

RECEIVED

2008 APR 16 P 2:22

OFFICE OF INTERNATIONAL
CORPORATE FINANCE



Interim Report | 2007/2008



Handwritten notes on a whiteboard or sticky note, including the number 21 and some illegible scribbles.

Handwritten signature or initials "JLW" and the date "4/17".

CONTENTS

2	Chairman's Statement
4	Management Discussion and Analysis
7	Report on Review of Interim Financial Information
8	Consolidated Profit and Loss Account
9	Consolidated Balance Sheet
10	Condensed Consolidated Cash Flow Statement
11	Consolidated Statement of Changes in Equity
13	Notes to the Interim Financial Statements
29	Other Information

CHAIRMAN'S STATEMENT

(Financial figures are expressed in Hong Kong dollars)

I am pleased to report the results of the Group for the six months ended 31 December 2007.

FINANCIAL HIGHLIGHTS

Revenues for the period declined slightly by 2% to \$2,056 million, with the 10% growth in mobile service revenue offset by the decline in handset revenue. Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 26% to \$551 million. Profit attributable to equity holders increased to \$161 million, compared to \$44 million for the same period last year. Earnings per share amounted to 27.8 cents.

DIVIDEND

Your Board is declaring an interim dividend of 28 cents per share. This is in accordance with the Group's stated dividend policy of distributing 100% of its profit attributable to equity holders excluding extraordinary items.

BUSINESS REVIEW

HONG KONG MOBILE BUSINESS

Mobile service revenue showed continued increase. This reflects improving customer profile and ARPU, with increasing adoption of multimedia services. We continue to focus on offering differentiated propositions to targeted customer segments, and providing exemplary service levels and superior customer experiences.

Handset revenue declined, however, as a result of lower average selling price, reflecting an increasingly competitive market.

Data revenue continued to show encouraging growth. Its contribution to mobile service revenue increased to 22.1%, compared to 17.1% for the same period last year. Revenue from multimedia services accounted for two-thirds of total data revenue.

On the back of the improving customer profile, blended ARPU increased by 7% to \$238, while postpaid ARPU registered an 11% growth to \$283. Postpaid churn rate improved slightly to 2.1% in December 2007. Total customer number reached 1,108,000 as of 31 December 2007. 3G customer base continues to expand and currently accounts for 40% of postpaid customers.

SmarTone-Vodafone is continuing to introduce service propositions which deliver superior customer experience and redefine the use of mobile devices in customers' everyday lives. FoneTV, a personal mobile TV service, provides a rich variety of hand-picked programmes and branded live TV channels. Unique to SmarTone-Vodafone, customers can enjoy TV-like experience on mobile with split-screen presentation of video content and a control panel, making fast channel switching and interactive transactions easy. The service also offers an upgrade option to enable customers with HSPA handsets to enjoy HD Wide, a high definition wide-screen presentation.

SmarTone-Vodafone has fully upgraded its network to HSPA with download speed of up to 14.4Mbps and upload speed of up to 2Mbps. HSPA is provided throughout the whole of our network which enjoys full-area as well as extensive in-building coverage. This platform is the key enabler for SmarTone-Vodafone Mobile Broadband, a PC connectivity service, as well as other advanced multimedia services. We are confident that our network is best-in-class and this is increasingly recognised in the market.

Through the partnership with Vodafone, the company introduced a series of exclusive Vodafone branded handsets and HSPA modems to meet customers' ever growing expectations. These devices come with superb quality, unparalleled ease of use and optimised integration with SmarTone-Vodafone's services, offering customers ever wider choice and superb value.

MACAU MOBILE BUSINESS

Taking advantage of the vibrant economy of Macau, the business continued to deliver growth in mobile service revenue and profits.

PROSPECTS

In an increasingly competitive market, together with rising cost inflation and declining interest rates, profits for the second half of the year is expected to come under pressure.

Your Company will continue to focus on offering differentiated propositions to targeted customer segments as well as providing exemplary service levels and superior customer experiences. We will explore new revenue opportunities with groundbreaking services that will reshape the way customers seek infotainment and fulfil their total communications needs. I am confident that your Company is well positioned to compete effectively, as well as to exploit business opportunities in this rapidly changing industry.

APPRECIATION

I would like to take this opportunity to express my gratitude to our customers, shareholders and fellow directors for their continuing support, and to our staff for their dedication and hard work.

Raymond Ping-luen Kwok
Chairman

Hong Kong, 4 March 2008

MANAGEMENT DISCUSSION AND ANALYSIS

(Financial figures are expressed in Hong Kong dollars)

REVIEW OF FINANCIAL RESULTS

Revenues fell by 2% to \$2,056 million (first half of 2006/07: \$2,102 million) with the growth in mobile service revenue offset by the drop in mobile telephone and accessory sales. Mobile service revenue grew by \$154 million or 10% driven by improvement in ARPU and modest customer growth. This revenue growth outweighed the increase in cost of services provided and operating expenses. Cost of inventories sold fell in line with lower sales revenue. Depreciation, amortisation and loss on disposal fell by 8%. As a result, operating profit surged by 300% to \$191 million (first half of 2006/07: \$48 million). The increase in finance income offset higher finance costs, comprising mainly of accretion expenses. Profit attributable to equity holders of the Company reported a strong 270% growth to \$161 million (first half of 2006/07: \$44 million).

Revenues fell by 2% to \$2,056 million (first half of 2006/07: \$2,102 million).

- Mobile service revenue grew by 10% to \$1,707 million (first half of 2006/07: \$1,553 million), reflecting improving customer profile and ARPU. Data service revenue showed encouraging growth while local voice revenue continued to drop as a result of intense price competition in the market.

Hong Kong blended ARPU rose by 7% to \$238 (first half of 2006/07: \$222), reflecting the Group's continued improvement in the quality of its customer base.

Hong Kong postpaid ARPU recorded an 11% growth to \$283 (first half of 2006/07: \$254) despite heavy downward pressure on local tariffs.

Data service continued to make an important contribution to the Group's revenue growth, achieving a strong 42% increase due to the growing adoption of multimedia services.

- Mobile telephone and accessory sales fell by 36% to \$349 million (first half of 2006/07: \$549 million) with lower average unit selling price amidst keen market competition.

Cost of sales decreased by 20% to \$690 million (first half of 2006/07: \$859 million). Cost of inventories sold fell by 37% to \$339 million (first half of 2006/07: \$539 million) in line with the drop in mobile telephone and accessory sales. Cost of services provided grew by 9% to \$350 million (first half of 2006/07: \$320 million) driven by higher interconnect charges, data service costs and roaming partner charges as a result of increased usage.

Operating expenses (excluding depreciation, amortisation and loss on disposal) rose modestly by 1% to \$815 million (first half of 2006/07: \$805 million). Network operating costs increased by 4% as a result of the Group's continuing enhancement of network capacity, quality and coverage. Sales and marketing expenses dropped by 18% mainly due to lower advertising spending. Staff costs, rental and utilities, and other operating expenses rose by 9% collectively largely driven by cost pressure in the labour and property markets.

Depreciation and loss on disposal of fixed assets fell by 8% to \$225 million (first half of 2006/07: \$244 million) mainly due to the impact of certain fully depreciated network equipment.

Handset subsidy amortisation fell by \$11 million or 10% to \$103 million (first half of 2006/07: \$114 million) as the amount of unamortised handset subsidy brought forward decreased to \$150 million (first half of 2006/07: \$168 million). Unamortised handset subsidy at 31 December 2007 increased to \$180 million (30 June 2007: \$150 million).

Finance income increased by 9% to \$53 million (first half of 2006/07: \$48 million) attributable to higher average balance of bank deposits and debt securities, and stable average returns thereon. Finance costs rose by 14% to \$43 million (first half of 2006/07: \$38 million) due to higher accretion expenses in respect of mobile licence fee liabilities and asset retirement obligations.

Macau operations continued to grow and delivered satisfactory results in the six months ended 31 December 2007. Revenues grew by 32% to \$137 million (first half of 2006/07: \$103 million). This outperformed the 4% increase in cost of sales, operating expenses, depreciation and amortisation collectively. As a result, operating profit rose by 85% to \$61 million (first half of 2006/07: \$33 million).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

There had been no major changes to the Group's capital structure during the six months ended 31 December 2007. The Group was financed by share capital and internally generated funds during the period under review. The cash resources of the Group remain strong with cash and bank balances, and investments in held-to-maturity debt securities of \$1,638 million at 31 December 2007 (30 June 2007: \$2,348 million).

During the six months ended 31 December 2007, the Group's net cash generated from operating activities and interest received amounted to \$409 million and \$54 million respectively. The Group's major outflows of funds during the period under review were payments for the purchase of fixed assets, handset subsidies, mobile licence fees and 2006/07 final and special cash dividends.

The directors are of the opinion that the Group can fund its capital expenditures and working capital requirements for the financial year ending 30 June 2008 with internal cash resources.

TREASURY POLICY

The Group invests its surplus funds in accordance with a treasury policy approved from time to time by the board of directors. Surplus funds are placed as bank deposits or invested in investment grade debt securities. Bank deposits are principally maintained in Hong Kong and United States dollars. Investments in debt securities are denominated in either Hong Kong dollar or United States dollar, and having a maximum maturity of three years. The Group's policy is to hold its investments in debt securities until maturity.

As at 31 December 2007 and 30 June 2007, the Group's total available banking facilities amounted to \$100 million and no amount of the facilities was utilised.

The Group is required to arrange for banks to issue performance bonds and letters of credit on its behalf. In certain circumstances, the Group will partially or fully collateralise such instruments by cash deposits to lower the issuance costs. The total amount of pledged deposits as at 31 December 2007 was \$340 million (30 June 2007: \$324 million).

MANAGEMENT DISCUSSION AND ANALYSIS

(Financial figures are expressed in Hong Kong dollars)

FUNCTIONAL CURRENCY AND FOREIGN EXCHANGE EXPOSURE

The functional currency of the Group is the Hong Kong dollar. All material revenues, expenses, assets and liabilities, except the Group's United States dollar bank deposits and debt securities are denominated in Hong Kong dollar. The Group therefore does not have any significant exposure to foreign currency gains and losses other than from its United States dollar denominated bank deposits and debt securities. The Group does not currently undertake any foreign exchange hedging.

CONTINGENT LIABILITIES

PERFORMANCE BONDS

Certain banks, on the Group's behalf, have issued performance bonds to the telecommunications authorities of Hong Kong and Macau in respect of obligations under licences issued by those authorities. The total amount outstanding at 31 December 2007 under these performance bonds was \$454 million (30 June 2007: \$404 million).

LEASE OUT, LEASE BACK ARRANGEMENT

A bank, on the Group's behalf, had issued a letter of credit to guarantee the Group's obligations under a lease out, lease back arrangement entered into during the year ended 30 June 1999. This letter of credit is fully cash collateralised using surplus cash deposits. The directors are of the opinion that the risk of the Group being required to make payment under this guarantee is remote.

EMPLOYEES AND SHARE OPTION SCHEME

The Group had 1,709 full-time employees as at 31 December 2007 (30 June 2007: 1,692), with the majority of them based in Hong Kong. Total staff costs were \$209 million for the six months ended 31 December 2007 (first half of 2006/07: \$189 million).

Employees receive a remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and depend, inter-alia, on both the Group's performance and the performance of the individual employee. Benefits include retirement schemes, medical and dental care insurance. Employees are provided with both internal and external training appropriate to each individual's requirements.

The Group has a share option scheme under which the Company may grant options to participants, including directors and employees, to subscribe for shares of the Company. During the six months ended 31 December 2007, no share options were granted; 979,000 options were exercised to subscribe for 979,000 shares in the Company; and 193,000 share options were cancelled or lapsed. At 31 December 2007, 9,481,500 share options (30 June 2007: 10,653,500) were outstanding.

TO THE BOARD OF DIRECTORS OF SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 8 to 28, which comprises the condensed consolidated balance sheet of SmarTone Telecommunications Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2007 and the related condensed consolidated profit and loss account, statement of changes in equity, cash flow statement 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 Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information 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 Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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 Hong Kong 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 information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 4 March 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

	Note	Unaudited six months ended	
		31 December	
		2007	2006
		\$000	\$000
Mobile services		1,706,514	1,552,893
Mobile telephone and accessory sales		349,173	548,632
Revenues	4	2,055,687	2,101,525
Cost of sales		(689,557)	(859,354)
Network costs		(324,951)	(313,342)
Staff costs		(209,383)	(188,610)
Sales and marketing expenses		(133,813)	(163,428)
Rental and utilities		(76,160)	(72,019)
Other operating expenses		(70,948)	(67,703)
Depreciation, amortisation and loss on disposal		(360,059)	(389,372)
Operating profit		190,816	47,697
Finance income	6	52,749	48,408
Finance costs	7	(43,240)	(37,955)
Profit before income tax	5	200,325	58,150
Income tax expense	8	(24,040)	(6,396)
Profit after income tax		176,285	51,754
Attributable to:			
Equity holders of the Company		161,101	43,525
Minority interests		15,184	8,229
		176,285	51,754
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in cents per share)	10		
Basic		27.8	7.5
Diluted		27.8	7.5
Dividends	9		
In respect of the period		161,115	—
Attributable to prior years paid in the period		648,366	69,935

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2007 and 30 June 2007

(Expressed in Hong Kong dollars)

	Note	Unaudited 31 December 2007 \$000	Audited 30 June 2007 \$000
Non-current assets			
Fixed assets	11	1,776,741	1,832,045
Interest in an associate		1,812	1,812
Financial investments	12	56,381	58,854
Intangible assets	13	782,524	783,925
Deposits and prepayments – non-current portion	14	51,539	47,673
		<u>2,668,997</u>	<u>2,724,309</u>
Current assets			
Inventories		106,395	75,066
Financial investments	12	—	31,340
Trade receivables	14	208,332	179,418
Deposits and prepayments – current portion		140,405	82,078
Other receivables	14	55,607	31,143
Cash and bank balances	15	1,637,527	2,316,455
		<u>2,148,266</u>	<u>2,715,500</u>
Current liabilities			
Trade payables	16	114,497	154,984
Other payables and accruals		646,923	711,787
Current income tax liabilities		23,183	31,612
Customers' deposits		34,573	31,312
Deferred income		79,505	79,549
Mobile licence fee liabilities – current portion		76,020	65,895
		<u>974,701</u>	<u>1,075,139</u>
Net current assets		<u>1,173,565</u>	<u>1,640,361</u>
Total assets less current liabilities		<u>3,842,562</u>	<u>4,364,670</u>
Non-current liabilities			
Asset retirement obligations		53,118	47,587
Mobile licence fee liabilities – non-current portion		613,729	649,809
Deferred income tax liabilities		138,252	129,613
Net assets		<u>3,037,463</u>	<u>3,537,661</u>
Capital and reserves			
Share capital	17	57,698	58,018
Reserves		2,940,577	3,452,526
Total equity attributable to equity holders of the Company		<u>2,998,275</u>	<u>3,510,544</u>
Minority interests		39,188	27,117
Total equity		<u>3,037,463</u>	<u>3,537,661</u>

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

CASH FLOW STATEMENT

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

	Note	Unaudited six months ended	
		2007	2006
		\$000	\$000
Net cash generated from operating activities		409,461	430,586
Net cash (used in)/generated from investing activities		(408,699)	371,766
Net cash used in financing activities		(694,154)	(88,647)
Net (decrease)/increase in cash and cash equivalents		(693,392)	713,705
Effect of foreign exchange rate change		(1,033)	1,337
Cash and cash equivalents at 1 July		1,992,060	1,038,530
Cash and cash equivalents at 31 December		1,297,635	1,753,572
Analysis of balances of cash and cash equivalents			
Cash and bank balances	15	1,637,527	2,083,423
Less: short-term pledged bank deposits	15	(339,892)	(329,851)
		1,297,635	1,753,572

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

CHANGES IN EQUITY

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

	Unaudited								Minority interests	Total
	Attributable to equity holders of the Company									
	Share capital \$000	Share premium \$000	Revaluation reserve \$000	Capital redemption reserve \$000	Contributed surplus \$000	Employee share-based	Exchange reserve \$000	Retained profits \$000	\$000	\$000
						compensation reserve \$000				
At 1 July 2006	58,279	–	–	2,690	2,371,112	14,864	270	978,327	23,795	3,449,337
Currency translation differences	–	–	–	–	–	–	197	–	–	197
Repurchase of shares	(91)	–	–	91	(6,628)	–	–	(91)	–	(6,719)
Employee share-based compensation	–	–	–	–	–	727	–	–	–	727
Revaluation surplus of financial investments	–	–	20,286	–	–	–	–	–	–	20,286
Payment of 2006 interim dividend to a minority interest	–	–	–	–	–	–	–	–	(2,447)	(2,447)
Payment of 2006 final dividend	–	–	–	–	–	–	–	(69,935)	–	(69,935)
Profit for the period	–	–	–	–	–	–	–	43,525	8,229	51,754
At 31 December 2006	58,188	–	20,286	2,781	2,364,484	15,591	467	951,826	29,577	3,443,200

CHANGES IN EQUITY

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

	Unaudited								Minority interests	Total
	Attributable to equity holders of the Company									
	Share capital	Share premium	Revaluation reserve	Capital redemption reserve	Employee share-based Contributed surplus	Employee share-based compensation reserve	Exchange reserve	Retained profits		
At 1 July 2007	58,018	270	17,899	2,954	2,349,294	15,705	713	1,065,691	27,117	3,537,661
Currency translation differences	-	-	-	-	-	-	253	-	-	253
Repurchase of shares	(418)	-	-	418	(34,746)	-	-	(418)	-	(35,164)
Issue of shares	98	10,642	-	-	-	(1,929)	-	-	-	8,811
Employee share-based compensation	-	-	-	-	-	9	-	-	-	9
Revaluation surplus of financial investments	-	-	1,087	-	-	-	-	-	-	1,087
Payment of 2007 interim dividend to a minority interest	-	-	-	-	-	-	-	-	(3,113)	(3,113)
Payment of 2007 final and special cash dividends	-	-	-	-	-	-	-	(648,366)	-	(648,366)
Profit for the period	-	-	-	-	-	-	-	161,101	15,184	176,285
At 31 December 2007	57,698	10,912	18,986	3,372	2,314,548	13,785	966	578,008	39,188	3,037,463

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

1 General information

SmarTone Telecommunications Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the provision of mobile services and the sale of mobile telephones and accessories in Hong Kong and Macau.

The Company is a limited liability company incorporated in Bermuda. The address of its head office and principal place of business is 31/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "HKSE").

These unaudited condensed consolidated interim financial statements ("Interim Financial Statements") are presented in thousands of units of HK dollars (\$000), unless otherwise stated. These Interim Financial Statements have been approved for issue by the board of directors on 4 March 2008.

2 Basis of preparation

These Interim Financial Statements for the six months ended 31 December 2007 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". These Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 30 June 2007.

3 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2007, as described in the annual financial statements for the year ended 30 June 2007.

The following new standards, amendments to standards and interpretations are mandatory for the financial year ending 30 June 2008.

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK (IFRIC) – INT 10	Interim Financial Reporting and Impairment ²
HK (IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions ³

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 November 2006.

³ Effective for annual periods beginning on or after 1 March 2007.

FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

3 Accounting policies *(continued)*

The above mentioned new standards, amendments to standards and interpretations did not result in material impacts to the Group other than the disclosure impacts on the consolidated financial statements for the year ending 30 June 2008. In summary:

- HKAS 1 (Amendment) deals with the capital disclosure requirements of an entity. The amendment to HKAS 1 requires the disclosure of (i) qualitative information about an entity's objective, policies and processes for managing capital; (ii) summary quantitative data about what the entity manages as capital; and (iii) whether the entity has complied with any externally imposed capital requirements and the consequences of any non-compliance. The new disclosure requirements introduced by HKAS 1 (Amendment) will be made in the annual financial statements for the year ending 30 June 2008.
- HKFRS 7 deals with the disclosure requirements in relation to all risks arising from financial instruments within HKAS 39, and applies to any entity that holds financial instruments. HKFRS 7 requires an entity to disclose the significance of financial instruments to the entity's financial position and performance, as well as the qualitative and quantitative information about the nature and extent of risk exposures arising from financial instruments. The new disclosure requirements introduced by HKFRS 7 will be made in the annual financial statements for the year ending 30 June 2008.
- HK (IFRIC) - INT 10 prohibits the impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost to be reversed at a subsequent balance sheet date.
- HK (IFRIC) - INT 11 provides guidance on whether share-based transactions involving treasury shares or involving Group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and Group companies.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the year ending 30 June 2008 and have not been early adopted.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) – INT 12	Service Concession Arrangements ²
HK (IFRIC) – INT 13	Customer Loyalty Programmes ³
HK (IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 January 2008.

³ Effective for annual periods beginning on or after 1 July 2008.

4 Segment reporting

More than 90% of the Group's revenues and operating profit was attributable to its mobile communications operations. Accordingly, no analysis by business segment is included in these Interim Financial Statements.

Segment information is presented by way of geographical regions as the primary reporting format. An analysis of the Group's segment information by geographical segment is set out as follows:

	Six months ended 31 December 2007			
	Hong Kong \$000	Macau \$000	Elimination \$000	Consolidated \$000
Revenues	1,935,679	136,617	(16,609)	2,055,687
Operating profit	130,214	60,602	—	190,816
Finance income				52,749
Finance costs				(43,240)
Profit before income tax				200,325
Income tax expense				(24,040)
Profit after income tax				176,285

	Six months ended 31 December 2006			
	Hong Kong \$000	Macau \$000	Elimination \$000	Consolidated \$000
Revenues	2,011,095	103,211	(12,781)	2,101,525
Operating profit	14,900	32,636	161	47,697
Finance income				48,408
Finance costs				(37,955)
Profit before income tax				58,150
Income tax expense				(6,396)
Profit after income tax				51,754

FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

5 Profit before income tax

Profit before income tax is stated after crediting and charging the followings:

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
Cost of inventories sold	339,407	538,965
Amortisation		
Handset subsidies	103,093	113,846
Mobile licence fees	32,191	31,091
Depreciation		
Owned fixed assets	181,529	199,357
Leased fixed assets	40,889	43,588
Operating lease rentals for land and buildings, transmission sites and leased lines	297,540	272,895
(Reversal of)/ impairment loss of inventories	(2,133)	900
Loss on disposal of fixed assets	2,357	1,490
Net exchange loss/(gain)	1,414	(650)

6 Finance income

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
Interest income from debt securities		
Listed	113	677
Unlisted	—	1,501
	113	2,178
Interest income from deposits with banks and other financial institutions	51,020	44,903
Accretion income	1,616	1,327
	52,749	48,408

Accretion income represented changes in the rental deposits due to passage of time calculated by applying an interest method of allocation to the amount of rental deposits at the beginning of the period.

7 Finance costs

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
Accretion expenses		
Mobile licence fee liabilities	39,940	37,153
Asset retirement obligations	3,298	801
Other borrowing costs	2	1
	<u>43,240</u>	<u>37,955</u>

Accretion expenses represented changes in the mobile licence fee liabilities and asset retirement obligations due to passage of time calculated by applying an interest method of allocation to the amount of the liabilities at the beginning of the period.

8 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

The amount of income tax expense charged to the consolidated profit and loss account represents:

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
Current income tax		
Hong Kong profits tax	8,104	1,263
Overseas tax	7,297	3,870
Deferred income tax	8,639	1,263
	<u>24,040</u>	<u>6,396</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2007
(Expressed in Hong Kong dollars)

9 Dividends

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
<hr/>		
In respect of the period		
Interim dividend declared of 28 cents (2006: nil) per share	161,115	—
<hr/>		
Attributable to prior years paid in the period		
Final dividend of 27 cents (2006: 12 cents) per share	156,303	69,935
Special cash dividend of 85 cents (2006: nil) per share	492,063	—
	<hr/>	<hr/>
	648,366	69,935
	<hr/>	<hr/>
	809,481	69,935
	<hr/>	<hr/>

At a meeting held on 4 March 2008, the directors declared an interim dividend of 28 cents per share for the year ending 30 June 2008. The interim dividend declared is not reflected as a dividend payable in the Interim Financial Statements, but will be reflected as an appropriation of retained profits for the year ending 30 June 2008.

At a meeting held on 28 August 2007, the directors declared a final dividend of 27 cents per share and a special cash dividend of 85 cents per share for the year ended 30 June 2007, which were paid on 19 November 2007 and have been reflected as an appropriation of retained profits for the six months ended 31 December 2007.

10 Earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to equity holders of \$161,101,000 (2006: \$43,525,000).

The basic earnings per share is based on the weighted average number of shares in issue during the period of 578,725,553 (2006: 582,715,303). The diluted earnings per share is based on 579,243,252 (2006: 582,715,425) shares which is the weighted average number of shares in issue during the period plus the weighted average number of 517,699 (2006: 122) shares deemed to be issued at no consideration if all outstanding options had been exercised.

11 Fixed assets

	\$000
Opening net book amount at 1 July 2007	1,832,045
Additions	169,735
Disposals	(2,807)
Exchange differences	186
Depreciation	(222,418)
Closing net book amount at 31 December 2007	<u>1,776,741</u>
Opening net book amount at 1 July 2006	1,924,064
Additions	133,013
Disposals	(1,847)
Exchange differences	195
Depreciation	(242,945)
Closing net book amount at 31 December 2006	1,812,480
Additions	256,645
Disposals	(11,508)
Exchange differences	211
Depreciation	(225,783)
Closing net book amount at 30 June 2007	<u>1,832,045</u>

At 31 December 2007, the net book amount of fixed assets held by the Group under finance leases amounted to \$163,571,000 (30 June 2007: \$204,464,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

12 Financial investments

	31 December 2007 \$000	30 June 2007 \$000
Available-for-sale financial assets	56,381	58,854
Held-to-maturity debt securities	—	31,340
	<u>56,381</u>	<u>90,194</u>
Less: Held-to-maturity debt securities maturing within one year of the balance sheet date included under current assets	—	(31,340)
Total non-current financial investments	<u>56,381</u>	<u>58,854</u>
		Available-for-sale financial assets \$000
Carrying value at 31 December 2007		
Unlisted, traded on inactive markets and of private issuers		<u>56,381</u>
		\$000
(a) Available-for-sale financial assets		
At 1 July 2007		58,854
Distributions		(3,560)
Revaluation surplus		1,087
At 31 December 2007		<u>56,381</u>
		\$000
(b) Held-to-maturity debt securities		
At 1 July 2007		31,340
Amortisation		(68)
Redemption upon maturity		(31,272)
At 31 December 2007		<u>—</u>

During the six months ended 31 December 2006 and 2007, no gain or loss arose on the disposal of held-to-maturity debt securities.

13 Intangible assets

	Handset subsidies \$000	Mobile licence fees \$000	Total \$000
Opening net book amount at 1 July 2007	149,659	634,266	783,925
Additions	133,883	—	133,883
Amortisation	(103,093)	(32,191)	(135,284)
Closing net book amount at 31 December 2007	180,449	602,075	782,524
Opening net book amount at 1 July 2006	168,462	631,497	799,959
Additions	69,023	66,052	135,075
Amortisation	(113,846)	(31,091)	(144,937)
Closing net book amount at 31 December 2006	123,639	666,458	790,097
Additions	124,405	—	124,405
Amortisation	(98,385)	(32,192)	(130,577)
Closing net book amount at 30 June 2007	149,659	634,266	783,925

14 Trade and other receivables

	31 December 2007 \$000	30 June 2007 \$000
Trade receivables	220,618	192,423
Less: provision for impairment of trade receivables	(12,286)	(13,005)
Trade receivables – net	208,332	179,418
Deposits and prepayments	191,944	129,751
Other receivables	55,607	31,143
	455,883	340,312
Less: deposits and prepayments – non-current portion	(51,539)	(47,673)
Current portion	404,344	292,639

FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

14 Trade and other receivables (continued)

The Group allows an average credit period of thirty days to its subscribers and other customers. An ageing analysis of trade receivables, net of provisions, is as follows:

	31 December 2007 \$000	30 June 2007 \$000
Current to 30 days	171,515	159,535
31 - 60 days	25,798	15,304
61 - 90 days	7,207	3,365
Over 90 days	3,812	1,214
	<u>208,332</u>	<u>179,418</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

The Group has recognised a loss of \$5,866,000 (2006: \$7,466,000) for the impairment of its trade receivables during the six months ended 31 December 2007. The loss has been included in other operating expenses in the consolidated profit and loss account.

15 Cash and bank balances

	31 December 2007 \$000	30 June 2007 \$000
Short-term pledged bank deposits	<u>339,892</u>	<u>324,395</u>
Cash at bank and in hand	89,766	68,070
Short-term bank deposits	<u>1,207,869</u>	<u>1,923,990</u>
Cash and cash equivalents	<u>1,297,635</u>	<u>1,992,060</u>
	<u>1,637,527</u>	<u>2,316,455</u>

Of the pledged bank deposits, \$226,244,000 (30 June 2007: \$200,933,000) has been pledged as cash collateral for the Group's 3G Licence performance bond as referred to in note 19 - "Commitments and contingent liabilities".

16 Trade payables

An ageing analysis of trade payables is as follows:

	31 December 2007 \$000	30 June 2007 \$000
Current to 30 days	68,862	75,656
31 - 60 days	25,659	40,094
61 - 90 days	7,710	9,769
Over 90 days	12,266	29,465
	<u>114,497</u>	<u>154,984</u>

17 Share capital

	Shares of \$0.10 each	\$000
Authorised:		
At 1 July 2007 and 31 December 2007	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 July 2007	580,178,928	58,018
Issue of new shares upon exercise of share options (a)	979,000	98
Repurchases of shares (b)	<u>(4,176,500)</u>	<u>(418)</u>
At 31 December 2007	<u>576,981,428</u>	<u>57,698</u>

- a During the six months ended 31 December 2007, options were exercised to subscribe for 979,000 shares in the Company at a consideration of \$8,811,000, of which \$98,000 was credited to share capital and the balance of \$8,713,000 was credited to the share premium account. In respect of the options exercised, an amount of \$1,929,000 was reversed from the employee share-based compensation reserve and credited to the share premium account.
- b During the six months ended 31 December 2007, the Company repurchased 4,176,500 shares on the HKSE. These repurchased shares were cancelled prior to 31 December 2007. The total amount paid to acquire these shares of \$35,164,000 was deducted from shareholders' equity.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2007
(Expressed in Hong Kong dollars)

17 Share capital (continued)

Details of these repurchases are as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate price paid \$000
		Highest \$	Lowest \$	
July 2007	968,500	9.20	8.85	8,702
October 2007	1,090,000	9.48	9.06	10,091
November 2007	1,916,000	9.34	7.24	14,898
December 2007	202,000	7.29	7.29	1,473
	<u>4,176,500</u>			<u>35,164</u>

18 Employee share option scheme

Movements of the share options granted to the participants pursuant to the Company's share option scheme during the six months ended 31 December 2007 are as follows:

Date granted	Exercise period	Exercise price per share \$	Number of options				Outstanding at 31 December 2007
			Outstanding at 1 July 2007	Granted during the period	Exercised during the period	Cancelled /Lapsed during the period	
10 February 2003	10 February 2003 to 16 July 2011	9.29	3,000,000	—	—	—	3,000,000
10 February 2003	2 May 2003 to 1 May 2012	9.20	133,500	—	—	—	133,500
5 February 2004	5 February 2005 to 4 February 2014	9.00	7,327,000	—	(979,000)	(193,000)	6,155,000
1 March 2005	1 March 2006 to 28 February 2015	9.05	193,000	—	—	—	193,000
			<u>10,653,500</u>	<u>—</u>	<u>(979,000)</u>	<u>(193,000)</u>	<u>9,481,500</u>

19 Commitments and contingent liabilities

a Capital commitments

Capital commitments outstanding at 31 December 2007 not provided for in the Interim Financial Statements were as follows:

	31 December 2007 \$000	30 June 2007 \$000
Contracted for		
Fixed assets	415,820	53,178
Equity securities	3,550	3,557
Authorised but not contracted for	138,891	490,333
	<u>558,261</u>	<u>547,068</u>

b Operating lease commitments

The Group leases various retail stores, offices, warehouses, transmission sites and leased lines under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 December 2007 \$000	30 June 2007 \$000
Land and buildings and transmission sites		
Within one year	338,815	363,793
After one year but within five years	225,297	245,054
After five years	24,263	27,939
	<u>588,375</u>	<u>636,786</u>
Leased lines		
Within one year	35,937	29,510
After one year but within five years	23,198	19,765
After five years	1,948	2,176
	<u>61,083</u>	<u>51,451</u>

FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

19 Commitments and contingent liabilities (continued)

c Performance bonds

	31 December 2007 \$000	30 June 2007 \$000
Hong Kong 3G Licence	452,487	401,865
Other	1,942	1,942
	<u>454,429</u>	<u>403,807</u>

The performance bonds were issued by certain banks in favour of the Telecommunications Authorities of Hong Kong and Macau in accordance with various telecommunications licences issued by those authorities to the Group. The banks' obligations under the performance bonds are guaranteed by the Company and various subsidiaries of the Company.

On 22 October 2007, the sixth anniversary of the issue of the 3G Licence and subsequent to the payment of the sixth year spectrum utilisation fee of \$60 million, the performance bond was revised. The revised bond was for \$452 million with a duration of five years.

d Lease out, lease back agreements

Under certain lease out, lease back agreements entered into during the year ended 30 June 1999, a subsidiary of the Company has undertaken to guarantee the obligations of the intermediary lessees to the lessors as agreed at the inception of the lease for a period of 16 years. The directors are of the opinion that the risk of the subsidiary company being called upon to honour this guarantee is remote and accordingly the directors do not consider that an estimate of the potential financial effect of these contingencies can practically be made.

20 Related party transactions

The Group is controlled by Cellular 8 Holdings Ltd, which owns 54.49% of the Company's shares. The remaining 45.51% of the shares are widely held. The ultimate parent of the Group is Sun Hung Kai Properties Limited ("SHKP"), a company incorporated in Hong Kong.

- a During the six months ended 31 December 2007, the Group had significant transactions with certain subsidiaries and associated companies of SHKP in the ordinary course of business as set out below. All related party transactions are carried out in accordance with the terms of the relevant agreements governing the transactions.

	Six months ended 31 December	
	2007	2006
	\$000	\$000
Operating lease rentals for land and buildings and transmission sites (i)	33,527	32,496
Insurance expenses (ii)	1,842	2,199

- (i) Operating lease rentals for land and buildings and transmission sites

Certain subsidiaries and associated companies of SHKP have leased premises to the Group for use as offices, retail shops and warehouses and have granted licences to the Group for the installation of base stations, antennae and telephone cables on certain premises owned by them.

For the six months ended 31 December 2007, rental and licence fees paid and payable to subsidiaries and associated companies of SHKP totalled \$33,527,000 (2006: \$32,496,000).

- (ii) Insurance expenses

Sun Hung Kai Properties Insurance Limited, a wholly owned subsidiary of SHKP, provides general insurance services to the Group. For the six months ended 31 December 2007, insurance premiums paid and payable were \$1,842,000 (2006: \$2,199,000).

- b At 31 December 2007, the Group had an interest in an associate, the major shareholder of which is a subsidiary of SHKP. The principal activity of the associate is to invest in an equity fund which primarily invests in technology related companies in the People's Republic of China.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2007

(Expressed in Hong Kong dollars)

20 Related party transactions *(continued)*

- c Key management compensation

	Six months ended	
	31 December	
	2007	2006
	\$000	\$000
Salaries and other short-term employee benefits	15,681	11,890
Share-based payments	—	309
	<u>15,681</u>	<u>12,199</u>

- d The trading balances set out below with SHKP and its subsidiaries (the "SHKP Group") (including buildings and estates managed by the SHKP Group) are included within the relevant balance sheet items:

	31 December	30 June
	2007	2007
	\$000	\$000
Trade receivables (note 14)	697	611
Deposits and prepayments (note 14)	6,589	4,407
Trade payables (note 16)	93	413
Other payables and accruals	<u>2,542</u>	<u>1,769</u>

The trading balances are unsecured, interest-free and repayable on similar terms to those offered to unrelated parties.

OTHER INFORMATION

(Financial figures are expressed in Hong Kong dollars)

INTERIM DIVIDEND

The directors declared an interim dividend of 28 cents (2006: nil) per share for the six months ended 31 December 2007 to shareholders whose names appear in the Register of Members of the Company on 2 April 2008. It is expected that the interim dividend warrants will be despatched to shareholders on or about 15 April 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 28 March 2008 to Wednesday, 2 April 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the aforesaid interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Thursday, 27 March 2008.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 2007, the interests or 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 were notified to the Company and The Stock Exchange of Hong Kong Limited (the "HKSE") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or 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 under section 352 of the SFO, or which were required, pursuant to the required standard of dealings by Directors as referred to in the "Model Code for Securities Transactions by Directors of Listed Issuers" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the HKSE, were as follows:

OTHER INFORMATION

(Financial figures are expressed in Hong Kong dollars)

1. LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Director	Number of shares held				Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Raymond Ping-luen Kwok	—	—	—	2,237,767 ¹	2,237,767	—	2,237,767	0.38
Douglas Li	—	—	—	—	—	3,000,000 ²	3,000,000	0.52
Patrick Kai-Lung Chan	—	—	—	—	—	1,103,500 ²	1,103,500	0.19

Notes:

1. Mr Raymond Ping-luen Kwok was deemed to be interested in these shares by virtue of being beneficiary of certain discretionary trust(s) for the purpose of the SFO.
2. These represented the interests in the underlying shares of the Company in respect of the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by the Company, the details of which are set out in the section entitled "Share Option Scheme".

2. LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE ASSOCIATED CORPORATIONS OF THE COMPANY

(a) Sun Hung Kai Properties Limited ("SHKP")

Name of Director	Number of shares held				Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Raymond Ping-luen Kwok	75,000	—	—	1,086,165,895 ¹	1,086,240,895	—	1,086,240,895	42.36
Michael Yick-kam Wong	145,904	—	—	—	145,904	—	145,904	0
Eric Ka-cheung Li	—	—	18,000	—	18,000	—	18,000	0

Note:

1. Of these shares in SHKP, Mr Raymond Ping-luen Kwok was deemed to be interested in 1,062,988,347 shares by virtue of being beneficiary of certain discretionary trusts for the purpose of the SFO.

(b) *SUNeVision Holdings Ltd. ("SUNeVision")*

Name of Director	Number of shares held				Total	Number of underlying shares held under equity derivatives	Total	% of shares in issue
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Raymond Ping-luen Kwok	—	—	—	1,742,500 ¹	1,742,500	—	1,742,500	0.08
Michael Yick-kam Wong	100,000	—	—	—	100,000	—	100,000	0
Andrew Sing-tak So	326,667	—	—	—	326,667	133,333 ²	460,000	0.02

Notes:

1. Of these shares in SUNeVision, Mr Raymond Ping-luen Kwok was deemed to be interested in 1,070,000 shares by virtue of being beneficiary of certain discretionary trusts for the purpose of the SFO.
2. These represented the interests in the underlying shares in SUNeVision in respect of the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SUNeVision.

(c) *Mr Raymond Ping-luen Kwok had the following interests in shares of the following associated corporations:*

Name of associated corporation	Attributable holding through corporation	Attributable % of shares		Actual holding through corporation	Actual % interests in issued shares
		in issue through corporation	through corporation		
Splendid Kai Limited	2,500	25	25	1,500 ¹	15
Hung Carom Company Limited	25	25	25	15 ¹	15
Tinyau Company Limited	1	50	50	1 ¹	50
Open Step Limited	8	80	80	4 ¹	40

Note:

1. Mr Raymond Ping-luen Kwok was deemed to be interested in these shares for the purpose of the SFO. These shares were held by corporations in which Mr Kwok was entitled to control the exercise of one-third or more of the voting rights in the general meetings of those corporations.

OTHER INFORMATION

(Financial figures are expressed in Hong Kong dollars)

Save as disclosed above, at 31 December 2007, none of the Directors and chief executive (including their spouses and children under 18 years of age) and their respective associates had or deemed to have any interests or short positions in shares, underlying shares or debentures of the Company, its subsidiaries or any of its associated corporations that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the HKSE pursuant to Part XV of the SFO or pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" of the Listing Rules.

SHARE OPTION SCHEME

Pursuant to the terms of the share option scheme adopted by the Company on 15 November 2002 (the "Share Option Scheme"), the Company may grant options to the participants, including directors and employees of the Group, to subscribe for the shares of the Company. Movements of the share options granted to the participants pursuant to the Share Option Scheme during the six months ended 31 December 2007 were as follows:

Grantee	Date of grant	Exercise price \$	Exercise period	Outstanding at 1 July 2007	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at 31 December 2007
Directors								
Douglas Li	10 February 2003	9.29	10 February 2003 to 16 July 2011	3,000,000 ¹	—	—	—	3,000,000
Patrick Kai- lung Chan	10 February 2003	9.20	2 May 2003 to 1 May 2012	133,500 ²	—	—	—	133,500
	5 February 2004	9.00	5 February 2005 to 4 February 2014	970,000 ³	—	—	—	970,000
Employees	5 February 2004	9.00	5 February 2005 to 4 February 2014	6,357,000	—	(979,000)	(193,000)	5,185,000
	1 March 2005	9.05	1 March 2006 to 28 February 2015	193,000	—	—	—	193,000

Notes:

- The options, in the original number of 5,000,000, can be exercised up to 20% from 10 February 2003, up to 40% from 17 July 2003, up to 60% from 17 July 2004, up to 80% from 17 July 2005 and in whole from 17 July 2006.
- The options, in the original number of 200,000, can be exercised up to one-third from 2 May 2003, up to two-thirds from 2 May 2004 and in whole from 2 May 2005.
- The options can be exercised up to one-third from 5 February 2005, up to two-thirds from 5 February 2006 and in whole from 5 February 2007.

Other than the share options stated above, no share options had been granted by the Company to other participants pursuant to the Share Option Scheme. Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the period.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2007, the long positions of persons, other than Directors or chief executive of the Company, being 5% or more in the interest in shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name	Total number of shares	% of shares in issue
Cellular 8 Holdings Limited ("Cellular 8") ¹	314,397,472	54.49%
Sun Hung Kai Properties Limited ("SHKP") ^{1&2}	328,565,397	56.94%
HSBC International Trustee Limited ("HSBC") ³	329,285,208	57.07%
Marathon Asset Management Limited	52,610,896	9.11%
Brandes Investment Partners, L.P.	37,383,730	6.47%

Notes:

1. Cellular 8 is a wholly-owned subsidiary of SHKP. By virtue of the SFO, SHKP was deemed to be interested in the 314,397,472 shares in the Company held by Cellular 8.
2. 14,167,925 shares in the Company were held by TFS Development Company Limited, a wholly-owned subsidiary of Fourseas Investments Limited which in turn is a wholly-owned subsidiary of SHKP. By virtue of the SFO, SHKP was therefore also deemed to be interested in such shares in the Company.
3. For the purposes of the SFO, the interest of SHKP noted above against its name (and the interest of each of its subsidiaries noted above) is also attributed to HSBC by reference to the interests in shares which HSBC holds (or deemed to hold) in SHKP. The number of shares noted above against the name of HSBC therefore duplicates the interest of SHKP.

Save as disclosed above, as at 31 December 2007, no other parties had registered as having an interest of 5% or more in the shares or underlying shares of the Company or having short positions as recorded in the register kept under section 336 of the SFO.

OTHER INFORMATION

(Financial figures are expressed in Hong Kong dollars)

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 31 December 2007, the Company repurchased 4,176,500 shares on the HKSE. These repurchased shares were cancelled. Please refer to note 17 of the notes to the interim financial statements for details of the repurchases.

The aggregate price of the repurchased shares (before expenses) in the amount of \$35,164,000 has been charged against the retained profits and contributed surplus accounts. A sum equivalent to the nominal value of the repurchased shares amounting to \$418,000 has been transferred from share capital to capital redemption reserve.

Save as disclosed above, at no time during the six months ended 31 December 2007 was there any purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company has been established since 1999 to provide advice and recommendations to the Board. The Audit Committee is currently chaired by Dr Eric Ka-cheung Li, an Independent Non-Executive Director with professional accounting expertise, and the other members are Mr Leung-sing Ng, Mr Eric Fock-kin Gan and Mr Michael Yick-kam Wong, with the majority being independent non-executive directors of the Company. The Committee members possess appropriate business or financial expertise and experience to provide relevant advice and recommendations to the Company.

The Audit Committee held a meeting on 22 February 2008 and reviewed the relevant interim financial statements as well as the internal audit reports of the Group for the six months ended 31 December 2007. The Committee was satisfied that the accounting policies and methods of computation adopted by the Group are in accordance with the current best practices in Hong Kong. The Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosures of data and explanations shown in the financial statements. The Committee was also satisfied with the internal control measures adopted by the Group.

The interim financial statements for the six months ended 31 December 2007 have not been audited but have been reviewed by the Company's external auditors.

The financial information disclosed in this report complies with the disclosure requirements of Appendix 16 of the Listing Rules and has been reviewed by the Audit Committee and the external auditors before being put forward to the Directors for approval.

CORPORATE GOVERNANCE

The Company is committed to building and maintaining high standards of corporate governance. Throughout the six months ended 31 December 2007, the Company has applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules with the only deviation from code provision A.4.1 in respect of the service term of non-executive directors. Non-executive directors of the Company are not appointed with specific term but they are required to retire from office by rotation and are subject to re-election by shareholders at annual general meeting once every three years in accordance with the Company's bye-laws. As such, no Director has a term of appointment longer than three years.

The Directors will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Group adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") contained in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' transactions in the securities of the Company. Similar code has also been adopted for relevant employees, who may be in possession of unpublished price-sensitive information, in dealing with the Company's securities. Upon specific enquiry, each Director had confirmed that during the six months ended 31 December 2007, they had fully complied with the required standard set out in the Model Code regarding securities transactions and there was no event of non-compliance.

OTHER INFORMATION

(Financial figures are expressed in Hong Kong dollars)

By order of the Board

Alvin Yau-hing Mak

Company Secretary

Hong Kong, 4 March 2008

As at the date of this report, the Executive Directors of the Company are Mr Douglas Li and Mr Patrick Kai-lung Chan; Non-Executive Directors are Mr Raymond Ping-luen Kwok, Mr Michael Yick-kam Wong, Mr Andrew Sing-tak So, Mr Wing-yui Cheung, Mr David Norman Prince and Mr Wing-chung Yung; Independent Non-Executive Directors are Dr Eric Ka-cheung Li, JP, Mr Leung-sing Ng, JP, Mr Xiang-dong Yang and Mr Eric Fock-kin Gan.

承董事會命
公司秘書
麥祐興

香港，2008年3月4日

於本報告日期，本公司之執行董事為黎大鈞先生及陳啟龍先生；非執行董事為郭炳聯先生、黃奕鑑先生、蘇承德先生、張永銳先生、潘魏仕先生及容永忠先生；獨立非執行董事為李家祥博士，太平紳士、吳亮星先生，太平紳士、楊向東先生及顏福健先生。

截至2007年12月31日止6個月之中期財務報表未經審核，惟已由本公司外聘之核數師審閱。

本報告所披露之財務資料已符合上市規則附錄16之披露規定，並於呈交董事批准前，經審核委員會及外聘之核數師審閱。

企業管治

本公司致力建立及維持高水平之企業管治。於截至2007年12月31日止6個月期間內，本公司已應用及遵守上市規則附錄14所載之《企業管治常規守則》（「企業管治守則」）之原則及規定，當中只偏離守則條文A.4.1項有關非執行董事之服務任期。本公司之非執行董事之委任並無指定年期，惟根據本公司之細則，彼等必須至少每三年一次於股東週年大會輪席告退，並由股東重選。因此，概無董事之委任年期超過三年。

董事將繼續監察及檢討本公司之企業管治常規，以確保遵守企業管治守則。

董事進行證券交易之標準守則

本集團採納上市規則附錄10所載之《上市公司董事進行證券交易的標準守則》（「標準守則」），作為董事進行證券交易之行為守則。而類似之守則亦已被採納以供有關員工（其可能擁有一些未經公開之股價敏感資料）在買賣本公司股票時遵守。在向所有董事作出特定查詢後，彼等均確認於截至2007年12月31日止6個月期間內，皆有全面遵行標準守則內所訂之標準，當中並無不遵守的情況。

購買、出售或贖回股份

於截至2007年12月31日止6個月期間內，本公司於香港聯交所購回其4,176,500股股份，該等回購股份已被註銷。回購之詳情請參閱中期財務報表附註17。

該等回購股份之總價值(不包括費用)共\$35,164,000，已從保留溢利賬及繳入盈餘賬中扣除。而相等於回購股份之面值共\$418,000已從股本轉撥至資本贖回儲備內。

除上文所披露者外，於截至2007年12月31日止6個月期間內，本公司及其任何附屬公司概無購買、出售或贖回本公司之股份。

審核委員會審閱中期業績

本公司之審核委員會自1999年起成立，負責向董事會提供意見及建議。審核委員會之主席乃李家祥博士，為擁有專業會計專長之獨立非執行董事，而其他成員包括吳亮星先生、顏福健先生及黃奕鑑先生，大部份成員均為本公司之獨立非執行董事。委員會成員均具備適當的業務或財務專長及經驗，為本公司提供意見及建議。

審核委員會已於2008年2月22日舉行會議並審閱本集團截至2007年12月31日止6個月之中期財務報表及內部審核報告。委員會相信本集團所採用的會計政策及計算方法乃按照目前香港業內的最佳常規。委員會發現財務報表並未遺漏任何特殊項目，並對財務報表所披露的數據及闡釋，表示滿意。委員會亦對集團所採取的內部監控措施感到滿意。

除上述購股權外，本公司並無根據購股權計劃授出購股權予其他參與人士。除上文所披露者外，期內並無其他購股權被授出、行使、註銷或失效。

根據證券及期貨條例須予披露之股東權益及淡倉

於2007年12月31日，根據證券及期貨條例第336條所規定存置之登記冊所載，下列人士(董事及本公司行政總裁除外)擁有本公司股份5%或以上之權益：

股東名稱	股份總數目	佔已發行 股份百分比
Cellular 8 Holdings Limited(「Cellular 8」) ¹	314,397,472	54.49%
新鴻基地產發展有限公司(「新鴻基地產」) ^{1&2}	328,565,397	56.94%
HSBC International Trustee Limited(「HSBC」) ³	329,285,208	57.07%
Marathon Asset Management Limited	52,610,896	9.11%
Brandes Investment Partners, L.P.	37,383,730	6.47%

附註：

1. Cellular 8乃新鴻基地產之全資附屬公司。根據證券及期貨條例，新鴻基地產被視為擁有Cellular 8所持有本公司314,397,472股股份權益。
2. TFS Development Company Limited持有本公司14,167,925股股份，該公司乃Fourseas Investments Limited之全資附屬公司，而Fourseas Investments Limited乃新鴻基地產之全資附屬公司。因此，根據證券及期貨條例，新鴻基地產亦被視為擁有該等本公司股份權益。
3. 就證券及期貨條例而言，新鴻基地產於上述以其名稱持有的股份權益(及上述其各附屬公司的權益)亦屬HSBC所有，原因為HSBC持有或被視作持有新鴻基地產之股份。因此，上述以HSBC之名稱持有之股份數目與新鴻基地產之權益重疊。

除上文所披露者外，於2007年12月31日，根據遵照證券及期貨條例第336條所存置之登記冊所記錄，概無其他人士擁有本公司5%或以上之股份或相關股份權益或淡倉。

除上文所披露者外，於2007年12月31日，概無董事及行政總裁(包括彼等之配偶及未滿18歲之子女)及彼等之聯繫人士於本公司、其附屬公司或其任何相聯法團之股份、相關股份或債券中擁有或被視作擁有任何權益或淡倉，而須記錄於根據證券及期貨條例第352條所規定存置之登記冊內，或根據證券及期貨條例第XV部或上市規則之《上市公司董事進行證券交易的標準守則》，而須知會本公司及香港聯交所。

購股權計劃

根據本公司於2002年11月15日採納之購股權計劃(「購股權計劃」)之條款，本公司可授予參與人士(包括本集團的董事及僱員)購股權以認購本公司的股份。於截至2007年12月31日止6個月期間內，根據購股權計劃授予參與人士的購股權變動詳情如下：

承授人	授予日期	行使價 \$	行使期限	於2007年	於期內 授予	於期內 行使	於期內	於2007年
				7月1日 尚未行使			註銷/ 失效	12月31日 尚未行使
董事								
黎大鈞	2003年2月10日	9.29	2003年2月10日至 2011年7月16日	3,000,000 ¹	—	—	—	3,000,000
陳啟龍	2003年2月10日	9.20	2003年5月2日至 2012年5月1日	133,500 ²	—	—	—	133,500
	2004年2月5日	9.00	2005年2月5日至 2014年2月4日	970,000 ³	—	—	—	970,000
僱員	2004年2月5日	9.00	2005年2月5日至 2014年2月4日	6,357,000	—	(979,000)	(193,000)	5,185,000
	2005年3月1日	9.05	2006年3月1日至 2015年2月28日	193,000	—	—	—	193,000

附註：

1. 按原有的5,000,000份購股權，不多於20%的購股權可於2003年2月10日開始行使，不多於40%的購股權可於2003年7月17日開始行使，不多於60%的購股權可於2004年7月17日開始行使，不多於80%的購股權可於2005年7月17日開始行使，全數購股權可於2006年7月17日開始行使。
2. 按原有的200,000份購股權，不多於三分之一的購股權可於2003年5月2日開始行使，不多於三分之二的購股權可於2004年5月2日開始行使，全數購股權可於2005年5月2日開始行使。
3. 不多於三分之一的購股權可於2005年2月5日開始行使，不多於三分之二的購股權可於2006年2月5日開始行使，全數購股權可於2007年2月5日開始行使。

(b) 新意網集團有限公司(「新意網」)

董事姓名	持有股份數目					總數	股本衍生 工具下持有 相關股份 之數目	總數	佔已 發行股份 百分比
	家屬權益		公司權益 (控制公司 之權益)	其他權益	總數				
	個人權益 (實益持有)	十八歲以下 子女之權益							
郭炳聯	—	—	—	1,742,500 ¹	1,742,500	—	1,742,500	0.08	
黃奕禧	100,000	—	—	—	100,000	—	100,000	0	
蘇承德	326,667	—	—	—	326,667	133,333 ²	460,000	0.02	

附註：

- 就證券及期貨條例而言，郭炳聯先生因身為若干酌情信託之受益人而被視為擁有該等新意網股份中1,070,000股股份權益。
- 此乃新意網授出購股權所涉及之新意網相關股份權益(現被視為以實物交收非上市證券衍生工具)。

(c) 郭炳聯先生於下列相聯法團之股份中持有以下權益：

相聯法團名稱	透過法團 持有	透過法團 持有佔已發行 股份百分比	法團實質 持有	實質持有
				佔已發行 股份百分比
Splendid Kai Limited	2,500	25	1,500 ¹	15
Hung Carom Company Limited	25	25	15 ¹	15
Tinyau Company Limited	1	50	1 ¹	50
舉捷有限公司	8	80	4 ¹	40

附註：

- 就證券及期貨條例而言，郭炳聯先生被視為擁有該等股份權益。該等股份乃由法團持有，而郭先生於該等法團之股東大會上可控制行使三分之一或以上之投票權。

(財務數字以港元列值)

1. 於本公司股份及相關股份之好倉

董事姓名	持有股份數目					總數	股本衍生 工具下持有 相關股份 之數目	總數	佔已 發行股份 百分比
	家屬權益 (配偶或 十八歲以下 子女之權益)		公司權益 (控制公司 之權益)	其他權益	總數				
	個人權益 (實益持有)	十八歲以下 子女之權益							
郭炳聯	—	—	—	2,237,767 ¹	2,237,767	—	2,237,767	0.38	
黎大鈞	—	—	—	—	—	3,000,000 ²	3,000,000	0.52	
陳啟龍	—	—	—	—	—	1,103,500 ²	1,103,500	0.19	

附註：

1. 就證券及期貨條例而言，郭炳聯先生因身為若干酌情信託之受益人而被視為擁有該些股份權益。
2. 此乃本公司授出購股權所涉及之本公司相關股份權益(現被視為以實物交收非上市證券衍生工具)，詳情載於「購股權計劃」一節內。

2. 本公司相聯法團股份及相關股份之好倉

(a) 新鴻基地產發展有限公司(「新鴻基地產」)

董事姓名	持有股份數目					總數	股本衍生 工具下持有 相關股份 之數目	總數	佔已 發行股份 百分比
	家屬權益 (配偶或 十八歲以下 子女之權益)		公司權益 (控制公司 之權益)	其他權益	總數				
	個人權益 (實益持有)	十八歲以下 子女之權益							
郭炳聯	75,000	—	—	1,086,165,895 ¹	1,086,240,895	—	1,086,240,895	42.36	
黃奕達	145,904	—	—	—	145,904	—	145,904	0	
李家祥	—	—	18,000	—	18,000	—	18,000	0	

附註：

1. 就證券及期貨條例而言，郭炳聯先生因身為若干酌情信託之受益人而被視為擁有該等新鴻基地產股份中1,062,988,347股股份權益。

(財務數字以港元列值)

中期股息

董事宣佈向於2008年4月2日名列本公司股東名冊之股東派付截至2007年12月31日止6個月之中期股息每股28港仙(2006年：無)。預期中期股息單將約於2008年4月15日寄送予各股東。

暫停辦理股份過戶登記

本公司將於2008年3月28日(星期五)至2008年4月2日(星期三)·首尾兩天包括在內·暫停辦理股份過戶登記手續。為符合資格以獲取中期股息·請將股份過戶表格連同有關股票於2008年3月27日(星期四)下午四時三十分前·送交本公司在香港的股份過戶登記處·香港中央證券登記有限公司·地址為香港皇后大道東183號合和中心17樓1712 - 1716室·辦理股份過戶登記手續。

董事及行政總裁之權益

於2007年12月31日·董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份·相關股份及債券中·擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「香港聯交所」)之權益或淡倉(包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益或淡倉)·或根據證券及期貨條例第352條規定須記錄於該條例所述之登記冊之權益或淡倉·或根據香港聯合交易所有限公司證券上市規則(「上市規則」)之《上市公司董事進行證券交易的標準守則》須知會本公司及香港聯交所之權益或淡倉如下：

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

20 關連人士之交易 (續)

c 主要管理人員酬金

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
薪金及其他短期僱員福利	15,681	11,890
股份報酬	—	309
	<u>15,681</u>	<u>12,199</u>

d 與新鴻基地產及其附屬公司(「新鴻基地產集團」)(包括新鴻基地產集團管理之樓宇及房地產)之交易結餘，已計入其相關之資產負債表項目內，如下：

	2007年	2007年
	12月31日	6月30日
	\$000	\$000
應收營業賬款(附註14)	697	611
按金及預付款項(附註14)	6,589	4,407
應付營業賬款(附註16)	93	413
其他應付款項及應計款項	<u>2,542</u>	<u>1,769</u>

交易結餘為無抵押、免息及須按向無關連人士提供之類似條款償還。

20 關連人士之交易

本集團由Cellular 8 Holdings Ltd控制，該公司擁有本公司54.49%股份，餘下45.51%股份則被廣泛持有。本集團之最終母公司為新鴻基地產發展有限公司（「新鴻基地產」），一間於香港註冊成立之公司。

- a 於截至2007年12月31日止6個月，本集團與新鴻基地產之若干附屬公司及聯營公司在正常業務往來中進行之重大交易載列於下文。全部關連人士之交易均按照該等交易之有關協議條款進行。

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
土地及樓宇及收發站之經營租賃租金(i)	33,527	32,496
保險費用(ii)	1,842	2,199

(i) 土地及樓宇及收發站之經營租賃租金

新鴻基地產若干附屬公司及聯營公司租賃物業予本集團，供作寫字樓、零售店及貨倉之用，並向本集團發出許可證，以於彼等擁有之若干物業上安裝基站、天線及電話電纜。

截至2007年12月31日止6個月，本集團已付及應付予新鴻基地產之附屬公司及聯營公司之租金和許可證費用合共為\$33,527,000(2006年：\$32,496,000)。

(ii) 保險費用

新鴻基地產之全資附屬公司新鴻基地產保險有限公司，向本集團提供一般保險服務。截至2007年12月31日止6個月，已付及應付之保金合共為\$1,842,000(2006年：\$2,199,000)。

- b 於2007年12月31日，本集團於其聯營公司持有權益，該聯營公司之主要股東為新鴻基地產之附屬公司。該聯營公司主要投資於股權基金，而該基金則主要投資位於中華人民共和國境內之科技相關公司。

中期財務報表附註

截至2007年12月31日止6個月
(以港元列值)

19 承擔及或然負債 (續)

c 履約保證金

	2007年 12月31日 \$000	2007年 6月30日 \$000
香港3G牌照	452,487	401,865
其他	1,942	1,942
	<u>454,429</u>	<u>403,807</u>

若干銀行就香港及澳門之電訊管理局向本集團發出多項電訊服務牌照，向該等部門發出履約保證。本公司及多家附屬公司已就有關銀行在履約保證項下之責任作出擔保。

於2007年10月22日，即發出3G牌照第6週年之日，及支付第6年頻譜使用費\$60,000,000後，履約保證作出修訂。經修訂之保證金為\$452,000,000，年期為5年。

d 出租、租回安排

根據若干於截至1999年6月30日止年度訂立之出租、租回安排，本公司一間附屬公司按照在租約生效時之協定，承諾出租人擔保中介承租者之債務承擔，為期16年。董事認為該附屬公司被要求兌現擔保之風險極微，故認為就上述或然負債之潛在財務影響作出估算乃不切實際。

19 承擔及或然負債

a 資本承擔

於2007年12月31日已作出但未於中期財務報表內作撥備之資本承擔如下：

	2007年 12月31日 \$000	2007年 6月30日 \$000
已訂約		
固定資產	415,820	53,178
股本證券	3,550	3,557
已授權但未訂約	138,891	490,333
	558,261	547,068

b 經營租賃承擔

本集團以不可撤銷經營租賃協議租用多個零售店、辦公室、貨倉、收發站及專線。該等租賃擁有不同期限、加租條款及續約權利。

於2007年12月31日，不可撤銷經營租賃應付之未來最低租金付款總額如下：

	2007年 12月31日 \$000	2007年 6月30日 \$000
土地及樓宇及收發站		
1年內	338,815	363,793
1年後但於5年內	225,297	245,054
5年後	24,263	27,939
	588,375	636,786
專線		
1年內	35,937	29,510
1年後但於5年內	23,198	19,765
5年後	1,948	2,176
	61,083	51,451

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

17 股本 (續)

以下乃股份回購之詳情：

回購之月份	回購股份之數目	每股價格		已付總價格 \$000
		最高 \$	最低 \$	
2007年7月	968,500	9.20	8.85	8,702
2007年10月	1,090,000	9.48	9.06	10,091
2007年11月	1,916,000	9.34	7.24	14,898
2007年12月	202,000	7.29	7.29	1,473
	4,176,500			35,164

18 僱員購股權計劃

於截至2007年12月31日止6個月，根據本公司購股權計劃授予參與者之購股權之變動如下：

授出日期	行使期限	每股行使價 \$	購股權數目				於2007年 12月31日 尚未行使
			於2007年 7月1日 尚未行使	於期內授予	於期內行使	於期內註銷 /失效	
2003年2月10日	2003年2月10日至 2011年7月16日	9.29	3,000,000	—	—	—	3,000,000
2003年2月10日	2003年5月2日至 2012年5月1日	9.20	133,500	—	—	—	133,500
2004年2月5日	2005年2月5日至 2014年2月4日	9.00	7,327,000	—	(979,000)	(193,000)	6,155,000
2005年3月1日	2006年3月1日至 2015年2月28日	9.05	193,000	—	—	—	193,000
			10,653,500	—	(979,000)	(193,000)	9,481,500

16 應付營業賬款

應付營業賬款賬齡分析如下：

	2007年 12月31日 \$000	2007年 6月30日 \$000
現時至30天	68,862	75,656
31至60天	25,659	40,094
61至90天	7,710	9,769
90天以上	12,266	29,465
	<u>114,497</u>	<u>154,984</u>

17 股本

	每股面值 \$0.10之股份	\$000
法定：		
於2007年7月1日及2007年12月31日	1,000,000,000	100,000
已發行及繳足：		
於2007年7月1日	580,178,928	58,018
透過行使購股權而發行新股份(a)	979,000	98
股份回購(b)	(4,176,500)	(418)
於2007年12月31日	<u>576,981,428</u>	<u>57,698</u>

a 於截至2007年12月31日止6個月，透過行使購股權以\$8,811,000的代價認購本公司979,000股股份，其中\$98,000已計入股本，結餘\$8,713,000已計入股份溢價賬。就已行使之購股權而言，為數\$1,929,000款項自僱員股份報酬儲備中撥回，並已計入股份溢價賬。

b 於截至2007年12月31日止6個月，本公司已於香港聯交所購回4,176,500股股份。此回購股份已於2007年12月31日前註銷。購回該等股份所支付之總額為\$35,164,000已於股東權益中扣除。

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

14 應收營業及其他應收款項 (續)

本集團給予用戶及其他客戶約平均30天之賒賬期。扣除撥備後之應收營業賬款賬齡分析如下：

	2007年 12月31日 \$000	2007年 6月30日 \$000
現時至30天	171,515	159,535
31至60天	25,798	15,304
61至90天	7,207	3,365
90天以上	3,812	1,214
	<u>208,332</u>	<u>179,418</u>

由於本集團擁有大量客戶，因此其應收營業賬款之信貸風險並不集中。

於截至2007年12月31日止6個月，本集團已確認之應收營業賬款減值虧損為\$5,866,000 (2006年：\$7,466,000)。該虧損已包括於綜合損益表之其他經營開支內。

15 現金及銀行結存

	2007年 12月31日 \$000	2007年 6月30日 \$000
短期已抵押銀行存款	<u>339,892</u>	<u>324,395</u>
銀行存款及現金	89,766	68,070
短期銀行存款	<u>1,207,869</u>	<u>1,923,990</u>
現金及現金等價物	<u>1,297,635</u>	<u>1,992,060</u>
	<u>1,637,527</u>	<u>2,316,455</u>

已抵押銀行存款中，\$226,244,000 (2007年6月30日：\$200,933,000) 已抵押作為本集團3G牌照履約保證之現金抵押品 (如附註19「承擔及或然負債」內所述)。

13 無形資產

	手機補貼 \$000	流動通訊 服務牌照費 \$000	總額 \$000
於2007年7月1日之期初賬面淨值	149,659	634,266	783,925
添置	133,883	—	133,883
攤銷	(103,093)	(32,191)	(135,284)
於2007年12月31日之期末賬面淨值	180,449	602,075	782,524
於2006年7月1日之期初賬面淨值	168,462	631,497	799,959
添置	69,023	66,052	135,075
攤銷	(113,846)	(31,091)	(144,937)
於2006年12月31日之期末賬面淨值	123,639	666,458	790,097
添置	124,405	—	124,405
攤銷	(98,385)	(32,192)	(130,577)
於2007年6月30日之期末賬面淨值	149,659	634,266	783,925

14 應收營業及其他應收款項

	2007年 12月31日 \$000	2007年 6月30日 \$000
應收營業賬款	220,618	192,423
減：應收營業賬款之減值撥備	(12,286)	(13,005)
應收營業賬款—淨額	208,332	179,418
按金及預付款項	191,944	129,751
其他應收款項	55,607	31,143
	455,883	340,312
減：按金及預付款項—非即期部分	(51,539)	(47,673)
即期部分	404,344	292,639

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

12 金融投資

	2007年 12月31日 \$000	2007年 6月30日 \$000
可供出售金融資產	56,381	58,854
持至到期日之債務證券	—	31,340
	<u>56,381</u>	<u>90,194</u>
減：於結算日起計1年內到期之持至到期日 之債務證券(包括在流動資產內)	—	(31,340)
非流動金融投資總額	<u>56,381</u>	<u>58,854</u>
		可供出售 金融資產 \$000
於2007年12月31日之賬面值 非上市、並非於活躍市場上買賣及私人發行		<u>56,381</u>
		\$000
(a) 可供出售金融資產		
於2007年7月1日		58,854
分配		(3,560)
重估盈餘		1,087
於2007年12月31日		<u>56,381</u>
		\$000
(b) 持至到期日之債務證券		
於2007年7月1日		31,340
攤銷		(68)
到期贖回		(31,272)
於2007年12月31日		<u>—</u>

截至2006及2007年12月31日止6個月，出售持至到期日之債務證券並無錄得損益。

11 固定資產

	\$000
於2007年7月1日之期初賬面淨值	1,832,045
添置	169,735
出售	(2,807)
匯兌差額	186
折舊	(222,418)
	<hr/>
於2007年12月31日之期末賬面淨值	<u>1,776,741</u>
於2006年7月1日之期初賬面淨值	1,924,064
添置	133,013
出售	(1,847)
匯兌差額	195
折舊	(242,945)
	<hr/>
於2006年12月31日之期末賬面淨值	1,812,480
添置	256,645
出售	(11,508)
匯兌差額	211
折舊	(225,783)
	<hr/>
於2007年6月30日之期末賬面淨值	<u>1,832,045</u>

於2007年12月31日，本集團以融資租賃持有之固定資產賬面淨值為\$163,571,000(2007年6月30日：\$204,464,000)。

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

9 股息

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
歸於期內		
宣派中期股息，每股28港仙(2006年：無)	161,115	—
歸於往年而於期內派付		
末期股息，每股27港仙(2006年：12港仙)	156,303	69,935
特別現金股息，每股85港仙(2006年：無)	492,063	—
	648,366	69,935
	809,481	69,935

於2008年3月4日舉行之會議上，董事就截至2008年6月30日止年度宣派中期股息每股28港仙。此中期股息未於本中期財務報表中列為應付股息，但將列作截至2008年6月30日止年度之保留溢利分派。

於2007年8月28日舉行之會議上，董事就截至2007年6月30日止年度宣派末期股息每股27港仙及特別現金股息每股85港仙，此項股息已於2007年11月19日派付，並已列作截至2007年12月31日止6個月之保留溢利分派。

10 每股盈利

每股基本及攤薄盈利是根據本集團之股東應佔溢利\$161,101,000(2006年：\$43,525,000)計算。

每股基本盈利為按照期內已發行股份之加權平均數578,725,553股(2006年：582,715,303股)計算。每股攤薄盈利乃根據579,243,252股(2006年：582,715,425股)計算，此股數乃包括期內已發行股份之加權平均數，及如全部購股權獲悉數行使被視為將以零代價予發行股份之加權平均數517,699股(2006年：122股)計算。

7 融資成本

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
遞增開支		
流動通訊服務牌照費負債	39,940	37,153
資產報廢責任	3,298	801
其他借貸成本	2	1
	<u>43,240</u>	<u>37,955</u>

遞增開支乃指流動通訊服務牌照費負債及資產報廢責任隨著時間過去而產生之變動，並以期初負債金額按利息分攤法計算。

8 所得稅開支

香港利得稅乃按期內估計應課稅溢利依稅率17.5% (2006年：17.5%) 提撥準備，海外溢利之所得稅則按照期內估計應課稅溢利依本集團經營業務地區之現行稅率計算。

計入綜合損益表之所得稅開支指：

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
即期所得稅		
香港利得稅	8,104	1,263
海外稅項	7,297	3,870
遞延所得稅	8,639	1,263
	<u>24,040</u>	<u>6,396</u>

中期財務報表附註

截至2007年12月31日止6個月

(以港元列值)

5 除所得稅前溢利

除所得稅前溢利已計入及扣除下列項目：

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
銷售貨品成本	339,407	538,965
攤銷		
手機補貼	103,093	113,846
流動通訊服務牌照費	32,191	31,091
折舊		
自置固定資產	181,529	199,357
租賃固定資產	40,889	43,588
土地及樓宇、收發站及專線之經營租約租金	297,540	272,895
(撥回)／存貨之減值虧損	(2,133)	900
出售固定資產之虧損	2,357	1,490
滙兌虧損／(收益)淨額	1,414	(650)

6 融資收入

	截至12月31日止6個月	
	2007	2006
	\$000	\$000
債務證券之利息收入		
上市	113	677
非上市	—	1,501
	113	2,178
銀行及其他財務機構存款之利息收入	51,020	44,903
遞增收入	1,616	1,327
	52,749	48,408

遞增收入乃指租賃按金隨著時間過去而產生之變動，並以期初租賃按金金額按利息分攤法計算。

4 分類呈報

本集團超過90%之收入及經營溢利乃來自其流動通訊業務，故本中期財務報表並無呈列按業務分類之分析。

分類資料以地區分類作為主要呈報方式。本集團按地區分類之資料分析如下：

	截至2007年12月31日止6個月			
	香港 \$000	澳門 \$000	對銷 \$000	綜合 \$000
收入	1,935,679	136,617	(16,609)	2,055,687
經營溢利	130,214	60,602	—	190,816
融資收入				52,749
融資成本				(43,240)
除所得稅前溢利				200,325
所得稅開支				(24,040)
除所得稅後溢利				176,285
	截至2006年12月31日止6個月			
	香港 \$000	澳門 \$000	對銷 \$000	綜合 \$000
收入	2,011,095	103,211	(12,781)	2,101,525
經營溢利	14,900	32,636	161	47,697
融資收入				48,408
融資成本				(37,955)
除所得稅前溢利				58,150
所得稅開支				(6,396)
除所得稅後溢利				51,754

3 會計政策 (續)

上述之新準則、現有準則之修訂及詮釋除披露影響外，並無對本集團截至2008年6月30日年度之綜合財務報表造成重大影響。概述如下：

- 香港會計準則第1號(修訂本)涉及實體之資本披露要求。香港會計準則第1號修訂要求披露(i)有關某實體對資本管理之目標、政策及過程之定性資料；(ii)有關該實體將何作為資本管理之概要量化數據；及(iii)該實體是否已遵守任何外部資本要求及任何不遵守之後果。香港會計準則第1號(修訂本)引入之新披露要求將於截至2008年6月30日之年度財務報表中載列。
- 香港財務報告準則第7號涉及有關香港會計準則第39號內金融工具產生之所有風險之披露要求，並適用於持有金融工具之任何實體。香港財務報告準則第7號要求實體披露金融工具對其財務狀況及業績之重要性以及有關金融工具所產生之風險性質與範圍的定性與量化資料。香港財務報告準則第7號引入之新披露要求將於截至2008年6月30日之年度財務報表中載列。
- 香港(國際詮釋委員會)一詮釋第10號禁止於其結算日後撥回已於以往中期期間確認以成本列賬之權益工具或金融資產之有關商譽及投資之減值虧損。
- 香港(國際詮釋委員會)一詮釋第11號提供有關涉及庫存股份或集團實體之股份交易(例如：母公司之股份認購權)是否應於母公司與集團公司之獨立賬目中載列為權益結算或現金結算之股份付款交易。

以下新準則、現有準則之修訂及詮釋雖已頒佈，但於2008年6月30日止年度並未生效，亦尚未採納。

香港會計準則第1號(修訂本)	財務報表之呈列 ¹
香港會計準則第23號(修訂本)	借貸成本 ¹
香港財務報告準則第8號	經營分類 ¹
香港(國際詮釋委員會)一詮釋第12號	特許服務安排 ²
香港(國際詮釋委員會)一詮釋第13號	客戶忠誠計劃 ³
香港(國際詮釋委員會)一詮釋第14號	香港會計準則第19號—界定利益資產、 最低撥款規定及相互關係之限制 ²

¹ 於2009年1月1日或之後開始之年度期間生效。

² 於2008年1月1日或之後開始之年度期間生效。

³ 於2008年7月1日或之後開始之年度期間生效。

中期財務報表附註

截至2007年12月31日止6個月
(以港元列值)

1 一般資料

數碼通電訊集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要於香港及澳門從事提供流動通訊服務，以及銷售流動電話及配件。

本公司為於百慕達註冊成立之有限公司。其總辦事處及主要營業地點位於香港九龍觀塘觀塘道378號創紀之城二期31樓。

本公司的股份主要在香港聯合交易所有限公司(「香港聯交所」)上市。

本未經審核簡明綜合中期財務報表(「中期財務報表」)以港幣千元(\$000)列值(除非另有說明)。本中期財務報表已於2008年3月4日獲董事會批准刊發。

2 編製基準

截至2007年12月31日止6個月之中期財務報表乃按《香港會計準則》(「香港會計準則」)第34號「中期財務報告」編製。本中期財務報表應與截至2007年6月30日止年度之年度財務報表一併閱讀。

3 會計政策

如截至2007年6月30日止6個月的年度財務報表所述，所採納之會計政策與截至2007年6月30日止年度之年度財務報表內所採用者一致。

以下乃於截至2008年6月30日止財政年度須遵守之新準則、現有準則之修訂及詮釋。

香港會計準則第1號(修訂本)	財務報表的呈列—資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港(國際詮釋委員會)—詮釋第10號	中期財務報告與減值 ²
香港(國際詮釋委員會)—詮釋第11號	香港財務報告準則第2號—集團與庫存股份交易 ³

¹ 於2007年1月1日或之後開始之年度期間生效。

² 於2006年11月1日或之後開始之年度期間生效。

³ 於2007年3月1日或之後開始之年度期間生效。

綜合權益變動表

截至2007年12月31日止6個月

(以港元列值)

	未經審核										
	歸於本公司股東								少數股東權益		總額
	資本				僱員股份				外匯儲備	保留溢利	
	股本	股份溢價	重估儲備	贖回儲備	繳入盈餘	報酬儲備	外匯儲備	保留溢利			
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
於2007年7月1日	58,018	270	17,899	2,954	2,349,294	15,705	713	1,065,691	27,117	3,537,661	
匯兌差額	—	—	—	—	—	—	253	—	—	253	
股份回購	(418)	—	—	418	(34,746)	—	—	(418)	—	(35,164)	
發行股份	98	10,642	—	—	—	(1,929)	—	—	—	8,811	
僱員股份報酬	—	—	—	—	—	9	—	—	—	9	
金融投資之重估盈餘	—	—	1,087	—	—	—	—	—	—	1,087	
支付2007年之中期股息予少數股東	—	—	—	—	—	—	—	—	(3,113)	(3,113)	
支付2007年之末期及特別現金股息	—	—	—	—	—	—	—	(648,366)	—	(648,366)	
期內溢利	—	—	—	—	—	—	—	161,101	15,184	176,285	
於2007年12月31日	57,698	10,912	18,986	3,372	2,314,548	13,785	966	578,008	39,188	3,037,463	

載於第13頁至28頁之附註乃本簡明綜合中期財務報表之組成部分。

綜合權益變動表

截至2007年12月31日止6個月
(以港元列值)

	未經審核									
	歸於本公司股東								少數	總額
	資本				僱員股份				股東權益	
	股本	股份溢價	重估儲備	贖回儲備	繳入盈餘	報酬儲備	外匯儲備	保留溢利		
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
於2006年7月1日	58,279	—	—	2,690	2,371,112	14,864	270	978,327	23,795	3,449,337
匯兌差額	—	—	—	—	—	—	197	—	—	197
股份回購	(91)	—	—	91	(6,628)	—	—	(91)	—	(6,719)
僱員股份報酬	—	—	—	—	—	727	—	—	—	727
金融投資之重估盈餘	—	—	20,286	—	—	—	—	—	—	20,286
支付2006年之中期股息予少數股東	—	—	—	—	—	—	—	—	(2,447)	(2,447)
支付2006年之末期股息	—	—	—	—	—	—	—	(69,935)	—	(69,935)
期內溢利	—	—	—	—	—	—	—	43,525	8,229	51,754
於2006年12月31日	58,188	—	20,286	2,781	2,364,484	15,591	467	951,826	29,577	3,443,200

簡明綜合現金流量表

截至2007年12月31日止6個月

(以港元列值)

	附註	未經審核	
		截至12月31日止6個月	
		2007	2006
		\$000	\$000
經營業務產生之現金淨額		409,461	430,586
投資活動(所用)/所得之現金淨額		(408,699)	371,766
融資活動所用之現金淨額		(694,154)	(88,647)
現金及現金等價物之(減少)/增加淨額		(693,392)	713,705
匯率變動之影響		(1,033)	1,337
於7月1日之現金及現金等價物		1,992,060	1,038,530
於12月31日之現金及現金等價物		1,297,635	1,753,572
現金及現金等價物結存分析			
現金及銀行結存	15	1,637,527	2,083,423
減：短期已抵押銀行存款	15	(339,892)	(329,851)
		1,297,635	1,753,572

載於第13頁至28頁之附註乃本簡明綜合中期財務報表之組成部分。

綜合資產負債表

於2007年12月31日及2007年6月30日

(以港元列值)

	附註	未經審核 2007年 12月31日 \$000	經審核 2007年 6月30日 \$000
非流動資產			
固定資產	11	1,776,741	1,832,045
聯營公司權益		1,812	1,812
金融投資	12	56,381	58,854
無形資產	13	782,524	783,925
按金及預付款項－非即期部分	14	51,539	47,673
		2,668,997	2,724,309
流動資產			
存貨		106,395	75,066
金融投資	12	—	31,340
應收營業賬款	14	208,332	179,418
按金及預付款項－即期部分		140,405	82,078
其他應收款項	14	55,607	31,143
現金及銀行結存	15	1,637,527	2,316,455
		2,148,266	2,715,500
流動負債			
應付營業賬款	16	114,497	154,984
其他應付款項及應計款項		646,923	711,787
即期所得稅負債		23,183	31,612
客戶按金		34,573	31,312
遞延收入		79,505	79,549
流動通訊服務牌照費負債－即期部分		76,020	65,895
		974,701	1,075,139
流動資產淨值		1,173,565	1,640,361
總資產減流動負債		3,842,562	4,364,670
非流動負債			
資產報廢責任		53,118	47,587
流動通訊服務牌照費負債－非即期部分		613,729	649,809
遞延所得稅負債		138,252	129,613
資產淨值		3,037,463	3,537,661
資本及儲備			
股本	17	57,698	58,018
儲備		2,940,577	3,452,526
本公司股東應佔總權益		2,998,275	3,510,544
少數股東權益		39,188	27,117
總權益		3,037,463	3,537,661

載於第13頁至28頁之附註乃本簡明綜合中期財務報表之組成部分。

綜合損益表

截至2007年12月31日止6個月
(以港元列值)

	附註	未經審核	
		截至12月31日止6個月	
		2007	2006
		\$000	\$000
流動通訊服務		1,706,514	1,552,893
流動電話及配件銷售		349,173	548,632
收入	4	2,055,687	2,101,525
銷售成本		(689,557)	(859,354)
網絡成本		(324,951)	(313,342)
員工成本		(209,383)	(188,610)
銷售及推廣費用		(133,813)	(163,428)
租金及水電費用		(76,160)	(72,019)
其他經營開支		(70,948)	(67,703)
折舊、攤銷及出售虧損		(360,059)	(389,372)
經營溢利		190,816	47,697
融資收入	6	52,749	48,408
融資成本	7	(43,240)	(37,955)
除所得稅前溢利	5	200,325	58,150
所得稅開支	8	(24,040)	(6,396)
除所得稅後溢利		176,285	51,754
歸於：			
本公司股東		161,101	43,525
少數股東權益		15,184	8,229
		176,285	51,754
期內本公司股東應佔溢利之每股盈利 (每股以港仙列值)	10		
基本		27.8	7.5
攤薄		27.8	7.5
股息	9		
歸於期內		161,115	—
歸於往年而於期內派付		648,366	69,935

載於第13頁至28頁之附註乃本簡明綜合中期財務報表之組成部分。

中期財務資料的審閱報告

致數碼通電訊集團有限公司董事會

(於百慕達註冊成立之有限公司)

緒言

本事務所已審閱載於第8頁至28頁之中期財務資料。此中期財務資料包括數碼通電訊集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)於二零零七年十二月三十一日之簡明綜合資產負債表與截至該日止六個月期間之相關簡明綜合損益表、權益變動表、現金流量表及主要會計政策概要和其他解釋附註。香港聯合交易所有限公司主板證券上市規則規定，中期財務資料報告之編製須符合當中有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」。本公司董事須對根據香港會計準則第34號「中期財務報告」編製及呈列該等中期財務資料負責，本事務所之責任是根據審閱結果，對本中期財務報作出結論，並按照雙方所協議之委任條款僅向整體董事會報告，除此之外本報告並無其他目的。本事務所不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

本事務所已按照香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師執行中期財務資料審閱」進行審閱工作。審閱中期財務資料包括主要向負責財務及會計事務之人員作出查詢，並應用分析性及其他審閱程序。審閱範圍遠少於根據香港核數師準則進行審閱之範圍，故不能令本事務所保證本事務所將知悉在審核中可能發現之所有重大事項。因此，本事務所不會發表審計意見。

結論

按照本事務所之審閱，本事務所並無發現任何事項，令本事務所相信中期財務資料在各重大方面未有根據香港會計準則第34號「中期財務報告」編製。

羅兵咸永道會計師事務所

執業會計師

香港，2008年3月4日

功能貨幣及外匯波動風險

本集團之功能貨幣為港元。除本集團以美元結算之美元銀行存款及債務證券外，所有重大收入、開支、資產及負債均以港元計算。因此，本集團除以美元計算之銀行存款及債務證券外，並無任何重大滙兌收益及虧損風險。本集團現階段並無進行任何外滙對沖活動。

或然負債

履約保證

若干銀行代表本集團就其於香港及澳門獲當地之電訊管理局發出牌照之責任，向有關當局發出履約保證。於2007年12月31日，此等履約保證之未償總額為\$454,000,000(2007年6月30日：\$404,000,000)。

出租、租回安排

一間銀行代表本集團發出一份信用證，為本集團於截至1999年6月30日止年度訂立之出租、租回安排須履行之責任作出擔保。此項信用證全數以盈餘資金作為現金抵押。董事認為，本集團須根據此項擔保付款之風險極微。

僱員及購股權計劃

於2007年12月31日，本集團有1,709名全職僱員(2007年6月30日：1,692名)，大部分為香港員工。截至2007年12月31日止6個月之員工成本總額為\$209,000,000(2006/07年上半年：\$189,000,000)。

僱員收取之薪酬組合包括基本月薪、獎勵花紅及其他福利。花紅為酌情性質，須視乎本集團之表現及個別僱員之表現而發放。福利包括退休計劃及醫療與牙科保險。本集團亦就個別僱員之需要，提供內部及公司以外之培訓。

根據本集團之購股權計劃，本公司可向包括董事及僱員在內之參與者授予購股權以認購本公司之股份。截至2007年12月31日止6個月，並無授出購股權，有979,000份認購權獲行使以認購本公司979,000股股份，且有193,000份購股權被註銷或失效。於2007年12月31日，尚未行使之購股權共9,481,500份(2007年6月30日：10,653,500份)。

由於期初之未攤銷手機補貼數額下降至\$150,000,000(2006/07上半年：\$168,000,000)，手機補貼攤銷下跌\$11,000,000或10%至\$103,000,000(2006/07上半年：\$114,000,000)。於2007年12月31日未攤銷手機補貼數額增加至\$180,000,000(2007年6月30日：\$150,000,000)。

融資收入增加9%至\$53,000,000(2006/07上半年：\$48,000,000)，主要由於銀行存款及債務證券之平均結餘增加，以及穩定平均回報所致。融資成本上升14%至\$43,000,000(2006/07上半年：\$38,000,000)，主要由於流動通訊服務牌照費負債及資產報廢責任之遞增開支增加所致。

澳門流動通訊業務持續增長，並於截至2007年12月31日止6個月期間錄得理想業績。收入增長32%至\$137,000,000(2006/07上半年：\$103,000,000)。此項增長勝過銷售成本、經營開支、折舊及攤銷合共4%之增加。因此，經營溢利上升85%至\$61,000,000(2006/07上半年：\$33,000,000)。

資本架構、流動資金及財務資源

於截至2007年12月31日止6個月，本集團之資本架構並無重大變動。回顧期內本集團之資金來自股本及內部產生之資金。本集團之現金資源依然強勁，於2007年12月31日之現金及銀行結餘及持有至到期日之債務證券投資達\$1,638,000,000(2007年6月30日：\$2,348,000,000)。

於截至2007年12月31日止6個月，本集團經營業務之現金流入淨額及收取之利息淨額分別為\$409,000,000及\$54,000,000。回顧期內，本集團之主要資金流出為購置資產、手機補貼、流動通訊服務牌照費及支付2006/07年度之末期及特別現金股息。

董事認為，本集團內部之現金資源，足以應付截至2008年6月30日止財政年度之資本開支及營運資金所需。

財資管理政策

本集團根據董事會不時批准之財資管理政策，動用盈餘資金作投資用途。盈餘資金乃存放作銀行存款或投資於投資級別之債務證券。銀行存款主要為港元及美元存款。所投資之債務證券，均以港元或美元結算，年期最長為三年。本集團之政策是持有其於債務證券之投資直至到期日。

於2007年12月31日及2007年6月30日，本集團之備用銀行信貸總額為\$100,000,000，該等信貸並無被動用。

本集團受規定須安排銀行為其開立履約保證及信用證。在若干情況下，本集團以現金存款作為該等工具之部份或全部抵押品，以減輕發行成本。於2007年12月31日，已抵押存款總額為\$340,000,000(2007年6月30日：\$324,000,000)。

財務業績回顧

收入下跌2%至\$2,056,000,000(2006/07上半年：\$2,102,000,000)，其中流動通訊服務收入之增長，被流動電話及配件銷售下降抵銷。受ARPU改善以及客戶數目輕微增長所帶動，流動通訊服務收入增加\$154,000,000或10%。此項收入增長超過提供服務成本及經營開支之增加。銷售貨品成本則跟隨銷售收入下降。折舊、攤銷及出售虧損下跌8%。因此，經營溢利急升300%至\$191,000,000(2006/07上半年：\$48,000,000)。融資收入之增加抵銷主要以遞增開支組成之融資成本之增加。本公司股東應佔溢利錄得270%之強勁增長至\$161,000,000(2006/07上半年：\$44,000,000)。

收入下跌2%至\$2,056,000,000(2006/07上半年：\$2,102,000,000)。

- 流動通訊服務收入增長10%至\$1,707,000,000(2006/07上半年：\$1,553,000,000)反映客戶質素及ARPU之改善。數據服務收入錄得令人鼓舞的增長，而由於市場價格競爭激烈，本地話音收入持續下跌。

香港之綜合ARPU上升7%至\$238(2006/07上半年：\$222)，反映本集團之客戶質素持續改善。

儘管本地月費有沉重下調之壓力，香港之月費計劃服務ARPU仍錄得11%之增長至\$283(2006/07上半年：\$254)。

由於多媒體服務之採用日益增加，數據服務繼續為本集團之收入增長作出重要貢獻，獲得42%之強勁升幅。

- 因市場競爭激烈令平均售價下跌，流動電話及配件銷售下跌36%至\$349,000,000(2006/07上半年：\$549,000,000)。

銷售成本下降20%至\$690,000,000(2006/07上半年：\$859,000,000)。跟隨流動電話及配件銷售下跌，銷售貨品成本下降37%至\$339,000,000(2006/07上半年：\$539,000,000)。受互連費用、數據服務成本及漫遊合作夥伴費用因使用量增加而上升所帶動下，提供服務成本增加9%至\$350,000,000(2006/07上半年：\$320,000,000)。

經營開支(不包括折舊、攤銷及出售虧損)輕微上升1%至\$815,000,000(2006/07上半年：\$805,000,000)。由於本集團持續提升網絡容量、質素及覆蓋，網絡經營成本增加4%。銷售及推廣費用下跌18%，主要由於廣告開支下降所致。受勞工及房地產市場之成本壓力所帶動下，員工成本、租金及水電費用，以及其他經營開支合共上升9%。

折舊及出售固定資產虧損下跌8%至\$225,000,000(2006/07上半年：\$244,000,000)，主要由於某些網絡設備經已完成折舊之影響所致。

SmarTone-Vodafone全面提升其HSPA網絡，下載速度現已高達14.4Mbps，上載速度高達2Mbps。SmarTone-Vodafone的HSPA網絡覆蓋廣泛全面，無論室外室內，均為客戶提供無可比擬的網絡質素。憑藉此完善的網絡，本公司得以提供專為接駁個人電腦而設的SmarTone-Vodafone隨身寬頻，以及各種先進的多媒體服務。我們深信本公司網絡為同級之冠，並得到市場廣泛推崇。

透過與Vodafone之夥伴關係，期內本公司推出了一系列獨家的Vodafone手機及HSPA Modem，以迎合客戶不斷提升的要求。這些產品不僅質素卓越，而且使用極之簡易，並與SmarTone-Vodafone各項服務配合完美，為客戶帶來更多選擇和非凡價值。

澳門流動通訊業務

受惠於澳門蓬勃的經濟發展，期內的流動服務收入及溢利均持續增長。

前景

由於市場競爭日趨激烈，加上成本通脹持續上升及利率持續下調，預期下半年度之溢利將會受壓。

本公司會繼續致力為不同目標客群提供獨特優越的服務，以及帶來非凡的服務質素和無可比擬的客戶體驗。此外，本公司會推出各種開創先河的服務，為客戶帶來嶄新的資訊娛樂體驗和滿足他們廣泛的通訊需要，從而開拓新的收入來源。憑藉本公司的競爭優勢，本人深信我們定能在這瞬息萬變的行業，開拓更多業務發展機會，並進一步鞏固市場領導地位。

致謝

本人藉此對所有客戶、股東及董事同寅一直以來的支持，以及每位員工的專心致志及努力，衷心致謝。

主席
郭炳聯

香港，2008年3月4日

本人欣然宣佈本集團截至2007年12月31日止6個月之業績。

財務摘要

期內，由於手機收入跌幅抵銷流動服務收入之10%增長，本集團收入輕微下調2%至\$2,056,000,000。未計利息、稅項、折舊及攤銷前之盈利(「EBITDA」)增加26%至\$551,000,000。股東應佔溢利增加至\$161,000,000，去年同期為\$44,000,000。每股盈利則為27.8港仙。

股息

董事會宣佈派付中期股息每股28港仙，此乃根據分派股東應佔溢利(不包括非經常性項目)之100%作為股息之派息政策。

業務回顧

香港流動通訊業務

流動服務收入持續增長，反映客戶質素及ARPU不斷提升，而多媒體服務亦越來越受歡迎。本公司一直致力為不同目標客群提供獨特優越服務，為他們帶來非凡的服務質素和無可比擬的客戶體驗。

然而，手機收入則因平均售價下調而減少，顯示市場競爭持續加劇。

數據收入持續錄得令人鼓舞的增長，現佔流動服務收入22.1%，較去年同期的17.1%有所增加。多媒體服務佔總數據收入三分之二。

隨著客戶質素提升，綜合ARPU增長7%至\$238，月費計劃服務之ARPU則增加11%至\$283。月費計劃服務客戶流失率於2007年12月為2.1%，情況稍有改善。於2007年12月31日，客戶總數為1,108,000人。3G客戶數目保持增長，現佔月費計劃服務客戶總數40%。

SmarTone-Vodafone一直致力推出各種獨特優越的服務，為客戶帶來無可比擬的體驗，亦使手機在日常生活的應用得以不斷推陳出新。FoneTV個人流動電視服務提供豐富的精選節目和直播電視頻道。SmarTone-Vodafone獨有分熒幕設計，方便客戶欣賞節目及操作各項功能，無論轉換頻道或進行互動交易，均極之簡單快捷。配備HSPA手機的客戶更可選擇升級，以HD Wide高清闊熒幕，欣賞所有節目。

目錄

2	主席報告
4	管理層討論及分析
7	中期財務資料的審閱報告
8	綜合損益表
9	綜合資產負債表
10	簡明綜合現金流量表
11	綜合權益變動表
13	中期財務報表附註
29	其他資料

中期報告 | 2007/2008



END