

Press Release

Hutchison Telecommunications Hong Kong Holdings Limited Reports 2010 Annual Results

Steady growth in revenues and profits Maximising value to shareholders and customers

Highlights

- Leading integrated telecommunications operator in Hong Kong with mobile subscriptions of over 2.83 million and the most extensive fibre-to-the-building infrastructure.
- Consolidated turnover grew 17% to HK\$9,880 million.
- Turnover of mobile business increased by 25% to HK\$6,950 million, reflecting data revenue growth of over 36% and strong sales of smartphones, and operating profit grew 64% to HK\$792 million.
- Profit attributable to shareholders of the Company increased by 61% to HK\$755 million.
- Basic earnings per share increased by 61% to 15.68 HK cents.
- Final dividend per share recommended at 6.83 HK cents.
- Total dividend up 39%.

Hong Kong, 21 March 2011 - Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"; Stock Code: 215) today announced its annual results for the year ended 31 December 2010.

2010 represented a year of progress for HTHKH and its subsidiaries ("the Group"). The Group reported a consolidated turnover of HK\$9,880 million in 2010, representing a growth of 17% compared to HK\$8,449 million in 2009. The increase in turnover was mainly driven by growing demand for mobile and fixed-line services as well as strong sales of telecommunications products. The operating profit of the Group for the year under review reached HK\$1,107 million, representing an increase of 41% compared to HK\$787 million in 2009. The increase in operating profit was mainly attributable to steady turnover growth coupled with effective cost management.

Mobile and fixed-line businesses reported turnover growth of 25% and 2% respectively, with data revenue growth of over 36% and strong sales of smartphones for mobile business, and constantly-enhanced fixed-line network addressing the needs of a diversity of customers for fixed-line business.

Profit attributable to shareholders of the Group increased by 61% to HK\$755 million, compared to HK\$468 million in 2009. Basic earnings per share for the year ended 31 December 2010 increased to 15.68 HK cents, compared to 9.72 HK cents for 2009.

The board of directors recommended payment of a final dividend of 6.83 HK cents per share for the year 2010 (2009: 6.16 HK cents), or HK\$329 million in total. This, together with interim dividend paid, represents a growth of 39% compared to that in 2009.

Mr Peter Wong, Chief Executive Officer of HTHKH, said: "I am very pleased to report the annual results of the Group for the year 2010. The revenues and profits of the Group in 2010 exceeded those in 2009. Our mobile operation, **3**, not only maintained clear leadership in the local mobile market in terms of our overall subscription, but also became the second largest mobile operator in Macau. Our fixed-line operation, **HGC**, continued to cater to the needs of a diversity of customers with its constantly-enhanced fixed-line network and advanced voice-data-IP global network. Our consumer broadband sales activities also increased during 2010, harnessing the power of the **3** brand to market residential fixed-line services. Looking ahead, the Group will endeavour to maximise value for our shareholders by capitalising on the increasing demand for mobile data and enhancing the overall customer experience with the continued network upgrade."

Operations Review

Mobile Business - Hong Kong and Macau

- Total mobile customer base in Hong Kong and Macau reached approximately 3.20 million, over 60% of which were postpaid customers.
- Turnover up 25% to HK\$6,950 million.
- Data revenue grew more than 36%.
- EBITDA increased by 9% to HK\$1,238 million.

2010 represented another year of success for the mobile business of the Group. Driven by a recovering economy in Hong Kong and Macau, turnover of the mobile business of the Group increased by 25% to HK\$6,950 million in 2010 compared to HK\$5,578 million in 2009. The mobile operation of the Group also maintained a leading position in the Hong Kong market

with a subscription base exceeding 2.83 million as at 31 December 2010. Its total Hong Kong and Macau subscription base amounted to approximately 3.20 million, over 60% of which were postpaid customers.

A rebound in spending and travelling, together with higher roaming revenue, helped to build continuing demand for data usage from the high-end customers of the Group, such as those using iPhones, smartphones and mobile broadband data devices.

EBITDA increased by 9% from HK\$1,138 million in 2009 to HK\$1,238 million in 2010, attributable to growth in turnover and effective cost management.

Capital expenditures totalled HK\$507 million in 2010 compared to HK\$413 million in 2009, demonstrating the Group's continuing commitment to network excellence.

Fixed-line Business - Hong Kong

- Established as a globally-recognised and preferred telecommunications operator among international carriers, Internet service providers and multinational corporations in Hong Kong and overseas.
- Turnover increased by 2% to HK\$3,286 million.
- EBITDA up 3% to HK\$1,064 million.

HGC's constantly-enhanced fixed-line network addresses the needs of a diversity of customers, ranging from telecommunications operators, local mobile service providers, financial institutions and small-to-medium-sized enterprises to government departments, other public sector organisations and educational institutions.

Turnover increased by 2% to HK\$3,286 million in 2010 compared to HK\$3,221 million in 2009, mainly attributable to the continuing traffic growth offset by lower interconnection revenue following governmental deregulation of fixed and mobile interconnection fee arrangement in 2009.

EBITDA increased by 3% from HK\$1,031 million in 2009 to HK\$1,064 million in 2010, in line with growth in turnover.

Capital expenditures were HK\$613 million in 2010 which was comparable to HK\$623 million in 2009.

Outlook

After achieving strong results in 2010, the Group has moved forward by capitalising on increasing demand for mobile data. At the same time, the Group has further enhanced the overall customer experience by upgrading network capacity and capability through 3G infrastructure modernisation, while offering a variety of smartphone models, plus exclusive applications. A successful bid for 900MHz radio spectrum paves the way for establishing a better foundation for the Group's high-speed data services. The Group's leadership will be further reinforced by a planned LTE service rollout later in 2011.

The Group is focusing on deeper penetration in the fixed-line consumer market with services of download speed up to 1,000Mbps, while boosting customer loyalty and developing stronger retention initiatives. The Group is making full use of Hong Kong's status as a fixed-line regional hub in order to expand around the region, while broadening its service portfolio and increasing the value of its offering to diverse customer groups. Following years of investment, the Group has achieved substantial market share across a range of business segments. The Group will build on this success by continuing a segmentation strategy and developing comprehensive solutions tailored to customers' specific needs on a sector-by-sector basis.

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About Hutchison Telecommunications Hong Kong Holdings Limited

Hutchison Telecommunications Hong Kong Holdings Limited is a leading integrated telecommunications service operator in Hong Kong. HTHKH provides advanced mobile and Wi-Fi services, residential fixed broadband, residential telephone line and IDD services in Hong Kong under the 3ree Broadband brand while delivering mobile services in Macau under the 3 brand. In addition, HTHKH provides sophisticated fixed-line telecommunications solutions to corporate and carrier customers in Hong Kong and around the world under the HGC brand. As a group member of Hutchison Whampoa Limited (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.

For 3ree Broadband's mobile and residential fixed-line services, please visit www.three.com.hk.

For 3 Macau's mobile services, please visit 3g.three.com.mo.

For HGC's fixed-line services, please visit www.hgc.com.hk.