

**Press Release**

**Hutchison Telecommunications Hong Kong Holdings Limited  
Reports 2009 Annual Results**

**Steady growth in mobile and fixed-line businesses  
Delivering value to equity holders and customers**

**Key Highlights**

- Consolidated turnover grew 4% to HK\$8,449 million
- Turnover of mobile business increased 3% to HK\$5,578 million, with a data revenue growth of over 50%, and its operating profit grew 97% to HK\$483 million
- Turnover of fixed-line business increased 6% to HK\$3,221 million, with a strong performance in the carrier market, and its operating profit grew 10% to HK\$398 million
- Profit attributable to equity holders of the Group increased 103% to HK\$468 million
- Basic earnings per share doubled to 9.72 HK cents
- Final dividend per share recommended at 6.16 HK cents

Hong Kong, 8 March 2010 - Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"; "the Group"; Stock Code: 215) today announced its first annual results for the year ended 31 December 2009 after its listing by way of introduction on 8 May 2009.

In the challenging economic environment following the financial tsunami, the Group's mobile and fixed-line businesses remained resilient. The Group reported a consolidated turnover of HK\$8,449 million, increased 4% when compared to HK\$8,124 million in 2008. The Group's operating profit for the year under review reached HK\$787 million, representing an increase of 55% when compared to HK\$508 million in 2008. The increase in operating profit was mainly attributable to a steady turnover growth coupled with effective cost management.

Both mobile and fixed-line businesses reported steady turnover growth of 3% and 6% respectively, with a strong data revenue growth of over 50% for mobile business, and a remarkable performance in the carrier market for fixed-line business.

Profit attributable to equity holders of the Group increased 103% to HK\$468 million, compared to HK\$230 million in 2008. Basic earnings per share for the year ended 31 December 2009 doubled to 9.72 HK cents, compared to 4.78 HK cents in 2008.

The Board of Directors recommended a final dividend of 6.16 HK cents per share, or HK\$297 million in total, which is equivalent to a dividend payout ratio of 75% of the Group's profit attributable to equity holders.

Mr Peter Wong, Chief Executive Officer of HTHKH, said: "I am pleased to report the Group's first annual results. During a challenging and competitive year, we achieved steady growth in our well-established mobile and fixed-line businesses, as well as solid progress in network rollout. Our **3** brand continues to stay ahead as the top 3G service provider in Hong Kong and the second largest mobile operator in Macau. Leveraging our constantly enhanced local fibre-to-the-building network and advanced global voice-data-IP network, our **HGC** brand also grew to command a prominent market share in the fixed-line industry. At the same time, we benefit from a strong financial position and healthy operating cash flows. This positive positioning reaffirms our commitment to delivering value to our shareholders and customers. Looking ahead, we will continue to reinforce our market leadership and scale new heights of growth by exploring and capitalising on opportunities arising from ever-increasing demand for bandwidth and mobile data services."

During the year under review, the Group adopted a new accounting policy to expense all customer acquisition costs and customer retention costs as other operating expenses on the income statement as incurred, instead of capitalising and amortising these costs over the minimum enforceable contractual period. Such change in policy has been accounted for retrospectively, resulting in decreased value of other intangible assets amounting to HK\$828 million (2008: HK\$758 million) and a net decrease of profit attributable to equity holders of HK\$52 million (2008: HK\$200 million). The change allows closer alignment of income and cash flow statements, and provides greater comparability with the results of other major telecommunications operators.

## Operations Review

### ***Mobile Business - Hong Kong and Macau***

- Total mobile customer base in Hong Kong and Macau grew 10% to approximately 3 million, with postpaid customers reaching 1.9 million
- The largest 3G mobile operator in Hong Kong with over 1.4 million 3G customers
- Turnover up 3% to HK\$5,578 million
- Data service revenue grew more than 50%
- EBITDA increased 14% to HK\$1,138 million

Despite the dampening effect of economic difficulties, the Group's mobile operation continued to achieve steady growth in turnover and margin, and strengthen its customer profile. Turnover of the Group's mobile business increased 3% to HK\$5,578 million compared to HK\$5,395 million in 2008. The Group's mobile operation also maintained a leading position in the 3G Hong Kong market with a customer base of over 1.4 million as at 31 December 2009, representing a 12% growth from the beginning of the year.

Although an all-round decline in spending and travelling resulted in lower roaming revenue, the Group saw continued demand for data usage from sophisticated customers, such as those using iPhones, smartphones and mobile broadband data products.

EBITDA increased 14% from HK\$1,002 million to HK\$1,138 million, attributable to growth in turnover and effective cost management.

CAPEX totalled HK\$413 million which demonstrated the Group's continued commitment to network excellence.

### ***Fixed-line Business - Hong Kong***

- Grew to command a prominent market share with extensive local fibre-to-the-building network and advanced global voice-data-IP network
- Turnover increased 6% to HK\$3,221 million
- EBITDA increased 4% to HK\$1,031 million

With years of concerted efforts in developing a formidable optical-fibre network, the Group owns one of the most extensive fibre-to-the-building telecommunications infrastructures in Hong Kong and provides an advanced global voice-data-IP network.

During the year under review, turnover of the Group's fixed-line operation increased 6% to HK\$3,221 million compared to HK\$3,035 million in 2008, mainly as a result of its strategic investment in markets holding high-growth potential which enabled the Group to broaden its customer base by appealing to higher-yield carriers, corporate and enterprise customers.

EBITDA increased 4% from HK\$995 million to HK\$1,031 million due to increased contribution from international and local carriers segment, offset by lower interconnection revenue following the demolishment of interconnection payment arrangement in 2009.

CAPEX was HK\$623 million in 2009 compared to HK\$523 million in 2008, which largely represents the Group's revenue-driven investment planning.

## Outlook

The Group will continue to serve customers with leading-edge mobile connectivity, infotainment and applications. Leveraging state-of-the-art fibre-to-the-building infrastructure, modernised 3G network, together with newly awarded 4G license, the Group is well positioned to capture the growing demand for broadband services and complex service applications, remaining in the vanguard of Hong Kong's dynamic telecommunications industry.

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## About Hutchison Telecommunications Hong Kong Holdings Limited

Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH", Stock Code: 215) is a leading integrated telecommunications service operator in Hong Kong. HTHKH provides advanced mobile telecommunications services to a wide 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 as well as comprehensive broadband, voice and IDD services to local residential customers under the HGC brand. A member of the Hutchison Whampoa Group (Stock Code: 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, please visit [www.hthkh.com](http://www.hthkh.com).

For 3 Hong Kong's mobile services, please visit [www.three.com.hk](http://www.three.com.hk).

For 3 Macau's mobile services, please visit [3g.three.com.mo](http://3g.three.com.mo).

For HGC's fixed-line services, please visit [www.hgc.com.hk](http://www.hgc.com.hk).