HUTCHISON WHAMPOA LIMITED

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

- **Profit of HK$34,118 million**
- **Final dividend per share of HK$1.22 making a total dividend of HK$1.73 per share for the year**
- **70% of net profit was generated outside of Hong Kong**
- **Geographic spread of investments now reaches 28 countries**
- **Start-up operations in 3G telecommunication projects overseas**
- **Cash and marketable securities exceed total debt**
- **Prudent overseas expansion strategy while maintaining stability**

Chairman's Statement

The Group's audited consolidated net profit for the year ended 31 December 2000 was HK$34,118 million, 71% less than the record high profit of HK$117,345 million in 1999 which included the profit on the disposal of the Group's 49.01% interest in Orange plc. Earnings per share were HK$8.00 compared to HK$27.52 in 1999 after adjusting for the share bonus issue last year. The results include profit on disposal of investments less provisions of HK$25,742 million (1999 – HK$109,532 million) which is comprised of the following items; (i) a HK$50,000 million profit from the exchange of a 10.2% interest in Mannesmann for an approximate 5% interest in Vodafone Group; (ii) a HK$1,600 million profit from the subsequent disposal for cash of an approximate 1.5% interest in Vodafone Group; (iii) a HK$1,720 million profit on the sale of a 50% interest in the Hong Kong fixed-line telecommunications business to Global Crossing; (iv) a HK$2,200 million profit on the sale of a 19% interest in the Hong Kong mobile operation to NTT DoCoMo; (v) a HK$4,222 million profit arising on the merger of Husky Oil with Renaissance Energy; and (vi) a HK$34,000 million provision for the potential effect of share price and exchange rate fluctuations on the Group's overseas investments. Excluding these profits on disposal of investments less provisions, the Group's results increased 7% over the previous year's comparable results.

Your Directors will recommend a final dividend of HK$1.22 at the forthcoming Annual General Meeting. This, together with the interim dividend of HK$0.51 paid on 17 October 2000 gives a total dividend of HK$1.73 per share which represents a 16.7% increase to the HK$1.482 dividend paid in respect of 1999 after adjusting for the share bonus issue last year.

OVERALL REVIEW

The Group recorded a 19% increase in its earnings before interest expense and tax ("EBIT") from its core businesses in 2000 reflecting the continued recovery of the Hong Kong and Asian economies and the earnings on the Group's increased cash reserves generated over the past two years mainly from the disposal of the Group's second generation telecommunication assets in Europe. Overall the Group's five core businesses have performed well and the Group has continued to expand these businesses outside of its home base in Hong Kong. The overseas operations again performed exceptionally well accounting for 70% of the Group's net profit.

The Group's ports and related services division reported EBIT of HK$5,341 million, an 11% increase over the previous year and the combined throughput of its worldwide operations increased 40% to over 25 million TEUs. In Hong Kong, the Group's operations at Kwai Chung experienced combined throughput growth of 10%, reflecting an increase in trade volumes in the Asian region and globally. The Group's Mainland container terminal operations overall reported strong growth with combined throughput up 24% over 1999. Throughput at Shanghai Container Terminals grew by 14% and the Yantian facility reported another year of strong throughput growth of over 35% following the completion of this port's second phase expansion at the end of 1999. Combined throughput at Hutchison Delta Ports' six joint venture river and coastal ports in the Mainland was 44% better than the previous year. The Group's container terminals in the United Kingdom ("UK") reported combined throughput growth of 4%. Following the acquisition of an effective 31.5% interest in Europe Combined Terminals in Rotterdam in November 1999, the port has performed in line with expectations. In Indonesia, Jakarta International Container Terminal ("JICT") reported an annualised growth of 6% in throughput to over 1.5 million TEUs. The Group expanded its Asian port interests with the acquisition in July of a 47.9% interest in Koja Terminal which is adjacent to JICT, and in September and December with the acquisition of an aggregate 31.5% interest in Kelang Multi Terminal in Malaysia. Both of these new ports have good potential for capacity and earnings growth. Development work to expand the Balboa facility in Panama was completed in the fourth quarter and throughput for the year was 37% better than 1999. The Group's Grand Bahama container port throughput grew by 5%. The Ports group is continuing to expand its operations globally as opportunities arise.

The Group's telecommunications businesses reported EBIT totalling HK$476 million, 16% lower than the comparable 1999 EBIT of HK$563 million. These earnings do not include the profits on disposal of telecommunications investments mentioned earlier.

The Hong Kong mobile operations continued to report positive EBIT and increased its subscriber base during the year by 22%, despite severe competition. Hutchison Telephone maintained its position as the largest mobile operator in Hong Kong with currently over 1.7 million subscribers and an approximate 32% market share. The Group currently plans to apply for a third generation ("3G") mobile licence with a competitive bid when they are offered by the Hong Kong government later this year. Hutchison Global Crossing ("HGC") reported strong subscriber growth for its local voice and data line service. HGC has established a direct interconnection with China Telecom and expects to interconnect with China Unicom later this year, to provide direct fibre optic linkage with the Mainland. In January this year, HGC connected its Hong Kong fibre optic network with Asia Global Crossing's fibre optic submarine cable to directly link with Global Crossing's worldwide cable network which will provide HGC's customers with high speed connection to the world.

Overseas, Hutchison Telecommunications Australia ("HTA") successfully bid for 1800 MHz licences covering five major cities in Australia which will be used to provide 3G network services and in June, approximately A$700 million was raised through a rights issue to fund these licences. During the second half of the year, HTA launched its Orange One CDMA networks in the greater Sydney and Melbourne areas and the subscriber base currently totals more than 74,000. HTA's GSM cellular service provider business increased its subscriber base by 16% over the comparable period last year. In India, the Group made significant progress with three acquisitions of 49% shareholdings in GSM mobile operations in each of New Delhi, Calcutta and the state of Gujarat. As a result, the Group currently has an approximate 20% share of the Indian mobile market with a combined subscriber base of over 675,000 compared to 144,000 subscribers from its sole operation in Mumbai at the end of 1999. In October, the Group further expanded its presence in the Asian mobile market with the acquisition of a controlling interest in *i*-Mobile Holdings which has an effective 65% interest in Tawan Mobile Telecom Company, which provides CDMA services in Central Thailand under a 15-year concession. In Israel, Partner Communications continued its impressive growth profile, more than doubling its subscriber base to over 800,000 subscribers. In the United States of America, the shareholders of VoiceStream in a meeting held on March 13 this year, voted in favour of a proposed merger between VoiceStream and Deutsche Telekom which currently values the Group's effective 18.4% in VoiceStream at approximately HK$46,000 million compared to its cost of approximately HK$10,000 million. This cash and share exchange transaction is expected to be completed on or about May 31, subject to regulatory approvals. The profit on disposal will be recorded at that time calculated with reference to the then share price of Deutsche Telekom. The Group's international operations are continuing to explore other expansion opportunities in under-developed mobile telecommunications markets.

In Europe, the Group has successfully laid the foundations to be a competitive provider of 3G mobile services. Following the acquisition in April of a 3G licence in the UK with 35 MHz of spectrum, in September the Group forged a strategic alliance with NTT DoCoMo and KPN Mobile purchasing a 20% and 15% interest respectively in Hutchison 3G UK for a total consideration of £2,100 million. Hutchison 3G UK has quickly established an experienced management team, arranged stand-alone project financing to fund the development of the network and initial start-up losses and has commenced the network rollout to meet an initial launch target date in mid-2002. In Italy, the Group acquired one of five 3G licences with 35 MHz of spectrum in October for €3,254 million. The Group currently holds a 78.3% interest in this project and Tiscali, an existing strategic partner and a leading European Internet service provider, has an option to acquire up to 25.2% of the Group's interest in stages to December 2002. Good progress has been made to establish this network with a planned launch in mid-2002. In November, Hutchison 3G Austria, a wholly owned subsidiary, acquired one of six 3G licences with 25 MHz of spectrum for a fee of €139 million. In December, the Group's 60% owned subsidiary, Hi3G Access, acquired one of four 3G licences to operate a 3G network with 35 MHz of spectrum in Sweden. This licence was awarded after a government assessment of the merits of the applicants and no licence fee is payable. Third generation mobile services are planned to be launched in Austria and Sweden in 2002. These European 3G businesses have a footprint covering a large target market population with a competitively low cost structure which provides a solid base for development and the Group currently has no plans to pursue additional 3G investments in Europe.

During the year the Group continued to develop its e-commerce operations as extensions to its core businesses and alliances were also formed with strategic partners. During the year, the Group launched two new businesses in Hong Kong; an online office supplies and procurement operation, BigboXX.com, and an online securities joint venture, Hutchison CSFB*direct*. Following TOM.COM's listing on Hong Kong's Growth Enterprise Market in March, the company has been actively developing its online and offline businesses both through organic growth and by acquisition.

The property and hotels division's EBIT amounted to HK$1,536 million, 34% below the previous year mainly due to reduced development property activity after the completion of the Tierra Verde residential housing project in 1999. Gross rental income from the Group's investment properties, which are mainly in Hong Kong, increased by 4% over 1999 mainly due to a full year's contribution following the completion of the Cheung Kong Center office tower in 1999. Almost all residential units of the Peninsula Heights and Monte Vista developments have been sold and the related property development profits were recorded in the year. The Group is currently focusing on the development and sale of its existing portfolio of joint venture development properties, all of which are scheduled for completion over the next three years. The Group's portfolio of eight operating hotels generally reported improved occupancy compared to 1999 as the number of international travellers has steadily increased with the recovering economies in Asia.

The retail and manufacturing division reported EBIT of HK$665 million, which is, after adjusting for non-recurring profits in 1999, 358% ahead of last year mainly as a result of the improved performances of the Fortress and airport retail concessions in Hong Kong, the retail and manufacturing operations in the Mainland and expansion activity in South East Asia and Europe. In 1999 non-recurring profits were realised from the Group's Mainland joint ventures with Procter & Gamble and the sale of the division's ice cream businesses and therefore, including these items the division's EBIT decreased 49% in absolute terms. PARKnSHOP Hong Kong has successfully increased its leading market share and sales grew at an encouraging rate despite a price war during most of the year. PARKnSHOP in the Mainland also reported an improved performance, following a successful restructuring exercise in the first half of 2000 that significantly reduced reported losses. The Fortress consumer electronics chain in Hong Kong increased sales and reported strong earnings growth. Watson's The Chemist in Hong Kong and in Taiwan both reported sales growth but competitive pressure on margins in both businesses resulted in a decline in earnings. Overseas, Watson's The Chemist in South East Asia reported increased sales and earnings and is continuing to expand its network of retail outlets which now total over 160. In the UK, the Group acquired in September a discount health and beauty chain of over 170 stores and has embarked on an aggressive new store expansion plan to grow this business. The manufacturing division reported solid earnings growth from its water and beverage businesses in Hong Kong, the Mainland and the UK, and during the year, the Group further expanded the business with the acquisition of home and office water operations in Germany, Holland, Denmark and Portugal.

The energy, infrastructure, finance and investments division reported EBIT of HK$11,549 million, an increase of 55% compared to the previous year reflecting the strong performance of Husky Energy and the returns earned on the Group's substantial cash reserves, which together with the overseas listed share investments, currently totals over HK$200,000 million. Cheung Kong Infrastructure ("CKI") announced a profit attributable to shareholders of HK$3,228 million for the year ended 31 December 2000, an increase of 3%. In 2000 CKI, together with Hongkong Electric Holdings, completed two new investments in Australia with the joint acquisition of ETSA Utilities and Powercor. Hongkong Electric Holdings performed well in 2000 with a 4.7% increase in profit attributable to shareholder over 1999. The merger of Husky Oil and Renaissance Energy was completed in August to form Husky Energy Inc, which is listed on the Toronto Stock Exchange. The Group realised a profit on disposal of HK$4,222 million from this transaction which reduced its shareholding to 35.1%. The contribution from the Group's share of Husky Energy's EBIT was 196% greater than the previous year reflecting strong oil and gas prices and the contribution from Renaissance Energy's assets after the merger.

OUTLOOK

The year 2000 presented a very challenging economic environment with declining and volatile stock markets. The property development market in Hong Kong has been difficult but is expected to improve in 2001 as interest rates continue to decline. Starting from a lower base after the recent Asian economic turmoil, the economies of Hong Kong and South East Asia continued a steady recovery and all of the Group's core businesses reported solid operating results. The Group's overseas operations again performed very well in 2000 and the telecommunication businesses in particular contributed significant profits from value creation. The potential effect of a slowdown in the United States economic growth, the Group's start-up telecommunication operations and continuing competitive pressure in all of the Group's businesses will make 2001 another challenging year. The Group's geographically diversified five core businesses will provide a solid and steady earnings base to meet this challenge.

The Group continues to have a large pool of liquid assets, a solid long term debt capital structure, ready access to capital markets and strong recurring cash flows which provide a solid base for the Group to cautiously expand its core businesses as opportunities arise. Currently, total cash and marketable securities total over HK$200,000 million and far exceeds the Group's total debt. In light of the current economic conditions and investment climate, the Group currently plans to maintain a large pool of cash and other liquid assets which will provide low risk and substantial cash flow to the Group.

In recent years the Group has successfully expanded its core businesses overseas and both created and realised value from its international operations. Currently the Group has operations in 28 countries. The Peoples Republic of China is expected to enter the World Trade Organisation and it is anticipated that the Mainland market will be further liberalised. The National People's Congress has recently adopted the Tenth Five Year Plan to achieve an annual growth of 7%. These two milestones will provide Hong Kong and the world with significant business opportunities. Hong Kong will continue to provide a solid home base of operations to further expand our core operations overseas and in the Mainland. The Group will continue to follow its policies of maintaining low gearing levels and a steady recurring income base while pursuing controlled expansion in our core businesses where we have expertise and in overseas markets where we can meet our investment criteria at appropriate risk levels. It is expected that the overseas operations will continue to make substantial contributions to the Group, including the European 3G operations which are currently in a start-up investment phase and are expected to provide growth and value creation in the future.

I am very pleased and proud that the Group has recently received top honours from several authoritative international business magazines and I wish to thank the Board of Directors and all the Group's employees for their support, dedication and hard work throughout the year.

Li Ka-shing
Chairman

Hong Kong, 22 March 2001

Purchase, Sale or Redemption of Shares

During the year, 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 year.

Publication of Further Information on the Website of The Stock Exchange of Hong Kong Limited

All information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on both the Stock Exchange's website and the Company's website in due course.

SUMMARY OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

	2000 HK$ Millions	1999 HK$ Millions
Turnover	**57,022**	55,442
Cost of inventories sold	**23,332**	24,115
Staff costs	**7,648**	6,873
Depreciation and amortisation	**3,222**	3,314
Other operating expenses	**9,473**	7,762
Total operating expenses	**43,675**	42,064
Operating profit	**13,347**	13,378
Finance costs	**6,460**	5,081
Profit on disposal of investments less provisions	**25,742**	109,532
Share of profits less losses of associated companies	**3,494**	2,209
Share of profits less losses of jointly controlled entities	**1,272**	(52)
Profit before taxation	**37,395**	119,986
Taxation		
Hong Kong		
Company and subsidiaries	**541**	661
Associated companies	**256**	189
Jointly controlled entities	**71**	36
Overseas		
Company and subsidiaries	**278**	204
Associated companies	**781**	119
Jointly controlled entities	**51**	42
Profit after taxation	**35,417**	118,735
Minority interests	**1,299**	1,390
Profit Attributable to the Shareholders	**34,118**	117,345
Dividends	**7,375**	6,318
Profit for the Year Retained	**26,743**	111,027
Earnings per Share	**HK$8.00**	HK$27.52
Dividends per Share		
Interim	**HK$0.51**	HK$0.436
Final	**HK$1.22**	HK$1.046
	HK$1.73	HK$1.482

Notes:

1. *Included in profit attributable to the shareholders is an amount of HK$25,236 million (1999 - nil) transferred from investment revaluation reserves upon disposal of the relevant investments.*
2. *Profit on disposal of investments less provisions comprises a profit of HK$50,000 million on disposal of Mannesmann AG common shares in exchange for Vodafone Group Plc ("Vodafone") ordinary shares, a profit of HK$1,600 million on the subsequent disposal of 925 million Vodafone shares, a profit of HK$2,200 million on the sale of a 19% interest in Hong Kong cellular operation, a profit of HK$4,222 million on the merger of Husky Oil Limited with Renaissance Energy Ltd and a profit of HK$1,720 million on the sale of a 50% interest in fixed line telecommunications business less a provision of HK$34,000 million for the potential effect of share price and exchange rate fluctuations on overseas investments. The 1999 amount comprises a profit of HK$118,000 million on disposal of Orange plc and a profit of HK$1,392 million on the flotation of Partner Communications Company Ltd less a provision for diminution in value of investments in joint venture projects of HK$7,800 million and a provision against the accumulated capitalized cost of acquiring new Hong Kong cellular subscribers of HK$2,060 million, net of minority interest.*
3. *Hong Kong profits tax has been provided for at the rate of 16% (1999 - 16%) on the estimated assessable profits for the year less available tax losses. Overseas taxation has been provided for at the applicable rate on the estimated assessable profits less available tax losses.*
4. *The calculation of earnings per share is based on profit attributable to the shareholders and on 4,263,370,780 shares in issue during 2000 (1999 - on 4,263,370,780 shares in issue after adjusting for the one for ten bonus share issue on 26 May 2000).*
5. *The dividends per share for 1999 have been adjusted for the one for ten bonus share issue on 26 May 2000.*

Hutchison Whampoa Limited

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