

HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED
和記電訊國際有限公司
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2332)

ANNOUNCEMENT
AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007
HIGHLIGHTS

	2006 HK\$ millions	2007 HK\$ millions	Change %
Turnover	17,923	20,401	+13.8%
Operating profit /(loss)	1,417	(2,819)	
Loss for the year from continuing operations	(823)	(2,726)	
Profit from discontinued operations	2,399	70,502	
Profit for the year	1,576	67,776	
Profit attributable to equity holders of the Company	201	66,884	
Basic earnings per share	HK\$0.04	HK\$14.01	

- Mobile customer base continues to grow, up 57.0% to approximately **9.9 million** worldwide
- Indonesian achieved **2.0 million** users
- Vietnamese operations **conversion to GSM** confirmed in 2008
- Turnover increased **13.8%** to **HK\$20,401 million**
- EBITDA up to **HK\$5,253 million** despite start up costs for Indonesia and Vietnam
- Operating profit before disposal of investments and others and impairment charge to **HK\$1,027 million**
- India operations treated as discontinued and **HK\$69,343 million** gain on disposal recorded
- Record profit for the year of **HK\$67,776 million**
- **HK\$35 billion** of cash resources available for investment

CHAIRMAN'S STATEMENT

In 2007 we have positioned the Group to face the mounting challenges in the global market place and to be prepared for the opportunities that such challenges present. In the first half we announced the launch of operations in Indonesia and Vietnam and the completion of the sale of CGP Investments (Holdings) Limited ("CGP") which held all our interests in India. We have further strengthened the Group's positioning by obtaining approval in Vietnam to convert our CDMA network to GSM in 2008; by entering into a Memorandum of Understanding in Thailand which, if approved and implemented, will reposition the Thai business; and through the sale of the business in Ghana which is currently pending regulatory approval.

We entered 2008 with cash available for investments of HK\$35 billion which puts us in a commanding position as one of the region's best capitalised telecom groups allowing us to take advantage of opportunities to expand our operations.

During the year our core operations performed well, providing the platform to continue our push into new growth markets. In Indonesia we expanded our coverage to most of Java and into Sumatra and as a result were able to end the year with more than 2 million users. Through a series of tower sharing transactions we plan to expand even more rapidly in 2008, again committing substantial capital expenditure to the development of the business, with the objective of doubling the size of the network by the end of 2008. We also plan to double the size of our network in Sri Lanka in 2008 having exceeded the one million customer mark in September 2007.

2007 was also the year where we started to see significant momentum from our 3G investments in Israel and Hong Kong. Operating profits grew by 25.4% and 81.0% respectively mostly through an increase in 3G customers revenue from both increased voice usage and a higher proportion of data and content usage.

In 2007 the Group has adopted International Financial Reporting Standards ("IFRS") in reporting its financial results. As the Group has operations in multiple countries and has a diverse international shareholder base, we believe the adoption of IFRS would allow the accounts to be better understood by stakeholders and is a further move towards greater transparency.



Results

The Group's profit attributable to equity holders for the year was HK\$66.9 billion compared to a profit last year of HK\$201 million. This represented HK\$14.01 in basic earnings per share, compared to HK\$0.04 per share in 2006.

Dividends

During the year the Company paid a special dividend of HK\$6.75 per share as set out in the interim statement. The Board did not recommend a final dividend for the year ended 31 December 2007.

Operations

Group Review

Financial results for the year ended 31 December 2007

Turnover from continuing operations for the year increased by 13.8% to HK\$20,401 million compared with HK\$17,923 million in 2006 reflecting growth in the global mobile customer base, increased data and content usage and favourable foreign currency exchange rates. During the year the customer base grew 57% to approximately 9.9 million due principally to the strong market entry of our operations in Indonesia.

Earnings before interest, tax, depreciation and amortization ("EBITDA") increased to HK\$5,253 million broadly in line with last year as strong performances in Israel and Hong Kong supported the start up losses from Indonesia and Vietnam. EBITDA is after non cash share-based compensation charges of HK\$223 million, inclusive of an additional charge arising from the exercise price adjustment of employee stock options resulting from the payment of a special dividend approved by shareholders at the Extraordinary General Meeting held on 8 May 2007. As a percentage of turnover, EBITDA was 25.7% compared to 28.9% last year. Excluding the start up operations the Group's EBITDA margin would have been 29.4%.

Operating losses were HK\$2,819 million after incurring a one off impairment charge of HK\$3,854 million in respect of the Thailand operations. Excluding the impairment charge and a small profit on disposals for continuing operations, the operating profit was HK\$1,027 million, 25.2% lower than 2006 due to the first year losses from the start up operations in 2007.

The Treasury operations, which manages the retained cash balance, generated interest income of HK\$1,555 million, broadly achieving a return in line with US\$ LIBID. As a result the Group generated net interest income of HK\$284 million compared to a net interest expense of HK\$1,586 million in 2006.

The loss before tax was HK\$2,535 million compared to a loss of HK\$170 million in 2006.



After tax, the loss from continuing operations was HK\$2,726 million largely as a result of the impairment charge in respect of the Thailand operations. Excluding the net impact of the impairment charge, there was a profit from continuing operations of HK\$707 million compared to a loss from continuing operations of HK\$823 million in 2006.

During 2007 the Group recognised a one time gain on disposal of HK\$69,343 million whilst the profit from discontinued operations to the date of disposal was HK\$1,159 million making a total profit from discontinued operations of HK\$70,502 million.

Largely as a result of the profit on disposal the Group recorded a profit for the year of HK\$67,776 million compared with a profit of HK\$1,576 million in 2006.



Operations Review

Indonesia

The Indonesian operations were launched in the first half of 2007 under the global "3" brand. During 2007, network coverage continued to be expanded with coverage of Java, Bali, Lombok and Batam and, in October, Sumatra was launched, extending coverage to all the major cities. In December 2007, in order to further rapidly expand the network, it was announced that the Company intended to lease base station towers from PT Excelcomindo Pratama Tbk. Agreement had also been entered into to sell up to 3,692 base station towers to PT Profesional Telekomunikasi Indonesia for a cash consideration of up to HK\$3,882 million in a sale and leaseback transaction. This transaction will allow the Group to not only release capital for the continued investment in the business but allow the Group to focus more sharply on the market opportunity. With these two developments together with continued focus on the network roll out, the operations will be well placed and allow the Group to fast become one of the major nationwide network operators in Indonesia.

By the end of 2007 the Group had over two million users. This commendable achievement was realised through strong branding, an attractive proposition, a rapidly expanding network and a retail presence through more than 54,000 outlets.

Turnover for Indonesia for the first time in 2007 of HK\$117 million was recognised with the vast majority of turnover being airtime revenue from prepaid customers.

Loss Before Interest, Taxation, Depreciation and Amortisation ("LBITDA") was HK\$475 million, compared to LBITDA of HK\$123 million in 2006. An operating loss of HK\$626 million compared to HK\$124 million in 2006 was recorded.

Capital expenditure on fixed assets in 2007 was HK\$1,794 million. This is less than the target set out in our interim statement however the contractual commitments and the scale of the network development of the Group were largely in line with the target.

At the end of 2007 there was a total of HK\$3,723 million invested in the Indonesian business of which HK\$2,495 million was invested in 2007. Of the total investment HK\$1,807 million has been debt financed under the vendor financing facility with the remaining HK\$1,916 million contributed by shareholder funding of which the Group's contribution at the end of 2007 was HK\$977 million with a further HK\$445 million injected in early 2008.

Vietnam

Operations in Vietnam were launched during 2007 using a specially designed "HT Mobile" brand. Vietnam is one of the most vibrant and high growth economies in the region. It has a large young population with mobile service penetration well below the regional average making it an attractive market.

HT Mobile launched using CDMA-2000 technology. The vast majority of the customers in the market, however, use GSM technology which is not compatible with CDMA. As a result there are significant operating difficulties when it comes to competing within a market dominated by GSM.

Reflecting the difficulty of competing with GSM the Group and its partners, Hanoi Telecommunications Joint Stock Company, have been granted an amended Investment Certificate from The People's Committee of Hanoi City permitting HT Mobile to convert its CDMA network to GSM. The Investment Certificate is for a period of 15 years from 8 March 2008 and contains a roll out requirement to have 3,000 base station tower sites by March 2009.

In the second half of 2007, pending the conversion approval, HT Mobile moderated its promotion activity and as a result the closing 2007 customer base of 152,000 was little changed from the first half year. Turnover for the year was HK\$40 million reflecting this as well as the presence of fiercely competitive promotional activity. It is also reflected in lower capital expenditure on fixed assets which at HK\$799 million was below the initial forecasts.

LBITDA was HK\$228 million, compared to LBITDA of HK\$44 million in 2006 reflecting the first full year of operations. After depreciation and amortisation, which was expensed for the first time in 2007, the operating loss was of HK\$279 million.

Hong Kong and Macau

The Group is one of the leading mobile and fixed-line telecommunications operators in Hong Kong.

Combined turnover from the Group's fixed-line and mobile businesses in Hong Kong and Macau was HK\$7,211 million compared to HK\$6,605 million in 2006. EBITDA from the Hong Kong and Macau operations was HK\$2,476 million in 2007, with an EBITDA margin of 34.3%.

Hong Kong Mobile

The 3G customer growth continued to drive turnover higher during 2007. Turnover increased 13.7% to HK\$4,775 million compared with HK\$4,199 million in 2006. In the year there were 288,000 net additions to the customer base almost entirely to 3G services. There was continued higher level of Average revenue per user ("ARPU") from the 3G customers with increased turnover coming from data and content services. In addition, there was an increase in both inbound and outbound roaming in 2007. Excluding revenue from mobile telecommunications products which is largely from the sale of handsets and other accessories and which was 8.4% higher at HK\$465 million, mobile telecommunications services revenues increased by 14.3% to HK\$4,310 million.

EBITDA was 16.5% higher at HK\$1,572 million, compared with HK\$1,349 million in 2006 which represented an EBITDA margin of 32.9%, slightly improved from 32.1% in 2006. Excluding revenue from mobile telecommunications products such as from handset and accessories the underlying EBITDA margin based on mobile telecommunications services was 36.5%.

Depreciation and amortisation was broadly in line with 2006 reflecting the full build-out of the network. As a result of this solid operational improvement, operating profit increased to HK\$447 million compared with HK\$247 million in 2006.



In 2007, capital expenditure on fixed assets increased to HK\$475 million reflecting expenditure on the 3G network in Macau. Even with this investment capital expenditure was maintained at less than 10% of sales.

The operation continued to retire debt, reducing net debt by HK\$491 million to HK\$4,471 million during the year.

Hong Kong Fixed

Turnover was HK\$2,436 million compared with HK\$2,406 million in 2006. Excluding the reclassification of intra-group service revenues, like for like turnover growth was 11.8%.

The international and carrier business is the largest business segment by turnover, comprising mainly international private leased circuit, data and international direct dial ("IDD") services, registered a strong upturn in 2007 as increased traffic occurred through our network. Turnover increased by 7% to HK\$1,035 million in the international and carrier business.

The corporate and business market, to which the Group provides mainly leased lines, voice, data, broadband and IDD services, continued to register strong volume growth especially in data and broadband as more bandwidth demanding applications were deployed by the users which resulted in a 25% increase in revenue to HK\$704 million.

The residential market, to which the Group provides voice, broadband and IDD services, experienced heavy competition. However, there were gradually improving ARPU's in residential broadband and IDD despite limited volume growth, leading to an 8.4% increase in revenue to HK\$668 million.

EBITDA was HK\$904 million compared with HK\$874 million in 2006. This represented an EBITDA margin of 37.1%, showing a steady improvement when compared with 36.3% in 2006.

With a higher depreciation and amortisation charge reflecting higher levels of fixed assets plus additional amortisation charges in respect of capitalised costs, the operating profit stood at HK\$242 million in 2007 compared with HK\$259 million in 2006.

In 2007, capital expenditure on fixed assets was HK\$ 463 million in line with HK\$466 million in 2006.

Israel

Partner Communications Company Ltd. ("Partner") reported strong financial and operating results for 2007.

Turnover increased to HK\$11,650 million, an increase of 18.9% from HK\$9,796 million in 2006. Turnover growth benefited from favourable currency movements between the New Israeli Shekel and the Hong Kong dollar; in local currency there was a 9.0% growth in turnover, reflecting



the growth and improvement in the quality of the customer base, higher minutes of use, as well as an increase in content and data revenues. The growth of the 3G customer base played an increasingly important role in the turnover growth and increased profitability.

EBITDA was 18.4% higher at HK\$3,765 million compared with HK\$3,179 million in 2006. The EBITDA margin was 32.3% compared to 32.5% in 2006. Excluding revenue from mobile telecommunications products such as from handset and accessories the underlying EBITDA margin based on mobile telecommunications services revenue was 37.1%.

As a result of this stronger operating performance, the operating profit increased to HK\$2,197 million compared with HK\$1,752 million in 2006.

Partner continued to invest in its network in 2007, with capital expenditure on fixed assets increasing 16.2% to HK\$985 million from HK\$848 million in 2006.

Sri Lanka

The Sri Lankan operations performed well in 2007, once again doubling its customer base to end the year with 1.1 million customers.

Turnover increased by 52.4% to HK\$189 million in 2007. Benefiting from the rapid growth in the customer base, EBITDA was HK\$93 million, representing an EBITDA margin of 49.2%, compared to HK\$61 million in 2006.

As a result of this stronger operating performance, the operating profit increased to HK\$64 million in 2007 compared with HK\$35 million in 2006.

Thailand

In November 2007 the signing of a non binding Memorandum of Understanding ("MOU") with CAT Telecom Public Company Limited ("CAT") was announced to combine the Thai operations network with that of CAT to create a nationwide CDMA network. Implementation of the MOU is subject to execution of formal contracts, regulatory and government approval but is seen as a key step by both parties to move the business to sustained levels of profitability.

In the absence of a nationwide network the Group sees limited opportunities for the business; as a consequence it has continued the strategy to limit the Group's exposure to the operations in Thailand. During the year the Group has repaid substantially all of the external debt replacing it with inter-company loans. Furthermore in January, the Group announced the decision to take an impairment charge in 2007 of HK\$3,854 million to write off our investment in Thailand. As a result our Thailand operations now represent 4.8% of the Group's turnover and 1.0% of the Group's total assets.

The Group's strategy is firmly focused on the development of the MOU whilst limiting its future exposure in the absence of a sound business case for further investment.



Turnover fell to HK\$973 million, a decrease of 4.3% from HK\$1,017 million in 2006. Whilst Thailand continued to make gains in its customer base, increasing the base by 250,000 to 978,000 by year end, those gains were primarily in the prepaid segment at the expense of postpaid where customers typically have a higher ARPU.

LBITDA was HK\$14 million compared with EBITDA of HK\$57 million in 2006. The EBITDA was lower in the second half than the first half largely as a result of a provision in respect of a claim for licence fees from CAT of approximately HK\$60 million. Excluding this accrual the EBITDA would have been HK\$46 million.

In 2007, an impairment charge of HK\$3,854 million was recognised in connection with the Thailand operations, which include writing off the fixed assets, telecommunication licenses and other intangible assets, in accordance with IAS 36 "Impairment of Assets".

As a result of this impairment charge, lower turnover and the provision in respect of a licence fee claim, the operating loss increased to HK\$4,462 million compared with HK\$501 million in 2006.

Capital expenditure on fixed assets was reduced to HK\$41 million compared to HK\$112 million last year. As a result of the provision in respect of the licence fee claim by CAT the key target for the Thai operation of EBITDA to cover capital expenditure was not achieved in 2007.

Ghana

On 17 January 2008, an agreement was signed to sell Kuwata Limited which indirectly holds the Group's equity and loan and other interests in the Ghana operations to EGH International Limited for a cash consideration of HK\$583.5 million before costs and expenses. Completion of the transaction is currently pending regulatory approval.

India - Discontinued operations

To 8 May 2007, India contributed HK\$70,502 million to the profit for the period. This was made up of HK\$1,159 million from operating activities and HK\$69,343 million being a one-off gain on disposal.

The Group sold its entire interests in CGP for approximately HK\$86.6 billion which after certain costs and expenses resulted in a net cash inflow of approximately HK\$84.9 billion. In addition approximately HK\$15.6 billion of net debt was transferred as part of the transaction. As a result the Group transitioned from having net debt of HK\$37,369 million as at 31 December 2006 to having a net cash balance of HK\$25,591 million as at 31 December 2007, having paid a special dividend of HK\$32,234 million to shareholders.



OUTLOOK

In 2007 we positioned to prepare the Group for the challenges ahead. The Group capitalised on the opportunity to crystallise a significant return on the Group's investment, return substantial cash to shareholders and leave the Group with cash resources for future investment. With the conversion to a GSM business in Vietnam in 2008, reorganisation of the Group's operations in Thailand and the impending sale of the operations in Ghana, the Group has taken positive action to address the most pressing challenges facing the Group. Meanwhile the Group's 3G investments in Hong Kong and Israel are beginning to deliver whilst the rapid expansion of networks in Indonesia and Sri Lanka is sowing the seeds for the Group's future growth momentum.

A significant proportion of the Group's balance sheet is in cash at the present time. In view of the uncertainties in the global markets the Group believes that it is appropriate to be well capitalised. The Group will, however, seek to develop opportunities in emerging telecoms markets to deploy the cash in operations that meet our criteria to create long-term value for shareholders. In the event that such opportunities do not exist the Board will review the appropriate capital structure for the Group at the end of 2008.

In the meantime, with its group of businesses, Hutchison Telecom has an attractive balance between businesses that offer excellent cash generation and those that offer attractive growth prospects. This will require continued investment in the expansion of our businesses with capital expenditure in 2008 to be approximately HK\$7.0 billion.

I would like to thank the Board of Directors and all the Group's employees around the world for their continued hard work, support and dedication.

FOK Kin-ning, Canning
Chairman

Hong Kong, 18 March 2008



CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31 December		
		2006	2007	2007
		HK\$ millions	HK\$ millions	US\$ millions (Note 14)
Continuing operations:				
Turnover	5	17,923	20,401	2,616
Cost of inventories sold		(2,164)	(2,671)	(343)
Staff costs		(1,897)	(2,295)	(294)
Depreciation and amortisation		(3,804)	(4,226)	(542)
Other operating expenses		(8,685)	(10,182)	(1,306)
		1,373	1,027	131
Impairment charge for Thailand segment	7	-	(3,854)	(494)
Profit on disposal of investments and others, net	8	44	8	1
Operating Profit/(Loss)		1,417	(2,819)	(362)
Interest income		66	1,619	208
Interest and other finance costs		(1,652)	(1,335)	(171)
Share of results of associates		(1)	-	-
Loss before taxation		(170)	(2,535)	(325)
Taxation	9	(653)	(191)	(24)
Loss for the year from continuing operations		(823)	(2,726)	(349)
Discontinued operations:				
Profit from discontinued operations		2,399	70,502	9,040
Profit for the year		1,576	67,776	8,691
Attributable to:				
Equity holders of the Company:				
- continuing operations		(1,191)	(3,147)	(403)
- discontinued operations		1,392	70,031	8,980
		201	66,884	8,577
Minority interest				
- continuing operations		368	421	54
- discontinued operations		1,007	471	60
		1,375	892	114
		1,576	67,776	8,691
Dividends	10	-	32,234	4,133
Basic and diluted loss per share from continuing operations attributable to equity holders of the Company	11	HK\$(0.25)	HK\$(0.66)	US\$(0.08)
Basic and diluted earnings per share attributable to equity holders of the Company	11	HK\$0.04	HK\$14.01	US\$1.80

CONSOLIDATED BALANCE SHEET

	Note	2006	As at 31 December 2007	2007
		HK\$ millions	HK\$ millions	US\$ millions (Note 14)
ASSETS				
Current assets				
Cash and cash equivalents		2,048	36,611	4,695
Trade and other receivables	12	10,090	4,702	603
Stocks		436	515	66
Derivative financial assets		23	25	3
Total current assets		12,597	41,853	5,367
Non-current assets				
Fixed assets		31,962	16,950	2,174
Goodwill		19,571	6,070	778
Other intangible assets		10,760	7,818	1,003
Other non-current assets		3,829	3,354	430
Deferred tax assets		997	376	48
Interests in associates		2	2	-
Total non-current assets		67,121	34,570	4,433
Total assets		79,718	76,423	9,800
LIABILITIES				
Current liabilities				
Trade and other payables	13	13,479	7,902	1,014
Borrowings		16,048	5,083	652
Current income tax liabilities		153	111	14
Derivative financial liabilities		185	119	15
Total current liabilities		29,865	13,215	1,695
Non-current liabilities				
Borrowings		23,369	5,937	761
Deferred tax liabilities		1,075	584	75
Other non-current liabilities		2,992	2,551	327
Total non-current liabilities		27,436	9,072	1,163
Total liabilities		57,301	22,287	2,858
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital		1,191	1,195	153
Reserves		15,468	50,089	6,423
		16,659	51,284	6,576
Minority interest		5,758	2,852	366
Total equity		22,417	54,136	6,942
Total equity and liabilities		79,718	76,423	9,800
Net current (liabilities) / assets		(17,268)	28,638	3,672
Total assets less current liabilities		49,853	63,208	8,105



1. General information

Hutchison Telecommunications International Limited (the "Company") was incorporated in the Cayman Islands on 17 March 2004 as a company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK"), and in the form of American Depositary Shares on New York Stock Exchange, Inc. ("NYSE").

The Company and its subsidiaries (together the "Group") are engaged in mobile telecommunications and related businesses in Hong Kong and Macau, Israel, Thailand, Indonesia, Vietnam, Sri Lanka and Ghana. The Group also has a fixed-line telecommunications business in Hong Kong.

These accounts have been approved for issuance by the Board of Directors on 18 March 2008.

2. Change in financial reporting standards

In 2006 and prior years, the Group's accounts had been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). With effect from the year ended 31 December 2007, the Company has prepared its consolidated accounts in accordance with International Financial Reporting Standards ("IFRS") and compiled the comparative accounts for the year ended 31 December 2006 in accordance with IFRS. As the Group has operations in multiple countries in different continents and has diverse international shareholders, the directors believe that the adoption of IFRS allows its accounts to be more easily understood by its shareholders, potential investors, the capital markets and other users internationally.

3. Basis of preparation and Principal Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below.

(a) Basis of preparation

These accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in preparing these accounts. These accounts are the first financial statements of the Group to be prepared in accordance with IFRS. The policies set out below have been consistently applied to all the years presented except for the mandatory exceptions and certain of the optional exemptions adopted by the Group as set out in note 4(a). The consolidated accounts of the Group until 31 December 2006 had been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The conversion from HKFRS to IFRS did not result in any material impact on the Group's accounts while the descriptions of transition from HKFRS to IFRS are given in Note 4.

These consolidated accounts have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The preparation of accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

(b) Changes in accounting policies

At the date of authorisation of these accounts, the following standards and interpretations to existing standards have been issued but are not effective for the year ended 31 December 2007:

IAS 1 (Revised)	Presentation of Financial Statements
IAS 23 (Revised)	Borrowing costs
IFRS 8	Operating segments
IFRIC Interpretation 11	IFRS 2 - Group and treasury share transactions
IFRIC Interpretation 12	Service concession arrangements
IFRIC Interpretation 13	Customer loyalty programmes
IFRIC Interpretation 14	IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
IAS 27 (Revised)	Consolidated and Separate Financial Statements
Amendment to IFRS 2	Vesting Conditions and Cancellations
IFRS 3 (Revised)	Business Combination

The Group did not early adopt any of these new standards, amendments to standards and interpretations. The adoption of these new standards, amendments to standards and interpretations in future periods is not expected to result in substantial changes to the Group's accounting policies.

4. Transition to IFRS

(a) Application of IFRS

The Group's financial statements for the year ended 31 December 2007 are the first annual financial statements that comply with IFRS. IFRS 1 sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies for the year ended 31 December 2007 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, i.e. 1 January 2006 and the Group prepared its opening IFRS balance sheet at that date. The reporting date of these financial statements is 31 December 2007. The Group's IFRS adoption date is 1 January 2007. In preparing these consolidated financial statements in accordance with IFRS 1, the Group has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS. The exemptions adopted by the Group are set out below:

(i) Business combinations exemption

Business combinations that were recognised before 1 January 2006 were not required to be restated as the Group has elected to not apply IFRS 3 Business Combinations retrospectively to past business combinations that occurred prior to 1 January 2004. Accordingly, the Group also applied IAS 36 Impairment of Assets and IAS 38 Intangible Assets from that date. In addition, it also applied IAS 21 The Effect of Changes in Foreign Exchange Rates retrospectively to fair value adjustment and goodwill arising in all business combination taken place after 1 January 2004. Therefore, goodwill and other fair value adjustments are translated at closing rate for acquisition taken place after 1 January 2004 and treated as part of the foreign operations' assets and liabilities.

(ii) Leases exemption

The Group applied this exemption to determine whether an arrangement exists at the date of transition to IFRS contains a lease.

(b) Reconciliations between IFRS and HKFRS

The transition from HKFRS to IFRS in accordance with IFRS 1 did not result in a change to the Group's shareholders' equity reported under HKFRS on 1 January 2006 and 31 December 2006. It also did not result in a change in the income statement reported under HKFRS for the financial year ended 31 December 2006. Accordingly, no reconciliations were presented for the shareholders' equity at the relevant balance sheet dates and income statement for the relevant year then ended.

5. Turnover

Turnover comprises revenues from the provision of mobile telecommunications services; handset and accessory sales; fixed-line telecommunications services in Hong Kong, and other non-telecommunications businesses. An analysis of turnover for both continuing and discontinued operations is as follows:

HK\$ millions	2006	2007
Continuing operations		
Mobile telecommunications services	13,870	15,973
Mobile telecommunications products	1,396	1,965
Fixed-line telecommunications services	2,406	2,436
Other non-telecommunications businesses	251	27
	<u>17,923</u>	<u>20,401</u>
Discontinued operations		
Mobile telecommunications services	<u>15,455</u>	<u>6,989</u>
	<u>33,378</u>	<u>27,390</u>

6. Segment information

Segment information is provided on the basis of primary geographical regions which is the basis on which the Group manages its world-wide interests. The Hong Kong and Macau region is further subdivided into mobile telecommunications and fixed-line telecommunications business segments. Management of the Group measures the performance of its segments based on operating profit. The segment information on turnover and operating profit/ (loss), total assets and total liabilities agreed to the aggregate information in the consolidated accounts. As such, no reconciliation between the segment information and the aggregate information in the consolidated accounts is presented.



As at and for the year ended 31 December 2006

HK\$ millions	Hong Kong and Macau			Israel	Thailand	Indonesia	Others*	Continuing operations	Discontinued Operations
	Mobile	Fixed-line	Subtotal					Total	-India
Turnover	4,199	2,406	6,605	9,796	1,017	—	505	17,923	15,455
Operating costs	(2,850)	(1,532)	(4,382)	(6,617)	(960)	(123)	(664)	(12,746)	(10,555)
Depreciation and amortisation	(1,102)	(615)	(1,717)	(1,471)	(558)	(1)	(57)	(3,804)	(1,272)
	247	259	506	1,708	(501)	(124)	(216)	1,373	3,628
Profit on disposal of investments and others	—	—	—	44	—	—	—	44	—
Operating Profit/(Loss)	247	259	506	1,752	(501)	(124)	(216)	1,417	3,628
Other non-cash items included in income statement:									
Share-based payments	(20)	(19)	(39)	(39)	—	—	(38)	(116)	—
Total assets	7,986	10,794	18,780	12,795	5,072	3,688	1,211	41,546	38,172
Total liabilities	(7,291)	(6,161)	(13,452)	(6,885)	(10,562)	(1,931)	(366)	(33,196)	(24,105)
Capital expenditures incurred during the year	737	498	1,235	849	112	1,513	221	3,930	7,025

* "Others" segment as at and for the year ended 31 December 2006 comprised Vietnam, Sri Lanka, Ghana, Corporate as well as the Group's non-telecommunications business in Hong Kong, the People's Republic of China, Malaysia and Singapore up to the date of disposal in July 2006.

As at and for the year ended 31 December 2007

HK\$ millions	Hong Kong and Macau			Israel	Thailand	Indonesia	Others*	Continuing operations	Discontinued operations
	Mobile	Fixed-line	Subtotal					Total	-India
Turnover	4,775	2,436	7,211	11,650	973	117	450	20,401	6,989
Operating costs	(3,203)	(1,532)	(4,735)	(7,885)	(987)	(592)	(949)	(15,148)	(4,676)
Depreciation and amortisation	(1,125)	(662)	(1,787)	(1,576)	(594)	(151)	(118)	(4,226)	(187)
	447	242	689	2,189	(608)	(626)	(617)	1,027	2,126
Impairment charge#	—	—	—	—	(3,854)	—	—	(3,854)	—
Profit on disposal of investments and others	—	—	—	8	—	—	—	8	—
Operating Profit/(Loss)	447	242	689	2,197	(4,462)	(626)	(617)	(2,819)	2,126
Other non-cash items included in income statement:									
Share-based payments	(20)	(32)	(52)	(33)	—	—	(138)	(223)	(151)
Total assets	7,914	10,678	18,592	13,766	787	5,858	37,420	76,423	—
Total liabilities	(6,919)	(1,179)	(8,098)	(7,026)	(1,874)	(3,871)	(1,418)	(22,287)	—
Capital expenditures incurred during the year	1,042	498	1,540	986	41	1,873	996	5,436	3,378

* "Others" segment as at and for the year ended 31 December 2007 comprised Vietnam, Sri Lanka, Ghana and Corporate.

The impairment charge is a non-cash expense.



7. Impairment charge for Thailand segment

During the year, the Group recognised an impairment charge of HK\$3,854 million, in connection with the Group's investments in its mobile telecommunications business in Thailand. The charge is made based on the results of the impairment test for the Thailand segment as a cash-generating unit using the value-in-use model in accordance with IAS 36 "Impairment of Assets".

As the Group's operation in Thailand continued to suffer losses in 2007, but due to further intensification in price competition, together with high levels of penetration, regulations on interconnection and an uncertain political environment, the business environment has severely deteriorated during 2007. The cash flow forecasts for the Thailand segment also indicated that the carrying values of certain non-current assets were not expected to be recoverable from the future operating cash flow of the current business. The Group therefore recognised an impairment charge in respect of network equipment, telecommunication licences and certain non-current assets for the Thailand segment for the year ended 31 December 2007.

The carrying amounts of the non-current assets impaired for Thailand segment are as follows:

	2007
	HK\$ millions
Fixed assets	2,892
Telecommunication licences	947
Non-current assets	15
	3,854

The recoverable amount of the non-current assets for Thailand segment is determined based on the value-in-use calculation. The calculation uses cash flow projection based on the financial budget approved by the management covering a five-year plan up to 2012. The cash flows beyond the five year period and up to the expiry of their licence in 2015 are extrapolated using the estimated growth rates stated below.

Growth rate	27%
Discount rate	10%

The growth rate is determined based on the past performance and its expectation for market development. The discount rate applied to the cash flows of the Thailand segment is based on the pre-tax discount rate that reflects the specific risk of this segment.

8. Profit on disposal of investments and others, net

HK\$ millions	2006	2007
Net (loss) / profit on partial disposal of subsidiaries	(1)	8
Negative goodwill on acquisition of transmission business	45	—
	44	8

(i) Year ended 31 December 2006

During the year ended 31 December 2006, the Group's shareholding in Partner was diluted by approximately 0.7% to 51.1% following the exercise of share options held by Partner's option holders. The Group recorded a loss on partial disposal of a subsidiary of approximately HK\$1 million.

In July 2006, Partner completed the acquisition of the transmission business of Med-1 and recorded negative goodwill of HK\$45 million.

In July 2006, Hutchison Global Communications Holdings Limited disposed of its 100% interest in Vanda IT Solutions & Systems Management Limited ("VISS") for a consideration of HK\$105 million to a wholly owned subsidiary of Hutchison Whampoa Limited ("HWL"). There was no gain or loss arising from the disposal.

As a result of foregoing, the Group recorded a profit on disposal of investments and others, net, of approximately HK\$44 million for the year ended 31 December 2006.

(ii) Year ended 31 December 2007

During the year ended 31 December 2007, the Group's shareholding in Partner was diluted by approximately 0.9% to 50.2% following the exercise of share options held by Partner's option holders. The Group recorded a gain on partial disposal of a subsidiary of approximately HK\$8 million.



9. Taxation

	Year ended 31 December 2006			Year ended 31 December 2007		
	Current taxation HK\$ millions	Deferred taxation HK\$ millions	Total HK\$ millions	Current taxation HK\$ millions	Deferred taxation HK\$ millions	Total HK\$ millions
Hong Kong	(2)	—	(2)	(4)	23	19
Outside Hong Kong	611	44	655	694	(522)	172
	<u>609</u>	<u>44</u>	<u>653</u>	<u>690</u>	<u>(499)</u>	<u>191</u>

Hong Kong profits tax has been provided for at the rate of 17.5% (2006 – 17.5%) on the estimated assessable profits less available tax losses. Taxation outside Hong Kong has been provided for at the applicable current rates of taxation ruling in the relevant countries on the estimated assessable profits less available tax losses. The differences between the Group's expected tax charge/(credit) at respective applicable tax rates and the Group's tax charge for the years were as follows:

HK\$ millions	2006	2007
Tax calculated at the domestic rates applicable to profits in the country concerned	91	(1,075)
Income not subject to taxation	(42)	(23)
Expenses not deductible for taxation purposes	40	277
Temporary differences not recognised	-	356
Over provision in prior year	(16)	(68)
Tax losses not recognised	580	724
Total taxation charge	<u>653</u>	<u>191</u>

The change in average applicable tax rate is caused by a change in the profitability of the Group's subsidiaries in the respective countries.

10. Dividend

During the year ended 31 December 2007, the Company declared and paid a special cash dividend (the "Transaction Special Dividend") of HK\$6.75 per share, or approximately HK\$32,234 million in aggregate. The Transaction Special Dividend was paid out of the proceeds from the disposal of CGP.

The Company did not declare any dividends for the year ended 31 December 2006.



11. Earnings / (loss) per share

Basic and diluted earnings / (loss) per share

Earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<u>2006</u>	<u>2007</u>
Weighted average number of shares in issue	<u>4,754,324,568</u>	<u>4,775,095,834</u>
Loss from continuing operations attributable to equity holders of the Company (HK\$ millions)	<u>(1,191)</u>	<u>(3,147)</u>
Basic and diluted loss per share from continuing operations (HK\$ per share)	<u>(0.25)</u>	<u>(0.66)</u>
Profit from discontinued operations attributable to equity holders of the Company (HK\$ millions)	<u>1,392</u>	<u>70,031</u>
Basic and diluted earnings per share from discontinued operations (HK\$ per share)	<u>0.29</u>	<u>14.67</u>
Profit attributable to equity holders of the Company (HK\$ millions)	<u>201</u>	<u>66,884</u>
Basic and diluted earnings per share attributable to equity holders of the Company (HK\$ per share)	<u>0.04</u>	<u>14.01</u>

Note:

The conversion of all potential ordinary share arising from share options granted by the Company would have an anti-dilutive effect on the loss per share from continuing operations for the years ended 31 December 2006 and 2007. Accordingly, the weighted average number of shares was not adjusted to compute the diluted earnings per share.



12. Trade receivables, net of provision

HK\$ millions	2006	2007
The ageing analysis of the trade receivables, net of provision for trade receivables is as follows:		
Current	2,212	1,506
31-60 days	648	655
61-90 days	173	151
Over 90 days	530	829
	<u>3,563</u>	<u>3,141</u>

Movement of provision for impairment of trade receivables is as follows:

HK\$ millions	2006	2007
At the beginning of year	822	909
Relating to subsidiaries acquired	54	—
Relating to subsidiaries disposed of	(33)	(284)
Increase in provision recognised in profit or loss - continuing operations	113	255
Increase in provision recognised in profit or loss - discontinued operations	194	62
Amounts recovered in respect of brought forward balance - continuing operations	—	(79)
Amounts recovered in respect of brought forward balance - discontinued operations	(268)	—
Write-off during the year	(26)	(338)
Exchange translation differences	53	50
At end of year	<u>909</u>	<u>575</u>

The average credit period granted by the Group to the customers ranges from 30 to 45 days. The utilisation of credit limits is regularly monitored. Debtors who have overdue accounts are requested to settle all outstanding balances before any further credit is granted. Sales of telecommunications products and services to customers are primarily made in cash or via major credit cards. The Group also has sales of handsets in installments (mostly 36 monthly payments via major credit cards). There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, internationally dispersed. The Group does not have a significant exposure to any individual debtors.

13. Trade payables

HK\$ millions	2006	2007
The ageing analysis of the trade payables is as follows:		
Current	1,150	1,008
31-60 days	504	649
61-90 days	521	27
Over 90 days	356	68
	<u>2,531</u>	<u>1,752</u>

14. US dollar equivalents

The US dollar equivalents of the figures shown in the accounts are supplementary information and have been translated at the noon buying rate in New York for cable transfers as certified by the Federal Reserve Bank of New York in effect on 31 December 2007, which was HK\$7.7984 to US\$1.00. Such translation should not be construed as representations that the Hong Kong dollar amounts represent, or have been or could be converted into, US dollar at that or any other rate.



CAPITAL RESOURCES AND LIQUIDITY

The capital and reserves attributable to equity holders of the Group as at 31 December 2007 were approximately HK\$51,284 million, compared to HK\$16,659 million at 31 December 2006. The ratio of the total debts to total assets as at 31 December 2007 was approximately 14%.

The net cash of the Group was approximately HK\$25,591 million, comprising the cash and cash equivalents of approximately HK\$36,611 million and borrowings of approximately HK\$11,020 million, as follows:

	As at 31 December 2007		
	Total debts	Cash and cash equivalents	Net cash /(debt)
	HK\$ millions	HK\$ millions	HK\$ millions
Hong Kong and Macau:			
Mobile telecommunications	(4,600)	129	(4,471)
Fixed-line telecommunications	(4)	141	137
Israel	(4,119)	300	(3,819)
Thailand	(404)	43	(361)
Indonesia	(1,808)	754	(1,054)
Others	(85)	35,244	35,159
	<u>(11,020)</u>	<u>36,611</u>	<u>25,591</u>

The Group's cash and cash equivalents as a percentage of the total cash and cash equivalents at 31 December 2007 were denominated as follows:

HK\$	USD	NIS	THB	Others	Total
0.6%	98.3%	0.8%	0.1%	0.2%	100.0%

As at 31 December 2007, total borrowings of HK\$182 million (2006 - HK\$8,042 million) were guaranteed by members of the HWL group and other related companies, in respect of loans to the Group's Thailand operations only. Under the terms of a credit support agreement between the Company and HWL, the Company will pay a guarantee fee charged at normal commercial rates and will provide a counter-indemnity in favour of the HWL group and other related companies in respect of guarantees, by them for so long as there remains a guarantee liability. The total amount of fees paid to HWL in 2007 in respect of these borrowings was HK\$54 million (2006 - HK\$ 95 million).

As at 31 December, 2007, fixed assets and current assets of certain subsidiaries were used as collateral for certain of the borrowings. As at 31 December, 2007, these fixed assets had a carrying value of HK\$4,971 million, compared with HK\$27,603 million as at 31 December, 2006. As at 31 December, 2007, these current assets had a carrying value of HK\$2,398 million, compared with HK\$30,077 million as at 31 December, 2006. As at 31 December, 2007, the Group had total current borrowings of HK\$5,083 million and total non-current borrowings of HK\$5,937 million, compared to HK\$16,048 million and HK\$23,369 million, respectively, as at 31 December, 2006. HK\$4,600 million of the Group's current borrowings were secured as at 31 December, 2007, compared to HK\$6,594 million as at 31 December, 2006. HK\$1,807 million of the non-current borrowings as at 31 December 2007 were secured, compared to HK\$18,249 million as at 31 December 2006.

During 2007, the Group provided inter-company loans to the Group's Thailand operations in US dollar totaling HK\$9,327 million to fully repay six outstanding commercial loan facilities with international lenders. In December 2006 the Bank of Thailand imposed unremunerated reserve requirements on the conversion of foreign currency to Thai baht, subsequently removed on 3 March 2008. This affected the Group's ability to freely convert the US Dollar proceeds into Thai baht. To receive exemption from the unremunerated reserve requirement imposed on conversion of foreign currency loan proceeds into Thai baht the Group entered into foreign exchange swap contracts with various banks in Thailand. As at 31 December 2007 the Group had US\$1,095 million outstanding under these foreign exchange swap contracts where the Group has commitments to sell Thai baht and buy US dollar at pre agreed rates.

The Group's capital expenditures for the years ended 31 December 2006 and 2007 are as follows:

	Capital expenditure on fixed assets		Capital expenditure on other intangible assets	
	2006	2007	2006	2007
Israel	848	985	1	1
Hong Kong mobile	284	475	453	567
Hong Kong fixed-line	466	463	32	35
Thailand	112	41	-	-
Indonesia	172	1,794	1,341	79
Vietnam	155	799	-	-
Sri Lanka	53	184	-	-
Ghana	10	12	-	-
Corporate office and Others	3	1	-	-
Total capital expenditure	<u>2,103</u>	<u>4,754</u>	<u>1,827</u>	<u>682</u>



TREASURY POLICIES

The Group's overall treasury and funding policies focus on financial risks management, including interest rate and foreign exchange risks, and on cost efficient funding of the operations of its companies. In general, financings are raised through the Group's operating subsidiaries to meet their respective funding requirements. For overseas operations, which consist of non-Hong Kong dollar and non-US dollar assets, the Group generally endeavors to hedge its foreign currency positions with the appropriate level of borrowings in those same currencies. For transactions directly related to the underlying businesses, forward foreign exchange contracts and interest rate and currency swaps may be utilised when suitable opportunities arise. The use of derivative instruments is strictly controlled and solely for management of the Group's interest rate and foreign currency exchange rate exposures in connection with its borrowings. It is the Group's policy not to enter into derivative transactions for speculative purposes.

CONTINGENT LIABILITIES

As at 31 December 2007, the Group had contingent liabilities in respect of the following:

- (a) performance guarantees amounting to approximately HK\$60 million.
- (b) a total of 12 claims against the Group's subsidiary in Israel and, in some such claims, together with other cellular operators in Israel, each with a motion to certify as class action, in respect of the following:

	Amount of claim
	(in approximate HK\$ million)
Alleged violation of antitrust law	238
Alleged consumer complaints	5,025
Alleged unauthorised erection of cellular antennas, causing environmental damages	1,980

At this stage, and until the claims are recognised as class actions, the Group and its legal counsel are unable to evaluate the probability of success of such claims, and therefore no provision has been made. In addition, the Group and its legal counsel are of the opinion that even if the requests to recognise these claims as class actions are granted, and even if the plaintiffs' arguments are accepted, the outcome of the claims will likely be significantly lower than the abovementioned amounts.



RECENT EVENTS

The following events occurred subsequent to 31 December 2007 up to the date of approval of these financial statements by the Board:

- a. Disposal of Kasapa Telecom Limited, the Company's Ghana Mobile telecommunications operation.

On 17 January 2008, Hutchison Telecommunications International (Cayman) Holdings Limited, a wholly owned subsidiary of the Company, entered into an agreement to sell all of the direct and indirect equity and loan interests and intellectual property held through subsidiaries, in Kasapa Telecom Limited, the Ghana operations, to EGH International Limited, for a cash consideration of HK\$583.5 million.

- b. On 30 January 2008, the parties to the Business Cooperation Contract ("BCC") apply to The People's Committee of Hanoi City for the BCC project to convert from CDMA to GSM technology. The application was approved on 8 March 2008 and an Investment Certificate was granted by The People's Committee of Hanoi City for a period of 15 years from 8 March 2008.
- c. On 6 February 2008, Partner announced a share buy-back plan throughout 2008, in an amount of up to NIS 600 million, subject to appropriate market conditions.
- d. The Group's 60%-owned subsidiary, PT. Hutchison CP Telecommunications ("HCPT"), entered into a conditional Tower Transfer Agreement to sell up to 3,692 base station tower sites to PT Profesional Telekomunikasi Indonesia ("Protelindo") for cash consideration, assuming completion of all towers, of US\$500 million (HK\$3,882 million). Completion of the sale is expected to occur in tranches over a two-year period. Concurrent with completion of the first tranche assets, HCPT and Protelindo will enter into a master lease agreement pursuant to which HCPT will have (i) right to access, occupy and use the capacity reserved for HCPT on such of the base station towers and related infrastructure as HCPT may elect for an initial period of twelve years which, at HCPT's election, may be extended for another six years, and (ii) options to acquire Protelindo's right, title and interest in such facilities at a pre-agreed price.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities. In addition, the Company has not redeemed any of its listed securities during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining the highest standards of corporate governance. Throughout the year ended 31 December 2007, the Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("The Listing Rules").

SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") which is supplemented by the Securities Trading Policy as the Company's code of conduct regarding Directors' securities transactions. The Securities Trading Policy also applies to all personnel of the Company and its subsidiaries and all transactions in the Company's securities. All Directors of the Company have confirmed that throughout the year ended 31 December 2007, they have complied with the provisions of both the Model Code and the Securities Trading Policy.

GENERAL INFORMATION

The consolidated accounts of the Company and its subsidiaries for the year ended 31 December 2007 have been reviewed by the audit committee of the Company and audited by the Company's independent auditor, PricewaterhouseCoopers. The independent auditor's report will be included in the Annual Report to shareholders.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on 6 May 2008. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

NON-GAAP MEASURES

While non-GAAP measures such as EBITDA and LBITDA are often used by companies as an indicator of operating performance, they are not expressly permitted measures under generally accepted accounting principles ("GAAP") in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks, uncertainties and assumptions. The Company cautions you that if these risks or uncertainties ever materialise or the assumptions prove incorrect, or if a number of important factors occur or do not occur, the Company's actual results may differ materially from those expressed or implied in any forward-looking statement. Additional information as to factors that may cause actual results to differ materially from the Company's forward-looking statements can be found in the Company's filings with the United States Securities and Exchange Commission.

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

Executive Directors:

Mr. Dennis Pok Man LUI

Mr. Tim PENNINGTON

Mr. CHAN Ting Yu

(Also Alternate to Mr. Dennis Pok Man Lui)

Mr. WONG King Fai, Peter

Independent Non-executive Directors:

Mr. KWAN Kai Cheong

Mr. John W. STANTON

Mr. Kevin WESTLEY

Non-executive Directors:

Mr. FOK Kin-ning, Canning *(Chairman)*

Mrs. CHOW WOO Mo Fong, Susan

*(Also Alternate to Mr. Fok Kin-ning, Canning
and Mr. Frank John Sixt)*

Mr. Frank John SIXT

Alternate Directors:

Mr. WOO Chiu Man, Cliff

(Alternate to Mr. Tim Pennington)

Mr. MA Lai Chee, Gerald

(Alternate to Mr. Wong King Fai, Peter)

By Order of the Board

Edith Shih

Company Secretary

Hong Kong, 18 March 2008

