

## Listed Company Information

HUTCHISON<00013> - Results Announcement

Hutchison Whampoa Limited announced on 25/08/2005:

(stock code: 00013 )

Year end date: 31/12/2005

Currency: HKD

Auditors' Report: N/A

Interim report reviewed by: Both Audit Committee and Auditors

		(Unaudited ) Current Period from 01/01/2005 to 30/06/2005 Note ('Million )	(As restated, notes 1 & 2) (Unaudited ) Last Corresponding Period from 01/01/2004 to 30/06/2004 ( 'Million )
Turnover		: 83,554	59,733
Profit/(Loss) from Operations	3	: 8,226	8,978
Finance cost	4	: (8,479)	(6,183)
Share of Profit/(Loss) of Associates		: 5,249	4,391
Share of Profit/(Loss) of Jointly Controlled Entities		: 2,775	1,263
Profit/(Loss) after Tax & MI		: 11,824	10,758
% Change over Last Period		: +10 %	
EPS/(LPS)-Basic (in dollars)	5	: 2.77	2.52
-Diluted (in dollars)		: N/A	N/A
Extraordinary (ETD) Gain/(Loss)		: N/A	N/A
Profit/(Loss) after ETD Items		: 11,824	10,758
Interim Dividend per Share		: \$0.51	\$0.51
(Specify if with other options)		: N/A	N/A
B/C Dates for Interim Dividend		: 29/09/2005	to 06/10/2005 bdi.
Payable Date		: 07/10/2005	
B/C Dates for (-) General Meeting		: N/A	
Other Distribution for Current Period		: N/A	
B/C Dates for Other Distribution		: N/A	

Remarks:

1 Basis of preparation

These unaudited condensed consolidated interim accounts ("interim accounts") are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These interim accounts should be read in conjunction with the 2004 annual accounts.

The accounting policies and methods of computation used in the preparation

of these interim accounts are consistent with those used in the 2004 annual accounts, except for the changes in accounting policies made thereafter in adopting certain new and revised Hong Kong Financial Reporting Standards ("HKFRS", which term collectively includes HKAS and Interpretations "HK-INT"). The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2.

HKICPA may issue new and revised standards and interpretations subsequent to the date of issuance of these interim accounts. In addition, interpretations on the application of HKFRS will continue to develop. These factors may require adoption of new accounting policies.

## 2 Changes in accounting policies

HKICPA has issued a number of new and revised HKFRS that are effective or available for early adoption for the financial year beginning 1 January 2005. In the current period, the Group has adopted retrospectively, where required, all remaining new and revised HKFRS that are currently in issue and effective for the financial year beginning 1 January 2005 and has elected to early adopt Amendment to HKAS 19, Employee benefits - actuarial gains and losses, group plans and disclosures, ahead of its effective date of 1 January 2006. The effect of the adoption of these new and revised HKFRS decreased profit attributable to shareholders for the six months ended 30 June 2005 and 2004 by HK\$40 million and HK\$700 million respectively. The shareholders' funds as at 31 December 2003, 31 December 2004 and 1 January 2005 have been reduced by HK\$2,048 million, HK\$3,067 million and HK\$3,713 million respectively. As explained in note 2(i), HKAS 39, Financial instruments: recognition and measurement, does not allow retrospective application and therefore adjustments made with respect to the changes in accounting policies under this standard are only recorded as at 1 January 2005 with no retrospective adjustments made to prior period comparatives.

### Summary of the effect of changes in accounting policies

(a) The effect, where material, of these changes on the profit and loss, earnings per share, the opening balance of shareholders' funds and various balance sheet items is summarised below:

(i) Effect on the profit and loss and earnings per share for the six months ended 30 June 2005 and 2004

HKAS 2(b)	HKAS 16(c)	HK-INT 2(d)	HKAS 17(e)	HKAS 19 and Amend- ments(f)	HKAS 21(g)	HKAS 28(h)	HKAS 39(i)	HKFRS 2(j)	Total
HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions
Increase (decrease)									

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Six months ended 30 June 2005:

Profit after taxation	(53)	22	(69)	(3)	69	-	8	25	(74)	(75)
Loss attributable to minority interests	5	(15)	3	-	(3)	-	(1)	20	26	35
Profit attributable to shareholders	(48)	7	(66)	(3)	66	-	7	45	(48)	(40)
Earnings per share	HK\$		HK\$		HK\$		HK\$	HK\$	HK\$	HK\$

(0.01) - (0.02) - 0.02 - - 0.01 (0.01) (0.01)  
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Six months ended 30 June 2004:

Profit after taxation	(626)	(32)	(62)	(4)	38	-	(53)	-	(37)	(776)
Loss attributable to minority interests	54	5	3	-	(2)	-	8	-	8	76
Profit attributable to shareholders	(572)	(27)	(59)	(4)	36	-	(45)	-	(29)	(700)
Earnings per share	HK\$	HK\$	HK\$		HK\$		HK\$		HK\$	HK\$
	(0.14)	(0.01)	(0.01)	-	0.01	-	(0.01)	-	(0.01)	(0.17)

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As disclosed in the 2004 annual accounts, the Group had elected to early adopt HKFRS 3, HKAS 36, HKAS 38, HKAS 40 and HK-INT 1 (formerly Statement of Standard Accounting Practice ("SSAP") Interpretation 22). The full year effect of the adoption of these HKFRS had been disclosed in the 2004 annual accounts.

The aggregate effect of adopting these HKFRS on the profit attributable to shareholders and earnings per share for the six months ended 30 June 2004 is as follows:

Profit attributable to shareholders	HK\$ millions
	(1,024)
Earnings per share	HK\$ (0.24)
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The effect of adopting these HKFRS on the total equity had been incorporated in the shareholders' funds and minority interests as at 31 December 2004, as reported in the 2004 annual accounts.

(ii) Cumulative effect on shareholders' funds as at 31 December 2003, 30 June 2004, 31 December 2004, 1 January 2005 and 30 June 2005

HKAS 2(b)	HKAS 16(c)	HK-INT 2(d)	HKAS 17(e)	HKAS 19 and Amend-ments(f)	HKAS 21(g)	HKAS 28(h)	HKAS 39(i)	HKFRS 2(j)	Total
HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions
Increase (decrease)									

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Shareholders' funds

Cumulative impact of changes in accounting policies as at 31 December 2003	(69)	(582)	(180)	(27)	(740)	(153)	(293)	-	(4)	(2,048)
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Impact on changes in accounting policies on six months ended 30 June 2004

Profit attributable to shareholders	(572)	(27)	(59)	(4)	36	-	(45)	-	(29)	(700)
Exchange reserves	(1)	(4)	1	1	(18)	4	4	-	-	(13)
Other reserves and retained profit	-	-	-	-	-	-	-	-	27	27

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Cumulative impact of changes in accounting policies as at 30 June 2004

(642)	(613)	(238)	(30)	(722)	(149)	(334)	-	(6)	(2,734)
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Impact on changes in accounting policies on six months ended 31 December 2004

Profit attributable to shareholders	(398)	59	(50)	(1)	55	-	17	-	(9)	(327)
Exchange reserves	-	(3)	(1)	(1)	(35)	359	(17)		(20)	282
Other reserves and retained profit	-	-	-	-	(315)	-	-	-	27	(288)

Cumulative impact of changes in accounting policies as at 31 December 2004  
(1,040) (557) (289) (32) (1,017) 210 (334) - (8) (3,067)

Minority interests

Cumulative impact of changes in accounting policies as at 31 December 2004	(98)	(252)	(20)	-	(63)	7	(61)	-	(4)	(491)
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Total Equity

Cumulative impact of changes in accounting policies as at 31 December 2004	(1,138)	(809)	(309)	(32)	(1,080)	217	(395)	-	(12)	(3,558)
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Shareholders' funds

Cumulative impact of changes in accounting policies as at 31 December 2004	(1,040)	(557)	(289)	(32)	(1,017)	210	(334)	-	(8)	(3,067)
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Changes in accounting policy in respect of financial instruments	-	-	-	-	-	-	-	(646)	-	(646)
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Cumulative impact of changes in accounting policies as at 1 January 2005  
(1,040) (557) (289) (32) (1,017) 210 (334)(646) (8) (3,713)

Impact on changes in accounting policies on six months ended 30 June 2005

Profit attributable to shareholders	(48)	7	(66)	(3)	66	-	7	45	(48)	(40)
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Exchange reserves	(1)	7	1	-	(16)	(74)	(4)	-	-	(87)
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Other reserves and retained profit	-	145	-	-	-	-	-	(577)	46	(386)
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Cumulative impact of changes in accounting policies as at 30 June 2005  
(1,089) (398) (354) (35) (967) 136 (331)(1,178)(10)(4,226)

Minority interests

Cumulative impact of changes in accounting policies as at 30 June 2005	(103)	(233)	(23)	-	(122)	(4)	(60)	(237)	(4)	(786)
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Total Equity

Cumulative impact of changes in accounting policies as at 30 June 2005	(1,192)	(631)	(377)	(35)	(1,089)	132	(391)	(1,415)	(14)	(5,012)
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(iii) Effect on the shareholders' funds and various balance sheet items as at 30 June 2005

HKAS 2(b)	HKAS 16(c)	HK-INT 2(d)	HKAS 17(e)	HKAS 19 and Amend- ments(f)	HKAS 21(g)	HKAS 28(h)	HKAS 39(i)	HKFRS 2(j)	Total As at 30 June 2005
HK\$ mil- lions Increase	HK\$ mil- lions (decrease)	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions
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Fixed assets									
-	147	(153)	(32,630)	-	-	-	-	-	(32,636)
Leasehold land									
-	-	-	32,640	-	-	-	-	-	32,640
Telecommunications licences									
-	-	-	-	-	-	-	(133)	-	(133)
Goodwill and other intangible assets									
-	-	-	-	(15)	132	-	-	-	117
Associated companies									
-	(11)	(97)	(1)	(44)	-	(391)	(534)	-	(1,078)
Interests in joint ventures									
-	(109)	(97)	(34)	10	-	-	(1,701)	-	(1,931)
Other non-current assets									
-	-	-	-	-	-	-	(215)	-	(215)
Liquid funds and other listed investments									
-	-	-	-	-	-	-	(1,493)	-	(1,493)
Current assets									
(1,192)	-	-	-	-	-	-	(16)	-	(1,208)
-----									
Total assets									
(1,192)	27	(347)	(25)	(49)	132	(391)	(4,092)	-	(5,937)
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Trade and other payables									
-	656	-	10	(23)	-	-	(2,138)	14	(1,481)
Current borrowings									
-	-	-	-	-	-	-	65	-	65
Long term borrowings									
-	-	-	-	-	-	-	(1,506)	-	(1,506)
Derivative financial instruments									
-	-	-	-	-	-	-	917	-	917
Deferred tax liabilities									
-	2	30	-	(171)	-	-	(15)	-	(154)
Pension obligations									
-	-	-	-	1,234	-	-	-	-	1,234
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Total liabilities									
-	658	30	10	1,040	-	-	(2,677)	14	(925)
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Net assets									
(1,192)	(631)	(377)	(35)	(1,089)	132	(391)	(1,415)	(14)	(5,012)
=====									
Shareholders' funds									
(1,089)	(398)	(354)	(35)	(967)	136	(331)	(1,178)	(10)	(4,226)
Minority interests									
(103)	(233)	(23)	-	(122)	(4)	(60)	(237)	(4)	(786)
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Total equity  
 (1,192)(631) (377) (35) (1,089) 132 (391) (1,415)(14) (5,012)  
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(iv) Effect on the shareholders' funds and various balance sheet items as at 31 December 2004 and 1 January 2005

HKAS 2(b)	HKAS 16(c)	HK-INT 2(d)	HKAS 17(e)	HKAS 19 and Amend- ments(f)	HKAS 21(g)	HKAS 28(h)	HKFRS 2(j)	Total as at 31 De- cember 2004	HKAS 39 (i)	Total as at 1Jan- uary 2005
HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions	HK\$ mil- lions
Increase (decrease)										
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Fixed assets										
-	(21)	(151)	(31,124)	-	-	-	-	(31,296)	-	(31,296)
Leasehold land										
-	-	-	31,137	-	-	-	-	31,137	-	31,137
Telecommunications licences										
-	-	-	-	-	-	-	-	-	(153)	(153)
Goodwill and other intangible assets										
-	-	-	-	(15)	170	-	-	155	-	155
Associated companies										
-	(15)	(76)	-	(6)	47	(395)	-	(445)	(600)	(1,045)
Interests in joint ventures										
-	(103)	(82)	(32)	10	-	-	-	(207)	(2,399)	(2,606)
Other non-current assets										
-	-	-	-	-	-	-	-	-	(549)	(549)
Liquid funds and other listed investments										
-	-	-	-	-	-	-	-	-	(775)	(775)
Current assets										
(1,138)	-	-	-	-	-	-	-	(1,138)	(192)	(1,330)
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Total assets										
(1,138)	(139)	(309)	(19)	(11)	217	(395)	-	(1,794)	(4,668)	(6,462)
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Trade and other payables										
-	668	-	13	(9)	-	-	12	684	(2,393)	(1,709)
Current borrowings										
-	-	-	-	-	-	-	-	-	105	105
Long term borrowings										
-	-	-	-	-	-	-	-	-	(2,544)	(2,544)
Derivative financial instruments										
-	-	-	-	-	-	-	-	-	1,071	1,071
Deferred tax liabilities										
-	2	-	-	(203)	-	-	-	(201)	(32)	(233)
Pension obligations										
-	-	-	-	1,281	-	-	-	1,281	-	1,281
-----										
Total liabilities										
-	670	-	13	1,069	-	-	12	1,764	(3,793)	(2,029)
-----										
Net assets										
(1,138)	-	-	-	-	-	-	-	(1,138)	(192)	(1,330)

(809)	(309)	(32)	(1,080)	217	(395)	(12)	(3,558)	(875)	(4,433)	
=====										
Shareholders' funds										
(1,040)										
(557)	(289)	(32)	(1,017)	210	(334)	(8)	(3,067)	(646)	(3,713)	
Minority interests										
(98)	(252)	(20)	-	(63)	7	(61)	(4)	(491)	(229)	(720)
-----										
Total equity										
(1,138)										
(809)	(309)	(32)	(1,080)	217	(395)	(12)	(3,558)	(875)	(4,433)	
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The following sets out further information on the changes in accounting policies adopted for the financial year beginning 1 January 2005 which have been reflected in these interim accounts. The financial impact of these changes is summarised in note 2(a).

(b) Recognition of losses of handsets delivered to dealers (HKAS 2, Inventories)

In prior years, losses related to handsets delivered to dealers were deferred to match to the economic benefits arising from customer acquisition through the dealers. This deferral and matching treatment as prescribed under Hong Kong Statement of Standard Accounting Practice ("SSAP") 22, Inventories has been eliminated by HKAS 2. With effect from 1 January 2005, in order to comply with HKAS 2, such losses are recognised when the handsets are delivered to dealers. The change in accounting policy has been applied retrospectively.

(c) Site restoration cost (HKAS 16, Property, plant and equipment)

In accordance with HKAS 16 and its current interpretations, site restoration costs incurred as a consequence of acquiring or using the site are included in the cost of an asset. In prior years, such costs were accounted for to the extent it was recognised as a provision. This change in accounting policy has been applied retrospectively.

(d) Hotel properties and golf courses (HK - INT 2, The appropriate policies for hotel properties) Hotel properties and golf courses are accounted for at cost less accumulated depreciation. The depreciable amount of the hotel and golf course buildings are depreciated over their remaining useful life and, when the hotel property and golf course are located on leasehold land, the carrying amount of the leasehold land is amortised over the shorter of the remaining life of the lease and the remaining useful life. In prior years, hotel properties and golf courses with unexpired lease term of more than 20 years were accounted for at cost, and when the unexpired lease term was 20 years or less, depreciation was provided on the then carrying value over the remaining term of the lease. This change in accounting policy has been applied retrospectively.

(e) Leasehold land (HKAS 17, Leases)

The adoption of HKAS 17, Leases has resulted in a change to the accounting policy relating to the reclassification of leasehold land separate from fixed assets to prepaid operating leases. The up-front prepayments made for the leasehold land are presented on the face of the consolidated balance sheet as leasehold land and expensed in the profit and loss account on a straight line basis over the period of the lease or an expected life of fifty years, whichever is shorter. In prior years, the leasehold land was accounted for at cost or valuation less accumulated depreciation. Apart from certain presentational changes with comparatives

restated, this change in accounting policy does not have any material effect on the accounts. The change in accounting policy has been applied retrospectively.

(f) Actuarial gains and losses (HKAS 19, Employee benefits and Amendment to HKAS 19, Employee benefits - actuarial gains and losses, group plans and disclosures)

Amendment to HKAS 19 provides an option of recognising actuarial gains and losses in full in the period in which they occur, outside profit or loss, in equity. The Group has elected to take the option to recognise all actuarial gains and losses, including those actuarial gains and losses previously included as part of the transitional unrecognised liabilities on initial adoption of SSAP 34 "Employee Benefits". In prior years, cumulative unrecognised net actuarial gains and losses, to the extent of the amount in excess of 10% of the greater of the present value of the plan obligations and the fair value of plan assets, were recognised in the consolidated profit and loss account over the average remaining service lives of employees. This change in accounting policy has been applied retrospectively.

(g) Translation of goodwill relating to a net investment in a foreign operation (HKAS 21, The effects of changes in foreign exchange rates)

Goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation and translated at the closing rate at each balance sheet date. The previous treatment of goodwill as a non-monetary item which was translated at historic exchange rate is not allowed by HKAS 21. This change in accounting policy has been applied retrospectively.

(h) Recognition of losses of associated companies (HKAS 28, Investments in associates)

Share of loss of an associated company is recognised to the extent of the Group's interest in the associated company. The interest in an associated company is the carrying amount of the investment in the associated company under the equity method together with any long-term receivables and loans that, in substance, form part of the Group's net investment in the associated company. In prior years, the share of loss of an associated company is recognised to the extent of the carrying amount of the investment in the associated company under the equity method. This change in accounting policy has been applied retrospectively.

(i) Financial instruments (HKAS 32, Financial instruments: disclosure and presentation and HKAS 39, Financial instruments: recognition and measurement)

Liquid funds and other listed investments are classified as cash and cash equivalents, listed debt securities, long term deposits and listed equity securities. Listed debt and equity securities which are available for sale are carried at fair value and changes in fair values are dealt with as movements in the investment revaluation reserve. For those listed equity securities re-designated by management as financial assets at fair value through profit or loss, changes in fair value are recognised in the profit and loss account. For those listed debt securities which are held as held-to-maturity investments are carried at amortised cost. These investments are non-derivative financial assets with fixed or determinable payments that the Group's management has the positive intention and ability to hold to maturity. Long term deposits which are loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities and are not quoted in an active market, are carried at amortised cost. In prior years, listed debt securities were presented as

listed held-to-maturity debt securities and were carried at amortised cost less provision for impairment in value. For those listed equity securities re-designated by management as financial assets at fair value through profit or loss on 1 January 2005 in accordance with the transitional provisions of HKAS 39, the cumulative changes in fair values as at 1 January 2005 have been recognised as movements in the investment revaluation reserve.

The Group's other unlisted investments, included under other non-current assets, are classified as debt securities, equity securities and infrastructure project investments. Unlisted equity securities which are available for sale are carried at fair value and changes in fair values are dealt with as movements in the investment revaluation reserve. Unlisted debt securities and investments in infrastructure projects with fixed or determinable payments and not quoted in an active market are non-derivative financial assets and recognised as loans and receivables. These long term investments are carried at amortised costs and are measured using the effective interest method. In prior years, other unlisted debt securities were classified under either unlisted held-to-maturity debt securities or unlisted equity securities and advances. These unlisted investments were carried at amortised cost less provision for impairment in value. Investments in infrastructure projects were classified as other joint ventures under interests in joint ventures and were amortised over the relevant contract period on a straight line basis.

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. Changes in fair value are recognised based on whether certain qualifying criteria under HKAS 39 are satisfied in order to apply hedge accounting, and if so, the nature of the items being hedged.

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges. Changes in the fair value of these derivatives, together with the changes in the fair value of the hedged assets or liabilities attributable to the hedged risk are recognised in the profit and loss account.

Derivatives designated as hedging instruments to hedge against the cash flows attributable to recognised liabilities may qualify as cash flow hedges. Changes in the fair value of these derivatives are dealt with as movements in hedging reserve.

Derivatives that do not qualify for hedge accounting under HKAS 39 will be accounted for with the changes in fair value being recognised in the profit and loss account. In prior years, derivative financial instruments for hedging the foreign currency risk of a committed future transaction were recognised on a cash basis. For foreign currency swap agreements entered into for managing exchange rate exposures on certain foreign currency debt instruments, these debt instruments were translated at the contracted swap rates. For interest rate swap agreements entered into for managing the fixed and floating interest rate mix of the Group's total debt portfolio, these derivatives were not recognised on the balance sheet.

The Group's borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings and debt instruments is recognised over the period of the borrowings using effective interest method. In prior years, borrowings and debt instruments were stated at the nominal principal balance and the initial transaction costs incurred were

capitalised and included under other non-current assets. The transaction costs were amortised on a straight line basis over the period of the borrowings.

HKAS 39 does not allow retrospective application and the Group applied the previous SSAP 24, Accounting for investments in securities for the 2004 comparative information. No comparatives have been restated and the transitional reclassification adjustments are determined and recorded as at 1 January 2005 and are shown in the Consolidated Statement of Changes in Equity as "Adjustments in respect of changes in accounting policies for financial instruments" and new accounting policies and reclassification of the financial assets and liabilities resulting from the adoption of HKAS 39 are effective from 1 January 2005.

(j) Employee share option scheme (HKFRS 2, Share-based payment)

The Group recognises the fair value of share options granted to employees as an expense in profit and loss and a corresponding increase in retained profit within equity. As a transitional provision, the cost of share options granted after 7 November 2002 and had not vested on 1 January 2005

was expensed retrospectively in the profit and loss of the respective years. In the prior years, the provision of share options to employees did not result in an expense in profit and loss.

(k) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

Minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the shareholders of the Company, and minority interests in the results of the Group are presented on the face of the consolidated profit and loss account as an allocation of the total profit or loss for the period between the minority interests and the shareholders of the Company. In prior years, minority interests were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets, and minority interests in the results of the Group were presented in the consolidated profit and loss account separately as a deduction before arriving at the profit attributable to shareholders.

At the date of authorisation of these interim accounts, the following standards and interpretations were in issue but not yet effective:

HKFRS 6	Exploration for and evaluation of mineral resources
HKFRS Interpretation 4	Determining whether an arrangement contains a lease
HKFRS Interpretation 5	Right to interests arising from decommissioning, restoration and environmental rehabilitation

The Group has already commenced an assessment of the impact of these new HKFRS pronouncements which are not yet effective and have not been early adopted by the Group. The adoption of these new HKFRS is not expected to result in substantial changes to the Group's accounting policies.

3 Profit from operations

Profit from operations includes a profit of HK\$5,500 million arising from the disposal of a 20% interest in Hongkong International Terminals and a

10% interest in COSCO-HIT Terminals (Hong Kong) and a profit of HK\$9,400 million arising from the exercise of the right to purchase the minority shareholders' interests in Hutchison 3G UK Holdings ("H3G UK") at a substantial discount to their net asset value. The comparative amounts for the six months ended 30 June 2004 included a profit of HK\$13,759 million on the disposal of Procter & Gamble-Hutchison and a profit of HK\$1,300 million from the disposal of a portion of shares in Hutchison Global Communications Holdings by way of share placement.

4 Finance costs

	Six months ended 30 June	
	2005	2004
	HK\$ millions	HK\$ millions
Company and subsidiary companies	7,393	5,328
Less: interest capitalised	(244)	(432)
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	7,149	4,896
Share of associated companies	1,122	1,059
Share of jointly controlled entities	208	228
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	8,479	6,183
	=====	=====

5 Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of HK\$11,824 million (30 June 2004 - HK\$10,758 million, as restated) and on 4,263,370,780 shares in issue during the six months ended 30 June 2005 (30 June 2004 - 4,263,370,780 shares).