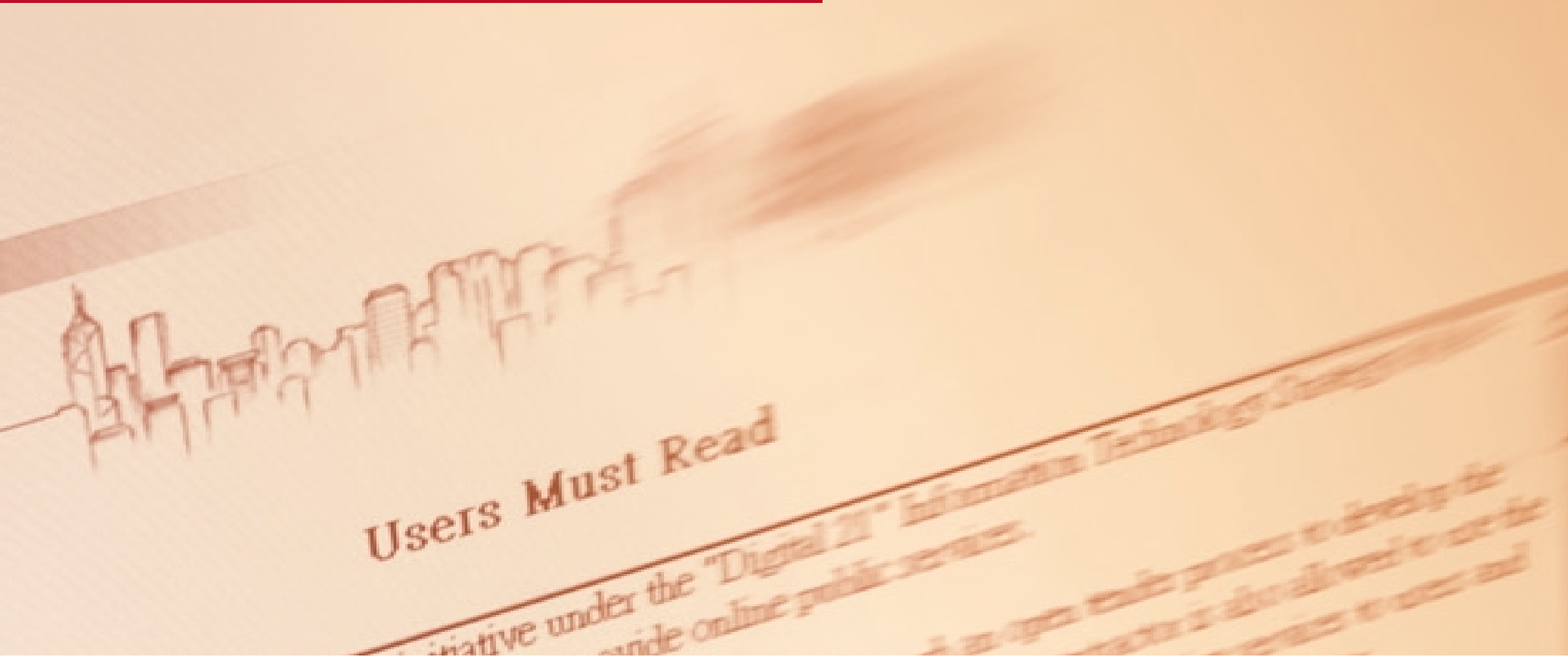
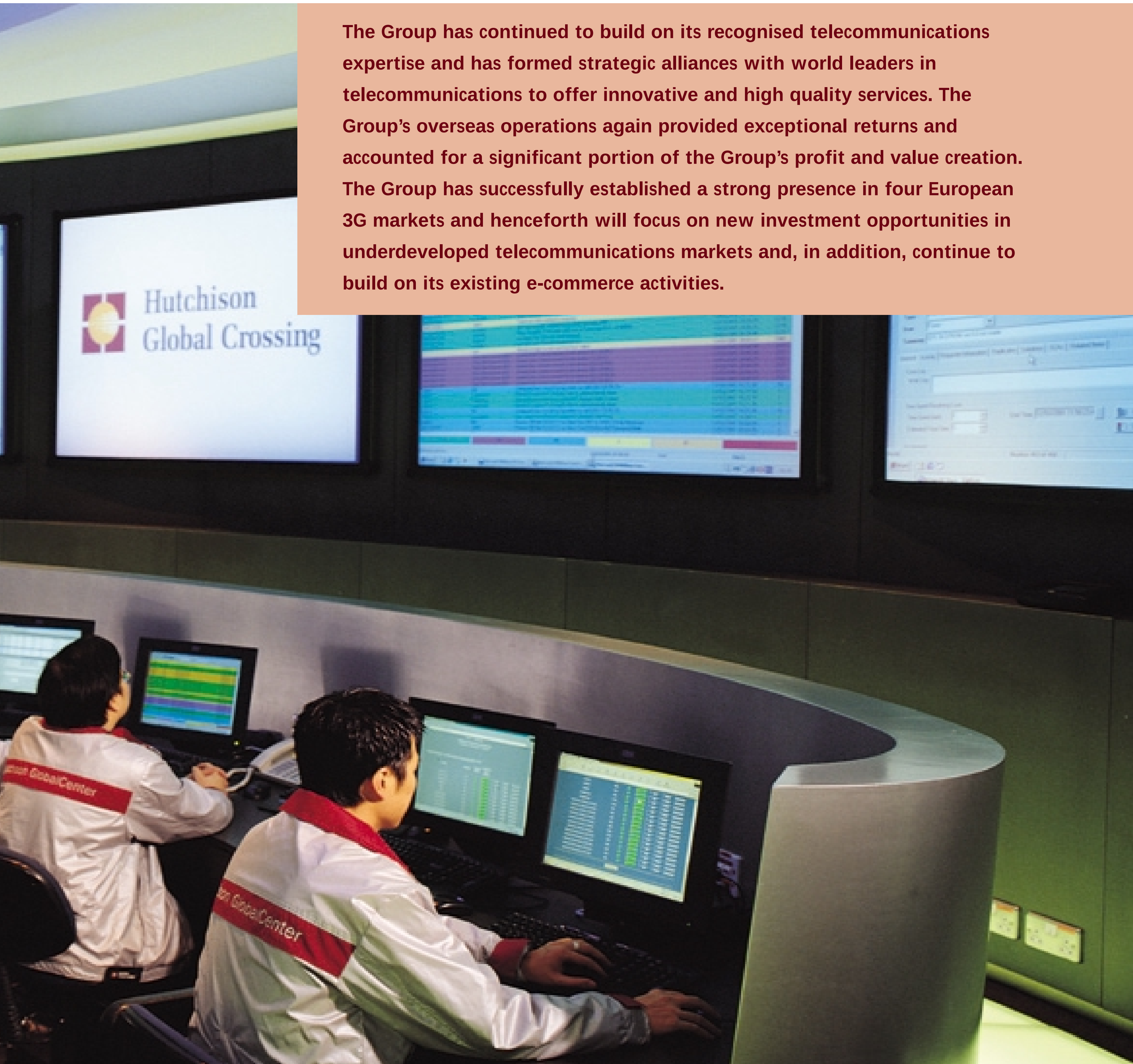
Hutchison Global Center integrates the world class connectivity of Global Crossing's fibre optic network with state-of-the-art data centre architecture and professional service to create a high performance Internet business.



The Group has continued to build on its recognised telecommunications expertise and has formed strategic alliances with world leaders in telecommunications to offer innovative and high quality services. The Group's overseas operations again provided exceptional returns and accounted for a significant portion of the Group's profit and value creation. The Group has successfully established a strong presence in four European 3G markets and henceforth will focus on new investment opportunities in underdeveloped telecommunications markets and, in addition, continue to build on its existing e-commerce activities.



Hutchison Telecom's Customer Services Centre provides a "one-stop-shop" for customer services of the highest quality, staffed by professional service ambassadors and equipped with advanced technology.

Turnover for the telecommunications and e-commerce division for 2000 totalled HK$10,057 million, an increase of 18% compared to 1999, reflecting the increase in the Group's global mobile subscriber base which grew 66% from 2.1 million subscribers at the end of 1999 to 3.5 million subscribers at the end of 2000. EBIT from the Group's telecommunications division totalled HK$476 million, a 16% decrease compared to the HK$563 million reported in 1999. The amount recorded for the year excludes the profits totalling HK$21,520 million (1999 – HK$116,916 million) comprised of a HK$50,000 million profit from the exchange of a 10.2% interest in Mannesmann for an approximate 5% interest in Vodafone Group; a HK$1,600 million profit from the subsequent disposal for cash of an approximate 1.5% interest in Vodafone Group; a HK$1,720 million profit on the sale of a 50% interest in the Hong Kong fixed line telecommunications business to Global Crossing; a HK$2,200 million profit on the sale of a 19% interest in the Hong Kong mobile operation to NTT DoCoMo; and a HK$34,000 million provision for the potential effect of share price and exchange rate fluctuations on the Group's overseas investments.

HONG KONG OPERATIONS

Hutchison Telecommunications in Hong Kong, which provides mobile telephony services through Hutchison Telephone and fixed line, Internet and data services through Hutchison Global Crossing ("HGC") (50% interest), recorded positive EBIT, although 5% lower than the previous year reflecting a continuation of intense competition in the mobile market and losses from the fixed line businesses as it continues to build its business and market share. Despite intense competitive pressure the Group has continued to grow its customer base and is well positioned in each of its markets.

Hutchison Telephone recorded a 22% increase in its mobile subscriber base in 2000 and maintained its leading market share of approximately 32%. Currently the subscriber base exceeds 1.7 million. In May, Hutchison Telephone launched its mobile Internet portal, Orangeworld, which has proved to be a successful platform, attracting approximately 70% of Hong Kong's Wireless Application Protocol ("WAP") subscribers. Hutchison Telephone has upgraded its networks to facilitate the use of higher speed services such as GPRS and IS95B on its GSM and CDMA networks and is working closely with its strategic partner, NTT DoCoMo, Customers can try out the latest handsets and services, and enjoy free Internet access at the innovative handset and Internet stations at the Customer Services Centre.

The launch of Orangeworld has marked an important strategic move to lead the development of mobile Internet services in Hong Kong.

to ensure state-of-the-art and innovative services continue to be available to all subscribers. With the expected issuance of 3G licences in Hong Kong later this year, the Group has been participating in a consultation process with the Government and currently plans to apply for a licence with a competitive bid. In February this year, the Group signed an agreement to increase its interest in Hutchison Telephone from 55.9% to 81% with the acquisition of a 25.1% stake from Motorola.

The Group's fixed line business is still building its business and has made good progress to establish itself as a quality service operator in Hong Kong's wireline voice and data market. Currently over 1,000 kilometres of ductwork have been laid and the number of buildings connected to the Group's fibre optic backbone has progressed satisfactorily during the year. At the end of the year, the 0080 international direct dialing service had over 1.9 million activated lines and, despite strong competition, EBIT grew by 35%. The fixed line businesses have benefited from reduced carrier charges and are expected to benefit in the future from the direct connection in January this year to Global Crossing's worldwide fibre optic submarine cable network and interconnection with both China Telecom and China Unicom to provide direct optical fibre linkage with the Mainland. In June, HGC launched its first global data centre in Hong Kong. This is modelled on Global Crossing's data centres around the world and provides web hosting, application services and other Internet

ESD*life* has now set up ESD kiosks at convenient locations in Hong Kong. Through the kiosks, the public can obtain access to over 70 public services on the ESD*life* website.

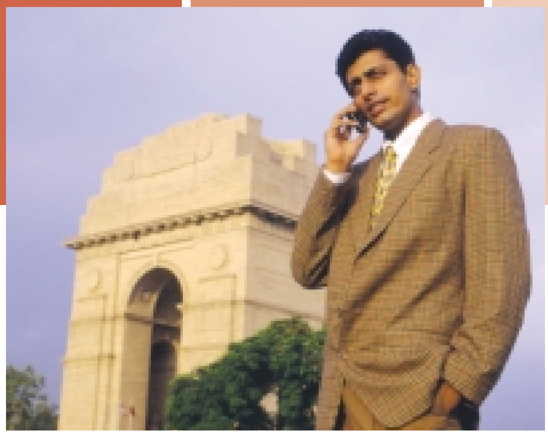
Hutchison Telecom's website, Orangehk.com, offers customers easy access to comprehensive online shopping and customer services for Orange products and services.

facilities management services. In December, a joint venture company held by HGC (85% interest) and Compaq Computer (15% interest) officially launched the Electronic Service Delivery ("ESD") system in Hong Kong with ESD*life* which enables users to conduct a wide variety of online transactions with various government departments and with commercial electronic services. HGC is expanding this platform to facilitate more government and private sector e-commerce activities. The HutchCITY branded Internet service provider business has reported steady growth and currently has over 140,000 subscribers on its bilingual service. To build on this service, HGC recently launched a high density broadband service which offers a dedicated access speed of 10 Mbps.

ASIA PACIFIC OPERATIONS

The Group's 57.82% owned listed subsidiary in Australia, Hutchison Telecommunications (Australia) ("HTA"), reported a 23% increase in turnover to A$404.7 million for the year, primarily due to a 33% increase in subscriber numbers. Consistent with the start up nature of its business, HTA reported a loss before interest expense and tax of A$98.9 million compared to A$5.9 million EBIT last year. The GSM mobile service provision subscriber base grew 16% during the year to over 280,000 subscribers. HTA officially launched its Orange One CDMA network during the year with the world's first application of Local Zone technology which was pioneered by HTA and its network supplier Samsung Electronics. At the year

The launching of CDMA network in July to provide Local Zone wireless and full mobile services in Sydney and Melbourne positioned HTA at the forefront of mobile communications services.



Enhanced technology, user friendly products and superior services have made Orange the most recognised brand for offering the latest wirefree services in Mumbai, India.

end this network covering Sydney and Melbourne had approximately 75,000 subscribers. Detailed planning for a 3G network, utilising the 1800 MHz spectrum that was acquired in March, is at an advanced stage, and an initial launch date for high speed mobile services on this platform is scheduled for the second half of 2002.

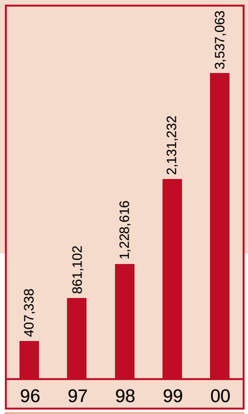
In India, Hutchison Max Telecom, 49% owned by the Group, recorded a 56% increase in its subscriber base in 2000 and reported EBIT more than double the previous year. Strong subscriber growth in the Indian operation in Mumbai was augmented by the acquisition of approximate 49% interests in each of three GSM operations in New Delhi, Calcutta and the state of Gujarat. The combined subscriber base of the Indian operations currently totals over 675,000 compared to 144,000 subscribers from its sole operation in Mumbai at the end of 1999. All of these operations are EBIT positive and have strong growth potential.

EUROPEAN OPERATIONS

Following the disposal in 1999 of the Group's European second generation telecommunications asset base, Orange plc, the Group has successfully embarked on a reinvestment programme to apply a portion of the sales proceeds to invest in new 3G business opportunities in Europe. In the UK, the Group acquired in April, and fully paid for, a 3G licence with 35MHz of spectrum for a consideration of

The Group's operation in Gujarat, under the brand name CelForce, is the largest non-metro mobile operation in India.

Mobile Telephone Subscribers



Hong Kong, Australia, India, Israel and Sri Lanka

£4,385 million. In September, the Group completed the sale of a 20% interest and a 15% interest in the licence to NTT DoCoMo and KPN Mobile respectively for a total consideration of £2,100 million. The profit generated from this transaction has been set aside to offset the start up losses that are expected to be generated from this business. An experienced management team is already in place and the network rollout has commenced with a target launch date in mid 2002. Hutchison 3G UK has successfully arranged a three year stand alone project financing facility of £3,000 million, including a tranche of £375 million held by the Group, which will fund the budgeted capital expenditures and operating losses during this period.

In Italy, the Group acquired in October, and fully paid for, one of five 3G licences with 35MHz of spectrum for €3,254 million. The Group's interest in Hutchison 3G Italy (formerly Andala) is currently 78.3%. Tiscali, an existing partner and a leading European Internet service provider, has an option to acquire up to 25.2% of the Group's interest in stages before December 2002. Network vendor selection is at an advanced stage and the network rollout is targeted to support a launch in mid 2002. In November, Hutchison 3G Austria, a wholly owned subsidiary, acquired and fully paid for one of six 3G licences with 25MHz of spectrum in Austria for a fee of €139 million, and in December the Group's 60% owned joint venture with

Building upon its strong engineering and marketing expertise, Partner Communications in Israel offers its customers one of the widest ranges of services in the industry, including WAP and HSCSD, and is also piloting GPRS services.

Investor AB, HI3G Access, acquired one of four 3G licences with 35MHz of spectrum to operate a 3G network in Sweden. The licence in Sweden was awarded after a government assessment of the merits of the applicants and no licence fee was payable. Third generation mobile multimedia services are expected to be launched in Austria and Sweden in 2002. Based on the footprint of these licences and combined with 3G aspirations in Hong Kong and Australia, the Group's footprint covers a population of over 160 million which provides opportunities for economies of scale for equipment and other supplies as well as an attractive sized target market for content providers and the Group's offering of 3G value added products.

REST OF THE WORLD

The Group's 35% owned associated company in Israel, Partner Communications ("Partner") is quoted on the NASDAQ National and listed on London stock exchanges and operates a GSM network using the Orange brandname. Partner had another outstanding year of growth, reaching over 800,000 subscribers at the end of the year, which is more than double its subscriber base at the end of 1999.

In the United States of America, the shareholders of VoiceStream, in a meeting held on 13 March this year, voted in favour of a merger between VoiceStream and Deutsche Telekom and the transaction, which is subject to

Hutchison E-Commerce operates and holds e-commerce companies, develops e-commerce strategies and supports e-commerce initiatives within the Group.

TOM's Mainland portal launched a popular online communication tool, TOM-Q, enabling users to chat online through text, voice with audio, and visual transmission support.

regulatory approval, is expected to be completed on or about 31 May this year. On completion, the Group will exchange its approximate 18.4% effective interest in VoiceStream for a combination of cash and an approximate 4.5% shareholding in Deutsche Telekom (as described in the proxy statement / prospectus dated 9 February 2001 sent to VoiceStream shareholders), which in total is valued at approximately HK$46,000 million at current market prices. The profit on disposal of VoiceStream will be calculated with reference to the share price of Deutsche Telekom at the time of completion and the investment cost of VoiceStream of approximately HK$10,000 million.

E-COMMERCE

During the year the Group continued to build on its existing e-commerce operations. Alliances have been formed with strategic partners to invest in e-commerce enablement, business to consumer and business to business enterprises. In particular, the Group has successfully launched its office supplies and procurement portal in Hong Kong, BigboXX.com, and an online discount securities joint venture, Hutchison CSFB*direct*.

Following TOM.COM's (29% interest) listing on Hong Kong's newly established Growth Enterprise Market in March 2000, the company has been actively expanding its online and offline business activities.