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Hutchison Telecommunications Hong Kong Holdings Limited
和記電訊香港控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 215)

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS

	1H 2024 HK\$ million	1H 2023 HK\$ million	Change
Total revenue	2,058	2,328	-12%
Service revenue	1,760	1,793	-2%
Total EBITDA ⁽¹⁾	728	727	-
Total LBIT ⁽²⁾	(30)	(35)	+14%
Loss attributable to shareholders	(12)	(19)	+37%
Loss per share (in HK cents)	(0.25)	(0.39)	+37%
Interim dividend per share (in HK cents)	2.28	2.28	-

Note 1: EBITDA represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of a joint venture. EBITDA is defined as earnings before net interest and other finance income, taxation, depreciation and amortisation. Information concerning EBITDA has been included in the Group's financial information and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS Accounting Standards and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS Accounting Standards.

Note 2: (LBIT)/EBIT represents the (LBIT)/EBIT of the Company and subsidiary companies as well as the Group's share of the EBIT of a joint venture. (LBIT)/EBIT is defined as losses or earnings before net interest and other finance income and taxation. Information concerning (LBIT)/EBIT has been included in the Group's financial information and is used by many industries and investors as one measure of results from operations. The Group considers (LBIT)/EBIT to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. (LBIT)/EBIT is not a measure of financial performance under IFRS Accounting Standards and the (LBIT)/EBIT measures used by the Group may not be comparable to other similarly titled measures of other companies. (LBIT)/EBIT should not necessarily be construed as an alternative to results from operations as determined in accordance with IFRS Accounting Standards.

CHAIRMAN'S STATEMENT

The Hong Kong economy recorded modest growth in the first half of 2024, which was partly driven by the rebound in the tourism sector. However, the business environment and retail sales performance faced headwinds and the Group continued to experience challenges with changes in consumer spending behaviour as a result of living cost pressures, which softened the Group's total revenue.

Loss attributable to shareholders and loss per share narrowed to HK\$12 million and 0.25 HK cents respectively, a 37% improvement compared to the same period last year.

Dividend

The Board declared an interim dividend of 2.28 HK cents (2023 interim dividend: 2.28 HK cents) per share for the six months ended 30 June 2024, in line with the same period last year, payable on Friday, 6 September 2024, to shareholders (except for the holders of treasury shares, if any) whose names appear on the Register of Members of the Company at the close of business on Wednesday, 28 August 2024, being the record date for determining shareholders' entitlement to the interim dividend. Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Business Highlights

Strong outbound tourism supported solid growth in the Group's roaming service revenue which increased considerably by HK\$73 million or 31% year-on-year to HK\$308 million in the first half of 2024, leveraging its exceptional international connectivity and services. This growth was restrained by a 44% lower hardware revenue as a result of prudent market sentiment and prolonged mobile phone replacement cycle. The Group's total revenue for the first six months of 2024 decreased by HK\$270 million or 12% to HK\$2,058 million compared to the same period last year. Despite a decline in total revenue, total margin remained stable at HK\$1,523 million, primarily driven by revenue mix with an increase in roaming service revenue.

EBITDA remained steady at HK\$728 million in the first six months of 2024, mainly attributable to lower operating expenses driven by effective cost saving initiatives, which was partially offset by higher CACs.

LBIT of HK\$30 million slightly improved by HK\$5 million or 14% compared to the same period last year, mainly attributable to the lower depreciation and amortisation expenses. With the continued high interest rate environment, the Group's bank interest income increased by 11% to HK\$93 million in the first half of 2024, resulting in an increase in net interest income of HK\$6 million for the first six months of 2024 compared to the same period last year.

During the first half of 2024, the customer base of the Group continued to grow and reached approximately 4.3 million as at 30 June 2024, a 25% increase compared to approximately 3.4 million for the same period last year. The substantial increase was primarily attributable to an increase in the prepaid customer base including SoSIM customers. The Group's 5G penetration rate rose 13% points to 51% compared to the same period last year, evidencing positive traction in 5G service subscriptions. The monthly churn rate of postpaid customers increased marginally to 1.0% (1H 2023: 0.9%), mainly due to movements related to corporate customers. With the Group's effective customer value management initiatives and retention programmes, the churn rate of postpaid customers in the mass market remained stable.

Outlook

With the ongoing external macroeconomic uncertainties, the Hong Kong economy is anticipated to continue to face challenges for the remainder of 2024. The Group remains agile and is proactively monitoring demand uncertainty and other key indicators to dynamically adjust operating plans and capital investments as needed, to steer towards further growth in the second half of 2024.

Alongside the focus on achieving a more robust financial performance, the Group continues to embrace sustainability as one of its core values. On the path to decarbonisation, the Group remains devoted to exploring and investing in energy-saving and energy efficient technologies to create a more sustainable future. By continuing to prioritise employee's welfare, the Group strives to maintain a supportive and productive corporate culture.

Looking forward, the Board retains an optimistic outlook regarding the Group's business prospects, while continuing to stay vigilant amidst global economic volatility. The Group will continue to explore value-enhancing opportunities for shareholders and is dedicated to strengthening its overall financial profile for shareholder value maximisation. The Group is committed to delivering a further enhanced financial performance and targets to achieve a turnaround in profitability for the year.

I would like to thank the Board and all staff members for their continued dedication, diligence, professionalism and valuable contributions to the Group.

FOK Kin Ning, Canning
Chairman

Hong Kong, 30 July 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance Summary

	1H 2024 HK\$ million	1H 2023 HK\$ million	Change
Revenue	2,058	2,328	-12%
Net customer service revenue	1,760	1,793	-2%
• Local service revenue	1,452	1,558	-7%
• Roaming service revenue	308	235	+31%
Hardware and other product revenue	298	535	-44%
Net customer service margin	1,521	1,516	-
<i>Net customer service margin %</i>	86%	85%	+1% point
Standalone hardware and other product sales margin	2	12	-83%
Total margin	1,523	1,528	-
- CACs	(208)	(221)	+6%
- Less: Bundled sales revenue	116	138	-16%
CACs (net of hardware and other product revenue)	(92)	(83)	-11%
Operating expenses	(731)	(749)	+2%
<i>Operating expenses as a % of net customer service margin</i>	48%	49%	+1% point
Share of EBITDA of a joint venture	28	31	-10%
EBITDA ⁽¹⁾	728	727	-
Service EBITDA ⁽¹⁾	726	715	+2%
<i>Service EBITDA ⁽¹⁾ margin %</i>	41%	40%	+1% point
CAPEX (excluding telecommunications licences)	(166)	(163)	-2%
EBITDA ⁽¹⁾ less CAPEX	562	564	-
Depreciation and amortisation ⁽³⁾	(758)	(762)	+1%
LBIT ⁽²⁾	(30)	(35)	+14%
Service LBIT ⁽²⁾	(32)	(47)	+32%
Net interest and other finance income ⁽³⁾	52	46	+13%
Profit before taxation	22	11	+100%
Taxation ⁽³⁾	(34)	(30)	-13%
Loss attributable to shareholders	(12)	(19)	+37%

Note 1: EBITDA represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of a joint venture. EBITDA is defined as earnings before net interest and other finance income, taxation, depreciation and amortisation. Information concerning EBITDA has been included in the Group's financial information and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA is not a measure of cash liquidity or financial performance under IFRS Accounting Standards and the EBITDA measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with IFRS Accounting Standards.

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Note 3: Depreciation and amortisation, net interest and other finance income and taxation include the Group's share of joint venture's respective items.

Review of Financial Results

The Group's service revenue slightly dropped by 2% to HK\$1,760 million (1H 2023: HK\$1,793 million) during the first half of 2024. Strong outbound tourism supported solid growth in the Group's roaming service revenue which increased considerably by HK\$73 million or 31% year-on-year to HK\$308 million in the first half of 2024, offset by decrease in local service revenue due to changes in consumer spending behaviour.

The Group's total revenue for the first six months of 2024 decreased by HK\$270 million or 12% to HK\$2,058 million compared to the same period last year (1H 2023: HK\$2,328 million), as the growth in roaming service revenue was offset by low-margin hardware revenue as a result of prudent market sentiment and prolonged mobile phone replacement cycle. Total margin remained stable at HK\$1,523 million, mainly driven by favourable margin mix.

Operating expenses decreased by HK\$18 million or 2% to HK\$731 million (1H 2023: HK\$749 million), primarily from effective cost saving initiatives.

EBITDA maintained at HK\$728 million in the first six months of 2024, primarily driven by lower operating expenses as aforesaid, which was partially offset by higher CACs.

LBIT of HK\$30 million slightly improved by HK\$5 million or 14% compared to the same period last year, mainly attributable to the lower depreciation and amortisation expenses. With the continued high interest rate environment, the Group's bank interest income increased by 11% to HK\$93 million in the first half of 2024, resulting in an increase in net interest income of HK\$6 million for the first six months of 2024 compared to the same period last year.

Loss attributable to shareholders and loss per share narrowed to HK\$12 million (1H 2023: HK\$19 million) and 0.25 HK cents (1H 2023: 0.39 HK cents) respectively, both a 37% improvement compared to the same period last year, primarily driven by the decrease in the Group's depreciation and amortisation expenses, together with the increase in bank interest income resulting from high interest rate environment as aforementioned.

Key Performance Indicators

	1H 2024	1H 2023	Change
Number of postpaid customers ('000)	1,444	1,467	-2%
Number of prepaid customers ('000)	2,827	1,940	+46%
Total customers ('000)	4,271	3,407	+25%
Postpaid customers to total customer base (%)	34%	43%	-9% points
Postpaid customers' contribution to net customer service revenue (%)	83%	88%	-5% points
Monthly churn rate of postpaid customers (%)	1.0%	0.9%	-0.1% point
Postpaid gross ARPU (HK\$)	184	197	-7%
Postpaid net ARPU (HK\$)	168	180	-7%
Postpaid net AMPU (HK\$)	148	154	-4%

During the first half of 2024, the customer base of the Group continued to grow and reached approximately 4.3 million as at 30 June 2024, a 25% increase compared to approximately 3.4 million for the same period last year. The substantial increase was primarily attributable to an increase in the prepaid customer base including SoSIM customers. The Group's 5G penetration rate rose 13% points to 51% compared to the same period last year, evidencing positive traction in 5G service subscriptions. The monthly churn rate of postpaid customers increased marginally to 1.0% (1H 2023: 0.9%), mainly due to movements related to corporate customers. With the Group's effective customer value management initiatives and retention programmes, the churn rate of postpaid customers in the mass market remained stable.

Net Interest and Other Finance Income

Net interest and other finance income (with share of a joint venture) was HK\$52 million in the first half of 2024 (1H 2023: HK\$46 million). The improvement was primarily due to a 11% increase in bank interest income under the environment of high deposit interest rate from an average of 4.60% in the first half of 2023 to an average of 5.03% in the first half of 2024.

The Group continued to maintain a healthy financial position with cash and bank balances of HK\$3,630 million as of 30 June 2024 (31 December 2023: HK\$3,684 million).

Capital Expenditure

Capital expenditure on property, plant and equipment, which accounted for 9% (1H 2023: 9%) of the service revenue of the Group, increased by 2% to HK\$166 million. The Group continues to improve operating efficiency and remains disciplined on reducing cost by examining its projects with care and discretion to ensure that resources are adequately utilised to meet operational and technological demands.

Summary of Spectrum Investment as of 30 June 2024

	Spectrum band	Bandwidth	Year of expiry
Hong Kong	700 MHz	20 MHz	2037
	900 MHz	10 MHz	2026
	900 MHz	10 MHz	2036
	1800 MHz	30 MHz	2036
	2100 MHz	29.6 MHz	2031
	2300 MHz	30 MHz	2027
	2600 MHz	20 MHz ^{(1) (2)}	2028 ⁽²⁾
	2600 MHz	10 MHz ⁽¹⁾	2039
	3300 MHz	30 MHz	2034
	3500 MHz	40 MHz	2035
Macau	900 MHz	10 MHz	2025
	1800 MHz	20 MHz	2028
	2100 MHz	10 MHz	2025

Note 1: The spectrum band was shared under a 50/50 joint venture - Genius Brand Limited.

Note 2: One of the 10 MHz spectrums in the 2600 MHz spectrum band was transferred from another joint venture partner to the joint venture with the assignment period from March 2024 to March 2028. Upon the expiry of such assignment of spectrum in March 2028, the same joint venture partner will transfer another 10 MHz spectrum in the 2600 MHz spectrum band to the joint venture with the assignment period from March 2028 to March 2039.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial statements set out on pages 9 to 24, which comprises the condensed consolidated statement of financial position of Hutchison Telecommunications Hong Kong Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated interim financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Group are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 July 2024

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Unaudited 2024 HK\$ million	Unaudited 2023 HK\$ million
Revenue	4	2,058	2,328
Cost of inventories sold		(296)	(523)
Staff costs		(195)	(175)
Expensed customer acquisition and retention costs		(37)	(29)
Depreciation and amortisation		(737)	(739)
Other operating expenses	6	(830)	(905)
		<u>(37)</u>	<u>(43)</u>
Interest and other finance income	7	99	91
Interest and other finance costs	7	(41)	(38)
Share of result of a joint venture		(2)	(2)
		<u>19</u>	<u>8</u>
Profit before taxation			
Taxation	8	(31)	(27)
		<u>(12)</u>	<u>(19)</u>
Loss for the period		<u>(12)</u>	<u>(19)</u>
Loss per share attributable to shareholders of the Company (expressed in HK cents per share):			
- basic and diluted	9	<u>(0.25)</u>	<u>(0.39)</u>

Details of interim dividend payable to shareholders of the Company are set out in Note 10. The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited 2024 HK\$ million	Unaudited 2023 HK\$ million
Loss for the period	(12)	(19)
Other comprehensive loss		
Item that may be reclassified subsequently to income statement in subsequent periods:		
- Cumulative translation adjustments released upon de-registration of a subsidiary	-	(1)
Total comprehensive loss for the period attributable to shareholders of the Company, net of tax	<u>(12)</u>	<u>(20)</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 HK\$ million	Audited 31 December 2023 HK\$ million
Non-current assets			
Property, plant and equipment	11	2,889	2,983
Goodwill		2,155	2,155
Telecommunications licences		3,095	3,284
Right-of-use assets		525	512
Customer acquisition and retention costs		152	168
Contract assets		115	149
Other non-current assets	12	355	354
Deferred tax assets		1	1
Investment in a joint venture		102	109
Total non-current assets		<u>9,389</u>	<u>9,715</u>
Current assets			
Cash and cash equivalents	13	844	1,910
Short-term bank deposits with original maturity beyond 3 months	13	2,786	1,774
Trade receivables and other current assets	14	976	889
Contract assets		161	169
Inventories		72	103
Total current assets		<u>4,839</u>	<u>4,845</u>
Current liabilities			
Trade and other payables	15	1,533	1,637
Contract liabilities		232	212
Lease liabilities		334	312
Current income tax liabilities		3	2
Total current liabilities		<u>2,102</u>	<u>2,163</u>
Non-current liabilities			
Lease liabilities		168	170
Deferred tax liabilities		150	120
Other non-current liabilities	16	2,213	2,249
Total non-current liabilities		<u>2,531</u>	<u>2,539</u>
Net assets		<u>9,595</u>	<u>9,858</u>
Capital and reserves			
Share capital	17	1,205	1,205
Reserves		8,390	8,653
Total equity		<u>9,595</u>	<u>9,858</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

Unaudited

	Share capital HK\$ million	Share premium HK\$ million	Accumulated losses HK\$ million	Exchange reserve HK\$ million	Pension reserve HK\$ million	Other reserves ⁽ⁱ⁾ HK\$ million	Total HK\$ million
At 1 January 2024	1,205	11,185	(2,483)	-	241	(290)	9,858
Loss for the period	-	-	(12)	-	-	-	(12)
Dividend relating to 2023 paid in 2024 (Note 10)	-	-	(251)	-	-	-	(251)
At 30 June 2024	<u>1,205</u>	<u>11,185</u>	<u>(2,746)</u>	<u>-</u>	<u>241</u>	<u>(290)</u>	<u>9,595</u>
At 1 January 2023	1,205	11,185	(2,071)	1	238	(289)	10,269
Loss for the period	-	-	(19)	-	-	-	(19)
Other comprehensive loss: Cumulative translation adjustments released upon de-registration of a subsidiary	-	-	-	(1)	-	-	(1)
Total comprehensive loss, net of tax	-	-	(19)	(1)	-	-	(20)
Dividend relating to 2022 paid in 2023 (Note 10)	-	-	(251)	-	-	-	(251)
Transfer between reserves	-	-	1	-	-	(1)	-
At 30 June 2023	<u>1,205</u>	<u>11,185</u>	<u>(2,340)</u>	<u>-</u>	<u>238</u>	<u>(290)</u>	<u>9,998</u>

(i) In prior years, the Group acquired the interests in certain subsidiaries held by the non-controlling shareholders. The other reserves mainly represent the difference between the consideration paid for the additional interests acquired by the Group and the proportionate share of the carrying amount of net assets of these subsidiaries.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Unaudited 2024 HK\$ million	Unaudited 2023 HK\$ million
Cash flows from operating activities			
Cash generated from operations	18	543	623
Interest and other finance costs paid		(14)	(10)
		<u>529</u>	<u>613</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchases of property, plant and equipment		(166)	(163)
Payments for short-term bank deposits with original maturity beyond 3 months		(2,242)	(2,291)
Proceeds from maturity of short-term bank deposits with original maturity beyond 3 months		1,230	-
Interest received		77	57
Loan to a joint venture		(45)	(34)
		<u>(1,146)</u>	<u>(2,431)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Principal elements of lease payments		(198)	(204)
Dividend paid	10	(251)	(251)
		<u>(449)</u>	<u>(455)</u>
Net cash used in financing activities			
Decrease in cash and cash equivalents		(1,066)	(2,273)
Cash and cash equivalents at 1 January		1,910	3,087
		<u>844</u>	<u>814</u>
Cash and cash equivalents at 30 June	13	<u>844</u>	<u>814</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General Information

Hutchison Telecommunications Hong Kong Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 3 August 2007 as a company with limited liability. Its registered office address is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

The Company and its subsidiaries (together the “Group”) are engaged in mobile telecommunications business in Hong Kong and Macau.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated interim financial statements (the “interim financial statements”) are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These interim financial statements were approved for issuance by the Board of Directors on 30 July 2024.

2 Basis of Preparation

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards.

These interim financial statements have been prepared under the historical cost convention, except that defined benefit plans plan assets are measured at fair values, and on a going concern basis.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3 Material Accounting Policies

The material accounting policies applied and methods of computation used in the preparation of these interim financial statements are consistent with those used in the 2023 annual financial statements except as described in (a) below.

(a) Amendments to existing standards adopted by the Group

During the six months ended 30 June 2024, the Group has adopted the following amendments to existing standards which are relevant to the Group's operations and are mandatory for accounting periods beginning on 1 January 2024:

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback

The adoption of these amendments to existing standards does not have a material impact to the Group's results of operations or financial position.

(b) New standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to existing standards have been issued but are not yet effective for the six months ended 30 June 2024:

Annual Improvement Projects ⁽ⁱⁱ⁾	Annual Improvements – Volume 11
IAS 21 (Amendments) ⁽ⁱ⁾	Lack of Exchangeability
IFRS 7 and IFRS 9 (Amendments) ⁽ⁱⁱ⁾	Classification and Measurement of Financial Instruments
IFRS 10 and IAS 28 (Amendments) ^(iv)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 18 ⁽ⁱⁱⁱ⁾	Presentation and Disclosures in Financial Statements
IFRS 19 ⁽ⁱⁱⁱ⁾	Subsidiaries without Public Accountability: Disclosures

(i) Effective for annual periods beginning on or after 1 January 2025

(ii) Effective for annual periods beginning on or after 1 January 2026

(iii) Effective for annual periods beginning on or after 1 January 2027

(iv) The original effective date of 1 January 2016 has been postponed until future announcement by the International Accounting Standards Board

The Group is in the process of making an assessment of the impact of these new standards and amendments to existing standards upon initial application.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4 Revenue

Revenue comprises revenues from the provisions of mobile telecommunications and other related services and the sales of telecommunications hardware and other products. An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$ million	HK\$ million
Mobile telecommunications and other related services	1,760	1,793
Telecommunications hardware and other products	298	535
	<u>2,058</u>	<u>2,328</u>

Disaggregation of revenue

The Group's revenue from the provisions of services and delivery of goods by timing of satisfaction of performance obligations is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$ million	HK\$ million
Timing of revenue recognition:		
Over time	1,760	1,793
At a point in time	298	535
	<u>2,058</u>	<u>2,328</u>

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5 Segment Information

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purpose of resources allocation and performance assessment, the Group has identified only one reporting segment, which is mobile telecommunications business.

6 Other Operating Expenses

	Six months ended 30 June	
	2024	2023
	HK\$ million	HK\$ million
Cost of services provided ⁽ⁱ⁾	767	829
General administrative and distribution costs	46	50
Expenses for short-term leases	16	15
Auditors' remuneration	4	3
Loss allowance provision	-	13
Employment and other subsidies ⁽ⁱⁱ⁾	(3)	(5)
	<u>830</u>	<u>905</u>
Total	<u><u>830</u></u>	<u><u>905</u></u>

(i) Include interconnection charges, roaming costs and other network operating costs.

(ii) Benefits received from governments and other companies under employment and other support schemes.

7 Interest and Other Finance Income, Net

	Six months ended 30 June	
	2024	2023
	HK\$ million	HK\$ million
Interest and other finance income:		
Bank interest income	93	84
Interest income from a joint venture	6	7
	<u>99</u>	<u>91</u>
	-----	-----
Interest and other finance costs:		
Notional interest accretion ⁽ⁱ⁾	(36)	(34)
Guarantee and other finance fees	(5)	(4)
	<u>(41)</u>	<u>(38)</u>
	-----	-----
Interest and other finance income, net	<u><u>58</u></u>	<u><u>53</u></u>

(i) Notional interest accretion represents the notional adjustments to accrete the carrying amount of certain obligations recognised in the condensed consolidated statement of financial position such as lease liabilities, licence fees liabilities and assets retirement obligations to the present value of the estimated future cash flows expected to be required for their settlement in the future.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8 Taxation

	Six months ended 30 June					
	2024			2023		
	Current taxation HK\$ million	Deferred taxation HK\$ million	Total HK\$ million	Current taxation HK\$ million	Deferred taxation HK\$ million	Total HK\$ million
Hong Kong	<u>1</u>	<u>30</u>	<u>31</u>	<u>2</u>	<u>25</u>	<u>27</u>

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2023: 16.5%) on the estimated assessable profits less available tax losses. Taxation outside Hong Kong has been provided at the applicable current rates of taxation ruling in the relevant countries on the estimated assessable profits less available tax losses.

The Group is in the process of assessing its exposure to the Pillar Two model rules when it comes into effect. It is not expected to have material impacts to the Group.

9 Loss per Share

The calculation of basic loss per share is based on loss attributable to shareholders of the Company of HK\$12 million (30 June 2023: HK\$19 million) and on the weighted average number of 4,819,096,208 (30 June 2023: Same) ordinary shares in issue during the period.

The diluted loss per share for the six months ended 30 June 2024 is the same as basic loss per share as there were no potential dilutive shares during the period (30 June 2023: Same).

10 Dividends

	Six months ended 30 June	
	2024	2023
Interim dividend (HK\$ million)	<u>110</u>	<u>110</u>
Interim dividend per share (HK cents)	<u>2.28</u>	<u>2.28</u>

In addition, final dividend in respect of year 2023 of 5.21 HK cents per share (year 2022: 5.21 HK cents per share) totalling HK\$251 million (30 June 2023: HK\$251 million) was approved and paid during the six months ended 30 June 2024.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11 Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment with a cost of HK\$166 million (30 June 2023: HK\$163 million). Property, plant and equipment with a net book value of HK\$0.1 million (30 June 2023: HK\$0.4 million) was disposed of during the period, resulting in an insignificant gain (30 June 2023: insignificant loss).

12 Other Non-Current Assets

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Prepayments	278	274
Non-current deposits	31	34
Pension assets	46	46
	<u>355</u>	<u>354</u>

13 Cash and Bank Balances

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Cash at banks and in hand	150	87
Short-term bank deposits with original maturity within 3 months	694	1,823
Cash and cash equivalents	844	1,910
Short-term bank deposits with original maturity beyond 3 months	2,786	1,774
	<u>3,630</u>	<u>3,684</u>

The carrying values of cash and bank balances approximate their fair values.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14 Trade Receivables and Other Current Assets

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Trade receivables ^(a)	465	433
Less: Loss allowance provision	(61)	(56)
	<u>404</u>	<u>377</u>
Trade receivables, net of provision	404	377
Other receivables	118	104
Prepayments and deposits	454	408
	<u>976</u>	<u>889</u>

The carrying values of trade receivables, other receivables and deposits approximate their fair values. The Group has established credit policies for customers. The credit periods granted for trade receivables range from 14 to 45 days, or a longer period for corporate or carrier customers based on the individual commercial terms. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

(a) Trade receivables

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
The ageing analysis of trade receivables presented based on invoice date is as follows:		
0 - 30 days	192	213
31 - 60 days	77	68
61 - 180 days	84	65
Over 180 days	112	87
	<u>465</u>	<u>433</u>

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15 Trade and Other Payables

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Trade payables ^(a)	142	174
Other payables and accruals ^(b)	1,035	1,114
Receipts in advance	170	165
Current portion of licence fees liabilities	186	184
	<u>1,533</u>	<u>1,637</u>

The carrying values of trade and other payables approximate their fair values.

(a) Trade payables

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
The ageing analysis of trade payables is as follows:		
0 - 30 days	67	94
31 - 60 days	19	13
61 - 90 days	7	3
Over 90 days	49	64
	<u>142</u>	<u>174</u>

(b) Other payables and accruals

Other payables and accruals mainly represent payables and accruals for capital expenditures and network-related cost payables.

16 Other Non-Current Liabilities

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Non-current licence fees liabilities	1,945	1,982
Assets retirement obligations	266	265
Long service payments liabilities	2	2
	<u>2,213</u>	<u>2,249</u>

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17 Share Capital

(a) Authorised share capital of the Company

The authorised share capital of the Company comprises 10 billion shares of HK\$0.25 each (31 December 2023: Same).

(b) Issued share capital of the Company

	Ordinary share of HK\$0.25 each Number of shares	Issued and fully paid HK\$ million
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	4,819,096,208	1,205

18 Cash Generated from Operations

	Six months ended 30 June	
	2024	2023
	HK\$ million	HK\$ million
Cash flows from operating activities		
Profit before taxation	19	8
Adjustments for:		
- Interest and other finance income	(99)	(91)
- Interest and other finance costs	41	38
- Depreciation and amortisation	737	739
- Capitalisation of customer acquisition and retention costs	(67)	(86)
- Share of result of a joint venture	2	2
- Increase in trade receivables and other assets	(30)	(19)
- Decrease in inventories	31	31
- Decrease in trade and other payables, and licence fees liabilities	(91)	-
- Decrease in pension assets	-	1
Cash generated from operations	543	623

Non-cash transactions from investing activities

Save as disclosed in elsewhere in the interim financial statements, the non-cash transactions during the six months ended 30 June 2024 include (i) the network access fee payable to a joint venture of HK\$56 million (30 June 2023: HK\$61 million) and (ii) the interest income from the loan to a joint venture of HK\$6 million (30 June 2023: HK\$7 million), which have been settled by offsetting the loan to a joint venture.

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19 Contingent Liabilities

The Group had contingent liabilities in respect of the following:

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Performance guarantees	134	134
Financial guarantees ^(a)	1,625	1,091
Others	2	2
	<u>1,761</u>	<u>1,227</u>

The contingent liabilities mainly comprise of the performance guarantees and financial guarantees provided to the Communications Authority of Hong Kong (“CA”). The Group is required to lodge a performance bond with the CA to guarantee (i) the network and service rollout requirement and (ii) to maintain at all times throughout the whole assignment term for payment of the Spectrum Utilisation Fee (“SUF”) payable in the ensuing five years, or the SUF payable for the remaining duration of the assignment term if it is less than five years, in respect of those spectrums which the Group elected to pay annually in 15 instalments.

- (a) In June 2024, a subsidiary of the Group was successfully assigned 600 MHz spectrum at the 26 GHz band for a period of about 10 years from August 2024 to April 2034 (the “26 GHz Spectrum”). SUF for the 26 GHz Spectrum will not be charged by the CA until 75% or more of the spectrum at the 26 GHz or 28 GHz bands is assigned or occupied.

As at 30 June 2024, less than 75% of the spectrum at the 26 GHz or 28 GHz bands was assigned or occupied. A standby letter of credit of HK\$600 million for the application of the 26 GHz Spectrum was issued in favour of the CA and the amount has been included in the contingent liabilities. In July 2024, a performance bond of HK\$400 million was provided to the CA to guarantee the network and service rollout requirement for the 26 GHz Spectrum and the standby letter of credit will be released subsequently.

20 Capital Commitments

The Group had capital commitments contracted but not provided for as follows:

	30 June 2024 HK\$ million	31 December 2023 HK\$ million
Property, plant and equipment	<u>197</u>	<u>121</u>

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

21 Related Parties Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Save as disclosed elsewhere in the interim financial statements, transactions between the Group and other related parties during the period are not significant to the Group.

No transaction has been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel remuneration).

HUTCHISON TELECOMMUNICATIONS HONG KONG HOLDINGS LIMITED

SUPPLEMENTARY FINANCIAL INFORMATION

Reconciliation of Key Financial Information between Condensed Consolidated Income Statement and Management Discussion and Analysis Section

	Six months ended 30 June					
	2024			2023		
	Company and Subsidiaries HK\$ million	Joint Venture HK\$ million	Total HK\$ million	Company and Subsidiaries HK\$ million	Joint Venture HK\$ million	Total HK\$ million
EBITDA ⁽ⁱ⁾	700	28	728	696	31	727
Depreciation and amortisation	(737)	(21)	(758)	(739)	(23)	(762)
(LBIT)/EBIT ⁽ⁱⁱ⁾	(37)	7	(30)	(43)	8	(35)
Interest and other finance income	99	-	99	91	-	91
Interest and other finance costs	(41)	(6)	(47)	(38)	(7)	(45)
Share of result of a joint venture	(2)	2	-	(2)	2	-
Profit before taxation	19	3	22	8	3	11
Taxation	(31)	(3)	(34)	(27)	(3)	(30)
Loss attributable to shareholders of the Company	(12)	-	(12)	(19)	-	(19)

(i) EBITDA is defined as earnings before interest and other finance income, interest and other finance costs, taxation, and depreciation and amortisation.

(ii) (LBIT)/EBIT is defined as (losses)/earnings before interest and other finance income, interest and other finance costs, and taxation.

GROUP CAPITAL RESOURCES AND LIQUIDITY

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Director, and which are also subject to periodic review by the Group's internal audit function. Its treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position 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 uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing its assets and liabilities' exposure to interest rate and foreign exchange rate fluctuations. 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.

Cash management and funding

The Group operates a central cash management system for all of its subsidiaries. Its financing is generally derived from operating income of its subsidiaries, which is mainly used to meet funding requirements. The Group regularly and closely monitors its overall cash position and determines when external source of finance is needed.

Foreign currency exposure

The Group operates mobile telecommunications business principally in Hong Kong, with transactions denominated in Hong Kong dollars. It is exposed to other currency movements, primarily in terms of certain trade and other receivables, trade and other payables, and bank deposits denominated in United States dollars, Macau Patacas, Euros and British pounds. The Group does not currently undertake any foreign currency hedging.

Credit exposure

The Group's holdings of surplus funds with financial institutions expose the Group to credit risk of counterparties. It controls its credit risk to non-performance by its counterparties through monitoring their share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

Capital and Net Cash

As at 30 June 2024, the Group recorded share capital of HK\$1,205 million and total equity of HK\$9,595 million.

As at 30 June 2024, the net cash of the Group was HK\$3,630 million (31 December 2023: HK\$3,684 million), 88% of which was denominated in Hong Kong dollars with remaining in various other currencies.

Charges on Group Assets

As at 30 June 2024 and 31 December 2023, except for all of the shares of a joint venture owned by the Group which were pledged as security in favour of the joint venture partner under a cross share pledge arrangement, no material asset of the Group was under any charge.

Borrowing Facilities Available

The Group has no committed borrowing facilities as at 30 June 2024 (31 December 2023: Nil).

Contingent Liabilities

As at 30 June 2024, the Group provided performance, financial and other guarantees of HK\$1,761 million (31 December 2023: HK\$1,227 million), including the related performance bonds on new and renewed spectrums. The increase in performance, financial and other guarantees was mainly due to a standby letter of credit of HK\$600 million for the application of 600 MHz spectrum at the 26 GHz band being issued in favour of the Communications Authority of Hong Kong.

Capital Commitments

As at 30 June 2024, the Group had total capital commitments on property, plant and equipment of HK\$197 million (31 December 2023: HK\$121 million).

Corporate Strategy

The principal objective of the Group is to enhance long-term total return for all its stakeholders. To achieve this objective and continue to be a leading responsible business, the Group continues to focus on achieving recurring and sustainable earnings, cash flow, dividend growth without compromising the financial strength and stability of the Group and also makes contributions to the society. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographies where the Group has management experience and resources. The Group continues to focus on sustainability in delivering business solutions that support social and environmental challenges by continuing to act on key issues including climate change, such as committing the transition to a net-zero economy, promoting diversity, inclusion and wellbeing initiatives, digital inclusion and continuous community investment. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can be found in the sustainability report of the Group contained in the 2023 Annual Report. The Chairman's Statement, and Management Discussion and Analysis contained in this announcement include discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value in the longer term and delivers the objectives of the Group.

Past Performance and Forward-looking Statements

The performance and the results of operations of the Group contained in this announcement are historical in nature, and past performance does not guarantee future results of the Group. Any forward-looking statements and opinions contained in this announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Human Resources

As at 30 June 2024, the Group employed 1,229 (31 December 2023: 1,240) staff members (full-time and part-time) and on average 1,212 (1H 2023: 1,146) staff members during the six months ended 30 June 2024. Staff costs during the six months ended June 2024, including directors' emoluments, totalled HK\$195 million (1H 2023: HK\$175 million).

The Group fully recognises the importance of high-quality human resources in sustaining market leadership. Salary and benefits are kept at competitive levels, while individual performance is rewarded within the general framework of the salary, bonus and incentive system of the Group, which is reviewed annually. Employees are provided with a wide range of benefits that include medical coverage, provident funds and retirement plans, and long-service awards. The Group stresses the importance of staff development and provides training programmes on an ongoing basis. Employees are also encouraged to play an active role in community care activities.

Sustainability

The key sustainability mission of the Group is to create long-term value for all its stakeholders by aligning the sustainability objectives of the Group to the strategic development of its businesses. The collaborative approach of the Group combined with its supreme network and advanced technology enables the delivery of secure, seamless and innovative solutions. This accordingly supports the United Nations Sustainable Development Goals in building sustainable, inclusive and digitally-enabled societies while engaging in responsible and ethical business actions with all its stakeholders.

The sustainability governance structure of the Group has laid a sturdy foundation for fulfilling its sustainability commitment. This structure is deeply integrated throughout the Group, including the Board, the Sustainability Committee, the Audit Committee, the Security Committee, working groups and business units. It provides the Group with comprehensive guidance on executing sustainability strategies, establishing goals, setting targets and implementing reporting processes. Moreover, it fosters robust stakeholder relationships and ensures accountability across all business operations.

Currently, the Group identified eight Group-wide sustainability goals, being arranged into four sustainability pillars – Governance, Sustainable Business Model & Innovation, Environment and Social, and mapped to the United Nations Sustainable Development Goals, with three priority focus areas.

Review of Interim Financial Statements

The interim financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the auditor of the Company, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 - “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. The independent review report of the auditor is set out on page 8 in this announcement. The interim financial statements of the Group for the six months ended 30 June 2024 have also been reviewed by the Audit Committee of the Company.

Record Date for Interim Dividend

The record date for determining the entitlement of shareholders to the interim dividend is Wednesday, 28 August 2024. In order to qualify for the interim dividend payable on Friday, 6 September 2024, all transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong Share Registrar of the Company (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, 28 August 2024.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including treasury shares) of the Company.

Compliance with the Corporate Governance Code

The Company strives to attain and maintain high standards of corporate governance best suited the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value.

The Company has complied throughout the six months ended 30 June 2024 with all applicable code provisions of the Corporate Governance Code contained in Appendix C1 of the Listing Rules.

Compliance with the Model Code for Securities Transactions by Directors

The Board has adopted its own HTHKH Securities Code regulating Directors’ dealings in securities (Group and otherwise), on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules. In response to specific enquiries made, all Directors have confirmed that they have complied with the HTHKH Securities Code in their securities transactions throughout their tenure during the six months ended 30 June 2024.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the Board of Directors
“CACs”	expensed customer acquisition and retention costs plus the related staff costs, rental and other expenses
“Company” or “HTHKH”	Hutchison Telecommunications Hong Kong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 215)
“Director(s)”	director(s) of the Company
“EBIT / LBIT”	earnings or losses before net interest and other finance income, taxation, adjusted to include the Group’s proportionate share of joint venture’s EBIT
“EBITDA”	earnings before net interest and other finance income, taxation, depreciation and amortisation, adjusted to include the Group’s proportionate share of joint venture’s EBITDA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HTHKH Securities Code”	Model Code for Securities Transactions by Directors
“IAS”	International Accounting Standards
“interim financial statements”	unaudited condensed consolidated interim financial statements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“net customer service margin”	net customer service revenue less direct variable costs (including interconnection charges and roaming costs)
“Postpaid gross ARPU”	monthly average spending per postpaid user including a customer’s contribution to mobile devices and other products in a bundled plan
“Postpaid net AMPU”	average net margin per postpaid user; postpaid net AMPU equals postpaid net ARPU less direct variable costs (including interconnection charges and roaming costs)

DEFINITIONS (continued)

“Postpaid net ARPU”	monthly average spending per postpaid user excluding revenue related to hardware and other product under the non-subsidised hardware and other product business model
“service EBITDA / LBIT”	EBITDA / LBIT excluding standalone hardware and other product sales margin
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

As at the date of this announcement, the Directors are:

Chairman and Non-executive Director:

Mr FOK Kin Ning, Canning

Co-Deputy Chairmen and Non-executive Directors:

Mr LUI Dennis Pok Man

Mr WOO Chiu Man, Cliff

Executive Director:

Mr KOO Sing Fai

Non-executive Directors:

Mr LAI Kai Ming, Dominic

(also Alternate to Mr FOK Kin Ning, Canning and Ms Edith SHIH)

Ms Edith SHIH

Mr MA Lai Chee, Gerald

(Alternate to Mr LAI Kai Ming, Dominic)

Independent Non-executive Directors:

Mr CHAN Tze Leung

Ms CHOW Ching Yee, Cynthia

Ms IM Man Ieng

Mr IP Yuk Keung