



Hutchison Telecom  
Hong Kong Holdings

## 2016 Interim Report

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)



A member of CK Hutchison Holdings

# Corporate Information

## BOARD OF DIRECTORS

### Chairman and Non-executive Director

FOK Kin Ning, Canning, BA, DFM, FCA (ANZ)  
*(also Alternate to CHOW WOO Mo Fong, Susan\*)*

### Deputy Chairman and Non-executive Director

LUI Dennis Pok Man, BSc

### Executive Director

WONG King Fai, Peter, MSc, FHKIE  
*Chief Executive Officer & Group Managing Director*

### Non-executive Directors

CHOW WOO Mo Fong, Susan\*, BSc

Frank John SIXT, MA, LLL

LAI Kai Ming, Dominic, BSc, MBA  
*(also Alternate to Frank John SIXT)*

MA Lai Chee, Gerald, BCom, MA  
*(Alternate to LAI Kai Ming, Dominic)*

### Independent Non-executive Directors

CHEONG Ying Chew, Henry, BSc, MSc  
*(also Alternate to WONG Yick Ming, Rosanna)*

LAN Hong Tsung, David, GBS, ISO, JP

WONG Yick Ming, Rosanna, PhD, DBE, JP

## AUDIT COMMITTEE

CHEONG Ying Chew, Henry *(Chairman)*

LAN Hong Tsung, David

WONG Yick Ming, Rosanna

## REMUNERATION COMMITTEE

LAN Hong Tsung, David *(Chairman)*

FOK Kin Ning, Canning

CHEONG Ying Chew, Henry

## COMPANY SECRETARY

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)

## AUDITOR

PricewaterhouseCoopers

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

\* Retired on 1 August 2016

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# Highlights

	<b>For the six months ended 30 June 2016 HK\$ millions</b>	For the six months ended 31 December 2015 HK\$ millions	For the six months ended 30 June 2015 HK\$ millions	<b>1H 2016 vs 2H 2015 Change</b>	<b>1H 2016 vs 1H 2015 Change</b>
Consolidated revenue	<b>5,324</b>	11,022	11,020	<b>-52%</b>	<b>-52%</b>
Consolidated service revenue	<b>3,826</b>	3,804	3,870	<b>+1%</b>	<b>-1%</b>
Consolidated hardware revenue	<b>1,498</b>	7,218	7,150	<b>-79%</b>	<b>-79%</b>
Consolidated EBITDA <sup>(1)</sup>	<b>1,253</b>	1,332	1,456	<b>-6%</b>	<b>-14%</b>
Consolidated service EBITDA <sup>(2)</sup>	<b>1,233</b>	1,202	1,281	<b>+3%</b>	<b>-4%</b>
Consolidated EBIT <sup>(3)</sup>	<b>556</b>	641	789	<b>-13%</b>	<b>-30%</b>
Consolidated service EBIT	<b>536</b>	511	614	<b>+5%</b>	<b>-13%</b>
Profit attributable to shareholders	<b>376</b>	407	508	<b>-8%</b>	<b>-26%</b>
Earnings per share (in HK cents)	<b>7.80</b>	8.45	10.54	<b>-8%</b>	<b>-26%</b>
Interim dividend per share (in HK cents)	<b>4.00</b>	N/A	5.20	<b>N/A</b>	<b>-23%</b>

The revenue of the Group was significantly affected by lower hardware revenue in the first half of 2016 as a result of the lack of popular smartphones being available in the market during the period. This in turn impacted adversely on the financial results of the Group for the first half of 2016. In order to provide a better understanding of the business development and performance of the Group since the end of 2015, comparisons with both the results for the first and second halves of 2015 have been made with the latter being more relevant. As noted in the comparison with the second half of 2015, underlying operational performance for the first half of 2016 has seen improvement.

## Comparison against the First Half of 2015

- Consolidated service revenue decreased by 1% to HK\$3,826 million.
- Consolidated service EBITDA decreased by 4% to HK\$1,233 million mainly as a result of lower mobile roaming revenue.
- Profit attributable to shareholders decreased by 26% to HK\$376 million.
- Interim dividend per share is 4.00 HK cents.

## Comparison against the Second Half of 2015

- Consolidated service revenue was HK\$3,826 million, slightly increased by 1% as a result of improved fixed-line service revenue, partially offset by a drop in mobile roaming revenue.
- Consolidated hardware revenue declined significantly from the second half of 2015 of HK\$7,218 million.
- Consolidated service EBITDA was HK\$1,233 million, increased by 3% as a result of improvement to service operations, as well as a sharp focus on operational efficiency.

### Notes:

- (1) EBITDA is defined as earnings before interest income, interest and other finance costs, taxation, depreciation and amortisation, and share of results of joint ventures.
- (2) Service EBITDA is defined as EBITDA excluding standalone handset sales margin.
- (3) EBIT is defined as earnings before interest income, interest and other finance costs, taxation and share of results of joint ventures.

# Chairman's Statement

Hutchison Telecommunications Hong Kong Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are pleased to report the 2016 interim results achieved in a market with continued downward trend in roaming and hardware revenue. Efforts have been made to maintain the service revenue by focusing on competitive offerings, customer service and maintaining quality integrated self-owned network infrastructure.

## Results

Compared with the first half of 2015, consolidated revenue decreased by 52% from HK\$11,020 million to HK\$5,324 million in the first half of 2016. Over 99% of the decline was due to a decrease in hardware revenue because of the lack of popular smartphones being available in the market during the period. Consolidated EBITDA and EBIT for the first half of 2016 were HK\$1,253 million and HK\$556 million respectively, compared with HK\$1,456 million and HK\$789 million respectively for the first half of 2015. Profit attributable to shareholders for the first half of 2016 amounted to HK\$376 million, a decrease of 26% compared with HK\$508 million for the first half of 2015.

Compared with the second half of 2015, consolidated revenue decreased by 52% to HK\$5,324 million in the first half of 2016, while consolidated service revenue was HK\$3,826 million, a 1% increase from HK\$3,804 million in the second half of 2015. This was mainly the result of improvement to fixed-line service revenue, partially offset by a decrease in mobile roaming revenue. Profit attributable to shareholders was 8% lower than HK\$407 million in the second half of 2015.

Basic earnings per share in the first half of 2016 were 7.80 HK cents compared with 10.54 HK cents for the same period in 2015.

## Dividends

The Board of Directors (the "Board") has declared payment of an interim dividend of 4.00 HK cents (30 June 2015: 5.20 HK cents) per share for the first half of 2016, payable on Friday, 9 September 2016 to those persons registered as shareholders of the Company on Wednesday, 31 August 2016, being the record date for determining shareholder entitlement to the interim dividend. The Board expects total full-year dividend payout to be equivalent to 75% of annual profit attributable to shareholders.

## Business Review

### Mobile business - Hong Kong and Macau

Mobile business revenue in the first half of 2016 was HK\$3,472 million, a decrease of 62% compared with HK\$9,242 million in the first half of 2015. Hardware revenue decreased significantly from HK\$7,150 million in the first half of 2015 to HK\$1,499 million in the first half of 2016, as a result of the lack of popular smartphones being available in the market during the period. Mobile net customer service revenue in the first half of 2016 was HK\$1,973 million, a 6% decline compared with HK\$2,092 million in the first half of 2015, mainly as a result of a HK\$87 million or 19% decline in roaming revenue. Nevertheless, strenuous efforts to reduce direct roaming costs helped maintain the net customer service margin percentage at 93% in the first half of 2016. Excluding the roaming factor in both periods, local net customer service margin in the first half of 2016, after deducting direct variable cost, was in line with that of the first half of 2015. This was the result of better local postpaid net ARPU <sup>(1)</sup> with enhanced customer profile.

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Note:

(1) Local postpaid net ARPU is defined as monthly average spending per postpaid user excluding roaming revenue and revenue related to handset under the non-subsidised handset business model.

## Chairman's Statement

EBITDA and EBIT for the first half of 2016 were HK\$665 million and HK\$314 million respectively, a decrease of 24% and 43% respectively compared with the first half of 2015. Service EBITDA <sup>(2)</sup> in the first half of 2016 was 7% lower than that of the first half of 2015 mainly due to a decline in roaming revenue as mentioned before. Corresponding service EBITDA margin percentage <sup>(2)</sup> was maintained at 33% as a result of continued efforts to improve operational efficiency.

Compared with the second half of 2015, mobile business performance was adversely affected by a 79% drop in handset revenue, mobile service revenue decreased marginally by 2% mainly as a result of a milder HK\$22 million or 6% reduction in roaming revenue, while the net customer service margin percentage was 93%. Excluding the roaming factor in both periods, local net service margin of the first half of 2016 was in line with that of the second half of 2015. Data usage increased during the period as a result of the launch of various infotainment content and related data plans, together with better customer acquisition achievements since the second half of 2015. Excluding the negative effect of hardware performance, service EBITDA improved by HK\$11 million or 2%, while service EBIT was in line with that of the second half of 2015. Corresponding service EBITDA margin percentage improved by 2% points from 31% in the second half of 2015, as a result of enhanced customer profile and improved operational efficiency.

As at 30 June 2016, the Group was serving approximately 3.1 million customers in Hong Kong and Macau (31 December 2015: 3.0 million), of which the number of postpaid customers was approximately 1.5 million (31 December 2015: 1.5 million). Churn among postpaid customers in Hong Kong and Macau in the first half of 2016 was substantially lower at 1.3% (1H 2015: 1.9%; 2H 2015: 1.6%).

The launch of various infotainment content and related data plans led to positive customer response with acquisition of more data-centric customers, and blended local postpaid net ARPU for the first half of 2016 increased to HK\$168. This represented an increase of 6% compared with HK\$158 for the first half of 2015. Blended local postpaid net AMPU <sup>(3)</sup> improved 7% to HK\$161 compared with HK\$151 in the first half of 2015.

The Group refarmed part of the existing 900MHz spectrum for 4G LTE service in the first half of 2016 in order to enhance indoor coverage. Meanwhile, construction of a time division duplexing network is about to complete and is expected to be launched in the second half of 2016 after further optimisation. The second half of 2016 will see small-cell technology deployed to enhance coverage in areas of heavy traffic. The Group's commitment to meeting growing data demand is supported by an extensive and sophisticated Wi-Fi network. The Group, as a customer-orientated operator, will continue improving customer service and network quality.

### Fixed-line business

Fixed-line service revenue in the first half of 2016 was HK\$2,067 million, an increase of 4% compared with HK\$1,984 million in the first half of 2015. This improvement was mainly the result of an increase in revenue from the international and local carrier market driven by growing data demand from Over-the-Top ("OTT") applications and Internet-of-Things ("IoT") related devices. Another contributor was an increase in revenue from the corporate and business market after expansion into various market segments with sophisticated business solution requirements. This was partially offset by a decrease in residential market revenue resulting from a fiercely-competitive environment. EBITDA for the first half of 2016 was HK\$647 million, broadly in line with that of the same period last year. EBIT for the first half of 2016 was HK\$301 million, 2% lower than that of the first half of 2015.

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#### Notes:

- (2) Service EBITDA represents EBITDA excluding standalone handset sales margin. Service EBITDA margin percentage is service EBITDA as a percentage of net customer service revenue.
- (3) Local postpaid net AMPU represents average net margin per postpaid user. Local postpaid net AMPU equals local postpaid net ARPU less direct variable costs (including interconnection charges).

Compared with the second half of 2015, fixed-line service revenue increased by 4% mainly as a result of increased revenue recorded in the carrier market as well as the corporate and business market after further penetration into various market segments. EBITDA and EBIT improved by 5% and 11% respectively, compared with those of the second half of 2015. EBITDA margin percentage was maintained at 31%.

Demand for sophisticated telecommunications network solutions has increased in carrier, corporate and business markets. At the same time, the Group is making attractive bundled offers available to the residential market to satisfy a growing appetite for infotainment. Presiding over state-of-the-art fibre network infrastructure and one of the largest Wi-Fi presence in Hong Kong places the Group in a commanding position to capitalise on even greater demand for data services, as well as opportunities arising from growing popularity of OTT applications and IoT offerings.

### Outlook

The Group is planning ahead cautiously in the face of economic uncertainty locally and globally, after developing into a multi-play telecommunications service provider that launches a diversity of products and services to meet changing customer demand. Growing popularity of IoT devices and OTT applications has prompted the Group to shape up to a new era of infotainment in which increasingly more people desire of viewing content on smart devices. The Group serves customers at home, on the move and in the workplace by integrating mobile, fixed-line, Wi-Fi and content network solutions. At the same time, the Group is committed to further raising customer service levels through sophisticated and automated means of customer service and operating efficiency which help enhance shareholder value.

Finally, I would like to take this opportunity to thank the Board and all staff members for their dedication, professionalism and determination to succeed.

FOK Kin Ning, Canning  
Chairman

Hong Kong, 2 August 2016

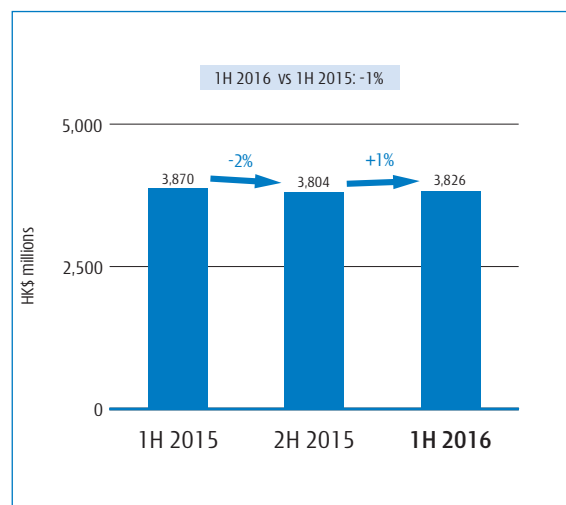
# Management Discussion and Analysis

## Financial Review

Consolidated service revenue for the first half of 2016 was HK\$3,826 million, a reduction of 1% compared with HK\$3,870 million in the first half of 2015. This was the result of a 6% decrease in mobile service revenue, partially offset by a 4% increase in fixed-line service revenue.

Compared with the second half of 2015, consolidated service revenue grew 1% as a result of improved fixed-line service revenue, partially offset by decrease in mobile roaming revenue.

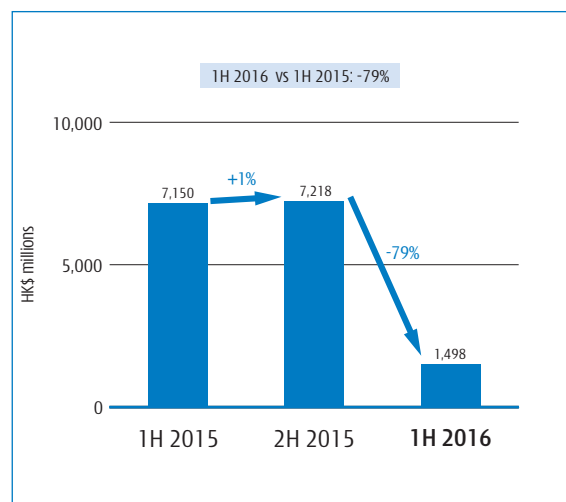
### Consolidated service revenue



Consolidated hardware revenue was HK\$1,498 million in the first half of 2016, a decrease of 79% from HK\$7,150 million in the first half of 2015. This was resulted from the lack of popular smartphones being available in the market during the period.

Compared with the second half of 2015, consolidated hardware revenue recorded a decrease of 79% from HK\$7,218 million as a result of the above mentioned reason.

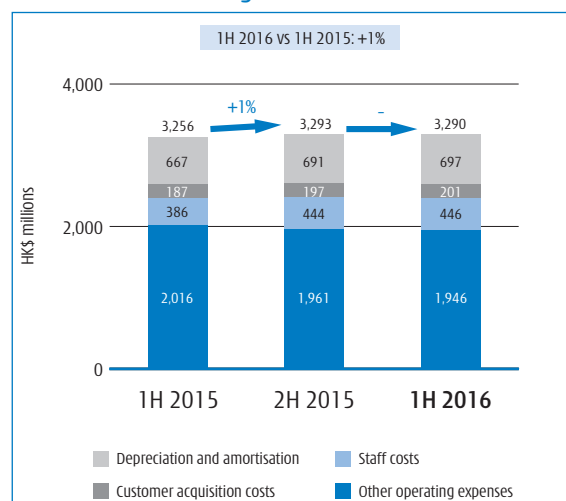
### Consolidated hardware revenue



Total operating expenses, excluding cost of inventories sold, amounted to HK\$3,290 million for the first half of 2016, and were broadly in line with the first half of 2015 of HK\$3,256 million. This was because of continued focus on enhancing operational efficiency.

Compared with the second half of 2015, total operating expenses, excluding cost of inventories sold, were in line as a result of the above mentioned reason.

### Key cost items





Consolidated service EBITDA for the first half of 2016 was HK\$1,233 million, a decrease of 4% compared with HK\$1,281 million for the first half of 2015. Service EBITDA margin percentage was 32% in the first half of 2016.

Depreciation and amortisation amounted to HK\$697 million in the first half of 2016 compared with HK\$667 million in the first half of 2015. This represented a slight increase resulting from enhancement of the 4G LTE network infrastructure of the Group.

Consolidated service EBIT was HK\$536 million for the first half of 2016, a decrease of 13% compared with the first half of 2015.

Compared with the second half of 2015, consolidated service EBITDA showed a HK\$31 million or 3% increase and consolidated service EBIT showed a HK\$25 million or 5% increase as a result of improvement to service operations as well as a sharp focus on operational efficiency.

Net interest and other finance costs amounted to HK\$49 million in the first half of 2016, representing a reduction of 4% and 6% compared with HK\$51 million in the first half of 2015 and HK\$52 million in the second half of 2015 respectively. The reduction was due to lower notional finance charge on decreasing licence fee liabilities. Gearing ratio as of 30 June 2016, calculated by dividing net debt by net total capital, was 18% (31 December 2015: 20%) as a result of lower net debt.

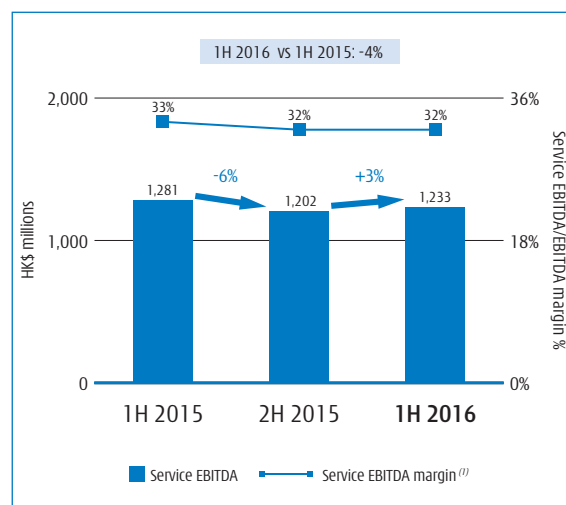
Share of losses of joint ventures in the first half of 2016 decreased to HK\$14 million compared with a HK\$18 million loss in the first half of 2015 and a HK\$16 million loss in the second half of 2015, during which the data centre business of the Group was under development.

Overall, profit attributable to shareholders of the Company for the first half of 2016 was HK\$376 million, a decrease of 26% compared with HK\$508 million in the first half of 2015 and a decrease of 8% compared with HK\$407 million for the second half of 2015.

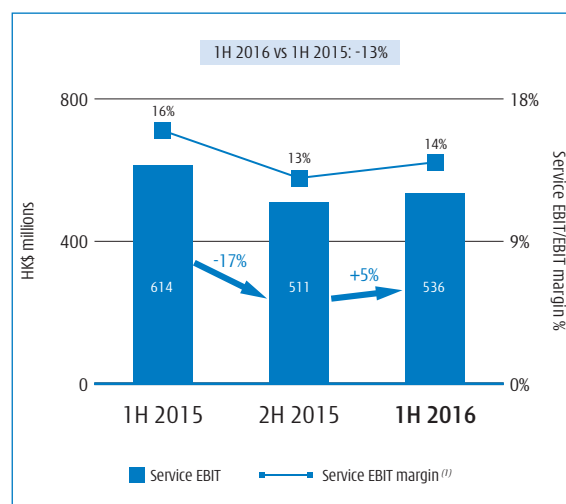
Note:

(1) Service EBITDA margin percentage or service EBIT margin percentage represents EBITDA or EBIT excluding standalone handset sales margin as a percentage of total service revenue.

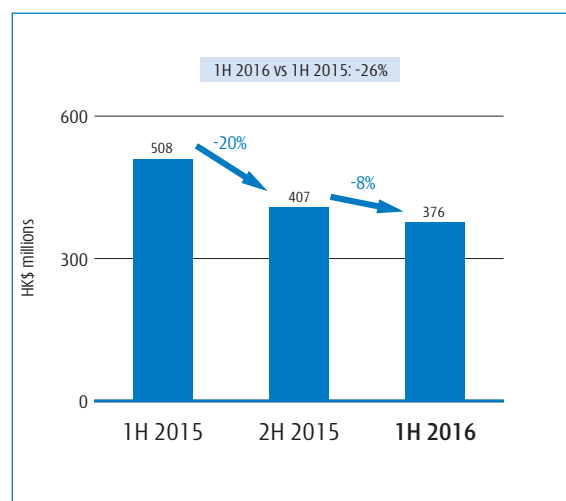
### Consolidated service EBITDA



### Consolidated service EBIT



### Profit attributable to shareholders



## Management Discussion and Analysis

### Business Review

The Group is engaged in two principal businesses - mobile and fixed-line.

#### Hong Kong and Macau mobile business highlights

	For the six months ended 30 June 2016 HK\$ millions	For the six months ended 31 December 2015 HK\$ millions	For the six months ended 30 June 2015 HK\$ millions	Favourable/ (unfavourable) change 1H 2016 vs 2H 2015	Favourable/ (unfavourable) change 1H 2016 vs 1H 2015
Total revenue	3,472	9,235	9,242	-62%	-62%
- Net customer service revenue	1,973	2,014	2,092	-2%	-6%
- Hardware revenue	1,499	7,221	7,150	-79%	-79%
- Bundled sales revenue	294	399	416	-26%	-29%
- Standalone handset sales revenue	1,205	6,822	6,734	-82%	-82%
Net customer service margin <sup>(2)</sup>	1,829	1,878	1,945	-3%	-6%
Net customer service margin %	93%	93%	93%	-	-
Standalone handset sales margin	20	133	175	-85%	-89%
Total CACs <sup>(3)</sup>	(443)	(537)	(548)	+18%	+19%
Less: Bundled sales revenue	294	399	416	-26%	-29%
Total CACs (net of handset revenue)	(149)	(138)	(132)	-8%	-13%
Operating expenses	(1,035)	(1,106)	(1,118)	+6%	+7%
Opex as a % of net customer service revenue	52%	55%	53%	-3% points	-1% point
EBITDA	665	767	870	-13%	-24%
Service EBITDA <sup>(4)</sup>	645	634	695	+2%	-7%
Service EBITDA margin %	33%	31%	33%	+2% points	-
Depreciation and amortisation	(351)	(343)	(318)	-2%	-10%
EBIT	314	424	552	-26%	-43%
CAPEX (excluding licence)	(198)	(414)	(160)	+52%	-24%
EBITDA less CAPEX	467	353	710	+32%	-34%
Licence	(1)	(2)	(1)	+50%	-

Notes:

(2) Net customer service margin is defined as net customer service revenue less direct variable costs (including interconnection charges and roaming costs).

(3) CACs represents customer acquisition costs.

(4) Service EBITDA is defined as EBITDA less standalone handset sales margin.

Mobile business revenue in the first half of 2016 was HK\$3,472 million, a decrease of 62% compared with HK\$9,242 million in the first half of 2015 mainly as a result of a lack of popular smartphones being available in the market during the period and thus the mobile hardware revenue recorded a significant decrease from HK\$7,150 million in the first half of 2015 to HK\$1,499 million in the first half of 2016. Mobile net customer service revenue in the first half of 2016 was HK\$1,973 million, a 6% decline compared with HK\$2,092 million in the first half of 2015 mainly as a result of a HK\$87 million or 19% decline in roaming revenue. Nevertheless, strenuous efforts to reduce direct roaming cost helped maintain the net customer service margin percentage at 93% in the first half of 2016. Excluding the roaming factor in both periods, local net customer service margin in the first half of 2016, after deducting direct variable cost, was in line with that of the first half of 2015. This was the result of better local postpaid net ARPU <sup>(5)</sup> with enhanced customer profile.

Compared with the second half of 2015, mobile business performance was adversely affected by a 79% drop in handset revenue, mobile service revenue decreased marginally by 2% mainly as a result of a milder HK\$22 million or 6% reduction in roaming revenue, while the net customer service margin percentage maintained at 93%. Excluding the roaming factor in both periods, local net customer service margin of the first half of 2016 was in line with that of the second half of 2015. Data usage increased during the period as a result of the launch of various infotainment content and related data plans, together with better customer acquisition achievements since the second half of 2015. Excluding the negative effect of hardware performance, service EBITDA improved HK\$11 million or 2%, while service EBIT was in line with that of the second half of 2015. Corresponding EBITDA margin percentage improved by 2% points from 31% in the second half of 2015, as a result of enhanced customer profile and improved operational efficiency.

As at 30 June 2016, the Group was serving approximately 3.1 million customers in Hong Kong and Macau (31 December 2015: 3.0 million), of which the number of postpaid customers was approximately 1.5 million (31 December 2015: 1.5 million). Churn among postpaid customers in Hong Kong and Macau in the first half of 2016 was substantially reduced to 1.3% (1H 2015: 1.9%; 2H 2015: 1.6%).

The launch of various infotainment content and related data plans led to positive customer response with acquisition of more data-centric customers, and blended local postpaid net ARPU for the first half of 2016 increased to HK\$168. This represented an increase of 6% compared with HK\$158 for the first half of 2015. Blended local postpaid net AMPU <sup>(6)</sup> improved 7% to HK\$161 compared with HK\$151 in the first half of 2015.

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Notes:

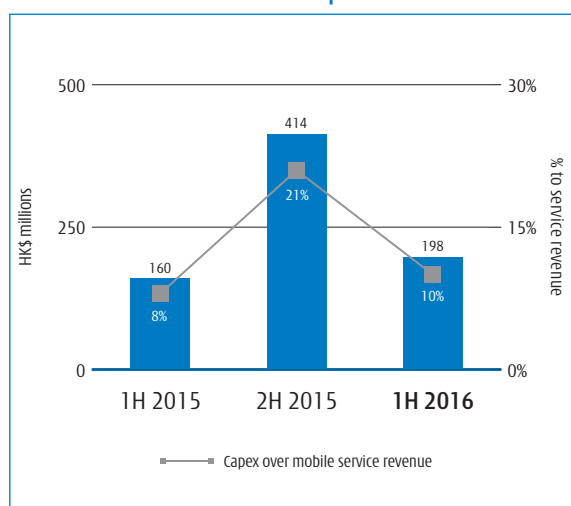
- (5) Local postpaid net ARPU is defined as monthly average spending per postpaid user excluding roaming revenue and revenue related to handset under the non-subsidised handset business model.
- (6) Local postpaid net AMPU represents average net margin per postpaid user. Local postpaid net AMPU equals local postpaid net ARPU less direct variable costs (including interconnection charges).

## Key performance indicators for mobile business

	For the six months ended 30 June 2016	For the six months ended 31 December 2015	For the six months ended 30 June 2015	Favourable/ (unfavourable) change 1H 2016 vs 2H 2015	Favourable/ (unfavourable) change 1H 2016 vs 1H 2015
Number of postpaid customers ('000)	1,481	1,484	1,542	-	-4%
Number of prepaid customers ('000)	1,597	1,547	1,327	+3%	+20%
Total customers ('000)	3,078	3,031	2,869	+2%	+7%
Postpaid customers to the total customer base (%)	48%	49%	54%	-1% point	-6% points
Postpaid customers' contribution to the net customer service revenue (%)	93%	93%	93%	-	-
Monthly postpaid churn rate (%)	1.3%	1.6%	1.9%	+0.3% point	+0.6% point
Local postpaid gross ARPU <sup>(7)</sup> (HK\$)	212	214	209	-1%	+1%
Local postpaid net ARPU (HK\$)	168	165	158	+2%	+6%
Local postpaid net AMPU (HK\$)	161	157	151	+3%	+7%

Capital expenditure on property, plant and equipment in the first half 2016 amounted to HK\$198 million (1H 2015: HK\$160 million; 2H 2015: HK\$414 million), accounting for 10% (1H 2015: 8%; 2H 2015: 21%) of mobile service revenue.

### Mobile capex



### Summary of spectrum investment (as of 30 June 2016)

Spectrum band	Bandwidth	Year of expiry
<b>Hong Kong</b>		
900 MHz	10 MHz	2026
900 MHz	16.6 MHz	2020
1800 MHz	23.2 MHz	2021
2100 MHz	34.6 MHz	2016 <sup>(8)</sup>
2300 MHz	30 MHz	2027
2600 MHz	30 MHz*	2024
2600 MHz	10 MHz*	2028
<b>Macau</b>		
900 MHz	15.6 MHz	2023
1800 MHz	38.8 MHz	2023
2100 MHz	20 MHz	2023

\* Shared under 50/50 joint venture - Genius Brand Limited

#### Notes:

- (7) Local postpaid gross ARPU is defined as monthly average spending per postpaid user including a customer's contribution to mobile devices in a bundled plan, excluding roaming revenue.
- (8) Related licence will be extended to year 2031 for the spectrum with a total bandwidth of 29.6 MHz.

## Fixed-line business highlights

	For the six months ended 30 June 2016 HK\$ millions	For the six months ended 31 December 2015 HK\$ millions	For the six months ended 30 June 2015 HK\$ millions	Favourable/ (unfavourable) change 1H 2016 vs 2H 2015	Favourable/ (unfavourable) change 1H 2016 vs 1H 2015
Revenue	2,067	1,989	1,984	+4%	+4%
Total CACs and Operating expenses	(1,420)	(1,371)	(1,328)	-4%	-7%
<i>Total CACs and Opex as % of revenue</i>	<b>69%</b>	69%	67%	-	<b>-2% points</b>
EBITDA	647	618	656	+5%	-1%
<i>EBITDA margin %</i>	<b>31%</b>	31%	33%	-	<b>-2% points</b>
Depreciation and amortisation	(346)	(348)	(349)	+1%	+1%
EBIT	301	270	307	+11%	-2%
CAPEX (excluding licence)	(231)	(292)	(193)	+21%	-20%
EBITDA less CAPEX	416	326	463	+28%	-10%

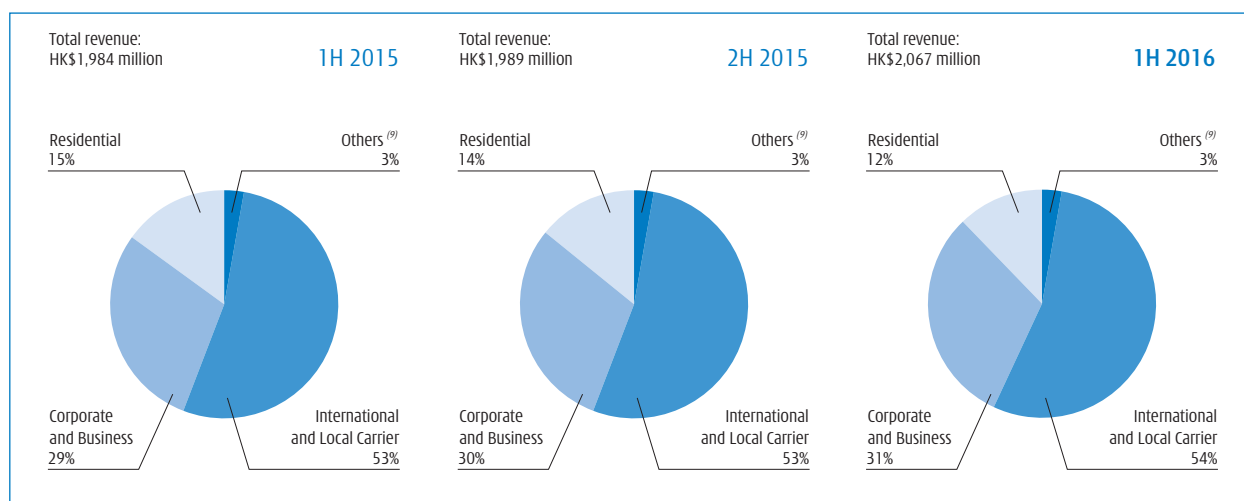
Fixed-line service revenue in the first half of 2016 was HK\$2,067 million, an increase of 4% compared with HK\$1,984 million in the first half of 2015. This improvement was mainly the result of increase in revenue from international and local carrier market driven by growing data demand from Over-the-Top ("OTT") applications and Internet-of-Things ("IoT") related devices. Another contributor was an increase in revenue from the corporate and business market after expansion into various market segments with sophisticated business solution requirements. This was partially offset by a decrease in residential market revenue resulting from a fiercely-competitive environment.

EBITDA and EBIT in the first half of 2016 were HK\$647 million and HK\$301 million respectively.

## Management Discussion and Analysis

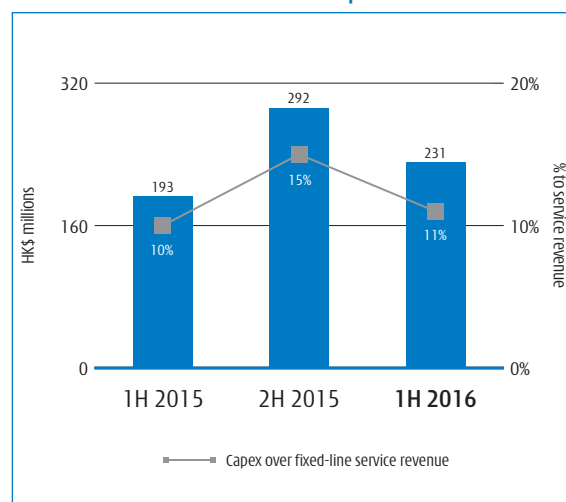
Compared with the second half of 2015, fixed-line service revenue increased by 4% mainly as a result of increased revenue recorded in the carrier market as well as the corporate and business market after further penetration into various market segments. EBITDA and EBIT improved by 5% and 11% respectively, compared with those of the second half of 2015. EBITDA margin percentage was maintained at 31%.

### Fixed-line service revenue



Capital expenditure on property, plant and equipment in the first half of 2016 amounted to HK\$231 million (1H 2015: HK\$193 million; 2H 2015: HK\$292 million), representing 11% (1H 2015: 10%; 2H 2015: 15%) of fixed-line service revenue.

### Fixed-line capex



Note:

(9) "Others" includes revenue from interconnection charges and others.

# Group Capital Resources and Other Information

## 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. The Group's 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 the Group's 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, with significant underlying leverage or derivative exposure.

## Cash management and funding

The Group operates a central cash management system for all of its subsidiaries. In general, financing is raised mainly in the form of bank borrowings to meet funding requirements of the operating subsidiaries of the Group. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

## Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group is exposed to interest rate changes that affect Hong Kong dollar borrowings which are at floating rates.

## Foreign currency exposure

The Group runs telecommunications operations principally in Hong Kong, with transactions denominated in Hong Kong dollars. The Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. The Group is exposed to other currency movements, primarily in terms of certain trade receivables or payables and bank deposits denominated in United States dollars, Macau Patacas, Renminbi, Euros and British pounds.

## Credit exposure

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

The Group is also exposed to counterparties credit risk from its operating activities, such risks are continuously monitored by the management.

## Group Capital Resources and Other Information

### Capital and Net Debt

As at 30 June 2016, the Group recorded share capital of HK\$1,205 million and total equity of HK\$12,014 million.

The cash and cash equivalents of the Group amounted to HK\$1,362 million as at 30 June 2016 (31 December 2015: HK\$1,021 million), 84% of which were denominated in Hong Kong dollars, 7% in United States dollars, 5% in Macau Patacas, with remaining in various other currencies. The Group's carrying amount of bank borrowings amounted to HK\$3,967 million at 30 June 2016 (31 December 2015: HK\$3,962 million), which were denominated in Hong Kong dollars and repayable in November 2019.

As at 30 June 2016, the consolidated net debt of the Group was HK\$2,605 million (31 December 2015: HK\$2,941 million). The Group's net debt to net total capital ratio at 30 June 2016 was 18% (31 December 2015: 20%).

### Charges on Group Assets

As at 30 June 2016 and 31 December 2015, 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

Committed borrowing facilities available to the Group but not drawn as at 30 June 2016 amounted to HK\$1,000 million (31 December 2015: HK\$1,000 million).

### Contingent Liabilities

As at 30 June 2016, the Group provided performance and other guarantees of HK\$631 million (31 December 2015: HK\$326 million).

### Commitments

As at 30 June 2016, the Group had total capital commitments of property, plant and equipment amounting to HK\$702 million (31 December 2015: HK\$748 million) and telecommunications licences of HK\$1,777 million (31 December 2015: HK\$1,777 million).

As at 30 June 2016, the Group had total operating lease commitments for building and other assets amounting to HK\$547 million (31 December 2015: HK\$575 million).

A subsidiary of the Group has acquired various blocks of spectrum bands for the provision of telecommunications services in Hong Kong, certain of which over various assignment years up to year 2021 and variable licence fees are payable on those spectrum bands based on 5% of the network revenue or the Appropriate Fee (as defined in the Unified Carrier Licence) in respect of the relevant year whichever is greater. The net present value of the Appropriate Fee has already been recorded as licence fee liabilities.



### Corporate Strategy

The strategy of the Group is to deliver sustainable returns with solid financial fundamentals, so as to enhance long-term total return for shareholders. Please refer to the Chairman's Statement and Management Discussion and Analysis for discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the objective of the Group.

### Past Performance and Forward-looking Statements

The performance and the results of operations of the Group contained in this report are historical in nature, and past performance is no guarantee for the future results of the Group. Any forward-looking statements and opinions contained in this report 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 report; 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 2016, the Group employed 2,251 (31 December 2015: 2,355) full-time staff members. Staff costs during the six months ended 30 June 2016, including directors' emoluments, totalled HK\$446 million (30 June 2015: HK\$386 million) as a result of insourcing of certain functions, e.g. IT and network management, to enhance governance and operational efficiency as reflected in savings of other operating expenses.

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, long-service awards and a share option plan. 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 arranged by the Group.

### Environmental, Social and Governance Responsibility

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. It delivers quality products and services to its customers by managing its businesses prudently, while executing management decisions with due care and attention. The Group demonstrates a strong sense of corporate social responsibility and believes such a commitment helps strengthen its relationship with the community. Operating as a sound corporate citizen via sponsorship and supporting socially-responsible projects at company level, the Group is committed to bringing positive impact to the general welfare of the community.

## Group Capital Resources and Other Information

### Review of Interim Financial Report

The unaudited condensed consolidated financial report of the Group for the six months ended 30 June 2016 has 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 will be included in the Interim Report to shareholders. The unaudited condensed consolidated financial report of the Group for the six months ended 30 June 2016 has also been reviewed by the Audit Committee of the Company.

### Record Date for Interim Dividend

The record date for the purpose of determining shareholders' entitlement to the interim dividend is Wednesday, 31 August 2016.

In order to qualify for the entitlement to interim dividend payable on Friday, 9 September 2016, 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 p.m. on Wednesday, 31 August 2016.

### Purchase, Sale or Redemption of the Listed Securities of the Company

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company. In addition, the Company has not redeemed any of its listed securities during the period.

# Disclosure of Interests

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2016, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Company's own Model Code for Securities Transactions by Directors (the "HTHKH Securities Code") were as follows:

### (I) Interests and short positions in the shares, underlying shares and debentures of the Company

#### *Long positions in the shares and underlying shares of the Company*

Name of Director	Capacity	Nature of interests	Number of shares held	Number of underlying shares held in American Depository Shares	Approximate % of shareholding
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	1,202,380 <sup>(1)</sup>	-	0.0250%
Lui Dennis Pok Man	Beneficial owner	Personal interest	9,100,000	-	0.1888%
Wong King Fai, Peter	Beneficial owner	Personal interest	2,666,667	-	0.0553%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	250,000	-	0.0052%
Frank John Sixt	Beneficial owner	Personal interest	-	255,000 <sup>(2)</sup>	0.0053%

Notes:

(1) Such ordinary shares were held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.

(2) 17,000 American Depository Shares (each representing 15 ordinary shares) were held by Mr Frank John Sixt.

## Disclosure of Interests

### (II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

#### *Long positions in the shares, underlying shares and debentures of the associated corporations of the Company*

Mr Fok Kin Ning, Canning had, as at 30 June 2016, the following interests:

- (i) corporate interests in 4,111,438 ordinary shares, representing approximately 0.11% of the then issued voting shares, in CK Hutchison Holdings Limited ("CKHH");
- (ii) 5,100,000 ordinary shares, representing approximately 0.04% of the then issued voting shares, in Hutchison Telecommunications (Australia) Limited ("HTAL") comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively; and
- (iii) corporate interests in a nominal amount of US\$4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited.

Mr Fok Kin Ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mr Wong King Fai, Peter had, as at 30 June 2016, family interests in 15,048 ordinary shares, representing approximately 0.0004% of the then issued voting shares, in CKHH held by his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 30 June 2016, personal interests in 129,960 ordinary shares, representing approximately 0.003% of the then issued voting shares, in CKHH.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 30 June 2016, personal interests in (i) 136,800 ordinary shares, representing approximately 0.004% of the then issued voting shares, in CKHH; and (ii) 1,000,000 ordinary shares, representing approximately 0.007% of the then issued voting shares, in HTAL.

Mr Lai Kai Ming, Dominic in his capacity as a beneficial owner had, as at 30 June 2016, personal interests in 34,200 ordinary shares, representing approximately 0.0009% of the then issued voting shares, in CKHH.

Dr Lan Hong Tsung, David in his capacity as a beneficial owner had, as at 30 June 2016, personal interests in 13,680 ordinary shares, representing approximately 0.0004% of the then issued voting shares, in CKHH.

Save as disclosed above, as at 30 June 2016, none of the Directors or Chief Executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the HTHKH Securities Code, to be notified to the Company and the SEHK.

## Interests and Short Positions of Shareholders Discloseable under the SFO

So far as is known to the Directors and Chief Executive of the Company, as at 30 June 2016, other than the interests and short positions of the Directors and Chief Executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

### (I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

#### *Long positions in the shares of the Company*

Name	Capacity	Number of shares held	Approximate % of shareholding
Hutchison Telecommunications Holdings Limited ("HTHL")	Beneficial owner	512,961,149 <sup>(1)</sup>	10.64%
Hutchison Telecommunications Investment Holdings Limited ("HTIHL")	Beneficial owner	2,619,929,104 <sup>(1)</sup> )	65.01%
	Interest of a controlled corporation	512,961,149 <sup>(1)</sup> )	
CK Hutchison Global Investments Limited ("CKHGIL")	Interest of controlled corporations	3,132,890,253 <sup>(1)</sup>	65.01%
CKHH	Interest of controlled corporations	3,184,982,840 <sup>(1)(2)</sup>	66.09%

## Disclosure of Interests

### (II) Interests and short positions of other persons in the shares and underlying shares of the Company

#### Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
The Capital Group Companies, Inc.	Interest of controlled corporations	246,038,000	5.11%
Yuda Limited ("Yuda")	Beneficial owner	350,527,953 <sup>(3)</sup>	7.27%
Mayspin Management Limited ("Mayspin")	Interest of controlled corporations	403,979,499 <sup>(4)</sup>	8.38%
Li Ka-shing ("Mr Li")	Founder of discretionary trusts	153,280 <sup>(5)</sup> ) ) )	
	Interest of controlled corporations	403,979,499 <sup>(4)</sup> ) )	8.38%

#### Notes:

- (1) HTHL is a direct wholly-owned subsidiary of HTIHL, and its interests in the share capital of the Company are duplicated in the interests of HTIHL. HTIHL in turn is a direct subsidiary of CKHGIL, which in turn is a direct wholly-owned subsidiary of CKHH. By virtue of the SFO, CKHH and CKHGIL were deemed to be interested in the 2,619,929,104 ordinary shares of the Company held by HTIHL and the 512,961,149 ordinary shares of the Company held by HTHL.
- (2) Certain wholly-owned subsidiaries of Cheung Kong (Holdings) Limited ("Cheung Kong") hold 52,092,587 ordinary shares of the Company. Cheung Kong is a direct wholly-owned subsidiary of CKHH. By virtue of the SFO, CKHH and Cheung Kong were deemed to be interested in the 52,092,587 ordinary shares of the Company held by certain wholly-owned subsidiaries of Cheung Kong.
- (3) Yuda is a direct wholly-owned subsidiary of Mayspin, which in turn is a company wholly-controlled by Mr Li. The interests held by Yuda are duplicated in that of Mayspin.
- (4) Mayspin is a company wholly-controlled by Mr Li and is interested in the 53,451,546 ordinary shares of the Company through certain of its direct wholly-owned subsidiaries and the 350,527,953 ordinary shares of the Company held by Yuda. Such interests held by Mayspin are duplicated in that of Mr Li.
- (5) Mr Li is the settlor of each of two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in The Li Ka-Shing Castle Trust ("UT3") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard. Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of UT3 holds 153,280 ordinary shares of the Company.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr Li and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid. Each of the trustee of DT3 and DT4 holds units in UT3 but is not entitled to any interest or share in any shares of the Company comprising the trust assets of UT3.

As Mr Li may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO, and by virtue of the above, Mr Li is taken to have a duty of disclosure in relation to the 153,280 ordinary shares of the Company held by TUT3 as trustee of UT3 under the SFO as a substantial shareholder of the Company.

Save as disclosed above and so far as is known to the Directors and Chief Executive of the Company, as at 30 June 2016, there was no other person (other than the Directors and Chief Executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

# Share Option Scheme

Particulars of share options outstanding under the share option scheme of the Company (the "Share Option Scheme") at the beginning and at the end of the financial period for the six months ended 30 June 2016 and share options granted, exercised, cancelled or lapsed under the Share Option Scheme during such period were as follows:

Category of participants	Date of grant of share options <sup>(1)</sup>	Number of share options held at 1 January 2016	Granted	Exercised	Lapsed/ cancelled	Number of share options held at 30 June 2016	Exercise period of share options	Exercise price of share options <sup>(2)</sup> HK\$	Price of share of the Company	
			during the six months ended 30 June 2016	during the six months ended 30 June 2016	during the six months ended 30 June 2016				at the grant date of share options <sup>(3)</sup> HK\$	at the exercise date of share options HK\$
Employees in aggregate	1.6.2009	200,000	-	-	-	200,000	1.6.2009 to 31.5.2019 (both dates inclusive)	1.00	0.96	N/A
Total		200,000	-	-	-	200,000				

Notes:

- (1) The share options were vested according to a schedule, namely, as to as close to one-third of the shares of the Company which are subject to the share options as possible on each of 1 June 2009, 23 November 2009 and 23 November 2010, and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the Share Option Scheme) on such vesting date.
- (2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the Share Option Scheme.
- (3) The stated price was the closing price of the shares of the Company on The Stock Exchange of Hong Kong Limited on the trading day immediately prior to the date of the grant of the share options.

As at 30 June 2016, the Company had 200,000 share options outstanding under the Share Option Scheme.

No share option was granted under the Share Option Scheme during the six months ended 30 June 2016.

# Corporate Governance

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (together, the "Group") as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles that emphasise a quality board of Directors (the "Board"), effective risk management and internal controls systems, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

## Compliance with the Corporate Governance Code

The Company has complied throughout the six months ended 30 June 2016 with all code provisions of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those in respect of the nomination committee. The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors. In addition, the Board as a whole is responsible for reviewing the succession plan for Directors, including the Chairman of the Board and the Chief Executive Officer & Group Managing Director.

## Compliance with the Model Code for Securities Transactions by Directors of the Company

The Board has adopted its own Model Code for Securities Transactions by Directors (the "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 10 of the Listing Rules. In response to specific enquiries made, all Directors confirmed that they have complied with the HTHKH Securities Code in their securities transactions throughout the six months ended 30 June 2016.



## Changes in Information of Directors

Pursuant to Rule 13.51B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the changes in information of Directors of the Company subsequent to the date of the 2015 Annual Report are set out below:

Name of Director	Details of changes
Fok Kin Ning, Canning	Ceased to act as Alternate Director to Mrs Chow Woo Mo Fong, Susan, a then Non-executive Director of the Company, on 1 August 2016
Chow Woo Mo Fong, Susan	Retired from the following positions on 1 August 2016: <ul style="list-style-type: none"> <li>- Non-executive Director of the Company</li> <li>- group deputy managing director and executive director of CK Hutchison Holdings Limited ("CKHH")<sup>(1)</sup></li> <li>- executive director of Cheung Kong Infrastructure Holdings Limited ("CKI")<sup>(1)</sup></li> <li>- director of Hutchison Telecommunications (Australia) Limited ("HTAL")<sup>(2)</sup></li> </ul> <p>Ceased to act as alternate director to the following chairmen/directors on 1 August 2016:</p> <ul style="list-style-type: none"> <li>- Mr Fok Kin Ning, Canning, the chairman of HTAL</li> <li>- Mr Frank John Sixt, an executive director of CKI, the chairman and a non-executive director of Tom Group Limited ("TOM")<sup>(1)</sup> and a director of HTAL</li> <li>- Mr Lai Kai Ming, Dominic, a director of HTAL</li> </ul> <p>Appointed as adviser and consultant to CKHH on 1 August 2016</p>
Frank John Sixt	Ceased to act as alternate director to Mrs Chow Woo Mo Fong, Susan, a then director of HTAL, on 1 August 2016
Lai Kai Ming, Dominic	Appointed as alternate director to Mr Frank John Sixt, the chairman and a non-executive director of TOM, on 1 August 2016
	Ceased to act as alternate director to Mrs Chow Woo Mo Fong, Susan, a then director of HTAL, on 1 August 2016
Lan Hong Tsung, David	Appointed as independent non-executive director of Cinda Financial Holdings Co., Limited on 30 May 2016
Wong Yick Ming, Rosanna	Appointed as member of the Advisory Committee of The Jockey Club CPS Limited on 2 May 2016

Notes:

(1) A company whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

(2) A company whose shares are listed on the Australian Securities Exchange.

# Report on Review of Interim Financial Report

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 interim financial report set out on pages 25 to 40, 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 2016 and the related 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 a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial report 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 this interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial report 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 interim financial report 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 interim financial report is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**

Certified Public Accountants

Hong Kong, 2 August 2016

# Condensed Consolidated Income Statement

For the six months ended 30 June 2016

	Note	Unaudited 2016 HK\$ millions	Unaudited 2015 HK\$ millions
Revenue	4	5,324	11,020
Cost of inventories sold		(1,478)	(6,975)
Staff costs		(446)	(386)
Customer acquisition costs		(201)	(187)
Depreciation and amortisation		(697)	(667)
Other operating expenses		(1,946)	(2,016)
		556	789
Interest income	6	9	9
Interest and other finance costs	6	(58)	(60)
Share of results of joint ventures		(14)	(18)
<b>Profit before taxation</b>		<b>493</b>	<b>720</b>
Taxation	7	(78)	(120)
<b>Profit for the period</b>		<b>415</b>	<b>600</b>
<b>Attributable to:</b>			
Shareholders of the Company		376	508
Non-controlling interests		39	92
		415	600
<b>Earnings per share attributable to shareholders of the Company (expressed in HK cents per share):</b>			
- basic	8	7.80	10.54
- diluted	8	7.80	10.54

Details of interim dividend payable to shareholders of the Company are set out in Note 9. The accompanying notes are an integral part of this condensed consolidated interim financial report.

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	Unaudited 2016 HK\$ millions	Unaudited 2015 HK\$ millions
<b>Profit for the period</b>	415	600
<b>Other comprehensive income</b>		
Item that will not be reclassified subsequently to income statement in subsequent periods:		
- Remeasurements of defined benefit plans	-	10
Item that may be reclassified subsequently to income statement in subsequent periods:		
- Currency translation differences	(1)	(1)
<b>Total comprehensive income for the period, net of tax</b>	414	609
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	375	517
Non-controlling interests	39	92
	414	609

The accompanying notes are an integral part of this condensed consolidated interim financial report.

# Condensed Consolidated Statement of Financial Position

At 30 June 2016

	Note	Unaudited 30 June 2016 HK\$ millions	Audited 31 December 2015 HK\$ millions
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	10,530	10,656
Goodwill		4,503	4,503
Telecommunications licences		1,124	1,207
Other non-current assets	11	818	858
Deferred tax assets		94	128
Investments in joint ventures		510	493
<b>Total non-current assets</b>		<b>17,579</b>	<b>17,845</b>
<b>Current assets</b>			
Cash and cash equivalents	12	1,362	1,021
Trade receivables and other current assets	13	1,705	1,817
Inventories		116	591
<b>Total current assets</b>		<b>3,183</b>	<b>3,429</b>
<b>Current liabilities</b>			
Trade and other payables	14	3,704	4,200
Current income tax liabilities		14	11
<b>Total current liabilities</b>		<b>3,718</b>	<b>4,211</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		537	497
Borrowings	15	3,967	3,962
Other non-current liabilities	16	526	513
<b>Total non-current liabilities</b>		<b>5,030</b>	<b>4,972</b>
<b>Net assets</b>		<b>12,014</b>	<b>12,091</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	17	1,205	1,205
Reserves		10,259	10,317
<b>Total shareholders' funds</b>		<b>11,464</b>	<b>11,522</b>
Non-controlling interests		550	569
<b>Total equity</b>		<b>12,014</b>	<b>12,091</b>

The accompanying notes are an integral part of this condensed consolidated interim financial report.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Unaudited								
	Attributable to shareholders of the Company								
	Share capital	Share premium	Accumulated losses	Cumulative translation adjustments	Pension reserve	Other reserves	Total	Non-controlling interests	Total equity
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
<b>At 1 January 2016</b>	1,205	11,185	(924)	(7)	46	17	11,522	569	12,091
Profit for the period	-	-	376	-	-	-	376	39	415
Other comprehensive income									
Currency translation differences	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income, net of tax	-	-	376	(1)	-	-	375	39	414
Dividend relating to 2015 paid in 2016 (Note 9)	-	-	(433)	-	-	-	(433)	-	(433)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(58)	(58)
<b>At 30 June 2016</b>	1,205	11,185	(981)	(8)	46	17	11,464	550	12,014
<b>At 1 January 2015</b>	1,205	11,185	(1,169)	(3)	58	17	11,293	416	11,709
Profit for the period	-	-	508	-	-	-	508	92	600
Other comprehensive income									
Remeasurements of defined benefit plans	-	-	-	-	10	-	10	-	10
Currency translation differences	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income, net of tax	-	-	508	(1)	10	-	517	92	609
Dividend relating to 2014 paid in 2015 (Note 9)	-	-	(419)	-	-	-	(419)	-	(419)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(9)	(9)
<b>At 30 June 2015</b>	1,205	11,185	(1,080)	(4)	68	17	11,391	499	11,890

The accompanying notes are an integral part of this condensed consolidated interim financial report.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Note	Unaudited 2016 HK\$ millions	Unaudited 2015 HK\$ millions
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	1,385	1,673
Interest and other finance costs paid		(37)	(36)
Tax paid		(1)	(3)
<b>Net cash generated from operating activities</b>		<b>1,347</b>	<b>1,634</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(427)	(349)
Additions to other non-current assets		(22)	(2)
Proceeds from disposals of property, plant and equipment		5	-
Payment relating to investment in a joint venture		(71)	(67)
<b>Net cash used in investing activities</b>		<b>(515)</b>	<b>(418)</b>
<b>Cash flows from financing activities</b>			
Dividend paid to the shareholders of the Company	9	(433)	(419)
Dividend paid to non-controlling interests		(58)	(9)
<b>Net cash used in financing activities</b>		<b>(491)</b>	<b>(428)</b>
Increase in cash and cash equivalents		341	788
Cash and cash equivalents at 1 January		1,021	359
Cash and cash equivalents at 30 June		1,362	1,147

The accompanying notes are an integral part of this condensed consolidated interim financial report.

# Notes to the Condensed Consolidated Interim Financial Report

## 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. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The Company and its subsidiaries (together the "Group") are principally engaged in mobile telecommunications business in Hong Kong and Macau and fixed-line telecommunications business in Hong Kong.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited and whose American Depositary Shares, each representing ownership of 15 shares, are eligible for trading in the United States of America only in the over-the-counter market.

This unaudited condensed consolidated interim financial report (the "interim financial report") is presented in Hong Kong dollars ("HK\$"), unless otherwise stated. This interim financial report was approved for issuance by the Board of Directors on 2 August 2016.

## 2 Basis of Preparation

This interim financial report for the six months ended 30 June 2016 has been prepared in accordance with International Accounting Standard 34 "Interim financial reporting". This interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

As at 30 June 2016, the current liabilities of the Group exceeded its current assets by approximately HK\$535 million. Included in the current liabilities were non-refundable customer prepayments of HK\$737 million which will gradually reduce over the contract terms of relevant subscriptions through delivery of services. Excluding the non-refundable customer prepayments, the net current assets of the Group would have been approximately HK\$202 million. Management of the Group anticipates the net cash inflows from its operations, together with the ability to draw down from available banking facility, would be sufficient to enable the Group to meet its liabilities as and when they fall due. Accordingly, this interim financial report has been prepared on a going concern basis.

## 3 Significant Accounting Policies

This interim financial report has been prepared under the historical cost convention. The accounting policies applied and methods of computation used in the preparation of this interim financial report are consistent with those used in 2015 annual financial statements, except for the adoption of new or revised standards, amendments and interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning 1 January 2016. The effect of the adoption of these new or revised standards, amendments and interpretations was not material to the results of operations or financial position of the Group.



## 4 Revenue

Revenue comprises revenues from provision of mobile telecommunications services, sales of telecommunications hardware and provision of fixed-line telecommunications services. An analysis of revenue is as follows:

	Six months ended 30 June	
	2016 HK\$ millions	2015 HK\$ millions
Mobile telecommunications services	1,957	2,083
Fixed-line telecommunications services	1,869	1,787
Telecommunications hardware	1,498	7,150
	<b>5,324</b>	11,020

## 5 Segment Information

The Group is organised into two operating segments: mobile business and fixed-line business. "Others" segment represents corporate support functions. Management of the Group measures the performance of its segments based on EBITDA/(LBITDA)<sup>(a)</sup> and EBIT/(LBIT)<sup>(b)</sup>. Revenue from external customers is after elimination of inter-segment revenue. The segment information on revenue, EBITDA/(LBITDA) and EBIT/(LBIT) agreed to the aggregate information in this interim financial report. As such, no reconciliation between the segment information and the aggregate information in this interim financial report is presented.

	Six months ended 30 June 2016				
	Mobile HK\$ millions	Fixed-line HK\$ millions	Others HK\$ millions	Elimination HK\$ millions	Total HK\$ millions
Revenue - service	1,973	2,067	-	(214)	3,826
Revenue - hardware	1,499	-	-	(1)	1,498
	3,472	2,067	-	(215)	5,324
Operating costs	(2,807)	(1,420)	(59)	215	(4,071)
EBITDA/(LBITDA)	665	647	(59)	-	1,253
Depreciation and amortisation	(351)	(346)	-	-	(697)
EBIT/(LBIT)	314	301	(59)	-	556
Other information:					
Additions to property, plant and equipment	198	231	-	-	429
Additions to telecommunications licences	1	-	-	-	1

## Notes to the Condensed Consolidated Interim Financial Report

### 5 Segment Information (Continued)

	Six months ended 30 June 2015				
	Mobile HK\$ millions	Fixed-line HK\$ millions	Others HK\$ millions	Elimination HK\$ millions	Total HK\$ millions
Revenue - service	2,092	1,984	-	(206)	3,870
Revenue - hardware	7,150	-	-	-	7,150
	9,242	1,984	-	(206)	11,020
Operating costs	(8,372)	(1,328)	(70)	206	(9,564)
EBITDA/(LBITDA)	870	656	(70)	-	1,456
Depreciation and amortisation	(318)	(349)	-	-	(667)
EBIT/(LBIT)	552	307	(70)	-	789
Other information:					
Additions to property, plant and equipment	160	193	-	-	353
Additions to telecommunications licences	1	-	-	-	1

(a) EBITDA/(LBITDA) is defined as earnings/(losses) before interest income, interest and other finance costs, taxation, depreciation and amortisation and share of results of joint ventures.

(b) EBIT/(LBIT) is defined as earnings/(losses) before interest income, interest and other finance costs, taxation and share of results of joint ventures.

### 6 Interest and Other Finance Costs, Net

	Six months ended 30 June	
	2016 HK\$ millions	2015 HK\$ millions
Interest income:		
Interest income from a joint venture	9	9
Interest and other finance costs:		
Bank loans	(29)	(28)
Notional non-cash interest accretion <sup>(a)</sup>	(19)	(24)
Guarantee and other finance fees	(13)	(13)
	(61)	(65)
Less: Amounts capitalised on qualifying assets	3	5
	(58)	(60)
Interest and other finance costs, net	(49)	(51)

(a) Notional non-cash 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 licence fees liabilities and asset retirement obligations to the present value of the estimated future cash flows expected to be required for their settlement in the future.

## 7 Taxation

	Six months ended 30 June					
	2016			2015		
	Current taxation HK\$ millions	Deferred taxation HK\$ millions	Total HK\$ millions	Current taxation HK\$ millions	Deferred taxation HK\$ millions	Total HK\$ millions
Hong Kong	1	73	74	1	113	114
Outside Hong Kong	3	1	4	5	1	6
	4	74	78	6	114	120

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2015: 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.

Deferred taxation has been provided at the relevant rates on timing differences.

## 8 Earnings per Share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of approximately HK\$376 million (30 June 2015: HK\$508 million) and on the weighted average number of 4,818,896,208 (30 June 2015: Same) ordinary shares in issue during the period.

The diluted earnings per share for the six months ended 30 June 2016 is calculated by adjusting the weighted average number of 4,818,896,208 (30 June 2015: Same) ordinary shares in issue with the weighted average number of 123,372 (30 June 2015: 142,693) ordinary shares deemed to be issued assuming the exercise of the share options.

## 9 Dividends

	Six months ended 30 June	
	2016	2015
Interim dividend (HK\$ millions)	193	251
Interim dividend per share (HK cents)	4.00	5.20

In addition, final dividend in respect of year 2015 of 9.00 HK cents per share (30 June 2015: 8.70 HK cents per share) totalling HK\$433 million (30 June 2015: HK\$419 million) was approved and paid during the six months ended 30 June 2016.

## 10 Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment with a cost of HK\$429 million (30 June 2015: HK\$353 million). Property, plant and equipment with a net book value of HK\$5 million (30 June 2015: HK\$1 million) was disposed of during the period, resulting in an insignificant loss (30 June 2015: loss of HK\$1 million).

## 11 Other Non-Current Assets

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Prepayments	769	813
Non-current deposits	49	45
	<b>818</b>	858

## 12 Cash and Cash Equivalents

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Cash at banks and in hand	205	290
Short-term bank deposits	1,157	731
	<b>1,362</b>	1,021

The carrying values of cash and cash equivalents approximate their fair values.

## 13 Trade Receivables and Other Current Assets

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Trade receivables	<b>1,408</b>	1,661
Less: Provision for doubtful debts	<b>(121)</b>	(110)
Trade receivables, net of provision <sup>(a)</sup>	<b>1,287</b>	1,551
Other receivables	<b>91</b>	95
Prepayments and deposits	<b>327</b>	171
	<b>1,705</b>	1,817

The carrying values of trade receivables and other receivables approximate their fair values. The Group has established credit policies for customers. The average credit period granted for trade receivables ranges from 14 to 45 days, or a longer period for corporate or carrier customers based on 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, net of provision

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
The ageing analysis of trade receivables, net of provision for doubtful debts is as follows:		
0-30 days	<b>804</b>	1,039
31-60 days	<b>200</b>	208
61-90 days	<b>104</b>	115
Over 90 days	<b>179</b>	189
	<b>1,287</b>	1,551

## 14 Trade and Other Payables

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Trade payables <sup>(a)</sup>	857	1,041
Other payables and accruals	1,907	2,217
Deferred revenue	737	751
Current portion of licence fees liabilities	203	191
	<b>3,704</b>	4,200

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

### (a) Trade payables

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
The ageing analysis of trade payables is as follows:		
0-30 days	482	477
31-60 days	68	137
61-90 days	67	101
Over 90 days	240	326
	<b>857</b>	1,041

## 15 Borrowings

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Unsecured bank loans Repayable between 2 and 5 years	3,967	3,962

The carrying values of the Group's total borrowings as at 30 June 2016 and 31 December 2015 approximate their fair values which are based on cash flows discounted using the effective interest rates of the Group's total borrowings of 1.6% per annum (31 December 2015: 1.6%) and are within level 2 of the fair value hierarchy.

## 16 Other Non-Current Liabilities

	30 June 2016 HK\$ millions	31 December 2015 HK\$ millions
Non-current licence fees liabilities	234	230
Pension obligations	87	80
Accrued expenses	205	203
	<b>526</b>	513

## 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 2015: Same).

### (b) Issued share capital of the Company

	Ordinary share of HK\$0.25 each	
	Number of shares	Issued and fully paid HK\$ millions
At 1 January 2015, 31 December 2015, 1 January 2016 and 30 June 2016	4,818,896,208	1,205

### (c) Share options of the Company

The Company's share option scheme was approved on 21 May 2009. The Board of Directors may, under the share option scheme, grant share options to directors, non-executive directors or employees of the Group.

The movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	Weighted average exercise price per share HK\$	Number of share options granted
At 1 January 2015, 31 December 2015, 1 January 2016 and 30 June 2016	1.00	200,000

## 17 Share Capital (Continued)

### (c) Share options of the Company (continued)

The exercise price of the share options granted is equal to the market price of the shares on the date of grant. The share options are exercisable during a period, subject to the vesting schedule, commencing on the date on which the share options are deemed to have been granted and ending on the date falling ten years from the date of grant of the share options (subject to early termination thereof). No share option was exercised during the six months ended 30 June 2016 (year ended 31 December 2015: Nil).

As at 30 June 2016, 200,000 (31 December 2015: Same) share options were exercisable.

## 18 Cash Generated from Operations

	Six months ended 30 June	
	2016 HK\$ millions	2015 HK\$ millions
Cash flows from operating activities		
Profit before taxation	493	720
Adjustments for:		
- Interest income (Note 6)	(9)	(9)
- Interest and other finance costs (Note 6)	58	60
- Depreciation and amortisation	697	667
- Loss on disposals of property, plant and equipment (Note 10)	-	1
- Share of results of joint ventures	14	18
Changes in working capital:		
- Decrease in trade receivables and other assets	111	50
- Decrease in inventories	475	10
- (Decrease)/increase in trade and other payables	(461)	151
- Retirement benefits obligations	7	5
Cash generated from operations	<b>1,385</b>	1,673

## 19 Contingent Liabilities

The Group had contingent liabilities in respect of the following:

	30 June 2016 HK\$ millions	31 December 2015 HK\$ millions
	Performance guarantees	615
Financial guarantees	11	12
Others	5	4
	<b>631</b>	326



## 20 Commitments

Outstanding commitments of the Group not provided for in this interim financial report are as follows:

### (a) Capital commitments

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

	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Property, plant and equipment	702	748
Telecommunications licences	1,777	1,777
	<b>2,479</b>	2,525

In 2014, Hutchison Telephone Company Limited, a subsidiary of the Group, exercised a right of first refusal for the re-assignment of a block of 19.8MHz spectrum and bid a block of 9.8MHz spectrum at the 2100MHz (collectively, the "Spectrum") for a 15-year period commencing October 2016 at an aggregate consideration of approximately HK\$1,777 million payable in August 2016. A standby letter of credit in the same amount was issued in favour of the Office of the Communications Authority of Hong Kong in relation to the Spectrum.

### (b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	<b>Buildings</b>		<b>Other assets</b>	
	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions	<b>30 June 2016 HK\$ millions</b>	31 December 2015 HK\$ millions
Not later than one year	216	230	232	184
Later than one year but not later than five years	65	99	29	57
Later than five years	-	-	5	5
	<b>281</b>	329	<b>266</b>	246

### (c) Telecommunications licence fees

A subsidiary of the Group has acquired various blocks of spectrum bands for the provision of telecommunications services in Hong Kong, certain of which over various assignment periods up to year 2021 and variable licence fees are payable on those spectrum bands based on 5% of the network revenue or the Appropriate Fee (as defined in the Unified Carrier Licence) in respect of the relevant year whichever is greater. The net present value of the Appropriate Fee has already been recorded as licence fee liabilities.

### 21 Related Parties Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

No transactions have 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 compensation).

# Information for Shareholders

## Listing

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited, and its American Depositary Shares (ADSs) are eligible for trading in the United States of America only in the over-the-counter market.

## Stock Code

215

## Financial Calendar

Record Date for 2016 Interim Dividend: 31 August 2016  
Payment of 2016 Interim Dividend: 9 September 2016

## Registered Office

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## Investor Information

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