

Hutchison Telecommunications Hong Kong Holdings Limited

Reports 2009 Interim Results

Steady growth in businesses
Delivering value to customers and equity holders

Key Highlights

- Consolidated turnover grew 8% to HK\$4,097 million
- Turnover of mobile business up 10% to HK\$2,647 million
- Turnover of fixed-line business increased by 7% to HK\$1,623 million
- Carrier, Corporate and Business revenues of fixed-line business achieved double-digit growth
- Profit attributable to equity holders of the Group grew 4% to HK\$256 million
- Basic earnings per share increased to 5.32 HK cents
- Interim dividend per share at 1.12 HK cents

Hong Kong, 12 August 2009 - Hutchison Telecommunications Hong Kong Holdings Limited ("Hutchison Telecom Hong Kong Holdings"; "the Group"; SEHK: 215) today announced its first set of interim results for the six months ended 30 June 2009 after its Listing by way of Introduction on 8 May 2009.

Despite a challenging economic environment and keen market competition, the Group has reported a consolidated turnover of HK\$4,097 million, up 8% when compared to the same period last year. Both mobile and fixed-line businesses reported growth in turnover of 10% and 7% respectively, with particularly strong momentum in the data services of mobile business, as well as the Carrier, Corporate and Business segments for its fixed-line business.

Profit attributable to equity holders of the Group rose 4% to HK\$256 million, compared with HK\$247 million in the same period last year. Basic earnings per share for the six months ended 30 June 2009 was 5.32 HK cents, compared with 5.13 HK cents in the same period last year.

The Board recommends an interim cash dividend of 1.12 HK cents per share, or HK\$54 million in total. The Board aims to manage cash resources efficiently and deliver value to equity holders with a consistent and stable growth in dividends, linked to the underlying performance of the businesses.

Peter Wong, Chief Executive Officer of Hutchison Telecom Hong Kong Holdings, said: "I am pleased to report the Group's first interim results after its Listing by way of Introduction on 8 May 2009. Despite keen competition in the telecommunications market and challenging economic environment, we have delivered a set of satisfactory results with steady growth in our well-established businesses. Looking ahead, we are well positioned to deliver stable performance by capturing the opportunities arising from global bandwidth demand and increasing mobile data usage. We will continue to enlarge our 3G premium customer base with increasing data usage and focus on growing Carrier, Business and Corporate segments of fixed-line business.

During the period, a new accounting policy was adopted to expense all customer acquisition costs and customer retention costs under other operating expenses to the income statement as incurred rather than capitalise and amortise them over the contract period. Such change in accounting policy has been accounted for retrospectively and resulted in a decrease of other intangible assets of HK\$832 million (31 December 2008: HK\$758 million) and net decrease of profit attributable to equity holders of HK\$56 million (30 June 2008: HK\$6 million). This change will help to more closely align the income statement with the cash flow statement and to increase the comparability of performance with other operators within the global industry.

Operations Review

Hong Kong and Macau Mobile Businesses

- Customer base grew 7% to over 2.7 million, of which over 1.3 million are 3G customers in Hong Kong
- Turnover up 10% to HK\$2,647 million
- Data services revenue grew more than 60%
- The first operator in Hong Kong and Macau to launch iPhone 3G and 3Gs with overwhelming market response

Turnover from the Group's mobile operation increased by 10% to HK\$2,647 million compared with HK\$2,413 million in the same period of 2008, mainly driven by increasing demand for data services, as well as the sale of mobile handsets and related accessories.

While voice revenue was affected by continuous price competition and weakened market conditions, the Group saw continuous growth in data services revenue, which grew more than 60% in the period.

Mobile post-paid Average Revenue Per User decreased to HK\$202 compared with HK\$209 in the same period last year, mainly due to lower inbound roaming revenue and the heightened price competition in the voice market.

As the largest 3G mobile telecommunications operator in Hong Kong, the Group became the first operator in Hong Kong and Macau to launch iPhone 3GS in July 2009 following the successful launch of iPhone 3G last year. The launch of iPhones not only further enhances the Group's leading position in local 3G markets, but also promotes the mobile data usage amongst premium customers which underscores significant opportunities for the Group's long-term revenue growth being contributed by these customers.

Hong Kong Fixed-line Business

- One of the leading operators in the market with far-reaching international network footprint and extensive fibre-optic network in Hong Kong
- Turnover increased by 7% to HK\$1,623 million
- Carrier, Corporate and Business segments achieved double-digit growth in revenue

Turnover from fixed-line operation increased by 7% to HK\$1,623 million compared with HK\$1,516 million in the same period last year. The growth was mainly driven by the increasing presence in markets with high growth potential, expanding international network footprint and premium network routings, which together enabled the Group to broaden its customer base and solicit high yield Carrier, Corporate and Business customers.

The revenue of Carrier business jumped 19% while Corporate and Business revenue improved by 10% when compared with the same period last year. The growth was fueled by data and IDD usage as driven by the increasing customer demand.

For residential market, the Group provides broadband services of up to 100Mbps with a homepass covering more than 1.4 million residential units.

Outlook

With the successful bid in conjunction with Hong Kong Telecommunications (HKT) Limited for Broadband Wireless Access radio spectrum in Hong Kong, the Group paves the way to establish a new generation platform for the future provision of high speed data services with potential download speed of over 100Mbps.

The Group has also been engaged in commercial negotiation with the other major network operators for the purpose of establishing the charging arrangement for the fixed-line and mobile interconnection effective 27 April 2009. The Group has already reached commercial agreements with a majority of them on Bill and Keep arrangement, a positive move conducive to a stable operating environment in the future.

While the telecommunications markets in Hong Kong and Macau remain challenging amid an uncertain global economic outlook, the Group's strong established businesses are targeting to maintain a solid performance with steady growth and deliver value to our customers and equity holders.

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About Hutchison Telecommunications Hong Kong Holdings Limited

Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH", SEHK: 215) is a leading integrated telecommunications service operator in Hong Kong. HTHKH provides advanced mobile telecommunications services to a broad range of customers in Hong Kong and Macau under the "3" brand and sophisticated fixed-line telecommunications solutions to corporate, international and carrier customers in Hong Kong and around the world under the "HGC" brand. A member of the Hutchison Whampoa Group (SEHK: 13), HTHKH deploys the latest telecommunications technology to offer world-class telecommunications services and innovations, setting market trend and steering industry development. For more information about HTHKH, visit www.hthkh.com.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited 2009 HK\$ millions	(Restated) Unaudited 2008 HK\$ millions
Turnover	4,097	3,783
Cost of inventories sold	(279)	(138)
Staff costs	(310)	(296)
Depreciation and amortisation	(650)	(688)
Other operating expenses	(2,459)	(2,243)
Operating profit	<u>399</u>	<u>418</u>
Interest income	-	9
Interest and other finance costs	(73)	(105)
Share of results of jointly controlled entities	(8)	-
Profit before taxation	<u>318</u>	<u>322</u>
Taxation	(38)	(47)
Profit for the period	<u><u>280</u></u>	<u><u>275</u></u>
Attributable to:		
Equity holders of the Company	256	247
Minority interest	24	28
	<u>280</u>	<u>275</u>
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share):		
- basic	<u>5.32</u>	<u>5.13</u>
- diluted	<u>5.32</u>	<u>5.13</u>