Hutchison Whampoa Limited

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

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

HIGHLIGHTS

	2007	2006	Changes
	HK$ millions	HK$ millions	
Total revenue	**308,775**	267,664	+15%
EBIT from established businesses	**55,565**	43,791	+27%
LBIT of the **3** Group	**(17,938)**	(19,996)	+10%
Consolidated Group EBIT	**64,260**	50,887	+26%
Profit attributable to shareholders	**30,600**	20,030	+53%
Earnings per share	**HK$7.18**	HK$4.70	+53%
Final dividend per share	**HK$1.22**	HK$1.22	-

- Total revenue grew 15% to HK$308,775 million
- Profit for the year increased 53% to HK$30,600 million
- Earnings per share increased 53% to HK$7.18
- Recurring EBIT from the established businesses (excluding investment properties revaluation profit and profit on disposal of investments and others) increased 27% to HK$55,565 million
- 3G customer base currently totals over 17.6 million worldwide
- **3** Group's total revenue grew 18% to HK$59,909 million
- **3** Group achieved a milestone of positive EBITDA after all CACs of HK$2,800 million for the second half of the year and as a result, also for the full year of HK$1,195 million.
- Net debt to net total capital ratio improved to 26% compared to 33% last year

CHAIRMAN'S STATEMENT

Both the Group's established businesses and the **3** Group recorded healthy growth and improved results in 2007. The Group's total revenue grew 15% to HK$308,775 million. Revenue and recurring earnings before interest expense and other finance costs, taxation and minority interests ("EBIT") from the Group's established businesses grew 15% and 27% respectively to HK$248,866 million and HK$55,565 million. All of the Group's established businesses achieved double digit percentage earnings growth compared to last year except the property and hotels division due to the timing of completion of development projects. The **3** Group reported an 18% increase in revenue to HK$59,909 million and achieved its cashflow target, reporting positive EBITDA after all CACs[1] for the second half of the year of HK$2,800 million and as a result, also for the full year of HK$1,195 million, a 116% turnaround from the comparable loss last year.

Results

The Group's audited profit attributable to shareholders for the year amounted to HK$30,600 million, a 53% increase compared to last year's profit of HK$20,030 million. Earnings per share amounted to HK$7.18 (2006 - HK$4.70), an increase of 53%. These results include a profit on revaluation of investment properties of HK$1,995 million and a net profit on disposal of investments and provisions totalling HK$24,638 million, comprised of the following:

	HK$ millions
▪ Group's share of Hutchison Telecommunications International's ("HTIL") gain on disposal of the mobile business in India	35,820
▪ HTIL's full provision for its investment in the mobile business in Thailand	(3,854)
▪ Profit on disposal of **3** UK's wholesale fixed line business	1,119
▪ Deemed dilution profit arising from Hutchison Telecommunications Australia's ("HTAL") restructuring with a minority shareholder	955
▪ Write off of certain **3** Group capitalised customer acquisition costs and intangible content and other rights	(4,608)
▪ Provisions for **3** UK's and **3** Italia's regulatory and carrier interconnection disputed receivables	(3,281)
▪ Gain of HK$19,788 million arising from a network sharing arrangement whereby **3** UK obtains a right to share another UK operator's mobile network offset by a one-time provision of HK$19,788 million for related costs to restructure its network infrastructure	-
▪ Provisions for two Cheung Kong Infrastructure ("CKI") transportation infrastructure projects, in Australia and Mainland China	(1,513)

[1] EBITDA after all CACs represents earnings before interest expense and other finance costs, taxation, depreciation and amortisation ("EBITDA") and after deducting all customer acquisition and retention costs ("CACs") and LBITDA after all CACs represents losses on the same basis

Dividends

The Board recommends the payment of a final dividend of HK$1.22 per share in respect of 2007 (2006 - HK$1.22 per share), to those persons registered as shareholders on 22 May 2008. This, together with the interim dividend of HK$0.51 per share paid on 5 October 2007, gives a total dividend of HK$1.73 per share for the year (2006 - HK$1.73 per share). The proposed final dividend will be paid on 23 May 2008 following approval at the Annual General Meeting. The register of members will be closed from 15 May 2008 to 22 May 2008, both days inclusive.

Established Businesses

Ports and Related Services

The ports and related services division continued to expand and recorded another year of steady growth. Total throughput increased 12% to 66.3 million twenty-foot equivalent units ("TEUs") and total revenue grew 15% to HK$37,891 million. Major contributors to throughput growth and their respective growth rates were:

- Yantian port in the Mainland, 13%;
- Panama ports container terminal ("PPC") in Panama, 59%;
- Kwai Tsing terminals in Hong Kong, 9%;
- Europe Container Terminal ("ECT") in Rotterdam, the Netherlands, 13%;
- Westports in Klang, Malaysia, 18%;
- the Shanghai area ports in the Mainland, 6%;
- Laemchabang ports in Thailand, 78%;
- Jakarta ports in Indonesia, 15%;

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

The division's EBIT increased 13% to HK$12,849 million. Major contributors to EBIT growth and their respective growth rates were:

- Yantian port, 11%;
- ECT, 44%;
- Hutchison Ports (UK), 33%;
- the Shanghai area ports, 14%;
- Laemchabang ports, 422%;
- PPC, 19%;
- Westports, 37%;

together with the first full year EBIT contribution from TERCAT.

The division's EBIT growth was partially offset by 5% lower EBIT from Kwai Tsing terminals in Hong Kong. This division contributed 15% and 23% respectively to the total revenue and EBIT of the Group's established businesses for the year.

During the year, the division expanded and enhanced its existing facilities in Yantian, Gaolan in Zhuhai, Rotterdam in the Netherlands, and the ports in Panama. During the year, operations commenced at the Port of Sohar in Oman in January, at Alexandria and El Dekheila Ports in Egypt in March and June respectively, and phase 1 at the Port of Lazaro Cardenas in Mexico in November. Construction of new facilities in Ecuador, Vietnam and Huizhou in the Mainland are all progressing satisfactorily. In November, the Group was chosen as the winning bidder by Karachi Port Trust to build and manage a new container terminal at Keamari Groyne in Pakistan over a concession period of 25 years, extendible for a further 25 years. This new terminal is expected to be operational in 2011. In January this year, the Group entered into an agreement with the Port of Brisbane Corporation in Australia to lease two new container berths (Berth 11 and Berth 12) for a lease period of 42 years. Berth 11 and Berth 12 are expected to be operational in 2012 and 2014 respectively. Currently, this division operates in five of the eight busiest container ports in the world, with interests in a total of 47 ports comprising 292 berths in 24 countries. The division will continue to seek investment and expansion opportunities that meet its investment criteria in strategic locations around the world.

Property and Hotels

The property and hotels division reported total revenue of HK$9,551 million and EBIT of HK$4,060 million, 11% and 28% lower than last year respectively. This division contributed 4% and 7% respectively to the total revenue and EBIT of the Group's established businesses. Gross rental income of HK$3,029 million was 8% higher than last year, primarily due to increased rental income from investment properties in Hong Kong, reflecting continued strong demand for office premises which has resulted in higher lease renewal rates. The rental properties portfolio is 97% let. Development profits for the year, arose mainly from the sale of residential units of Shanghai Regency Park. These profits were 43% less than last year mainly due to lower sales activities from the development projects in the Mainland as the completion and sale of a number of projects has been deferred. This division is focused on the development of its existing substantial landbank interests in the Mainland and is also continuing to selectively seek additional development opportunities primarily in the Mainland. The Group's current attributable landbank (including interests held directly and its share of interests held by joint ventures, associates and jointly controlled entities) can be developed into 105 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 another year of EBIT growth, 12% better than last year, primarily due to increased demand in Hong Kong.

Retail

The Group's retail division reported total revenue of HK$110,007 million, an 11% increase, mainly due to:

- growth of certain health and beauty operations, including Rossmann in Germany and Poland as well as Kruidvat in the Benelux countries;
- the full year contribution from the business in the Ukraine, which was acquired in November last year; and
- increased sales reported by the European luxury perfumeries and cosmetics division.

EBIT from this division totalled HK$3,711 million, a 36% improvement compared to last year. Following a management restructuring, the retail division focused in 2007 on integration and streamlining of its operations, and on reducing excess inventory levels. Despite the resulting adverse effect on margins in the first half of the year, the financial performance of the division continued to improve throughout 2007. Major contributors to EBIT growth were:

- health and beauty operations in Asia and the Benelux countries;
- retail operations in Hong Kong; and
- luxury perfumeries and cosmetics operations in the UK and the Benelux countries.

The improvement also reflects the first full year contribution from the health and beauty business in the Ukraine. The improved results were partially offset by lower results from the health and beauty businesses in the UK. The retail division contributed 44% and 7% respectively to the total revenue and EBIT of the Group's established businesses for the year.

During the year, expansion was limited mainly to organic growth in the Mainland and Eastern Europe and this is expected to continue in 2008. The number of retail outlets increased marginally in 2007 and currently totals over 7,900 outlets in 36 markets worldwide.

Energy, Infrastructure, Finance and Investments

Cheung Kong Infrastructure, a listed subsidiary, announced its group turnover and its share of jointly controlled entities' turnover, of HK$5,889 million, 23% above last year, and profit attributable to shareholders of HK$4,772 million, 30% above last year's profit. CKI contributed 7% and 13% respectively to the total revenue and EBIT of the Group's established businesses for the year. CKI acquired and subsequently privatised TransAlta Power, L.P. ("TransAlta Power"), which was previously listed on the Toronto Stock Exchange, for a total cost of C$630 million (HK$4,850 million). TransAlta Power has interests in six Canadian power plants with a total generating capacity of 1,362 megawatts. CKI subsequently divested 50% of its interest to Hongkong Electric Holdings ("HEH") in December 2007. Also in December, CKI acquired a 4.75% interest in Southern Water Group ("Southern

Water"). Southern Water is a regulated water and sewage company in the UK. CKI continues to seek infrastructure investment opportunities globally. In January 2008, HEH announced it had entered into a new Scheme of Control Agreement ("SCA") with the Hong Kong SAR Government for a further term of ten years, commencing 1 January 2009 with a Government option to extend the SCA for a further term of five years. The agreement provides for a 9.99% permitted rate of return on average net fixed assets other than for renewable energy fixed assets for which the permitted return is 11%. The new SCA also contains provisions which encourage emission reduction, energy efficiency, operational performance, service quality and the use of renewable energy.

Husky Energy ("Husky"), an associated company listed in Canada, announced total revenue of C$15,518 million and net earnings of C$3,214 million, 23% and 18% above last year respectively reflecting higher oil prices. In addition, net earnings in 2006 and 2007 included benefits due to tax rate reductions of C$328 million and C$365 million respectively. Average total production increased 5% from 360,000 barrels of oil equivalent per day ("BOEs per day") in 2006 to 377,000 BOEs per day in 2007. Husky contributed 16% and 19% respectively to the total revenue and EBIT from the Group's established businesses for the year. Husky increased its quarterly dividend payment by 32% to C$0.33 per share commencing in the third quarter of 2007.

In addition to the development and expansion projects mentioned in the Group's interim results announcement, in October, Husky and Esso Exploration Greenland were awarded a joint interest in an exploration licence in West Disko, Block 6, covering an area of 13,213 square kilometres located approximately 30 kilometres off the west coast of Disko Island, Greenland. This exploration licence area borders on Husky's interest in Blocks 5 and 7. Also in October, Husky announced the completion of the gas sales and purchase agreements for future production from its Madura BD Field, offshore of Indonesia. In December, Husky announced:

- the completion of construction and commencement of production at the ethanol plant in Minnedosa, Manitoba with an annual capacity of 130 million litres;
- an agreement to purchase 110,000 contiguous acres of oil sands leases at McMullen, in the Athabasca oil sands deposit. This land is adjacent to currently held oil sands leases; and
- a 50:50 joint venture agreement with BP to create an integrated oil sands joint venture business. Under the terms of the agreement, Husky will contribute its Sunrise assets located in the Athabasca oil sands in northeast Alberta, Canada and BP will contribute its Toledo refinery located in Ohio, USA. The transaction, which is subject to the execution of final agreements and regulatory approval, is expected to close shortly.

The Group's EBIT from its finance and investments operations mainly represents returns earned on the Group's 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$13,851 million, an increase of 100%, mainly due to the one-time profits on disposal of certain listed equity investments of HK$9,754 million. Finance and investments operations contributed 25% of the Group's EBIT from established businesses. The Group's consolidated cash and liquid investments increased by 38% to total HK$180,499 million as at 31 December 2007. Gross consolidated debt totalled HK$310,341 million. Consolidated debt, net of cash and liquid investments, amounted to HK$129,842 million, a 15% reduction compared to last year.

Hutchison Telecommunications International

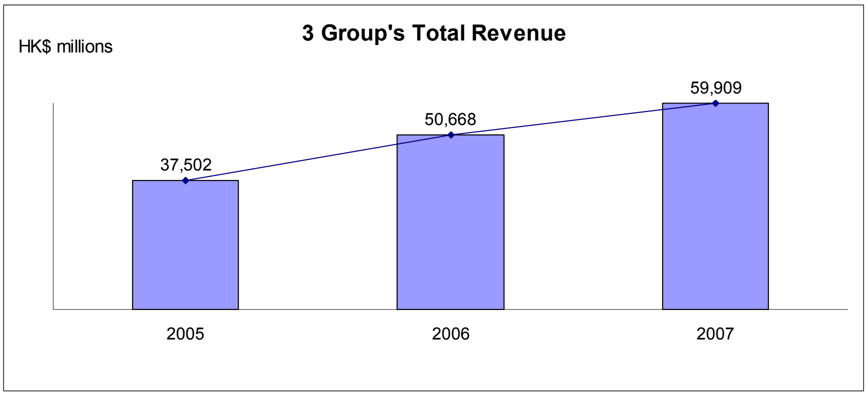
Hutchison Telecommunications International, a listed subsidiary company, announced full year 2007 turnover from continued operations of HK$20,401 million (excluding turnover of Indian operations disposed of during the year), a 14% increase over last year, and a full year 2007 profit attributable to shareholders of HK$66,884 million (including gain on disposal of Indian operations of HK$69,343 million). This result compares to a profit of HK$201 million in 2006. At 31 December 2007, HTIL had a consolidated mobile customer base of over 9.8 million, a 57% increase over the comparable base last year (excluding Indian operations). The Group's share of HTIL's turnover and EBIT amounted to 8% and 6% of the total revenue and EBIT of the Group's established businesses respectively.

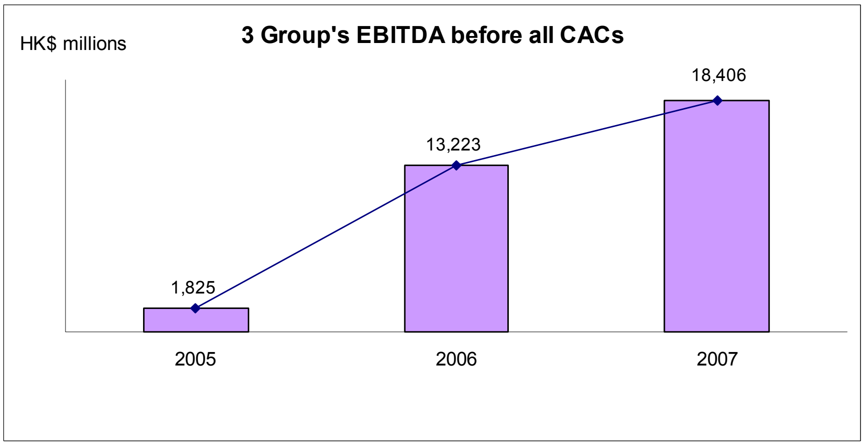
The Group announced on 14 June 2007 that it had increased its shareholding in HTIL from approximately 49.75% to over 50%. The Group purchased additional shares and further increased its holding in HTIL to 59.33% on 4 January 2008. From 14 June 2007, HTIL has been accounted for as a subsidiary of the Group. Its balance sheet and results from that date have been included in the consolidated results of the Group for the year.

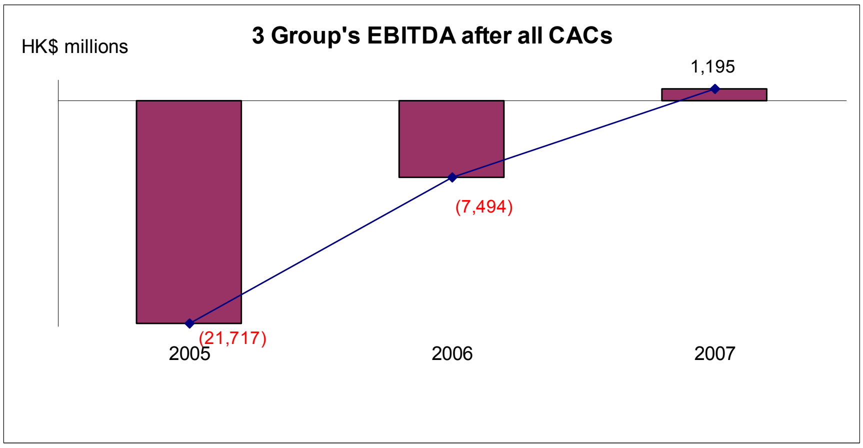
Telecommunications – 3 Group

During the year, the **3** Group continued to grow its customer base, increased revenues, and achieved its cashflow target reporting positive EBITDA after all CACs for the second half of the year of HK$2,800 million. As a result, EBITDA after all CACs was also positive for the full year in 2007 totalling HK$1,195 million, which represents a 116% turnaround from the LBITDA after all CACs of HK$7,494 million in 2006. The overall improved results of the **3** Group are summarised below and the charts show the continued positive growth trend of the **3** Group's revenue and EBITDA before and after all CACs.

	For the year ended 31 December 2007	2006	%
	HK$ millions		improvement
Revenue	59,909	50,668	+18%
EBITDA before all CACs	18,406	13,223	+39%
Total CACs	(17,211)	(20,717)	+17%
EBITDA (LBITDA) after all CACs	1,195	(7,494)	+116%
Capitalised contract CACs	11,479	15,223	-25%
Reported EBITDA	12,674	7,729	+64%







As a result of the continuing focus on acquiring quality customers and improving churn, total revenue increased 18% to HK$59,909 million in 2007. The Group's registered 3G customer base increased 20% during the year and currently stands at over 17.6 million customers. Contract customers as a percentage of the registered customer base improved to 47% of the **3** Group's base at 31 December 2007, compared to 45% at 31 December 2006. In addition, despite continued intense competition in all markets, the **3** Group's average monthly customer churn also improved to 2.6% from 2.9% in 2006. Active customers represented 79% of the **3** Group's total registered customer base and 98% of the contract customer base at 31 December 2007, in line with last year. Average revenue per active user on a 12-month trailing average active customer basis ("ARPU") overall declined by 9% to €41.74 compared to €45.63 for the full year of 2006. This decline reflects among other things, the increased number of mobile broadband access customers added during the year, which characteristically generate lower ARPU on a per customer calculation, but higher percentage margins than voice services. **3** Group's non-voice revenue as a percentage of total ARPU, on a 12-month trailing average basis, was 31% of total ARPU, in line with 2006. During 2007, promotional discount tariffs amounted to approximately 4% of ARPU, in line with 2006. These discount offerings were discontinued by most of the **3** Group's operations during the year and are not expected to affect ARPU going forward.

With the growth in revenue and continued strong cost controls, the **3** Group achieved a 39% increase in EBITDA before all CACs, totalling HK$18,406 million. CACs, which include the costs incurred to acquire new customers and to retain existing contract customers, continued to reduce during the year, totalling HK$17,211 million, a 17% reduction compared to last year. This improvement reflects the continuing downward trend in handset and mobile broadband access product costs and the benefits from the restructuring of distribution arrangements in the UK and Italy during the year. As a result, the **3** Group's weighted average per customer acquisition cost, on a 12-month trailing basis, continued to trend lower, reducing 32% from €250 for the full year 2006 to €170 for the full year 2007, and on a six-month trailing basis a further reduction to average €148 for the second half of 2007.

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$30,612 million, 10% higher than last year. Total depreciation and amortisation expense in 2007 also reflected a non-cash, exchange rate translation increase of HK$2,721 million as a result of the strengthening of the Euro and the British pound against the Hong Kong dollar. Excluding the exchange translation differential, total depreciation and amortisation expense was 1% above last year.

LBIT improved 10% compared to last year, to total HK$17,938 million. This improvement was also adversely affected by exchange rate movements on translation to Hong Kong dollars. Although these non-cash movements on translation do not affect the underlying operating performance, they increased the reported LBIT by HK$1,626 million. Excluding the effect of these movements, LBIT reduced 18%.

The **3** Group businesses are continuing to focus on delivering a convergence of communications, entertainment and information services to customers on the move through mobile phones, handsets, laptops and other devices. During the year, the **3** Group operations introduced mobile broadband tariffs for USB broadband modems and cards with flat monthly fees and generous data allowances allowing customers high-speed access to the internet through laptops and other portable devices with full mobility. Currently, over 823,000 customers have a mobile broadband USB modem or card. In the fourth quarter, **3** Group launched the **3** Skypephone, one of the first free Voice over Internet Protocol ("VoIP") services on a mobile handset, tailor made for free calling over the internet. These new affordable mobile handsets allow customers to make free calls and send instant messages to Skype's 276 million registered users no matter where they are in the world. The take-up of this new service has been encouraging.

In light of the **3** Group's operating and financial performance in 2007, management continues to target achieving positive monthly EBIT on a sustainable basis in the second half of 2008 and a full year positive EBIT in 2009.

Key Business Indicators

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

Customer Base

	Registered Customers at 26 March 2008 ('000)			Registered Customer Growth (%) from 31 December 2006 to 31 December 2007		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
Italy	5,969	2,215	**8,184**	13%	23%	**16%**
UK & Ireland	1,658	2,787	**4,445**	5%	12%	**9%**
Australia[(1)]	174	1,497	**1,671**	17%	28%	**27%**
Sweden & Denmark	92	853	**945**	8%	38%	**34%**
Austria	158	384	**542**	29%	25%	**26%**
3 Group Total	8,051	7,736	**15,787**	12%	21%	**16%**
Hong Kong and Macau[(2)]	61	1,082	**1,143**	336%	39%	**45%**
Israel[(2)]	-	738	**738**	-	130%	**130%**
Total	8,112	9,556	**17,668**	12%	27%	**20%**

Customer Revenue Base

	Revenue for the twelve months ended 31 December 2007 ('000)			Revenue Growth (%) compared to the twelve months ended 31 December 2006		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
Italy	€814,177	€1,204,055	**€2,018,232**	-29%	30%	**-3%**
UK & Ireland	£155,406	£1,435,480	**£1,590,886**	6%	5%	**5%**
Australia	A$73,102	A$1,083,293	**A$1,156,395**	12%	38%	**36%**
Sweden & Denmark	SEK77,167	SEK3,816,178	**SEK3,893,345**	39%	48%	**48%**
Austria	€5,796	€184,636	**€190,432**	-15%	12%	**11%**
3 Group Total	€1,100,274	€4,561,618	**€5,661,892**	-22%	18%	**7%**

12-month Trailing Average Revenue per Active User ("ARPU")[(3)] to 31 December 2007

	Total				**Non-voice**	
	Prepaid	**Postpaid**	**Blended Total**	**% Variance compared to 31 December 2006**	**ARPU**	**ARPU %**
Italy	€17.65	€52.88	**€29.30**	-14%	**€8.82**	30%
UK & Ireland	£17.89	£51.33	**£43.40**	-7%	**£14.38**	33%
Australia	A$39.11	A$72.29	**A$68.61**	-3%	**A$18.31**	27%
Sweden & Denmark	SEK111.64	SEK457.23	**SEK430.80**	7%	**SEK114.71**	27%
Austria	€17.53	€47.70	**€45.33**	-12%	**€11.61**	26%
3 Group Average	€19.07	€58.53	**€41.74**	-9%	**€12.73**	31%

Note 1: Active customers as at 31 December 2007 announced by listed subsidiary HTAL updated for net additions to 26 March 2008.

Note 2: Customers as announced by listed subsidiary HTIL as at 18 March 2008.

Note 3: ARPU equals total revenue before promotional discounts and excluding handset and connection revenues, divided by the average number of active customers during the year, 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 16% during the year to total 8.1 million at 31 December 2007 and currently stands at 8.2 million. Contract customers represented 26% of the registered customer base, up from 24% at the 2006 year-end. The monthly churn rate increased from 2.2% in 2006 to 2.4% in 2007. Active customers represented 75% of the total registered customer base and 97% of the contract customer base at 31 December 2007, in line with last year. **3** Italia was adversely affected by the industry wide effect of regulation in the first half of the year, which eliminated the fees charged by all operators to prepaid customers upon top up of their prepaid cards ("Bersani Decree"). As a result, ARPU declined reducing revenues and EBITDA. Although ARPU, on a 12-month trailing average basis, declined from €33.99 in 2006 to €29.30, it remained above the market average. The usage of non-voice services represented 30% of total ARPU, on a 12-month trailing average basis. Despite a decline in revenue in local currency by 3% compared to last year due to the Bersani Decree and strong competition, **3** Italia achieved its target to report positive EBITDA after all CACs in the second half of the year. As a result, **3** Italia achieved a breakeven EBITDA after all CACs for the full year 2007, before including non-recurring foreign exchange gains. In the last quarter of the year, the Group refinanced certain non-Euro borrowings with Euro bank loans to create a natural currency hedge against the **3** Italia's assets denominated in Euros and recorded a foreign exchange gain of HK$775 million. The High Speed Downlink Packet Access ("HSDPA") network upgrade in Italy is continuing and currently covers 86% of the network. **3** Italia is currently assessing a cell site sharing joint venture opportunity and will also review other infrastructure outsourcing and joint venture opportunities to further reduce its costs and exploit synergies.

UK & Ireland
The new management team at **3** UK made good progress during the year rationalising the business, exploiting cost saving opportunities and, at the same time, launching new products into its market. **3** UK is continuing to target higher-value contract customers and to limit its activity in the prepaid market. **3** Ireland has also made steady progress building its network and business. The combined registered customer base increased 9% during the year to total 4.3 million at 31 December 2007 and currently stands at 4.4 million. Contract customers represented 62% of the registered customer base, up from 60% at the end of last year. 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 fell from 4.9% in 2006 to 3.6% in 2007. Encouragingly, the churn rate of contract customers, who represent 90% of the revenue base, stabilised at 2.6% in 2007. Active customers represented 76% of the registered customer base and 97% of the contract customer base at 31 December 2007, in line with last year. Combined ARPU, on a 12-month trailing average basis, declined 7% to £43.40, primarily due to the adverse impact of interconnection rates and international roaming fee reductions regulated in the first half of the year. Non-voice revenue, on a 12-month trailing average basis, improved from 29% of total ARPU to 33%, or £14.38 versus £13.44 in 2006. Despite the adverse effects of the new regulations on ARPU, combined revenue, in British pounds, increased 5% compared to 2006. **3** UK also achieved positive EBITDA after all CACs, in local currency, in the second half of the year and for the full year, before including non-recurring foreign exchange gains. This is a 108% turnaround from the comparable LBITDA reported last year. During the year, the Group refinanced certain non-Sterling borrowings with Sterling bank loans to create a natural currency hedge against the **3** UK's assets denominated in Sterling and recorded a foreign exchange gain of HK$1,123 million. The network upgrade to roll out HSDPA is progressing well with current UK population coverage at approximately 89%. In December, **3** UK announced a network sharing agreement to form a 50:50 joint venture with another mobile network operator to supervise the creation and operation of their shared 3G access networks (mobile masts and infrastructure that connects to each operator's separate core networks). Combining the infrastructure over the next two years, the joint venture is expected to result in significant savings in operating costs, together with lower future capital expenditures. By the end of 2008, the combined network is expected to provide 98% UK population coverage for voice and simple data as well as 3G high-speed mobile broadband services, better than any competitive network in the UK.

Australia

In Australia, the active customer base of listed subsidiary, Hutchison Telecommunications Australia, grew 27% during the year to total 1.6 million at 31 December 2007 and currently stands at 1.7 million. Contract customers represented 89% of the active customer base at 31 December 2007 and contributed approximately 94% of the revenue. The monthly contract customer churn rate for 2007 remained steady at 1.1%. ARPU was adversely affected by regulated interconnection rate reductions introduced on 1 July 2007. ARPU, on a 12-month trailing average basis, declined 3% to A$68.61. The proportion of non-voice revenue increased to 27% in 2007 from 24% in 2006. Despite the adverse effect of regulations, revenue, in local currency, increased 36% compared to last year and EBITDA after all CACs increased 464%, a second successive year of positive EBITDA results. The network upgrade to roll out HSDPA was completed in the first half of the year.

Other 3 Group operations

In 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 year. The registered customer base grew 34% during the year to total 899,500 at 31 December 2007 and currently stands at 945,000. Contract customers at 31 December 2007 represented 90% of the registered customer base. Monthly churn has reduced in 2007 and averaged 2.4% compared to 2.7% in 2006. Active customers represented 97% of the registered customer base and 100% of the contract customer base at 31 December 2007 in line with last year. Combined ARPU increased 7% to SEK430.80. The proportion of non-voice ARPU increased from 21% in 2006 to 27% in 2007 reflecting an increase in mobile broadband access customers. Combined revenue, in Swedish Kronas, grew 48% compared to last year. The combined operations achieved positive EBITDA before all CACs, in Swedish Kronas, for the year, a 539% turnaround from a LBITDA position last year. LBITDA after all CACs of the combined operations, in Swedish Kronas, reduced by 75% from last year and the combined operations are targeting to achieve positive EBITDA after all CACs this year. The HSDPA network upgrade in Sweden and Denmark has been completed.

- **3** Austria also reported improvement. The registered customer base grew 26% during the year to total 513,000 at 31 December 2007 and currently stands at 542,000. The proportion of contract customers at 31 December 2007 represented 72% of the registered customer base. Monthly churn improved from an average of 2.0% in 2006 to 1.1% in 2007. Active customers represented 77% of the registered customer base and 99% of the contract customer base at 31 December 2007, in line with last year. Although ARPU, on a 12-month trailing average basis, declined 12% to €45.33, the proportion of non-voice revenue increased from 18% in 2006 to 26% during the year. Revenue, in local currency, grew 11% compared to last year. As a result, **3** Austria achieved full year positive EBITDA before all CACs in 2007, representing, in local currency, a 481% turnaround from the LBITDA last year. LBITDA after all CACs, in local currency, reduced by 60% from last year and **3** Austria is targeting to achieve positive EBITDA after all CACs in 2008. The HSDPA upgrade to the existing network has been completed. Extension of the network into the rural areas of Austria continues to progress well.

Outlook

Looking ahead to 2008, the US economy is likely to continue to be adversely affected by the continuing impact of the subprime credit crisis, the continuing slump in housing markets and resulting recessionary pressures in the US. This adverse trend in the US economy, the weaker US dollar and high energy prices will affect other economies around the world to varying degrees. Although the tightening economic measures in the Mainland have slowed its growth, these measures will be beneficial in many respects to its long term economic development and will help to maintain its long term growth potential. Hong Kong and the Asia region will continue to benefit from the Mainland's growth and development. The Group's diversified businesses around the world are all solid, financially sound and well positioned to continue to progress.

The results of 2007 reflect another year of strong results from our established businesses and the continuing steady improvement of the **3** Group. In addition, the Group's financial position was significantly enhanced by strong cash generation during the year and the reduction in the Group's net debt position. Looking ahead, the Group's established businesses are expected to continue to report growth. Barring any further unfavourable regulatory or market developments, **3** Group will turn a new page in 2008 on a path targeting to achieve positive monthly EBIT on a sustainable basis in the second half of 2008 and full year positive EBIT in 2009.

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

Li Ka-shing
Chairman
Hong Kong, 27 March 2008

Hutchison Whampoa Limited
Consolidated Profit and Loss Account
for the year ended 31 December 2007

	Note	**2007 HK$ millions**	2006 HK$ millions
Company and subsidiary companies:			
Revenue	2	**218,726**	183,812
Cost of inventories sold		**(73,977)**	(67,114)
Staff costs		**(29,325)**	(25,729)
3 Group telecommunications expensed customer acquisition costs		**(5,732)**	(5,494)
Depreciation and amortisation	2	**(38,872)**	(33,091)
Other operating expenses		**(56,448)**	(50,860)
Change in fair value of investment properties		**1,988**	2,843
Profit (loss) on disposal of investments and others	3	**(11,182)**	23,290
Share of profits less losses after tax of:			
Associated companies before profit on disposal of investments		**12,002**	11,472
Jointly controlled entities		**3,338**	3,075
Associated company's profit on disposal of an investment	3	**35,820**	-
	2	**56,338**	42,204
Interest and other finance costs	4	**(19,054)**	(16,601)
Profit before tax		**37,284**	25,603
Current tax charge	5	**(2,768)**	(1,560)
Deferred tax charge	5	**(1,651)**	(1,417)
Profit after tax		**32,865**	22,626
Allocated as : Profit attributable to minority interests		**(2,265)**	(2,596)
Profit attributable to shareholders of the Company	6	**30,600**	20,030
Dividends			
Interim dividend		**2,174**	2,174
Final dividend		**5,201**	5,201
		7,375	7,375
Earnings per share for profit attributable to shareholders of the Company	7	**HK$ 7.18**	HK$ 4.70
Dividends per share			
Interim dividend		**HK$ 0.51**	HK$ 0.51
Final dividend		**HK$ 1.22**	HK$ 1.22
		HK$ 1.73	HK$ 1.73

Hutchison Whampoa Limited
Consolidated Balance Sheet
at 31 December 2007

	Note	**2007** **HK$ millions**	2006 HK$ millions
ASSETS			
Non-current assets			
Fixed assets		**181,342**	140,181
Investment properties		**43,680**	41,657
Leasehold land		**36,272**	35,293
Telecommunications licences		**91,897**	89,077
Telecommunications postpaid customer acquisition and retention costs		**8,771**	10,532
Goodwill		**31,520**	21,840
Brand names and other rights		**10,901**	7,582
Associated companies		**75,545**	74,954
Interests in joint ventures		**39,725**	38,507
Deferred tax assets		**17,619**	17,159
Other non-current assets		**5,082**	3,762
Liquid funds and other listed investments		**69,192**	66,251
		611,546	546,795
Current assets			
Cash and cash equivalents	8	**111,307**	64,151
Trade and other receivables	9	**55,374**	44,188
Inventories		**20,999**	22,382
		187,680	130,721
Current liabilities			
Trade and other payables	10	**90,029**	66,487
Bank and other debts		**50,255**	22,070
Current tax liabilities		**2,336**	1,629
		142,620	90,186
Net current assets		**45,060**	40,535
Total assets less current liabilities		**656,606**	587,330
Non-current liabilities			
Bank and other debts		**260,086**	260,970
Interest bearing loans from minority shareholders		**12,508**	12,030
Deferred tax liabilities		**17,957**	15,019
Pension obligations		**1,468**	2,378
Other non-current liabilities		**5,929**	6,368
		297,948	296,765
Net assets		**358,658**	290,565
CAPITAL AND RESERVES			
Share capital		**1,066**	1,066
Reserves		**308,948**	272,728
Total shareholders' funds		**310,014**	273,794
Minority interests		**48,644**	16,771
Total equity		**358,658**	290,565

Notes:

1 Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The accounts have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values.

2 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.
(2006 - Telecommunications - **3** Group included 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$57 million (2006 - HK$65 million), Property and hotels is HK$307 million (2006 - HK$251 million), Finance & investments and others is HK$1,118 million (2006 - HK$384 million) and Hutchison Telecommunications International is HK$82 million (2006 - nil).

Business segment

	Revenue							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2007 Total HK$ millions**	**%[(a)]**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2006 Total HK$ millions	%[(a)]
ESTABLISHED BUSINESSES								
Ports and related services	**33,207**	**4,684**	**37,891**	**15%**	29,081	3,960	33,041	15%
Property and hotels	**5,317**	**4,234**	**9,551**	**4%**	4,889	5,828	10,717	5%
Retail	**94,663**	**15,344**	**110,007**	**44%**	86,876	12,273	99,149	45%
Cheung Kong Infrastructure	**2,403**	**14,848**	**17,251**	**7%**	2,207	12,615	14,822	7%
Husky Energy	**-**	**39,781**	**39,781**	**16%**	-	29,981	29,981	14%
Finance & investments and others	**11,094**	**2,512**	**13,606**	**6%**	10,248	2,366	12,614	6%
Hutchison Telecommunications International	**12,618**	**8,161**	**20,779**	**8%**	-	16,672	16,672	8%
Subtotal - established businesses	**159,302**	**89,564**	**248,866**	**100%**	133,301	83,695	216,996	100%
TELECOMMUNICATIONS - 3 Group	**59,424**	**485**	**59,909**		50,511	157	50,668	
	218,726	**90,049**	**308,775**		183,812	83,852	267,664	

2 Segment information (continued)
Business segment (continued)

	EBIT (LBIT)[b]							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2007 Total HK$ millions**	**% [a]**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2006 Total HK$ millions	% [a]
ESTABLISHED BUSINESSES								
Ports and related services	**11,118**	**1,731**	**12,849**	**23%**	9,881	1,514	11,395	26%
Property and hotels	**2,807**	**1,253**	**4,060**	**7%**	2,649	3,018	5,667	13%
Retail	**2,889**	**822**	**3,711**	**7%**	2,059	661	2,720	6%
Cheung Kong Infrastructure	**797**	**6,556**	**7,353**	**13%**	629	5,507	6,136	14%
Husky Energy	**-**	**10,523**	**10,523**	**19%**	-	8,305	8,305	19%
Finance & investments and others [c]	**13,183**	**668**	**13,851**	**25%**	6,305	615	6,920	16%
Hutchison Telecommunications International	**1,523**	**1,695**	**3,218**	**6%**	-	2,648	2,648	6%
EBIT - established businesses [b]	**32,317**	**23,248**	**55,565**	**100%**	21,523	22,268	43,791	100%
TELECOMMUNICATIONS - 3 Group [d]								
EBIT before depreciation, amortisation and telecommunications expensed CACs	**18,339**	**67**	**18,406**		13,216	7	13,223	
Telecommunications expensed CACs	**(5,732)**	**-**	**(5,732)**		(5,494)	-	(5,494)	
EBIT before depreciation and amortisation and after telecommunications expensed CACs	**12,607**	**67**	**12,674**		7,722	7	7,729	
Depreciation	**(11,139)**	**(60)**	**(11,199)**		(9,497)	(4)	(9,501)	
Amortisation of licence fees and other rights	**(6,143)**	**-**	**(6,143)**		(6,503)	-	(6,503)	
Amortisation of telecommunications postpaid CACs	**(13,270)**	**-**	**(13,270)**		(11,721)	-	(11,721)	
EBIT (LBIT) - Telecommunications - **3** Group [b]	**(17,945)**	**7**	**(17,938)**		(19,999)	3	(19,996)	
Change in fair value of investment properties	**1,988**	**7**	**1,995**		2,843	959	3,802	
Profit (loss) on disposal of investments and others (See note 3)	**(11,182)**	**35,820**	**24,638**		23,290	-	23,290	
EBIT	**5,178**	**59,082**	**64,260**		27,657	23,230	50,887	
Group's share of the following profit and loss items of associated companies and jointly controlled entities:								
Interest and other finance costs	**-**	**(3,446)**	**(3,446)**		-	(3,745)	(3,745)	
Current tax	**-**	**(2,532)**	**(2,532)**		-	(3,273)	(3,273)	
Deferred tax	**-**	**(1,579)**	**(1,579)**		-	(901)	(901)	
Minority interests	**-**	**(365)**	**(365)**		-	(764)	(764)	
	5,178	**51,160**	**56,338**		27,657	14,547	42,204	

	Depreciation and amortisation					
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2007 Total HK$ millions**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2006 Total HK$ millions
ESTABLISHED BUSINESSES						
Ports and related services	**3,200**	**536**	**3,736**	2,848	517	3,365
Property and hotels	**302**	**158**	**460**	309	151	460
Retail	**2,117**	**325**	**2,442**	1,941	161	2,102
Cheung Kong Infrastructure	**124**	**1,988**	**2,112**	125	1,852	1,977
Husky Energy	**-**	**5,058**	**5,058**	-	4,232	4,232
Finance & investments and others	**198**	**115**	**313**	147	90	237
Hutchison Telecommunications International	**2,379**	**980**	**3,359**	-	2,335	2,335
Subtotal - established businesses	**8,320**	**9,160**	**17,480**	5,370	9,338	14,708
TELECOMMUNICATIONS - 3 Group	**30,552**	**60**	**30,612**	27,721	4	27,725
	38,872	**9,220**	**48,092**	33,091	9,342	42,433

2 Segment information (continued)
Business segment (continued)

ESTABLISHED BUSINESSES	Capital expenditure: Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Telecom-munications postpaid CACs HK$ millions	2007 Total HK$ millions
Ports and related services	**9,404**	-	-	-	**9,404**
Property and hotels	**89**	-	-	-	**89**
Retail	**1,843**	-	-	-	**1,843**
Cheung Kong Infrastructure	**183**	-	-	-	**183**
Husky Energy	-	-	-	-	-
Finance & investments and others	**152**	-	-	-	**152**
Hutchison Telecommunications International	**3,316**	-	**36**	**346**	**3,698**
Subtotal - established businesses	**14,987**	-	**36**	**346**	**15,369**
TELECOMMUNICATIONS - 3 Group [e]	**13,969**	**86**	**536**	**11,479**	**26,070**
	28,956	**86**	**572**	**11,825**	**41,439**

ESTABLISHED BUSINESSES	Capital expenditure: Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Telecom-munications postpaid CACs HK$ millions	2006 Total HK$ millions
Ports and related services	9,049	-	230	-	9,279
Property and hotels	221	-	-	-	221
Retail	2,668	-	-	-	2,668
Cheung Kong Infrastructure	42	-	-	-	42
Husky Energy	-	-	-	-	-
Finance & investments and others	369	-	55	-	424
Hutchison Telecommunications International	-	-	-	-	-
Subtotal - established businesses	12,349	-	285	-	12,634
TELECOMMUNICATIONS - 3 Group [e]	11,559	-	1,578	15,223	28,360
	23,908	-	1,863	15,223	40,994

	Total assets							
	Company and Subsidiaries		**Investments in associated**		Company and Subsidiaries		Investments in associated	
	Segment assets[f]	**Deferred tax assets**	**companies and interests in joint ventures**	**2007 Total assets**	Segment assets[f]	Deferred tax assets	companies and interests in joint ventures	2006 Total assets
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
ESTABLISHED BUSINESSES								
Ports and related services	**91,308**	**157**	**10,996**	**102,461**	81,874	256	10,937	93,067
Property and hotels	**49,056**	**9**	**23,116**	**72,181**	47,239	10	22,864	70,113
Retail	**52,056**	**400**	**2,338**	**54,794**	50,851	170	2,001	53,022
Cheung Kong Infrastructure	**18,264**	**5**	**39,308**	**57,577**	16,540	-	41,267	57,807
Husky Energy	-	-	**35,669**	**35,669**	-	-	26,052	26,052
Finance & investments and others	**143,490**	**26**	**2,883**	**146,399**	128,856	43	2,776	131,675
Hutchison Telecommunications International	**76,446**	**376**	**2**	**76,824**	-	-	7,043	7,043
Subtotal - established businesses	**430,620**	**973**	**114,312**	**545,905**	325,360	479	112,940	438,779
TELECOMMUNICATIONS - 3 Group [g]	**235,717**	**16,646**	**958**	**253,321**	221,536	16,680	521	238,737
	666,337	**17,619**	**115,270**	**799,226**	546,896	17,159	113,461	677,516

	Total liabilities							
	Segment liabilities[h]	**Current & long-term borrowings[i] and other non-current liabilities**	**Current & deferred tax liabilities**	**2007 Total liabilities**	Segment liabilities[h]	Current & long-term borrowings[i] and other non-current liabilities	Current & deferred tax liabilities	2006 Total liabilities
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
ESTABLISHED BUSINESSES								
Ports and related services	**17,474**	**44,243**	**6,753**	**68,470**	14,870	41,709	6,539	63,118
Property and hotels	**2,162**	**837**	**5,751**	**8,750**	2,277	805	4,276	7,358
Retail	**17,891**	**28,239**	**490**	**46,620**	19,032	28,520	331	47,883
Cheung Kong Infrastructure	**1,435**	**7,766**	**1,430**	**10,631**	1,441	9,505	1,809	12,755
Husky Energy	-	-	**3,316**	**3,316**	-	-	2,129	2,129
Finance & investments and others	**8,264**	**64,263**	**1,542**	**74,069**	5,819	66,055	1,126	73,000
Hutchison Telecommunications International	**8,395**	**13,668**	**695**	**22,758**	-	-	-	-
Subtotal - established businesses	**55,621**	**159,016**	**19,977**	**234,614**	43,439	146,594	16,210	206,243
TELECOMMUNICATIONS - 3 Group	**35,876**	**169,762**	**316**	**205,954**	25,426	154,844	438	180,708
	91,497	**328,778**	**20,293**	**440,568**	68,865	301,438	16,648	386,951

2 Segment information (continued)

Geographical segment

	Revenue							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2007 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2006 Total HK$ millions	%
Hong Kong	**35,212**	**14,087**	**49,299**	**16%**	31,060	14,105	45,165	17%
Mainland China	**19,405**	**9,237**	**28,642**	**9%**	16,135	8,811	24,946	9%
Asia and Australia	**31,084**	**10,871**	**41,955**	**14%**	20,028	18,032	38,060	14%
Europe	**121,273**	**15,595**	**136,868**	**44%**	106,908	12,651	119,559	45%
Americas and others	**11,752**	**40,259**	**52,011**	**17%**	9,681	30,253	39,934	15%
	218,726	**90,049**	**308,775**	**100%**	183,812	83,852	267,664	100%

	EBIT (LBIT) [b]							
	Company and Subsidiaries HK$ millions	**Associates and JCE HK$ millions**	**2007 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JCE HK$ millions	2006 Total HK$ millions	%
Hong Kong	**13,217**	**5,292**	**18,509**	**29%**	6,057	4,311	10,368	20%
Mainland China	**5,042**	**3,128**	**8,170**	**13%**	4,658	3,260	7,918	16%
Asia and Australia	**2,499**	**2,580**	**5,079**	**8%**	1,009	5,115	6,124	12%
Europe	**(13,014)**	**1,513**	**(11,501)**	**-18%**	(14,480)	1,303	(13,177)	-26%
Americas and others	**6,628**	**10,742**	**17,370**	**27%**	4,280	8,282	12,562	25%
Change in fair value of investment properties	**1,988**	**7**	**1,995**	**3%**	2,843	959	3,802	7%
Profit (loss) on disposal of investments and others (See note 3)	**(11,182)**	**35,820**	**24,638**	**38%**	23,290	-	23,290	46%
EBIT	**5,178**	**59,082**	**64,260**	**100%**	27,657	23,230	50,887	100%
Group's share of the following profit and loss items of associated companies and jointly controlled entities:								
Interest and other finance costs	**-**	**(3,446)**	**(3,446)**		-	(3,745)	(3,745)	
Current tax	**-**	**(2,532)**	**(2,532)**		-	(3,273)	(3,273)	
Deferred tax	**-**	**(1,579)**	**(1,579)**		-	(901)	(901)	
Minority interests	**-**	**(365)**	**(365)**		-	(764)	(764)	
	5,178	**51,160**	**56,338**		27,657	14,547	42,204	

	Capital expenditure [e]				
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**Telecom-munications postpaid CACs HK$ millions**	**2007 Total HK$ millions**
Hong Kong	**1,056**	**-**	**36**	**345**	**1,437**
Mainland China	**3,655**	**-**	**-**	**1**	**3,656**
Asia and Australia	**5,753**	**-**	**-**	**1,285**	**7,038**
Europe	**15,789**	**86**	**536**	**10,194**	**26,605**
Americas and others	**2,703**	**-**	**-**	**-**	**2,703**
	28,956	**86**	**572**	**11,825**	**41,439**

	Capital expenditure [e]				
	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	Telecom-munications postpaid CACs HK$ millions	2006 Total HK$ millions
Hong Kong	1,503	-	55	-	1,558
Mainland China	4,622	-	-	-	4,622
Asia and Australia	2,337	-	14	445	2,796
Europe	14,207	-	1,794	14,778	30,779
Americas and others	1,239	-	-	-	1,239
	23,908	-	1,863	15,223	40,994

2 Segment information (continued)
Geographical segment (continued)

	Total assets							
	Company and Subsidiaries		**Investments in associated companies and interests in joint ventures**		Company and Subsidiaries		Investments in associated companies and interests in joint ventures	
	Segment assets(f)	**Deferred tax assets**		**2007 Total assets**	Segment assets(f)	Deferred tax assets		2006 Total assets
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Hong Kong	**117,866**	**457**	**30,172**	**148,495**	91,032	101	36,890	128,023
Mainland China	**39,952**	**57**	**29,631**	**69,640**	33,937	43	27,650	61,630
Asia and Australia	**67,092**	**103**	**11,093**	**78,288**	36,831	134	14,211	51,176
Europe	**307,242**	**16,914**	**6,610**	**330,766**	286,799	16,815	6,366	309,980
Americas and others	**134,185**	**88**	**37,764**	**172,037**	98,297	66	28,344	126,707
	666,337	**17,619**	**115,270**	**799,226**	546,896	17,159	113,461	677,516

(a) The percentages shown represent the contributions to total revenues and EBIT of established businesses.

(b) Earnings (losses) before interest expense and tax ("EBIT" or "LBIT") represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and jointly controlled entities which is included as supplementary information. EBIT (LBIT) is defined as earnings (losses) before interest expense and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of profit (loss) from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to profit (loss) from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

"EBIT - established businesses" and "EBIT (LBIT) - Telecommunications - **3** Group" are presented before the change in fair value of investment properties and profit (loss) on disposal of investments and others.

(c) Included in EBIT of Finance & investments and others is the one-time profits on disposal of certain listed equity investments of HK$9,754 million (2006 - HK$1,815 million).

(d) Included in EBIT of Telecommunications - **3** Group in 2007 are foreign exchange gains totalling HK$1,898 million (2006 - HK$2,294 million) which mainly comprise a HK$1,123 million gain arising from the Group's refinancing of certain non-Sterling borrowings with Sterling bank loans and a HK$775 million gain arising from the Group's refinancing of certain non-Euro borrowings with Euro bank loans. Last year's balance mainly comprised a HK$1,731 million gain arising from the Group's refinancing of certain non-Sterling borrowings with Sterling notes and bank loans and a HK$428 million gain arising from the Group's refinancing of certain non-Swedish Krona borrowings with Swedish Krona bank loans.

(e) Included in capital expenditures of Telecommunications - **3** Group in 2007 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2007 which increased total expenditure by HK$1,433 million (2006 - HK$3,074 million).

(f) Segment assets comprise fixed assets, investment properties, leasehold land, telecommunications licences, telecommunications postpaid customer acquisition and retention costs, goodwill, brand names and other rights, other non-current assets, liquid funds and other listed investments, cash and cash equivalents and other current assets.

(g) Included in total assets of Telecommunications - **3** Group is an unrealised foreign currency exchange gain arising in 2007 of HK$8,924 million (2006 - HK$19,505 million) from the translation of overseas subsidiaries accounts to Hong Kong dollars with an offsetting amount recorded in exchange reserve.

(h) Segment liabilities comprise trade and other payables and pension obligations.

(i) Current and long term borrowings comprise bank and other debts and interest bearing loans from minority shareholders.

3 Profit (loss) on disposal of investments and others

	2007 HK$ millions	2006 HK$ millions
ESTABLISHED BUSINESSES		
Group's share of HTIL's gain on disposal of the mobile business in India [(a)]	**35,820**	-
HTIL's full provision for its investment in the mobile business in Thailand [(b)]	**(3,854)**	-
Loss on CKI's disposal of a toll road infrastructure investment in Mainland China and CKI's provision for a toll road infrastructure investment in Australia [(c)]	**(1,513)**	-
Profit on partial disposal of subsidiaries [(g)]	**-**	24,380
TELECOMMUNICATIONS - 3 Group		
Profit on disposal of **3** UK's wholesale fixed line business	**1,119**	-
Deemed dilution profit arising from HTAL restructuring with a minority shareholder [(d)]	**955**	-
Write-off of customer acquisition and retention costs and content and other similar rights [(e)]	**(4,608)**	-
Provision mainly for disputed receivables relating to **3** UK and **3** Italia's interconnection disputes	**(3,281)**	-
Gain of HK$19,788 million arising from a network sharing arrangement whereby **3** UK obtains a right to share another UK operator's mobile network offset by a one-time provision of HK$19,788 million for related costs to restructure its network infrastructure [(f)]	**-**	-
Profit on sale of **3** UK data centres	**-**	751
CDMA network closure costs [(g)]	**-**	(1,841)
	24,638	23,290

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

(b) In view of the continuing difficulties faced by its mobile telecommunications operation in Thailand, the Group's listed subsidiary, HTIL recognised an impairment charge of HK$3,854 million for its Thailand operation, mainly in respect of telecommunications network assets.

(c) Balance represents the Group's loss on listed subsidiary, Cheung Kong Infrastructure's ("CKI") sales of its entire equity and loan interests in Guangzhou ESW Ring Road and CKI's provision for investments in securities of an infrastructure project in Australia.

(d) Deemed dilution profit arose in connection with the issuance of new equity by the Group's listed subsidiary, Hutchison Telecommunications Australia Limited ("HTAL"), to acquire from a minority shareholder all the remaining interests in Hutchison 3G Australia, a non-wholly owned subsidiary.

(e) Write-off of customer acquisition and retention costs and content and other similar rights mainly comprises write-off of certain capitalised acquisition costs relating to customers migrating to lower tariff plans following a decision to discontinue certain promotional tariff plan offerings and write-off of capitalised intangible content costs relating to content that are less active.

(f) In December 2007, **3** UK entered into a network sharing agreement with another UK mobile communications operator. **3** UK's right to share the other UK mobile communications operator's mobile network assets gave rise to a gain of HK$19,788 million. This gain has been offset by the related costs to restructure **3** UK's network infrastructure of the same amount, comprising a decommissioning charge against fixed assets of HK$11,060 million, restructuring provision of HK$4,685 million and write off of prepayments amounting to HK$4,043 million.

(g) Profit on partial disposal of subsidiaries in 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.

4 Interest and other finance costs

	2007 HK$ millions	2006 HK$ millions
Bank loans and overdrafts	**7,408**	5,856
Other loans repayable within 5 years	**626**	754
Other loans not wholly repayable within 5 years	**6**	6
Notes and bonds repayable within 5 years	**2,659**	2,688
Notes and bonds not wholly repayable within 5 years	**7,483**	6,492
Interest bearing loans from minority shareholders repayable within 5 years	**533**	558
Interest bearing loans from minority shareholders not wholly repayable within 5 years	**289**	71
	19,004	16,425
Notional non-cash interest accretion	**546**	611
	19,550	17,036
Less: interest capitalised	**(496)**	(435)
	19,054	16,601

Borrowing costs have been capitalised at various applicable rates ranging from 4.3% to 8.0% per annum (2006 - 4.6% to 7.9% per annum).

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.

5 Tax

	Current tax HK$ millions	Deferred tax HK$ millions	2007 Total HK$ millions	Current tax HK$ millions	Deferred tax HK$ millions	2006 Total HK$ millions
Hong Kong	**421**	**1,644**	**2,065**	424	388	812
Outside Hong Kong	**2,347**	**7**	**2,354**	1,136	1,029	2,165
	2,768	**1,651**	**4,419**	1,560	1,417	2,977

Hong Kong profits tax has been provided for at the rate of 17.5% (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 year, no deferred tax assets has been recognised for the losses of 3G businesses (2006 - nil).

6 Profit attributable to shareholders of the Company

Included in profit attributable to shareholders is a surplus of HK$7,722 million (2006 - HK$671 million) transferred from revaluation reserves upon disposal of the relevant investments.

7 Earnings per share for profit attributable to shareholders of the Company

The calculation of earnings per share is based on profit attributable to shareholders of the Company HK$30,600 million (2006 - HK$20,030 million) and on 4,263,370,780 shares in issue during 2007 (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 31 December 2007. The employee share options and convertible debts of these subsidiary and associated companies outstanding as at 31 December 2007 did not have a dilutive effect on earnings per share.

8 Cash and cash equivalents

	2007 HK$ millions	2006 HK$ millions
Cash at bank and in hand	**13,650**	10,889
Short term bank deposits	**97,657**	53,262
	111,307	64,151

The carrying amount of cash and cash equivalents approximates their fair value.

9 Trade and other receivables

	2007 HK$ millions	2006 HK$ millions
Trade receivables	**28,951**	20,178
Other receivables and prepayments	**26,235**	24,010
Fair value hedges		
Interest rate swaps	**100**	-
Cash flow hedges		
Forward foreign exchange contracts	**88**	-
	55,374	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 31 December, the ageing analysis of the trade receivables is as follows:

	2007 HK$ millions	2006 HK$ millions
Less than 31 days	**13,305**	12,024
Within 31 to 60 days	**3,388**	2,533
Within 61 to 90 days	**1,312**	980
Over 90 days	**10,946**	4,641
	28,951	20,178

The Group's 5 largest customers contributed less than 7% of the Group's turnover for the years ended 31 December 2007 and 2006.

10 Trade and other payables

	2007 HK$ millions	2006 HK$ millions
Trade payables	**27,206**	21,023
Other payables and accruals	**53,145**	41,652
Provisions	**6,476**	1,351
Interest free loans from minority shareholders	**3,088**	2,318
Fair value hedges		
Interest rate swaps	**3**	61
Cash flow hedges		
Forward foreign exchange contracts	**111**	82
	90,029	66,487

At 31 December, the ageing analysis of the trade payables is as follows:

	2007 HK$ millions	2006 HK$ millions
Less than 31 days	**14,322**	12,557
Within 31 to 60 days	**3,290**	3,980
Within 61 to 90 days	**2,556**	1,966
Over 90 days	**7,038**	2,520
	27,206	21,023

The Group's 5 largest suppliers accounted for less than 20% of the Group's cost of purchases for the years ended 31 December 2007 and 2006.

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-HK 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 31 December 2007, approximately 56% of the Group's principal amount of borrowings were at floating rates and the remaining 44% were at fixed rates. The Group has entered into various interest rate agreements with major creditworthy financial institutions to swap approximately HK$84,630 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$3,845 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration of these interest rate swaps, approximately 82% of the Group's principal amount of borrowings were at floating rates and the remaining 18% were at fixed rates at 31 December 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 the 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 year, 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$6,788 million (2006 – 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 31 December 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$97 million to non-US dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's borrowings, excluding loans from minority shareholders and after taking into consideration of these currency swaps, are denominated as follows: 12% in HK dollars, 30% in US dollars, 11% in British pounds, 35% in Euro and 12% in others currencies. During 2007, HTIL provided intercompany loans to its Thailand operations in US dollar totalling HK$9,327 million to fully repay six outstanding commercial loan facilities with international lenders. In December 2006 the Bank of Thailand imposed unremunerated reserve requirements on the conversion of foreign currency to Thai baht, subsequently removed on 3 March 2008. This affected HTIL's ability to freely convert the US Dollar proceeds into Thai baht. To receive exemption from the unremunerated reserve requirement, HTIL entered into foreign exchange swap contracts with various banks in Thailand. As at 31 December 2007, HTIL had US$1,095 million outstanding under these foreign exchange swap contracts where HTIL has commitments to sell Thai baht and buy US dollar at pre-agreed rates.

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.

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 31 December 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$180,499 million at 31 December 2007, 38% higher than the balance at 31 December 2006 of HK$130,402 million, mainly attributed to the receipt of a 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, 16% were denominated in HK dollars, 64% in US dollars, 3% in British pounds, 6% in Euro and 11% in other currencies.

Cash and cash equivalents represented 62% (2006 – 50%) of the liquid assets, US Treasury notes and listed fixed income securities 29% (2006 – 37%), listed equity securities 7% (2006 – 10%) and long-term deposits 2% (2006 – 3%).

The US Treasury notes and listed fixed income securities, including those held under managed funds, comprise US treasury notes (42%), government issued guaranteed notes (24%), supranational notes (19%) and others (15%). Of these US Treasury notes and listed fixed income securities, 81% are rated at Aaa/AAA with an average maturity of approximately 1.2 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$129,305 million (2006 – HK$96,853 million) for 2007, a 34% increase from last year. This included the Group's share of cash profits arising from HTIL's disposal of its India mobile telecommunications operation totalling HK$35,820 million. Excluding the cash profits from disposals of investments and others in both years, EBITDA before all CACs increased 28% to HK$91,451 million (2006 – HK$71,722 million) for the year. Funds from operations ("FFO"), before cash profits from disposals, capital expenditures, investment in all CACs and changes in working capital amounted to HK$65,290 million (2006 – HK$31,096 million), a 110% increase, mainly due to the receipt of a HK$16,037 million dividend from HTIL as mentioned previously and profits on disposal of certain listed equity investments. In addition to the above items, the increases 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 39% improvement in EBITDA before all CACs. EBITDA and FFO from the Group's established businesses continued to be sound, totalling HK$73,045 million (2006 – HK$58,499 million) and HK$58,894 million (2006 – HK$27,842 million) respectively.

The **3** Group's investment in CACs totalled HK$17,211 million for the year, a 17% reduction from 2006 of HK$20,717 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 year, including the increased number of own-store outlets. Prepaid CACs and other customer acquisition costs which are expensed as incurred, totalled HK$5,732 million, a 4% increase from the 2006 total of HK$5,494 million. **3** Group contract customers' CACs, which are capitalised, totalled HK$11,479 million during the year, a decrease of 25% compared to HK$15,223 million last year.

In 2007, the Group's capital expenditures increased 15% to total HK$29,614 million (2006 – HK$25,771 million), of which HK$14,591 million (2006 – HK$13,137 million) related to the **3** Group. The increase in the Group's total capital expenditures reflects the consolidation of the capital expenditures of HTIL as a subsidiary effective from 14 June 2007. Capital expenditures for the ports and related services division amounted to HK$9,404 million (2006 – HK$9,279 million); for the property and hotels division HK$89 million (2006 - HK$221 million); for the retail division HK$1,843 million (2006 – HK$2,668 million) and for the energy, infrastructure, finance & investments and others division HK$335 million (2006 – HK$466 million) as well as HTIL's expenditures of HK$3,352 million (2006 – nil).

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 31 December 2007 amounted to HK$310,341 million (2006 - HK$283,040 million). The net increase in borrowings was mainly due to: the effect of the translation of foreign currency denominated loans to HK dollars of HK$12,242 million; the consolidation of HTIL's borrowings of approximately HK$9,820 million; increased borrowings totalling HK$24,537 million, including £550 million to partially refinance intercompany loans to **3** UK, **3** Italia's increased borrowings of €536 million and increased borrowings of €400 million to partially refinance the intercompany loans to **3** Italia; net of the repayment of loans totalling approximately HK$23,364 million. Loans from minority shareholders, which are viewed as quasi-equity, totalled HK$12,508 million at 31 December 2007 (2006 – HK$12,030 million). The Group's weighted average cost of debt during the year to 31 December 2007 was 5.9% (2006 – 5.7%).

The maturity profile of the Group's total borrowings, excluding loans from minority shareholders and after taking into consideration the related foreign currency swaps, at 31 December 2007 is set out below:

	HK$	US$	GBP	Euro	Others	Total
In 2008	5%	-	5%	3%	3%	16%
In 2009	1%	1%	-	6%	3%	11%
In 2010	2%	4%	-	1%	5%	12%
In 2011	4%	4%	1%	15%	-	24%
In 2012	-	1%	-	-	-	1%
In years 6 to 10	-	15%	3%	10%	-	28%
In years 11 to 20	-	1%	2%	-	-	3%
Beyond 20 years	-	4%	-	-	1%	5%
Total	12%	30%	11%	35%	12%	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

The significant financing activities in 2007 were as follows:

- In January, drawdown of £200 million (approximately HK$3,070 million) of a short term, floating rate bank loan facility;
- In January, a five-year, floating rate, €3,000 million (approximately HK$31,230 million) bank loan facility which was arranged in December 2006, was fully drawn mainly to refinance **3** Italia's existing loans of €2,464 million (approximately HK$25,649 million);
- In April, repaid at maturity, a floating rate bank loan of JPY19,257 million (approximately HK$1,273 million);
- In May, repaid at maturity, a floating rate bank loan of HK$1,500 million;
- In June, a listed subsidiary HTAL, prepaid floating rate bank loans totalling A$950 million (approximately HK$6,394 million);
- In August, repaid at maturity, fixed rate notes of US$750 million (approximately HK$5,850 million);
- In September, a listed subsidiary CKI, repaid at maturity, a floating rate bank loan of HK$3,800 million;
- In the second half of the year, a listed subsidiary HTIL prepaid floating rate bank loans equivalent to HK$9,768 million of its Thailand operations;
- In December, obtained a short term 6-month, floating rate, £350 million (approximately HK$5,429 million) bank loan to refinance a portion of the intercompany loan investment in **3** UK;
- In December, obtained a short term 6-month, floating rate, €300 million (approximately HK$3,363 million) bank loan to refinance a portion of the intercompany loan investment in **3** Italia;

- In December, obtained a one-year floating rate, €100 million (approximately HK$1,121 million) bank loan to refinance a portion of the intercompany loan investment in **3** Italia; and
- Subsequent to the year end, in March this year, repaid at maturity, fixed rate notes of A$800 million (approximately HK$5,384 million).

Capital, Net Debt and Interest Coverage Ratios

The Group's total shareholders' funds increased 13% to HK$310,014 million at 31 December 2007 compared to HK$273,794 million at 31 December 2006. The increase in shareholders' funds mainly reflects the profit for the year ended 31 December 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 31 December 2007, the consolidated net debt of the Group, excluding loans from minority shareholders which are viewed as quasi-equity, was HK$129,842 million (2006 – HK$152,638 million), a 15% 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 26% at 31 December 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 31 December 2007.

Net debt / Net total capital ratios at 31 December 2007:	
A1 – excluding loans from minority shareholders from debt	26%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	21%
B1 – including loans from minority shareholders as debt	28%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	23%

The Group's consolidated gross interest expense and other finance costs of subsidiaries, before capitalisation, for 2007 increased to total HK$19,550 million, compared to HK$17,036 million last year, mainly due to higher effective market interest rates in 2007 and also a higher average total loan balance reflecting British pound borrowings arranged in the latter part of 2006, increased borrowings by the Group's ports division for HK$2,102 million, as well as a increased borrowings in British pounds and Euro by £655 million and €882 million respectively.

Consolidated EBITDA and FFO before all CACs covered consolidated net interest expense and other finance costs 9.8 times and 6.2 times respectively (2006 – 7.9 times and 3.6 times).

Secured Financing
At 31 December 2007, assets of the Group totalling HK$30,700 million (2006 – HK$91,788 million) were pledged as security for bank and other loans and certain performance guarantees of the Group. At 31 December 2006, the shares of H3G S.p.A. owned by the Group, were pledged as security for its project financing facilities and the assets of H3G S.p.A. amounted to approximately HK$81,007 million at that date. Subsequently, in January 2007, 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.

Borrowing Facilities Available
Committed borrowing facilities available to Group companies but not drawn at 31 December 2007 amounted to the equivalent of HK$14,300 million (2006 - HK$12,946 million).

Contingent Liabilities
At 31 December 2007, the Group provided guarantees for banking and other borrowing facilities granted to associated companies and jointly controlled entities of HK$6,690 million (2006 – HK$13,322 million), and provided performance and other guarantees of HK$9,390 million (2006 – HK$5,681 million).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 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 year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company strives to attain the highest standards of corporate governance. Throughout the year ended 31 December 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 for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that throughout the year ended 31 December 2007, they have complied with the provisions of such Model Code.

REVIEW OF ACCOUNTS

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2007 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, PricewaterhouseCoopers. The unqualified auditor's report will be included in the Annual Report to shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 15 May 2008 to Thursday, 22 May 2008, both days inclusive. In order to qualify for the proposed final 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 no later than 4:30 pm on Wednesday, 14 May 2008.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 22 May 2008. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

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