(Incorporated in Hong Kong with limited liability)
(Stock Code: 013)

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

HIGHLIGHTS

	2007	2006	Changes
	HK$ millions	HK$ millions	
Total revenue	**141,523**	124,448	+14%
EBIT from established businesses	**20,869**	18,889	+10%
LBIT of the **3** Group	**(11,324)**	(11,990)	+6%
Consolidated Group EBIT	**45,404**	32,181	+41%
Profit attributable to shareholders	**28,759**	18,800	+53%
Earnings per share	**HK$6.75**	HK$4.41	+53%
Interim dividend per share	**HK$0.51**	HK$0.51	-

- 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%

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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.

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

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.

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 and Investments

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 12-month trailing 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

Hutchison Whampoa Limited
Condensed Consolidated Profit and Loss Account
for the six months ended 30 June 2007

	Note	Unaudited **2007** **HK$ millions**	2006 HK$ millions
Company and subsidiary companies:			
Revenue	3	**98,345**	85,042
Cost of inventories sold		**(34,297)**	(30,996)
Staff costs		**(13,570)**	(12,100)
3 Group telecommunications expensed prepaid customer acquisition costs		**(2,673)**	(3,086)
Depreciation and amortisation	3	**(18,537)**	(15,727)
Other operating expenses		**(30,896)**	(25,860)
Change in fair value of investment properties		**929**	1,146
Profit (loss) on disposal of investments and others	4	**(890)**	23,361
Share of profits less losses after tax of:			
Associated companies before profit on disposal of investments		**4,694**	5,444
Jointly controlled entities		**1,670**	1,343
Associated company's profit on disposal of an investment	4	**35,820**	-
	3	**40,595**	28,567
Interest and other finance costs	5	**(9,157)**	(7,553)
Profit before tax		**31,438**	21,014
Current tax charge	6	**(792)**	(666)
Deferred tax charge	6	**(160)**	(602)
Profit after tax		**30,486**	19,746
Allocated as : Profit attributable to minority interests		**(1,727)**	(946)
Profit attributable to shareholders of the Company	7	**28,759**	18,800
Interim dividend		**2,174**	2,174
Earnings per share for profit attributable to shareholders of the Company	8	**HK$ 6.75**	HK$ 4.41
Interim dividend per share		**HK$ 0.51**	HK$ 0.51

Hutchison Whampoa Limited
Condensed Consolidated Balance Sheet
at 30 June 2007

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

Notes

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).

3 **Segment information (continued)**

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	

	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[(e)]	**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**

	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

3 **Segment information (continued)**

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%

	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	

3 Segment information (continued)

Geographical segment (continued)

	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**

	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 issued 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).

(e) CACs represents customer acquisition costs and contract customer retention costs.

4 Profit (loss) on disposal of investments and others

	Six months ended 30 June	
	2007	2006
	HK$ millions	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

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 Profit attributable to shareholders of the Company

Included in profit attributable to shareholders is a surplus of HK$164 million (30 June 2006 - HK$398 million) transferred from revaluation reserves upon disposal of the relevant investments.

8 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.

9 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

10 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

11 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

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 pound, 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company strives to attain the highest standards of corporate governance. Throughout the six months ended 30 June 2007, 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").

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 of the Company have confirmed that throughout the six months ended 30 June 2007, they have complied with the provisions of such Model Code.

REVIEW OF ACCOUNTS

The unaudited condensed consolidated financial statements of the Company and its subsidiary companies for the six months ended 30 June 2007 have been reviewed by the Audit Committee of the Company, and the Company's auditors, PricewaterhouseCoopers, 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. The auditors' independent review report will be included in the Interim Report to shareholders.

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.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr. LI Ka-shing (*Chairman*)
Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*)
Mr. FOK Kin-ning, Canning
Mrs. CHOW WOO Mo Fong, Susan
Mr. Frank John SIXT
Mr. LAI Kai Ming, Dominic
Mr. KAM Hing Lam

Non-executive Directors:
Mr. George Colin MAGNUS
Mr. William SHURNIAK

Independent Non-executive Directors:
The Hon. Sir Michael David KADOORIE
Mr. Holger KLUGE
Mr. William Elkin MOCATTA
(*Alternate to The Hon. Sir Michael David Kadoorie*)
Mr. OR Ching Fai, Raymond
Mr. WONG Chung Hin