 64.

The Directors recommend the payment of a final dividend of HK\$1.42 per share which, together with the interim dividend of HK\$0.38 per share paid on 15th October, 2004, makes a total dividend of HK\$1.80 per share for the year.

Fixed Assets

Movements in fixed assets during the year are set out in note (7) to the financial statements.

Reserves

Movements in reserves during the year are set out in note (18) to the financial statements.

Group Financial Summary

Results, assets and liabilities of the Group for the last ten years are summarised on page 2.

Properties

Particulars of major properties held by the Group are set out on pages 60 to 63.

Directors

The Directors of the Company are listed on page 108. The Directors' biographical information is set out on pages 20 to 23.

On 23rd September, 2004, Mr. Kwan Chiu Yin, Robert and Mr. Cheong Ying Chew, Henry were appointed as Independent Non-executive Directors of the Company, and Mr. Leung Siu Hon and Mr. Chow Kun Chee, Roland were re-designated as Non-executive Directors of the Company. On 29th October, 2004, Mr. Chow Nin Mow, Albert and Ms. Hung Siu-lin, Katherine were re-designated as Independent Non-executive Directors of the Company.

Mr. Kwan Chiu Yin, Robert and Mr. Cheong Ying Chew, Henry will hold office until the forthcoming annual general meeting and, being eligible, offer themselves for re-election in accordance with the Company's Articles of Association.

In accordance with the Company's Articles of Association, the Directors of the Company (including Non-executive Directors) shall be subject to retirement by rotation at each annual general meeting. Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, Ms. Pau Yee Wan, Ezra, Ms. Woo Chia Ching, Grace, Mr. Leung Siu Hon, Mr. Simon Murray and Mr. Chow Nin Mow, Albert will retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Disclosure of Interests

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

As at 31st December, 2004, the interests or short positions of the Directors and chief executives 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 SFO) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for securities transactions by the Directors adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

1. Long Positions in Shares

(a) The Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	–	–	–	857,794,744 (Note 2)	857,794,744	37.04%
Li Tzar Kuoi, Victor	Beneficial owner, interest of child or spouse, interest of controlled corporations & beneficiary of trusts	220,000	100,000	579,000 (Note 4)	857,794,744 (Note 2)	858,693,744	37.07%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	56,000	10,000	–	184,000 (Note 5)	250,000	0.01%
Kam Hing Lam	Beneficial owner	10,000	–	–	–	10,000	0.0004%
Leung Siu Hon	Beneficial owner & interest of child or spouse	635,500	64,500	–	–	700,000	0.03%
Chow Kun Chee, Roland	Beneficial owner	65,600	–	–	–	65,600	0.003%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	384,000	–	–	384,000	0.02%
Hung Siu-lin, Katherine	Beneficial owner	20,000	–	–	–	20,000	0.0009%

(b) Associated Corporations

Hutchison Whampoa Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	41,851,000 (Note 1)	2,141,698,773 (Note 3)	2,183,549,773	51.22%
Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	1,086,770 (Note 4)	2,141,698,773 (Note 3)	2,142,785,543	50.26%
George Colin Magnus	Beneficial owner, interest of child or spouse & founder & beneficiary of a discretionary trust	40,000	9,900	–	950,100 (Note 6)	1,000,000	0.02%
Kam Hing Lam	Beneficial owner	60,000	–	–	–	60,000	0.001%
Leung Siu Hon	Beneficial owner & interest of child or spouse	11,000	28,600	–	–	39,600	0.0009%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	2,510,875 (Note 12)	–	2,510,875	0.06%
Frank John Sixt	Beneficial owner	50,000	–	–	–	50,000	0.001%
Chow Kun Chee, Roland	Beneficial owner	49,931	–	–	–	49,931	0.001%
Yeh Yuan Chang, Anthony	Interest of child or spouse	–	100,000	–	–	100,000	0.002%
Simon Murray	Beneficiary of trust	–	–	–	87,000 (Note 13)	87,000	0.002%
Chow Nin Mow, Albert	Beneficial owner	97	–	–	–	97	≈ 0%
Hung Siu-lin, Katherine	Beneficial owner	34,000	–	–	–	34,000	0.0008%

Cheung Kong Infrastructure Holdings Limited

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Founder of discretionary trusts	–	–	–	1,912,109,945 (Note 7)	1,912,109,945	84.82%
Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	1,912,109,945 (Note 7)	1,912,109,945	84.82%
Kam Hing Lam	Beneficial owner	100,000	–	–	–	100,000	0.004%

CK Life Sciences Int'l., (Holdings) Inc.

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	1,880,005,715 (Note 1)	2,820,008,571 (Note 8)	4,700,014,286	73.35%
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	1,500,000	–	–	2,820,008,571 (Note 8)	2,821,508,571	44.04%
George Colin Magnus	Beneficial owner, interest of child or spouse & beneficiary of trust	502,240	400	–	7,360 (Note 5)	510,000	0.008%
Kam Hing Lam	Interest of child or spouse	–	4,150,000	–	–	4,150,000	0.06%
Chung Sun Keung, Davy	Beneficial owner	250,000	–	–	–	250,000	0.004%
Ip Tak Chuen, Edmond	Beneficial owner	1,500,000	–	–	–	1,500,000	0.02%
Pau Yee Wan, Ezra	Beneficial owner	600,000	–	–	–	600,000	0.009%
Woo Chia Ching, Grace	Beneficial owner	750,000	–	–	–	750,000	0.01%
Leung Siu Hon	Beneficial owner, interest of child or spouse & interest of controlled corporation	525,420	2,000	1,980 (Note 14)	–	529,400	0.008%
Fok Kin-ning, Canning	Interest of controlled corporation	–	–	1,000,000 (Note 12)	–	1,000,000	0.02%
Frank John Sixt	Beneficial owner	600,000	–	–	–	600,000	0.009%
Chow Kun Chee, Roland	Beneficial owner	602,624	–	–	–	602,624	0.009%
Kwok Tun-li, Stanley	Interest of child or spouse	–	200,000	–	–	200,000	0.003%
Yeh Yuan Chang, Anthony	Beneficial owner	500,000	–	–	–	500,000	0.008%
Hung Siu-lin, Katherine	Beneficial owner	6,000	–	–	–	6,000	≈ 0%
Kwan Chiu Yin, Robert	Interest of controlled corporation	–	–	500,000 (Note 15)	–	500,000	0.008%

Other Associated Corporations

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Beautiland Company Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	100,000,000 (Note 16)	100,000,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	100,000,000 (Note 16)	100,000,000	100%
Jabrin Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	9,000 (Note 16)	9,000	90%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	9,000 (Note 16)	9,000	90%
Kobert Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	4,900 (Note 16)	4,900	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	4,900 (Note 16)	4,900	100%
Tsing-Yi Realty, Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	3,150,000 (Note 16)	3,150,000	100%
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	3,150,000 (Note 16)	3,150,000	100%
Tosbo Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	4 (Note 1)	6 (Note 17)	10	100%
Hutchison Telecommunications International Limited	Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts	–	–	245,546 (Note 1)	3,185,589,325 (Note 9)	3,185,834,871	70.80%
	Li Tzar Kuoi, Victor	Interest of controlled corporations & beneficiary of trusts	–	–	14,489 (Note 4)	3,185,589,325 (Note 9)	3,185,603,814	70.79%
	George Colin Magnus	Beneficial owner & interest of child or spouse	13,201	132	–	–	13,333	0.0003%
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	250,000 (Note 12)	–	250,000	0.006%
Hutchison Harbour Ring Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	5,000,000 (Note 12)	–	5,000,000	0.07%

Name of Company	Name of Director	Capacity	Number of Ordinary Shares				Approximate % of Shareholding	
			Personal Interest	Family Interest	Corporate Interest	Other Interest		
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	100,000	–	1,000,000 (Note 12)	–	1,100,000	0.16%
Hutchison Global Communications Holdings Limited	Li Ka-shing	Interest of controlled corporation & founder of discretionary trusts	–	–	286,312,000 (Note 1)	3,875,632,628 (Note 10)	4,161,944,628	60.28%
	Li Tzar Kuoi, Victor	Interest of controlled corporation & beneficiary of trust	–	–	26,300,000 (Note 4)	3,875,632,628 (Note 10)	3,901,932,628	56.52%
	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	10,000,000 (Note 12)	–	10,000,000	0.14%

2. Long Positions in Underlying Shares

Name of Company	Name of Director	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Company	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	292,291 underlying shares under US\$2,000,000 Notes due 2007 issued by BNP Paribas (Note 12)	–	292,291 underlying shares under US\$2,000,000 Notes due 2007 issued by BNP Paribas
Hutchison Whampoa Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	757,939 underlying shares under US\$5,000,000 Notes due 2005 issued by BNP Paribas (Note 12)	–	757,939 underlying shares under US\$5,000,000 Notes due 2005 issued by BNP Paribas
Cheung Kong Infrastructure Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	2 underlying shares by virtue of the HK\$300,000,000 Capital Guaranteed Notes due 2009 issued by Cheung Kong Bond Finance Limited (Note 11)	2 underlying shares by virtue of the HK\$300,000,000 Capital Guaranteed Notes due 2009 issued by Cheung Kong Bond Finance Limited
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	2 underlying shares by virtue of the HK\$300,000,000 Capital Guaranteed Notes due 2009 issued by Cheung Kong Bond Finance Limited (Note 11)	2 underlying shares by virtue of the HK\$300,000,000 Capital Guaranteed Notes due 2009 issued by Cheung Kong Bond Finance Limited

Name of Company	Name of Director	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Hutchison Telecommunications International Limited	Frank John Sixt	Beneficial owner	255,000 underlying shares by virtue of 17,000 American Depository Shares	–	–	–	255,000 underlying shares by virtue of 17,000 American Depository Shares
Hutchison Telecommunications (Australia) Limited	Fok Kin-ning, Canning	Beneficial owner & interest of controlled corporation	134,000 underlying shares under 134,000 5.5% Unsecured Convertible Notes due 2007	–	1,340,001 underlying shares under 1,340,001 5.5% Unsecured Convertible Notes due 2007 (Note 12)	–	1,474,001 underlying shares under 1,474,001 5.5% Unsecured Convertible Notes due 2007
Hutchison Global Communications Holdings Limited	Li Ka-shing	Founder of discretionary trusts	–	–	–	3,333,333,333 underlying shares under HK\$3,200,000,000 1% Unsecured Convertible Notes due 2009 (Note 10)	3,333,333,333 underlying shares under HK\$3,200,000,000 1% Unsecured Convertible Notes due 2009
			–	–	–	1,041,666,666 underlying shares under Facility Convertible Notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000 (Note 10)	1,041,666,666 underlying shares under Facility Convertible Notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000
	Li Tzar Kuoi, Victor	Beneficiary of trusts	–	–	–	3,333,333,333 underlying shares under HK\$3,200,000,000 1% Unsecured Convertible Notes due 2009 (Note 10)	3,333,333,333 underlying shares under HK\$3,200,000,000 1% Unsecured Convertible Notes due 2009
			–	–	–	1,041,666,666 underlying shares under Facility Convertible Notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000 (Note 10)	1,041,666,666 underlying shares under Facility Convertible Notes to be issued pursuant to the terms of an unsecured loan facility of HK\$1,000,000,000

3. Long Positions in Debentures

Name of Company	Name of Director	Capacity	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Hutchison Whampoa International (01/11) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$2,000,000 7% Notes due 2011 (Note 4)	–	US\$2,000,000 7% Notes due 2011
Hutchison Whampoa International (03/13) Limited	Li Tzar Kuoi, Victor	Interest of controlled corporation	–	–	US\$11,000,000 6.5% Notes due 2013 (Note 4)	–	US\$11,000,000 6.5% Notes due 2013
Hutchison Whampoa Finance (03/13) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	Euro20,900,000 5.875% Notes due 2013 (Note 12)	–	Euro20,900,000 5.875% Notes due 2013
Hutchison Whampoa International (03/33) Limited	Fok Kin-ning, Canning	Interest of controlled corporation	–	–	US\$6,500,000 6.25% Notes due 2014 (Note 12)	–	US\$6,500,000 6.25% Notes due 2014

Notes:

- (1) Such interests are held by certain companies of which Mr. Li Ka-shing is interested in the entire issued share capital.
- (2) The two references to 857,794,744 shares relate to the same block of shares in the Company. 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 companies controlled by TUT1 as trustee of UT1 (“TUT1 related companies”) hold a total of such 857,794,744 shares.

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 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 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 the Company held by TUT1 as trustee of UT1 and TUT1 related companies 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 Unity Holdco and is a discretionary beneficiary of each of DT1 and DT2, he is not a Director of the Company and has no duty of disclosure in relation to the shares of the Company held by TUT1 as trustee of UT1 and TUT1 related companies under the SFO.

- (3) The two references to 2,141,698,773 shares in Hutchison Whampoa Limited (“HWL”) relate to the same block of shares comprising:
- (a) 2,130,202,773 shares held by certain subsidiaries of the Company. By virtue of the interests in shares of the Company in relation to which each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (2) above and as a Director of the Company, they are taken to have a duty of disclosure in relation to the said shares of HWL under the SFO; and
 - (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 HWL 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 HWL 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 HWL 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 HWL held by TUT3 as trustee of UT3 under the SFO.
- (4) Such interests are held by certain companies of which Mr. Li Tzar Kuoi, Victor is interested in the entire issued share capital.
 - (5) Such interests in the shares are held by a company controlled by a trust under which Mr. George Colin Magnus is a discretionary beneficiary.
 - (6) Such interests are indirectly held by a trust of which Mr. George Colin Magnus is the settlor and a discretionary beneficiary.
 - (7) The two references to 1,912,109,945 shares in Cheung Kong Infrastructure Holdings Limited (“CKI”) relate to the same block of shares comprising:
 - (a) 1,906,681,945 shares held by a subsidiary of HWL. Certain subsidiaries of the Company hold more than one-third of the issued share capital of HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares of CKI held by the subsidiary of HWL under the SFO; and
 - (b) 5,428,000 shares held by TUT1 as trustee of UT1. By virtue of the deemed interests in TUT1 as trustee of UT1 as described in Note (2) above, each of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor is taken to have a duty of disclosure in relation to such shares of CKI under the SFO.
 - (8) The two references to 2,820,008,571 shares in CK Life Sciences Int’l., (Holdings) Inc. (“CKLS”) relate to the same block of shares which are held by a subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, are taken to have a duty of disclosure in relation to such shares of CKLS held by the subsidiary of the Company by virtue of their deemed interests in the shares of the Company as described in Note (2) above under the SFO.
 - (9) Such shares of Hutchison Telecommunications International Limited (“HTIL”) comprise:-
 - (a) 3,185,436,045 shares held by certain subsidiaries of the Company and HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and HWL as described in Notes (2) and (3) above, are taken to have a duty of disclosure in relation to the said shares of HTIL under the SFO; and
 - (b) 153,280 shares held by TUT3 as trustee of UT3. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of the deemed interests in TUT3 as trustee of UT3 as described in Note (3) above, are taken to have a duty of disclosure in relation to such shares of HTIL under the SFO.

- (10) 3,875,632,628 shares of Hutchison Global Communications Holdings Limited ("HGCH") are held by a wholly owned subsidiary of the Company and a subsidiary which is owned as to 70.16% by HWL while the interests in 3,333,333,333 underlying shares and 1,041,666,666 underlying shares are held by certain subsidiaries which are owned as to 70.16% by HWL. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and HWL as described in Notes (2) and (3) above, are taken to have a duty of disclosure in relation to the said shares and underlying shares of HGCH under the SFO.
- (11) The 2 underlying shares of CKI are held by an indirect wholly owned subsidiary of the Company. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company as described in Note (2) above, are taken to have a duty of disclosure in relation to such underlying shares of CKI under the SFO.
- (12) Such interests are held by a company which is equally owned by Mr. Fok Kin-ning, Canning and his wife.
- (13) Such interests are held by an offshore family trust fund under which Mr. Simon Murray is a discretionary beneficiary.
- (14) Such interests are held by a company which is wholly owned by Mr. Leung Siu Hon and his wife.
- (15) Such interests are held by a company wholly owned by Mr. Kwan Chiu Yin, Robert.
- (16) These are subsidiaries of the Company and such shares are held through the Company and TUT1 as trustee of UT1. Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, as Directors of the Company, by virtue of their deemed interests in the shares of the Company and TUT1 as trustee of UT1 as described in Note (2) above, are taken to have a duty of disclosure in relation to such shares under the SFO.
- (17) These shares are held by a subsidiary of the Company. By virtue of the deemed interests in the shares of the Company as described in Note (2) above and as a Director of the Company, Mr. Li Ka-shing is taken to have a duty of disclosure in relation to such shares under the SFO.

As at 31st December, 2004, by virtue of their deemed interests in the shares of the Company as described in Note (2) above and as Directors of the Company, Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor, are deemed to be interested in the securities of the subsidiaries and associated companies of the Company held through the Company under the provisions of the SFO.

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

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31st December, 2004, any interests or short positions 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 would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the year was the Company or subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

No other contracts of significance to which the Company or a subsidiary was a party and in which a Director has a material interest subsisted at the balance sheet date or at any time during the year.

None of the Directors has any service contract with the Company or any of its subsidiaries.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31st December, 2004, shareholders (other than Directors or chief executives of the Company) who 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 had otherwise notified to the Company were as follows:

1. Long Positions of Substantial Shareholders in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of trust	857,794,744 (Note)	37.04%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of trust	857,794,744 (Note)	37.04%

2. Long Positions of Other Persons in the Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Templeton Global Advisors Ltd.	Investment manager	148,312,838	6.40%

Note: The three references to 857,794,744 shares relate to the same block of shares in the Company. Each of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of another discretionary trust is taken to have a duty of disclosure in relation to the said shares of the Company as described in Note (2) under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the SFO.

Save as disclosed above, as at 31st December, 2004, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who 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.

Connected Transactions

1. On 3rd November, 2004, the Group entered into a subscription agreement (“Subscription Agreement”) with Master Rank Investments Limited (“Master Rank”), a wholly owned subsidiary of Nan Fung Development Limited (“Nan Fung”) pursuant to which Master Rank agreed to subscribe for one share for cash at the par value of US\$1.00 representing 10% interest in the entire issued share capital of Trudeau Holdings Limited (“Trudeau Holdings”), an indirect wholly owned subsidiary of the Group which, through its wholly owned subsidiary, entered into the land grant with the Government to acquire Kowloon Inland Lot No. 11124, Sheung Shing Street, Homantin, Kowloon for a land premium of HK\$9,420 million. Master Rank is a connected person of the Company within the meaning of the Listing Rules by virtue of being a wholly owned subsidiary of Nan Fung, which in turn is a substantial shareholder of a subsidiary of the Company. The entering into the Subscription Agreement constituted a connected transaction for the Company under the Listing Rules.
2. The Group had entered into the following joint venture arrangements (“JV Arrangements”) with HWL and/or its subsidiaries (“HWL Group”) and established joint venture companies in which each of the Group and the HWL Group has 50% equity interests. The Stock Exchange ruled that the total capital commitment of each of the Company and HWL in connection with the JV Arrangements be equal to 50% of the consideration paid by and/or the proposed total investment of the relevant joint venture company for the purpose of Rule 14A.15(2) of the Listing Rules. HWL is a substantial shareholder of certain subsidiaries of the Company and hence a connected person of the Company within the meaning of the Listing Rules. Such JV Arrangements constituted connected transactions for the Company under the Listing Rules.

Date	Joint Venture Company	Details of JV Arrangements
In November 2004	Hutchison Whampoa Properties (Chengdu) Limited (“HWPC”)	Establishment of HWPC for the purpose of owning and development of a piece of land in New South District Chengdu, the Mainland (“Chengdu Land”). To fund the payment of land cost, construction costs and other project costs for the development of the Chengdu Land, the total investment and the registered capital of HWPC would be increased from US\$6 million to RMB3,000 million and from US\$3 million to RMB1,050 million respectively in stages over the period ending May 2005. Any contribution to increase the registered capital of, and any shareholders’ loans to, HWPC would be done equally by the Group and the HWL Group in proportion to their respective equity interests in HWPC.
4th December, 2004	Swingfield Developments Limited (“Swingfield”)	Establishment of Swingfield for the purpose of effecting the acquisition of the entire issued share capital of, and the benefits of the debts owed by, The Kowloon Hotel Limited (which in turn is the registered owner of Kowloon Inland Lot No. 10737 together with the buildings and structures erected thereon and known as The Kowloon Hotel) at the consideration of HK\$1,930 million (subject to adjustment). The consideration paid by Swingfield was funded by the Group and the HWL Group on a pro-rata basis in proportion to their 50:50 interest in Swingfield.

Date	Joint Venture Company	Details of JV Arrangements
16th December, 2004	Hutchison Whampoa Properties (Xi An) Limited ("HWPXA")	Establishment of HWPXA for the purpose of effecting the acquisition and development of 6 pieces of land in Xi An, the Mainland ("Xi An Land"). To fund the payment of land cost, construction costs and other project costs for the development of the Xi An Land, the total investment and the registered capital of HWPXA would be increased to US\$218.57 million and US\$76.5 million respectively in stages over the period ended February 2005. Any contribution to the registered capital of, and any shareholders' loans to, HWPXA would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPXA.
22nd December, 2004	New joint venture company in Shenzhen ("JVCo")	Establishment of JVCo for the purpose of owning and development of a piece of land in Shenzhen, the Mainland ("Shenzhen Land"). To fund the payment of land cost, construction costs and other project costs for the development of the Shenzhen Land, the total investment and the registered capital of JVCo were proposed to be RMB695 million and RMB232 million respectively. Any contribution to the registered capital of, and any shareholders' loans to, JVCo would be made equally by the Group and the HWL Group in proportion to their respective equity interests in JVCo.
4th February, 2005	Gislingham Limited ("Gislingham")	Establishment of Gislingham for the purpose of owning and development of Lot No. 86A and Lot No. 86B in Maqiao, Minhang District, Shanghai, the Mainland ("Maqiao Land"), through the acquisition of the entire equity interest in, and the shareholders' loans to, Shanghai Qi-long Property Company Limited ("Shanghai Qi-long") at a total consideration of RMB262.28 million. Shanghai Qi-long had acquired and proposed to acquire the land use rights in respect of the Maqiao Land. To fund the payment of land cost, construction costs and other project costs for the development of Maqiao Land, Shanghai Qi-long would have a total investment of US\$82.8 million and its registered capital would be increased to US\$27.6 million. The acquisition cost for the equity interest in, and shareholders' loans to, Shanghai Qi-long, and any contribution to the registered capital of, and any shareholders' loans to, Shanghai Qi-long would be made equally by the Group and the HWL Group in proportion to their respective equity interests in Gislingham.
5th March, 2005	Hutchison Whampoa Properties (Chengdu) Wenjiang Limited ("HWPCW")	Establishment of HWPCW for the purpose of effecting the acquisition and development of a piece of land in Wenjiang District, Chengdu, the Mainland ("Wenjiang Land"). To fund the payment of land cost, construction costs and other project costs for the development of the Wenjiang Land, the total investment and the registered capital of HWPCW were proposed to be RMB570 million and RMB200 million respectively. Any contribution to the registered capital of, and any shareholders' loans to, HWPCW would be made equally by the Group and the HWL Group in proportion to their respective equity interests in HWPCW.

3. The Group had provided guarantees ("Guarantees") or financial assistance ("Financial Assistance") for companies in respect of which both the Group and the HWL Group or other joint venture partner(s) have interests. The Guarantees or Financial Assistance were provided by the Group and the HWL Group or other joint venture partner(s) (as the case may be) on a several basis and pro-rated to their respective interests in the relevant company. HWL is a substantial shareholder of certain subsidiaries of the Company and hence a connected person of the Company within the meaning of the Listing Rules. Such Guarantees or Financial Assistance constituted connected transactions for the Company under the Listing Rules.

Date	Joint Venture Company	Guarantees or Financial Assistance provided by the Group
21st June, 2004	Hutchison Enterprises (Chongqing) Limited	50% of the obligations under 2 term loan facilities of US\$56 million in an aggregate principal amount made available by an independent financial institution.
21st June, 2004	Hutchison Whampoa Properties (Beijing Chaoyang) Limited	50% of the obligations under a credit facility of HK\$270 million in principal amount made available by an independent financial institution.
21st June, 2004	Hutchison Whampoa Properties (Guangzhou Liwan) Limited	50% of the obligations under a term loan facility of HK\$300 million in principal amount made available by an independent financial institution.
21st June, 2004	Shanghai Westgate Mall Co., Ltd.	50% of the obligations under a term loan facility of US\$56 million in principal amount made available by an independent financial institution.
21st June, 2004	Hutchison Whampoa Properties (Chongqing Nanan) Limited	50% of the obligations under a term loan facility of HK\$430 million in principal amount made available by an independent financial institution.
21st June, 2004	Hutchison Whampoa Properties (Shanghai) Gubei Limited	50% of the obligations under a revolving loan facility of HK\$100 million in principal amount made available by an independent financial institution.
30th December, 2004	Hutchison Whampoa Properties (Shanghai) Gubei Limited	50% of the obligations under a revolving loan facility of HK\$250 million in principal amount made available by an independent financial institution.
30th December, 2004	Shenzhen Hutchison Whampoa CATIC Properties Limited	50% of the obligations under a term loan facility of HK\$500 million in principal amount made available by an independent financial institution.
30th December, 2004	Hutchison Whampoa Properties (Shanghai) Limited	50% of the obligations under a term loan facility of HK\$200 million in principal amount made available by an independent financial institution.
30th December, 2004	Hutchison Whampoa Properties (Shanghai) Limited	50% of the obligations under a term loan facility of HK\$290 million in principal amount made available by an independent financial institution.
18th March, 2005	Clevinger International Limited ("Clevinger")	50% of the obligations under the proposed acquisition at a consideration of HK\$880 million (subject to adjustment) by Clevinger of the entire issued share capital of and the benefit of the debt owed by Harvest Country Limited, and various pieces of land in Hung Shui Kiu, Yuen Long owned by its subsidiary, including the contribution to the consideration on an unsecured basis and on normal commercial terms in proportion to the 50% equity interest in Clevinger.

Major Customers and Suppliers

During the year, 92% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 87% of the Group's purchases. The Group's turnover attributable to the Group's five largest customers was less than 30%.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers.

Directors' Interests in Competing Businesses

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

1. Core Business Activities of the Group

- (1) Property development and investment.
- (2) Hotel and serviced suite operation.
- (3) Property and project management.
- (4) Investment in securities.
- (5) Information technology, e-commerce and new technology.

2. Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Li Ka-shing	Hutchison Whampoa Limited	Chairman	(1), (2), (3), (4) & (5)
Li Tzar Kuoi, Victor	Hutchison Whampoa Limited	Deputy Chairman	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Chairman	
	Hongkong Electric Holdings Limited	Executive Director	
George Colin Magnus	CK Life Sciences Int'l., (Holdings) Inc.	Chairman	(4) & (5)
	Hutchison Whampoa Limited	Executive Director	
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	
Kam Hing Lam	Hongkong Electric Holdings Limited	Chairman	(4) & (5)
	Hutchison Whampoa Limited	Executive Director	
	Cheung Kong Infrastructure Holdings Limited	Group Managing Director	
Ip Tak Chuen, Edmond	Hongkong Electric Holdings Limited	Executive Director	(4) & (5)
	CK Life Sciences Int'l., (Holdings) Inc.	President and Chief Executive Officer	
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	
Ip Tak Chuen, Edmond	CK Life Sciences Int'l., (Holdings) Inc.	Senior Vice President and Chief Investment Officer	(4) & (5)
	TOM Group Limited	Non-executive Director	
	ARA Asset Management (Singapore) Limited	Director	(4) & (5)
	ARA Trust Management (Suntec) Limited	Director	(3)
	CATIC International Holdings Limited	Non-executive Director	(1) & (4)
	Excel Technology International Holdings Limited	Non-executive Director	(4) & (5)
	Hanny Holdings Limited	Non-executive Director	(4) & (5)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(1) & (4)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note)
Chiu Kwok Hung, Justin	ARA Asset Management (Singapore) Limited	Chairman	(3)
	ARA Trust Management (Suntec) Limited	Chairman	(3)
	Al Islami Far Eastern Real Estate Fund Limited	Chairman	(3) & (4)
Fok Kin-ning, Canning	Hutchison Whampoa Limited	Group Managing Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Deputy Chairman	(4) & (5)
	Hongkong Electric Holdings Limited	Deputy Chairman	(4) & (5)
	Hutchison Telecommunications International Limited	Chairman	(5)
	Hutchison Harbour Ring Limited	Chairman	(1) & (5)
	Hutchison Global Communications Holdings Limited	Chairman	(5)
	Hanny Holdings Limited	Non-executive Director	(4) & (5)
Frank John Sixt	Hutchison Whampoa Limited	Group Finance Director	(1), (2), (3), (4) & (5)
	Cheung Kong Infrastructure Holdings Limited	Executive Director	(4) & (5)
	Hongkong Electric Holdings Limited	Executive Director	(4) & (5)
	TOM Group Limited	Chairman	(4) & (5)
	TOM Online Inc.	Chairman	(5)
	Hutchison Telecommunications International Limited	Non-executive Director	(5)
Chow Nin Mow, Albert	Wah Yip (Holdings) Limited	Chairman, Managing Director and Substantial Shareholder	(1) & (3)
Hung Siu-lin, Katherine	The Hong Kong Housing Society	Supervisory Board Member	(1) & (3)
	Hong Kong Young Women's Christian Association	Hotel Management Committee Member	(1), (2) & (3)
	The Scout Association of Hong Kong	Hotel Management Committee Member	(1), (2) & (3)

Note: Such businesses may be made through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

Community Relations

During the year, the Group supported a wide variety of charities and activities beneficial to the community. Donations made by the Group during the year amounted to approximately HK\$7,500,000.

Rule 13.22 of the Listing Rules

As at 31st December, 2004, the aggregate amount of the financial assistance provided by the Group to its associated companies and jointly controlled entities (collectively the "Affiliated Companies" within the meaning under Chapter 13 of the Listing Rules) and the guarantees given by the Group for facilities granted to the Affiliated Companies exceeded the relevant percentage ratios of 8% under the Listing Rules. In accordance with the requirements under Rule 13.22 of the Listing Rules, the Company made an application to and received a waiver from the Stock Exchange to provide the following statement as an alternative.

As at 31st December, 2004, the indebtedness (including amounts owing to the Group), contingent liabilities and capital commitments of the Affiliated Companies, to which the provision of financial assistance and/or guarantees by the Group are subject to disclosure under Rule 13.16, were HK\$60,023 million, HK\$13,403 million and HK\$5,090 million respectively.

Auditors

The financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who retire and offer themselves for re-appointment.

On behalf of the Board

Li Ka-shing

Chairman

Hong Kong, 31st March, 2005