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CORPORATE PROFILE

PCCW Limited (PCCW or the Company) is the holding company of HKT Group Holdings Limited (HKT), Hong Kong's premier telecommunications provider and a world-class player in Information and Communications Technologies. PCCW also holds a majority interest in Pacific Century Premium Developments Limited, and overseas investments including the wholly-owned UK Broadband Limited.

As the provider of Hong Kong's first quadruple-play experience, PCCW/HKT offers a range of innovative media content and services across four platforms – fixed-line, broadband Internet access, TV and mobile. In addition, the Group meets the sophisticated needs of the local and international business community, while supporting network operators with cutting-edge technical services and handling large-scale IT outsourcing projects for public and private sector organizations.

Employing approximately 16,300 staff, PCCW is headquartered in Hong Kong and maintains a presence in Europe, the Middle East, Africa, the Americas and mainland China, as well as other parts of Asia.

PCCW shares are listed on The Stock Exchange of Hong Kong Limited (SEHK: 0008) and traded in the form of American Depositary Receipts (ADRs) on the Pink OTC Markets in the US (Ticker: PCCWY).

KEY FIGURES

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2009
In HK\$ million (except for per share data)

	2009 (Unaudited)	2008 (Unaudited)
Turnover		
Core revenue*	10,468	10,754
PCPD	2,306	618
	12,774	11,372
Cost of sales	(6,431)	(4,942)
General and administrative expenses	(4,642)	(4,744)
Other (losses)/gains, net	(12)	16
Finance costs, net	(736)	(590)
Share of results of associates and jointly controlled companies	10	(7)
Impairment losses on interests in an associate and a jointly controlled company	(41)	–
Profit before income tax	922	1,105
Income tax	(174)	(417)
Profit for the period	748	688
Attributable to:		
Equity holders of the Company	654	656
Minority interests	94	32
Earnings per share (in HK cents)		
Basic	9.66	9.68
Diluted	9.65	9.67
Dividend per share (in HK cents)		
Interim dividend	–	7.00
EBITDA ¹		
Core EBITDA*	3,284	3,364
PCPD	306	72
	3,590	3,436

OPERATION HIGHLIGHTS

	As at	
	June 30, 2009	December 31, 2008
Exchange lines in service ('000)	2,590	2,603
Business lines ('000)	1,183	1,195
Residential lines ('000)	1,407	1,408
Traditional data (Exit Gbps)	792	927
International Private Leased Circuit bandwidth (Exit Mbps)	78,361	78,202
Total broadband access lines ('000)	1,305	1,302
NOW TV		
Installed base ('000)	992	953
Paying base ('000)	705	686
Mobile subscribers		
3G post-paid ('000)	470	414
2G post-paid ('000)	430	440
2G prepaid ('000)	508	459

*Note: Please refer to page 11. Note 1: Please refer to page 13.

STATEMENT FROM THE CHAIRMAN

In the first half of 2009, the Company operated in an economy and a market that were severely impacted by the global financial turmoil.

The Group registered revenues of HK\$12,774 million and profit attributable to its equity holders of HK\$654 million for the six months to end-June 2009, as businesses scaled back investments and consumers also became more cautious about spending. The Company's performance has been reasonable given the adverse market conditions.

As the global system gradually recovers from the repercussions of the financial crisis, there have been signs recently that optimism has returned to the local stock and property markets.

The Company's strategy at this uncertain juncture has been to consolidate our position in the market while remaining alert to growth opportunities as they arise.

Unfortunately, the telecommunications sector in Hong Kong is one of the most competitive in the world and downward pressure on prices is severe. In response, PCCW continues to leverage its advantages which lie in our capability to innovate and lead the field with unique products and quality services. Our position as Hong Kong's premier telecommunications provider and a world-class ICT player has remained unaltered.

The Board recognizes that the harsh market conditions have thrown additional burdens on the Company's employees. We thank them for their efforts and perseverance.

The Company has taken active steps to preserve its financial strength and prepare itself for investment and business opportunities locally or internationally. The Board will continue to make maximization of value for all shareholders its priority.

A handwritten signature in blue ink, consisting of a large, loopy 'R' followed by a smaller 'L' and a dot, all enclosed within a thin blue oval.

Richard Li
Chairman
August 20, 2009

STATEMENT FROM THE GROUP MANAGING DIRECTOR

The Group reported a stable performance for the first half of 2009 despite a very difficult business environment.

In mid-2009, Hong Kong's GDP growth forecast for the full year remained negative, although there was a general expectation of a return to positive territory in 2010.

The recent rebound of equities and property prices has given rise to hope that a recovery might be on its way. Yet, even with this renewed confidence, the macro economic situation is still very difficult and needs to be monitored closely.

The external environment has posed numerous challenges to the Company; we have seen both a major contraction in the business sector and significantly slower spending among consumers.

We have responded to these challenges accordingly. Operationally we are more conscious than ever of cost management, while no effort is spared in retaining our customer base and broadening our revenue sources with our quality products and services.

SERVING CUSTOMERS BETTER

Towards the end of the first half, we celebrated the launch of PCCW **eye2**, a portable media center which addresses the traditional voice communication needs of the home and provides new infotainment and communication features for every member of the family. On PCCW **eye2**'s 8-inch touch-screen LED monitor, customers may make video calls and access more than 100 types of contents and services including **NOW TV**, **MOOV** digital music, interactive language learning, news and weather bulletins, and stock price updates.

PCCW **eye2** is a prime example of PCCW's efforts to enhance our products through research and development, taking into account feedback from customers. Reception has been encouraging since launch.

We have also recently introduced **NETVIGATOR** Pocket Wi-Fi, a mobile broadband service that can give several Wi-Fi enabled appliances (e.g. laptops, cameras, game consoles, mobile phones) simultaneous high speed Wi-Fi Internet access by connection to our HSPA mobile network.

In June, PCCW won additional radio spectrum in the 1800MHz band in an auction held by the Office of the Telecommunications Authority. The spectrum is of high strategic value to the further development of our suite of wireless services.

During the first half, **NOW TV** continued to boost the variety and quality of its programming with the introduction of the All Sports Network channel – and later its HD version – and more local content for the increasingly popular **NOW** Hong Kong channel.

Another initiative was upgrade of our customer hotline service. The 1000 Consumer Service Hotline is now dedicated to general consumers in relation to our quadruple-play services and products. At the same time, a new 10088 Business Customer Hotline has been introduced to meet the different needs of business clients.

We aim to provide more focused services and a single, easy-to-remember hotline number for the respective customer segments. This is particularly convenient to the increasing number of customers who use multiple PCCW products.

MAINTAINING OUR COMPETITIVENESS

The business sector, in particular the banking and finance segment, took a heavy toll from the global financial crisis commencing in mid-2008. The overall business market contracted and the Company saw a corresponding reduction in fixed-line business activities in the first half of 2009.

However, thanks to our reputation as a reliable provider and our long standing relationship with customers, we have maintained our market share. We have seen some promising indicators that the business market might now be stabilizing.

Being responsive to market needs is one of the Company's strengths. A new regulatory requirement for banks to record investment products sale process has created business opportunities for the Company. In March, PCCW provided a Secure Voice Recording Solution to Bank of East Asia. The solution employs the US National Security Agency's Top Secret encryption standard and is the first to adopt the fixed-to-mobile integration technology in voice recording in Hong Kong. We have since installed secure recording for a number of other banks.

Another welcome development was a contract with the Air Traffic Management Bureau (East China) in May to provide a control tower simulation system for training – this was the first technology partnership between PCCW Solutions and mainland's air traffic management sector.

In June, PCCW Global announced the launch of the TGN-Intra Asia Cable System, the region's first direct, point-to-point and express optical-fiber submarine cable interconnecting key points of presence in Hong Kong, Tokyo and Singapore. PCCW is a significant stakeholder of this cable, which will greatly increase our network's capacity, providing our customers with greater flexibility and route diversity, and meeting the demand for Internet, TV broadcast, enterprise connectivity and applications, and all forms of data and voice services.

REBOUND IN PROPERTY PRICES

We remain positive about the long-term outlook for the local property market, especially the luxury segment due to the limited supply of high-end residential properties.

Pacific Century Premium Developments Limited (PCPD) has reviewed its investment strategy with regards to its portfolio in Beijing following a recent surge in mainland China's property market. The objective is to maximize the return on investment and to enhance its financial strength.

In other parts of the region, PCPD's development projects in Hokkaido in Japan and Phang-nga in southern Thailand made steady progress during the period.

CORPORATE ACTIVITIES

In April, the proposal by the Company's two major shareholders to privatize the Company lapsed. Subsequently, a special dividend of HK\$1.30 per share, in lieu of a final dividend for 2008, was declared and paid to shareholders on May 18, 2009.

The Company continues to have in place sound and prudent financial management policies and practices. We are acutely conscious of the needs to carefully control all of our costs – particularly in these difficult times. In the first half, we tightened our resources to responsibly manage our costs and ensure our operations are run as efficiently as possible in order to improve our competitive position.

Finally, I would like to thank the Board for its guidance and the staff for their hard work in the past months. I look forward to their continuing support in what will likely be another challenging period in the remainder of 2009.



Alex Arena

Group Managing Director
August 20, 2009

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

LI Tzar Kai, Richard

Chairman

Mr Li, aged 42, was appointed an Executive Director and Chairman of PCCW in August 1999. He is Chairman of PCCW's Executive Committee. He is also Chairman and Chief Executive of the Pacific Century Group, Chairman of Pacific Century Premium Developments Limited (PCPD), Chairman of PCPD's Executive Committee and Chairman of Singapore-based Pacific Century Regional Developments Limited.

Mr Li is a Non-Executive Director of The Bank of East Asia, Limited. He is also a representative of Hong Kong, China to the Asia Pacific Economic Co-operation (APEC) Business Advisory Council, a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a member of the Global Information Infrastructure Commission.

Alexander Anthony ARENA

Group Managing Director

Mr Arena, aged 58, was appointed an Executive Director of PCCW in August 1999. He is Group Managing Director of PCCW, Deputy Chairman of PCCW's Executive Committee, a Director of Pacific Century Regional Developments Limited, and Deputy Chairman, an Executive Director and Executive Committee member of Pacific Century Premium Developments Limited.

Prior to joining the Pacific Century Group in 1998, Mr Arena was a Special Policy Adviser to the Hong Kong Government from 1997 to 1998. From 1993 to 1997, he was Director-General of Telecommunications at the Office of the Telecommunications Authority (OFTA) of Hong Kong, as well as a member of the Broadcasting Authority of Hong Kong.

Before taking up his post at OFTA, Mr Arena was appointed by the Hong Kong Government to plan a reform program for the liberalization of Hong Kong's telecommunications sector. Prior to his appointment to the Hong Kong Government, he served as an inaugural member of the Australian Telecommunications Authority for four years. Mr Arena has led an extensive career in public administration, specializing in high technology and infrastructure industries. From a practicing radio/communications engineer to a public policy maker, his experience spans such diverse areas as commercialization of government-owned business enterprises and deregulation in the aviation, transport, telecommunications and postal industries.

Mr Arena graduated from University of New South Wales, Australia, with a bachelor's degree in electrical engineering. He completed an MBA at Melbourne University, Australia, and is a Fellow of the Hong Kong Institution of Engineers.

Mr Arena was an Executive Director and the Chairman of SUNDAY Communications Limited (listing of its shares on The Stock Exchange of Hong Kong Limited was withdrawn with effect from December 20, 2006 and the company was subsequently dissolved on March 30, 2007) from July 2005 to December 2006.

Peter Anthony ALLEN

Executive Director

Mr Allen, aged 54, was appointed an Executive Director of PCCW in August 1999. He is Director of Corporate Development of PCCW, Group Managing Director of Pacific Century Regional Developments Limited and an Executive Director and Chief Financial Officer of the Pacific Century Group.

Mr Allen joined KPMG in 1976 before taking up an appointment at Occidental Petroleum Corporation in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, he moved to Singapore as Regional Financial Director of the Vestey Group.

Mr Allen joined Boustead Singapore Limited as Group Operations Controller in 1992 before taking up an appointment with Morgan Grenfell Investment Management (Asia) Limited as a Director and Chief Operating Officer in 1995. He joined the Pacific Century Group in 1997.

Mr Allen was educated in England and graduated from Sussex University with a degree in economics. He is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore.

CHUNG Cho Yee, Mico

Executive Director

Mr Chung, aged 48, was appointed a Director of PCCW in November 1996 responsible for merger and acquisition activities. He is a member of PCCW's Executive Committee. He joined the Pacific Century Group in March 1999. He is also a qualified solicitor.

Mr Chung graduated from University College, University of London, England, with a law degree in 1983. He qualified as a solicitor in Hong Kong in 1986, after which he worked in the commercial department of a law firm in Hong Kong for two years. He joined the corporate finance department of Standard Chartered Asia Limited - the investment banking arm of Standard Chartered Bank - in 1988. He became a Director and General Manager of Bond Corporation International Ltd in 1990, after which he joined China Strategic Holdings Ltd in January 1992.

Mr Chung is Non-Executive Chairman and Non-Executive Director of Capital Strategic Investment Limited and Independent Non-Executive Director of HKC (Holdings) Limited. He was an Independent Non-Executive Director of CIAM Group Limited (formerly known as E2-Capital (Holdings) Limited) between March 9, 2001 and May 31, 2008.

LEE Chi Hong, Robert

Executive Director

Mr Lee, aged 58, was appointed an Executive Director of PCCW in September 2002. He is a member of PCCW's Executive Committee. He is also an Executive Director and Chief Executive Officer of Pacific Century Premium Developments Limited (PCPD) and a member of PCPD's Executive Committee.

Mr Lee was previously an Executive Director of Sino Land Company Limited (Sino Land), at which his responsibilities included sales, finance, acquisitions, investor relations, marketing and property management. Prior to joining Sino Land, Mr Lee was a senior partner at Deacons in Hong Kong, where he specialized in banking, property development, corporate finance and dispute resolution in Hong Kong and mainland China. Before that, he was a solicitor with the London firm Pritchard Englefield & Tobin (now Pritchard Englefield). He was enrolled as a solicitor in the United Kingdom in 1979 and admitted as a solicitor in Hong Kong in 1980. Mr Lee became a Notary Public in Hong Kong in 1991.

Mr Lee has also served as a member of the panel of arbitrators of the China International Economic and Trade Arbitration Commission of the China Council for the Promotion of International Trade in Beijing.

He graduated from Cornell University in the United States in 1975 with a bachelor's degree in political science.

NON-EXECUTIVE DIRECTORS

Sir David FORD, KBE, LVO

Non-Executive Director

Sir David, aged 74, was appointed a Non-Executive Director of PCCW in June 2002. He started his working life as an army officer in the Royal Artillery and served in five continents. During his last five years with the army, he served with the Commando Brigade and saw active service in Aden and Borneo.

Sir David left the army in 1972 and subsequently spent more than 20 years in Hong Kong, holding a number of appointments as a senior civil servant in the Hong Kong Government and one appointment in the Northern Ireland Office.

He attended the Royal College of Defence Studies in 1982. He was Chief Secretary and Deputy Governor of the Hong Kong Government from 1986 to 1993, before becoming the Hong Kong Commissioner in London until the change of sovereignty in Hong Kong in 1997.

LU Yimin

Non-Executive Director

Mr Lu, aged 45, became a Non-Executive Director of PCCW in May 2008. He is a member of the Nomination Committee and Regulatory Compliance Committee of the Board.

Mr Lu is an Executive Director and President of China Unicom (Hong Kong) Limited. He is Vice Chairman and President of China United Network Communications Group Company Limited. He is also a Director and President of China United Network Communications Corporation Limited.

Mr Lu joined China Network Communications Group Corporation (CNC) in December 2007, serving as senior management. Prior to joining CNC, Mr Lu was a member of the Secretary Bureau of the General Office of the Chinese Communist Party Central Committee, serving as the Deputy Director and the Director of the Information Processing Office since 1992, Secretary at deputy director general level since 2001 and Secretary at director general level since 2005.

Mr Lu is a professor level senior engineer and has extensive experience in government administration and business management. He graduated from Shanghai Jiao Tong University in 1985 with a bachelor's degree in computer science and then was awarded a master's degree in public administration by the John F. Kennedy School of Government at Harvard University in the United States.

ZUO Xunsheng

Deputy Chairman and Non-Executive Director

Mr Zuo, aged 58, became a Deputy Chairman and Non-Executive Director of PCCW in July 2007. He is a member of the Remuneration Committee and Executive Committee of the Board.

Mr Zuo is an Executive Director and a Senior Vice President of China Unicom (Hong Kong) Limited. He is Vice Chairman and Vice President of China United Network Communications Group Company Limited. He is also a Director and Senior Vice President of China United Network Communications Corporation Limited.

Mr Zuo joined China Network Communications Group Corporation as Vice President in April 2002, and served as Senior Vice President of China Netcom Group Corporation (Hong Kong) Limited (CNC HK) since July 2004, Chief Operating Officer of CNC HK since December 2005, an Executive Director and Chief Executive Officer of CNC HK since May 2006 and Chairman of CNC HK since May 2008.

Mr Zuo graduated from Guanghua School of Management of Peking University with an EMBA degree in 2004. From July 1993 to October 1997, Mr Zuo served as Director of the former Bureau of Telecommunications of Jinan City, Shandong Province. From October 1997 to May 2000, he served as Director of the former Posts and Telecommunications Bureau of Shandong Province. He was President of the former Shandong Telecommunications Company from May 2000 to April 2002. Mr Zuo is well experienced in telecommunications operations and has rich management experience.

LI Fushen
Non-Executive Director

Mr Li, aged 46, became a Non-Executive Director of PCCW in July 2007.

Mr Li is a Senior Vice President of China Unicom (Hong Kong) Limited. He is Vice President of China United Network Communications Group Company Limited. He is also a Director and Senior Vice President of China United Network Communications Corporation Limited.

He served as an Executive Director of China Netcom Group Corporation (Hong Kong) Limited (CNC HK) since January 2007 and as Chief Financial Officer of CNC HK since September 2005. He served as Financial Controller of CNC HK from July 2004 to August 2005. He served as Joint Company Secretary of CNC HK from December 2006 to March 2008. Since October 2005, he has served as Chief Accountant of China Network Communications Group Corporation (CNC). From October 2003 to August 2005, he served as General Manager of the Finance Department of CNC. From November 2001 to October 2003, he served as Deputy General Manager of Jilin Communications Company and Deputy General Manager of the former Jilin Provincial Telecommunications Company.

Mr Li graduated from the Australian National University with a master's degree in management, and from the Jilin Engineering Institute with a degree in engineering management in June 1988.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor CHANG Hsin-kang,
FEng, GBS, JP

Independent Non-Executive Director

Professor Chang, aged 69, was appointed a Director of PCCW in October 2000. He is a member of the Audit Committee and the Regulatory Compliance Committee of the Board.

Professor Chang became a Tsinghua University (Honorary Professor and) Wei Lun Senior Visiting Scholar in September 2007, and (Honorary Professor and) Yeh-Lu Xun Chair Professor at Peking University in February 2008. He was President and University Professor of City University of Hong Kong from 1996 to 2007. Prior to that, he was Dean of the School of Engineering at the University of Pittsburgh in the United States from 1994 to 1996, Founding Dean of the School of Engineering at Hong Kong University of Science and Technology from 1990 to 1994 and Chairperson of the Department of Biomedical Engineering at the University of Southern California in the United States from 1985 to 1990.

Professor Chang is a Foreign Member of the Royal Academy of Engineering of the United Kingdom and Chevalier dans L'Ordre National de la Légion d'Honneur as well as Commandeur dans L'Ordre des Palmes Académiques of France. He was appointed Justice of the Peace in July 1999 and awarded the Gold Bauhinia Star by the Hong Kong Government in July 2002.

He obtained his bachelor's degree in civil engineering from the National Taiwan University, a master's degree in structural engineering from Stanford University in the United States and a doctorate in fluid mechanics and biomedical engineering from Northwestern University in the United States.

Professor Chang is an Independent Non-Executive Director of Hon Kwok Land Investment Company, Limited, Brightoil Petroleum (Holdings) Limited, and Nanyang Commercial Bank, Ltd.

**Dr The Hon Sir David LI Kwok Po,
GBM, GBS, OBE, JP**

Independent Non-Executive Director

Sir David, aged 70, was appointed a Director of PCCW in October 2000. He was previously a Non-Executive Deputy Chairman of the former Hong Kong-listed Cable & Wireless HKT Limited and served as a Director from November 1987 to August 2000. He is a member of the Audit Committee, Remuneration Committee, Nomination Committee and Regulatory Compliance Committee of the Board.

Sir David is Chairman and Chief Executive of The Bank of East Asia, Limited. He is also a Director of China Overseas Land & Investment Limited, COSCO Pacific Limited, Criteria CaixaCorp, S.A., Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited, Vitasoy International Holdings Limited, AFFIN Holdings Berhad and IMG Worldwide Inc. He was a director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited and Dow Jones & Company, Inc.

Sir David is a member of the Legislative Council of Hong Kong. He is Chairman of The Chinese Banks' Association, Limited and The Hong Kong Management Association. Sir David is also a member of the Banking Advisory Committee and the Council of the Treasury Markets Association.

Sir Roger LOBO, CBE, LLD, JP

Independent Non-Executive Director

Sir Roger, aged 85, was appointed a Director of PCCW in August 1999. He is Chairman of the Regulatory Compliance Committee and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

He is also a Director of several organizations, including Shun Tak Holdings Limited, Johnson & Johnson (HK) Ltd, Kjeldsen & Co (HK) Ltd, Pictet (Asia) Ltd and Melco International Development Limited.

Sir Roger's extensive record of public service includes membership of the Hong Kong Housing Authority, the Urban Council, the Executive Council and serving as a senior member of the Legislative Council. Sir Roger also served as Commissioner of the Civil Aid Service, Chairman of the Hong Kong Broadcasting Authority and Chairman of the Advisory Committee on Post-retirement Employment.

He currently serves as Chairman (Board of Trustees) of the Vision 2047 Foundation, Vice Patron of the Community Chest of Hong Kong, the Society for the Rehabilitation of Offenders and as Advisory Board Member of the Hong Kong Aids Foundation.

Sir Roger has received several awards and honors from the British Crown and the Vatican.

Aman MEHTA

Independent Non-Executive Director

Mr Mehta, aged 62, became an Independent Non-Executive Director of PCCW in February 2004 and is Chairman of the Audit Committee and the Nomination Committee of the Board.

He joined the Board following a distinguished career in the international banking community. Mr Mehta held the position of Chief Executive Officer of The Hongkong and Shanghai Banking Corporation Limited (HSBC) until December 2003, when he retired.

Born in India in 1946, Mr Mehta joined HSBC group in Bombay in 1967. After a number of assignments throughout HSBC group, he was appointed Manager – Corporate Planning at HSBC's headquarters in Hong Kong in 1985. After a three-year posting to Riyadh in Saudi Arabia, he was appointed Group General Manager in 1991, and General Manager – International the following year, with responsibility for overseas subsidiaries. He subsequently held senior positions in the United States, overseeing HSBC group companies in the Americas and later becoming responsible for HSBC's operations in the Middle East.

In 1998, Mr Mehta was reappointed General Manager – International, after which he became Executive Director International. In 1999, he was appointed Chief Executive Officer, a position he held until retirement.

Following his retirement in December 2003, Mr Mehta took up residence in New Delhi. He is an Independent Director on the board of several public companies and institutions in India and internationally. He is an Independent Non-Executive Director of Vedanta Resources Plc in the United Kingdom, Tata Consultancy Services Limited, Godrej Consumer Products Ltd, Jet Airways Ltd and Wockhardt Ltd in Mumbai, India; Max India Ltd, Cairn India Limited and Emaar MGF Land Limited in New Delhi, India. He is also an Independent Director on the Supervisory Board of ING Group N.V., a Netherlands company. He was an Independent Non-Executive Director of Raffles Holdings Limited from January 2004 to December 2006.

Mr Mehta is also a member of the Governing Board of Indian School of Business, Hyderabad, and a member of the Advisory Panel of Prudential Financial Inc in the United States.

The Hon Raymond George Hardenbergh SEITZ

Independent Non-Executive Director

Mr Seitz, aged 68, is an Independent Non-Executive Director of PCCW. He is Chairman of the Remuneration Committee and a member of the Nomination Committee of the Board. He was a Non-Executive Director of PCCW from October 2000 and was redesignated as an Independent Non-Executive Director in February 2005. He is a Non-Executive Chairman and a member of the Special Committee of Sun-Times Media Group, Inc.

Mr Seitz was Vice-Chairman of Lehman Brothers International from April 1995 to April 2003 and was United States Ambassador in Great Britain from 1991 to 1994. Prior to that, Mr Seitz acted as the United States Assistant Secretary of State for Europe from 1989 to 1991 and Minister at the United States Embassy in London from 1984 to 1989. He was a Non-Executive Director of The Chubb Corporation from February 1996 to April 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Consolidated revenue including PCPD increased by 12% to HK\$12,774 million, reflecting higher property development revenue recognized; core revenue decreased by 3% to HK\$10,468 million
- Consolidated EBITDA including PCPD increased by 4% to HK\$3,590 million; core EBITDA decreased by 2% to HK\$3,284 million
- Profit attributable to equity holders of the Company amounted to HK\$654 million
- Basic earnings per share of 9.66 HK cents

MANAGEMENT REVIEW

Although there were signs of the economy stabilizing towards the end of the first half of 2009, the general business environment during the period was much tougher as compared to a year ago. Responding to this challenging environment, greater efforts were put into improving customer service and experience with a view to retaining our customer base. This has made the Group's revenue more resilient to the slower demand in the period.

The Group recorded a 3% year-on-year decrease in core revenue to HK\$10,468 million for the six months ended June 30, 2009. The decrease was mainly due to lower revenues from Telecommunications Services ("TSS") and Mobile businesses, partially mitigated by higher revenues from TV & Content and PCCW Solutions businesses.

Consolidated revenue including PCPD for the six months ended June 30, 2009 increased by 12% year-on-year to HK\$12,774 million, reflecting higher property development revenue recognized from the Bel-Air project in the period.

Core EBITDA for the six months ended June 30, 2009 decreased by 2% year-on-year to HK\$3,284 million, while consolidated EBITDA including PCPD increased by 4% year-on-year to HK\$3,590 million.

Profit attributable to equity holders of the Company for the six months ended June 30, 2009 amounted to HK\$654 million. Basic earnings per share was 9.66 HK cents. The board of Directors (the "Board") has resolved not to declare an interim dividend for the six months ended June 30, 2009.

OUTLOOK

In the first half of 2009, PCCW operated in an economy that was slowed by the global financial turmoil. However, management is cautiously optimistic about the future as there have been signs that confidence is returning to the stock and property markets and several leading indicators suggest that the economy is stabilizing.

PCCW will continue to carefully manage its costs and investments while developing new revenue opportunities. It will also focus on customer service and retention through enhancement of the customer experience.

New innovative services launched include PCCW eye2, a portable media center for the home, and NETVIGATOR Pocket Wi-Fi for multi-device access to the Internet by connection to PCCW's HSPA mobile network. These new services strengthen our quadruple-play offerings and consolidate our position as the premier telecommunications provider in Hong Kong.

The Company is well positioned to capitalize on growth opportunities as the economy moves back onto the path of recovery.

Note: Core revenue refers to consolidated revenue excluding Pacific Century Premium Developments Limited ("PCPD"), the Group's property development and investment business; while core EBITDA refers to consolidated EBITDA excluding PCPD.

FINANCIAL REVIEW BY SEGMENTS

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
Revenue				
TSS	8,241	8,551	8,914	(4)%
TV & Content	1,092	1,039	1,200	5%
Mobile	828	857	887	(3)%
PCCW Solutions	905	900	966	1%
Other Businesses	26	43	43	(40)%
Eliminations	(624)	(636)	(756)	2%
Core revenue	10,468	10,754	11,254	(3)%
PCPD	2,306	618	9,325	273%
Consolidated revenue	12,774	11,372	20,579	12%
Cost of sales	(6,431)	(4,942)	(12,908)	(30)%
Operating costs before depreciation, amortization and restructuring costs	(2,753)	(2,994)	(3,125)	8%
EBITDA¹				
TSS	3,421	3,549	3,907	(4)%
TV & Content	(34)	(40)	(43)	15%
Mobile	130	108	134	20%
PCCW Solutions	82	82	113	0%
Other Businesses	(315)	(335)	(761)	6%
Core EBITDA¹	3,284	3,364	3,350	(2)%
PCPD	306	72	1,196	325%
Consolidated EBITDA¹	3,590	3,436	4,546	4%
Core EBITDA margin^{1,2}	31%	31%	30%	0%
Consolidated EBITDA margin^{1,2}	28%	30%	22%	(2)%
Depreciation and amortization	(1,889)	(1,750)	(1,946)	(8)%
Loss on disposal of property, plant and equipment	–	–	(19)	NA
Restructuring costs	–	–	(169)	NA
Other (losses)/gains, net	(12)	16	(482)	NA
Losses on property, plant and equipment	–	–	(103)	NA
Interest income	12	74	123	(84)%
Finance costs	(748)	(664)	(809)	(13)%
Share of results of associates and jointly controlled companies	10	(7)	18	NA
Impairment losses on interests in associates and jointly controlled companies	(41)	–	(31)	NA
Profit before income tax	922	1,105	1,128	(17)%

Note 1 EBITDA represents earnings before interest income, finance costs, income tax, depreciation of property, plant and equipment, amortization of land lease premium and intangible assets, gain/loss on disposal of property, plant and equipment, investment properties and interests in leasehold land, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on interests in associates and jointly controlled companies and the Group's share of results of associates and jointly controlled companies. While EBITDA is commonly used in the telecommunications industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with the Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

Note 2 Year-on-year percentage change was based on absolute percentage change.

Note 3 Figures are stated as at the period end, except for International Direct Dial ("IDD") minutes which is the total for the period.

Note 4 Gross debt refers to the principal amount of short-term borrowings and long-term borrowings. Net debt refers to the principal amount of short-term borrowings and long-term borrowings minus cash and cash equivalents and certain restricted cash.

Note 5 Group capital expenditure includes additions to property, plant and equipment, investment properties and interests in leasehold land.

OPERATING DRIVERS³

	June 30, 2009	June 30, 2008	December 31, 2008	Better/(Worse)	
				y-o-y	h-o-h
Exchange lines in service ('000)	2,590	2,593	2,603	0%	0%
Business lines ('000)	1,183	1,185	1,195	0%	(1)%
Residential lines ('000)	1,407	1,408	1,408	0%	0%
Total broadband access lines ('000) (Consumer, business and wholesale customers)	1,305	1,275	1,302	2%	0%
Retail consumer broadband subscribers ('000)	1,136	1,099	1,126	3%	1%
Retail business broadband subscribers ('000)	113	110	113	3%	0%
Traditional data (Exit Gbps)	792	842	927	(6)%	(15)%
Retail IDD minutes ('M mins)	745	907	878	(18)%	(15)%
International Private Leased Circuit ("IPLC") bandwidth (Exit Mbps)	78,361	61,617	78,202	27%	0%
nOW TV					
Installed base ('000)	992	927	953	7%	4%
Paying base ('000)	705	668	686	6%	3%
Mobile subscribers ('000)	1,408	1,176	1,313	20%	7%
3G post-paid ('000)	470	288	414	63%	14%
2G post-paid ('000)	430	459	440	(6)%	(2)%
2G prepaid ('000)	508	429	459	18%	11%

TSS

The table below sets out the financial performance of TSS for the six months ended June 30, 2009 and other relevant periods:

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
Local Telephony Services	2,126	2,284	2,280	(7)%
Local Data Services	2,509	2,415	2,480	4%
International Telecommunications Services	1,807	1,911	1,906	(5)%
Other Services	1,799	1,941	2,248	(7)%
TSS revenue	8,241	8,551	8,914	(4)%
Cost of sales	(2,954)	(2,922)	(3,229)	(1)%
Operating costs before depreciation and amortization	(1,866)	(2,080)	(1,778)	10%
TSS EBITDA¹	3,421	3,549	3,907	(4)%
TSS EBITDA margin^{1,2}	42%	42%	44%	0%

TSS revenue for the six months ended June 30, 2009 was HK\$8,241 million, a decrease of 4% from a year ago. EBITDA also decreased by 4% year-on-year to HK\$3,421 million. EBITDA margin was maintained at the same level compared to a year ago, as operating costs were lower due to slower business activities and cost saving initiatives during the first half of 2009.

Local Telephony Services. Local telephony services revenue for the six months ended June 30, 2009 decreased by 7% year-on-year to HK\$2,126 million. Total fixed lines in service at the end of June 2009 decreased marginally to approximately 2,590,000 with a lower average revenue per user ("ARPU"). The decrease in revenue was also attributed to a lower fixed mobile interconnection income during the period.

Local Data Services. Local data services revenue for the six months ended June 30, 2009 increased by 4% year-on-year to HK\$2,509 million. The growth in broadband network revenue was mainly driven by the increase in consumer and business broadband revenues. Total broadband access lines in service increased by 2% from a year ago to 1,305,000 at the end of June 2009.

International Telecommunications Services. International telecommunications services revenue for the six months ended June 30, 2009 decreased by 5% year-on-year to HK\$1,807 million. The decrease was mainly due to lower IDD revenue from consumer and business customers, partially offset by higher revenue from wholesale traditional and IP-based international connectivity services. Retail IDD minutes totaled 745 million minutes in the first half of 2009, down by 18% from a year ago. The global financial crisis has slowed down activities in the business sector, particularly in the banking and finance segment. This resulted in more cautious spending by business customers.

Other Services. Other services revenue for the six months ended June 30, 2009 decreased by 7% year-on-year to HK\$1,799 million, primarily due to lower revenue from sales of computer and customer premises equipment as a result of decreased spending by consumers and enterprises.

TV & Content

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
TV & Content revenue	1,092	1,039	1,200	5%
TV & Content EBITDA¹	(34)	(40)	(43)	15%

TV & Content revenue increased by 5% year-on-year to HK\$1,092 million for the six months ended June 30, 2009. The revenue increase was driven by a larger paying subscriber base with a steady ARPU during the period. EBITDA loss narrowed by 15% from a year ago to HK\$34 million.

Now TV continued to boost the variety and quality of its programming and carried the widest selection of content line-up with more than 170 channels of local, Asian and international programming at the end of June 2009. The installed subscriber base increased by 7% year-on-year to 992,000 at the end of June 2009, while the paying base was up 6% year-on-year to 705,000. ARPU in June 2009 was stable compared to a year ago at HK\$213.

Mobile

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
Mobile revenue	828	857	887	(3)%
Mobile EBITDA¹	130	108	134	20%

Mobile revenue for the six months ended June 30, 2009 was HK\$828 million, compared to HK\$857 million a year ago. The decrease in revenue was mainly due to lower sales of handset and accessories in the first half of 2009, which was partially offset by higher mobile service revenue. EBITDA increased by 20% year-on-year to HK\$130 million.

Keen competition exerted downward pressure on pricing. Our 3G ARPU in June 2009 was HK\$175, compared to HK\$216 in December 2008, while our blended 2G and 3G ARPU in June 2009 was HK\$132, compared to HK\$153 in December 2008.

PCCW mobile's total subscribers increased by 20% year-on-year to 1,408,000 as at June 30, 2009, of which the total postpaid subscribers also grew 20% year-on-year to 900,000. The 3G subscriber base expanded to 470,000, 63% higher than a year ago. 3G subscribers as a percentage of the total postpaid subscribers base trended higher to 52% at the end of June 2009, compared to 39% at the end of June 2008.

PCCW Solutions

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
PCCW Solutions revenue	905	900	966	1%
PCCW Solutions EBITDA¹	82	82	113	0%

PCCW Solutions revenue grew by 1% year-on-year to HK\$905 million for the six months ended June 30, 2009, while EBITDA remained stable at HK\$82 million.

During the first half of 2009, PCCW Solutions continued to grow its application outsourcing and business process outsourcing services with new contracts awarded by the HKSAR Government and from the private sector. Demand for our data center services remained strong as evidenced by the keen uptake by multinational corporations of capacity planned for our new mega data centers in Hong Kong. In mainland China, PCCW Solutions continued to secure projects with Chinese telecommunications companies and services are expanding into new vertical industries including insurance and consumer retail.

PCPD

PCPD revenue for the six months ended June 30, 2009 increased by 273% from a year ago to HK\$2,306 million, mainly due to higher revenue recognized from the Bel-Air property development project.

ONE Pacific Heights, located west of Central with 155 luxury boutique apartments, was completed in July 2009. The luxury houses at Villa Bel-Air are expected to be released to the market over the next two years. In mainland China, Pacific Century Place, PCPD's investment property in Beijing's central business district, enjoyed an average occupancy rate of approximately 73% for the six months ended June 30, 2009. Meanwhile, the long-term development projects in Hokkaido in Japan and Phang-nga in southern Thailand also made steady progress during the period.

For more information about the performance of PCPD, please refer to its 2009 interim results released on August 20, 2009.

Other Businesses

Other Businesses primarily includes the Group's wireless broadband business in the United Kingdom and all corporate support functions. Revenue from Other Businesses decreased by 40% year-on-year to HK\$26 million.

Eliminations

Eliminations was HK\$624 million for the six months ended June 30, 2009. Eliminations is related to internal charges for telecommunications services consumed, IT support and computer system network charges, customer support services and rental among the Group's business units.

Costs

Cost of Sales

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
The Group (excluding PCPD)	4,507	4,584	5,084	2%
PCPD	1,924	358	7,824	(437)%
Group Total	6,431	4,942	12,908	(30)%

The Group's consolidated total cost of sales for the six months ended June 30, 2009 increased by 30% from a year ago to HK\$6,431 million, primarily due to a 437% increase in PCPD's cost of sales to HK\$1,924 million on higher property development cost recognized for the Bel-Air project.

The Group's cost of sales excluding PCPD decreased by 2% year-on-year to HK\$4,507 million, mainly due to the lower cost of customer premises equipment sold in the first half of 2009. Core gross margin was maintained at 57% compared to a year ago.

General and Administrative Expenses

For the six months ended HK\$ million	June 30, 2009	June 30, 2008	December 31, 2008	Better/ (Worse) y-o-y
Staff costs	1,297	1,378	1,309	6%
Rent, rates and utilities	484	445	396	(9)%
Other operating costs	972	1,171	1,420	17%
Total operating costs before depreciation, amortization and restructuring costs	2,753	2,994	3,125	8%
Depreciation and amortization	1,889	1,750	1,946	(8)%
Loss on disposal of property, plant and equipment	–	–	19	NA
Restructuring costs	–	–	169	NA
General and administrative expenses	4,642	4,744	5,259	2%

During the six months ended June 30, 2009, the Group continued cost management measures appropriate for the challenging operating environment and achieved 8% savings in the total operating costs before depreciation, amortization and restructuring costs. The savings were, however, partially offset by a 8% year-on-year increase in depreciation and amortization expenses, resulting in an overall year-on-year reduction in general and administrative expenses of 2% to HK\$4,642 million.

EBITDA¹

Although core revenue decreased by 3% year-on-year, core EBITDA for the six months ended June 30, 2009 decreased by a lesser degree of 2% to HK\$3,284 million as a result of productivity gains in cost of sales and operations.

Consolidated EBITDA including PCPD increased by 4% from a year ago to HK\$3,590 million, primarily driven by a 325% increase in PCPD's EBITDA to HK\$306 million on higher property development profit recognized from the Bel-Air project.

Core EBITDA margin was steady at 31% in the first half of 2009. Consolidated EBITDA margin decreased by 2 percentage points from a year ago to 28% in the first half of 2009.

Interest Income and Finance Costs

Interest income decreased by 84% year-on-year to HK\$12 million for the six months ended June 30, 2009 mainly due to lower average interest income rates in the first half of 2009. Finance costs increased by 13% year-on-year to HK\$748 million due to a higher average debt balance during the period. Net finance cost, therefore, increased by 25% year-on-year to HK\$736 million.

The average cost of debt for the six months ended June 30, 2009 improved to 4.0% and the average remaining term of debt was approximately 3.4 years.

Income Tax

Income tax expenses for the six months ended June 30, 2009 decreased by 58% to HK\$174 million and the Group's effective tax rate for the six months ended June 30, 2009 was 19% (June 30, 2008: 38%). The decreases in tax expenses and effective tax rate were mainly due to a net movement of deferred income tax and a decrease in certain prior years' tax provisions.

Minority Interests

Minority interests of HK\$94 million primarily represented the net profit attributable to the minority shareholders of PCPD.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company for the six months ended June 30, 2009 amounted to HK\$654 million (June 30, 2008: HK\$656 million).

LIQUIDITY AND CAPITAL RESOURCES

The Group's gross debt⁴ totaled HK\$35,400 million as at June 30, 2009 (December 31, 2008: HK\$32,200 million). Cash and cash equivalents decreased to HK\$4,762 million (December 31, 2008: HK\$9,284 million). The Group's net debt⁴ was HK\$30,585 million as at June 30, 2009, compared to HK\$22,813 million as at December 31, 2008. The increase in net debt was mainly due to the payment of the special dividend during the period.

As at June 30, 2009, the Group had a total of HK\$25,016 million in committed banking facilities available for liquidity management, of which HK\$5,216 million remained undrawn.

The Group's gross debt⁴ to total assets was 76% as at June 30, 2009.

CREDIT RATINGS OF HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at June 30, 2009, Hong Kong Telecommunications (HKT) Limited, an indirect wholly-owned subsidiary of the Company, had investment grade ratings with Moody's Investors Service (Baa2) and Standard & Poor's Ratings Services (BBB).

CAPITAL EXPENDITURE⁵

Group capital expenditure for the six months ended June 30, 2009 amounted to HK\$691 million, compared to HK\$1,305 million for the same period last year. The investments were primarily made in meeting service demands on quadruple-play and high-speed broadband as well as improving our international and mobile networks.

As a result of significant investments made in previous years, NOW TV, mobile and international networks are already operating in quality infrastructure. This has provided the flexibility to prioritize our capital expenditure in the first half of 2009. Going forward, PCCW will continue to invest prudently, using assessment criteria including internal rate of return, net present value and payback period.

HEDGING

Market risk arises from foreign currency and interest rate exposures related to cash investments and borrowings. As a matter of policy, the Group continues to manage the market risk directly relating to its operations and financing and does not undertake any speculative derivative trading activities. The Finance and Management Committee, a sub-committee of the Executive Committee of the Board, determines appropriate risk management activities with the aim of prudently managing the market risk associated with transactions undertaken in the normal course of the Group's business. All treasury risk management activities are carried out in accordance with the policies and guidelines, approved by the Finance and Management Committee and the Executive Committee, which are reviewed on a regular basis.

In the normal course of business, the Group enters into forward contracts and other derivative contracts in order to limit its exposure to adverse fluctuations in foreign currency exchange rates and interest rates. These instruments are executed with creditworthy financial institutions, and all contracts are denominated in currencies of major industrial countries. As at June 30, 2009, all cross currency swap contracts were designated as cash flow hedges for the Group's foreign currency denominated long-term borrowings.

CHARGE ON ASSETS

As at June 30, 2009, no assets of the Group (December 31, 2008: certain assets of the Group with an aggregate carrying value of HK\$1 million) were pledged to secure loans and banking facilities of the Group.

CONTINGENT LIABILITIES

HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Performance guarantee	451	923
Others	66	27
	517	950

The Group is subject to certain corporate guarantee obligations to guarantee the performance of its wholly-owned subsidiaries in the normal course of their businesses. The amount of liabilities arising from such obligations, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

HUMAN RESOURCES

As at June 30, 2009, the Group had approximately 16,300 employees (December 31, 2008: 17,000). About three quarters of these employees work in Hong Kong and the others are based primarily in mainland China. The Company has established incentive bonus schemes designed to motivate and reward employees at all levels to achieve the Company's business performance targets. Payment of bonuses is generally based on achievement of EBITDA¹ and free cash flow targets for the Group as a whole and for each of the individual business units.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2009 (June 30, 2008: 7 HK cents per share).

CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2009

In HK\$ million (except for earnings per share)	Note(s)	2009 (Unaudited)	2008 (Unaudited)
Turnover	2	12,774	11,372
Cost of sales		(6,431)	(4,942)
General and administrative expenses		(4,642)	(4,744)
Other (losses)/gains, net	3	(12)	16
Interest income		12	74
Finance costs		(748)	(664)
Share of results of associates		11	4
Share of results of jointly controlled companies		(1)	(11)
Impairment losses on interests in an associate and a jointly controlled company		(41)	–
Profit before income tax	2, 4	922	1,105
Income tax	5	(174)	(417)
Profit for the period		748	688
Attributable to:			
Equity holders of the Company		654	656
Minority interests		94	32
Profit for the period		748	688
Interim dividend declared after the interim period	6(a)	–	474
Earnings per share	7		
Basic		9.66 cents	9.68 cents
Diluted		9.65 cents	9.67 cents

The notes on pages 26 to 34 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2009

In HK\$ million	2009 (Unaudited)	2008 (Unaudited)
Profit for the period	748	688
Other comprehensive income		
Translation exchange differences	181	313
Available-for-sale financial assets:		
– changes in fair value	53	(30)
– transfer to income statement on impairment	–	24
Cash flow hedges:		
– effective portion of changes in fair value	(99)	395
– transfer from equity to income statement	(21)	(19)
Other comprehensive income for the period	114	683
Total comprehensive income for the period	862	1,371
Attributable to:		
Equity holders of the Company	772	1,232
Minority interests	90	139
Total comprehensive income for the period	862	1,371

The notes on pages 26 to 34 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED BALANCE SHEET

As at June 30, 2009

In HK\$ million	Note	As at	
		June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		16,641	17,092
Investment properties		3,787	3,785
Interests in leasehold land		581	593
Properties held for/under development		1,578	1,546
Goodwill		2,999	3,000
Intangible assets		1,825	1,885
Interest in associates		145	674
Interest in jointly controlled companies		517	268
Held-to-maturity investments		4	5
Available-for-sale financial assets		298	244
Amounts due from related companies		3	3
Deferred income tax assets		87	48
Other non-current assets		375	392
		28,840	29,535
Current assets			
Properties under development		–	331
Properties for sale		1,145	2,071
Sales proceeds held in stakeholders' accounts		2,365	6,994
Restricted cash		2,797	823
Prepayments, deposits and other current assets		2,070	1,961
Inventories		827	1,016
Amounts due from related companies		28	35
Derivative financial instruments		129	230
Trade receivables, net	8	3,458	4,317
Tax recoverable		9	8
Cash and cash equivalents		4,762	9,284
		17,590	27,070

In HK\$ million	Note	As at	
		June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Current liabilities			
Trade payables	9	(1,432)	(1,700)
Accruals and other payables		(4,388)	(5,241)
Amount payable to the Government under the Cyberport Project Agreement		(3,040)	(4,981)
Mobile carrier licence fee liabilities		(79)	(76)
Amounts due to related companies		(88)	(585)
Gross amounts due to customers for contract work		–	(5)
Advances from customers		(2,428)	(2,224)
Current income tax liabilities		(886)	(1,911)
		(12,341)	(16,723)
Net current assets		5,249	10,347
Total assets less current liabilities		34,089	39,882
Non-current liabilities			
Long-term borrowings		(34,995)	(31,745)
Deferred income tax liabilities		(976)	(714)
Deferred income		(523)	(670)
Defined benefit liability		(6)	(7)
Amount payable to the Government under the Cyberport Project Agreement		–	(1,195)
Mobile carrier licence fee liabilities		(539)	(512)
Other long-term liabilities		(111)	(139)
		(37,150)	(34,982)
Net (liabilities)/assets		(3,061)	4,900
CAPITAL AND RESERVES			
Share capital	10	1,693	1,693
(Deficit)/Reserves		(7,990)	42
Equity attributable to equity holders of the Company		(6,297)	1,735
Minority interests		3,236	3,165
Total equity		(3,061)	4,900

The notes on pages 26 to 34 form an integral part of this unaudited condensed consolidated interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2009

In HK\$ million

2009
(Unaudited)

	Attributable to equity holders of the Company											Minority interests	Total equity
	Share capital	Share premium	Special capital reserve	Capital redemption reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Available-for-sale financial assets reserve	Deficit	Total		
At January 1, 2009	1,693	7,989	21,205	3	(18)	137	369	437	(15)	(30,065)	1,735	3,165	4,900
Total comprehensive income for the period	-	-	-	-	-	-	185	(120)	53	654	772	90	862
Special dividend declared and paid during the interim period	-	-	(8,804)	-	-	-	-	-	-	-	(8,804)	-	(8,804)
Dividend declared to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(19)	(19)
	-	-	(8,804)	-	-	-	-	-	-	-	(8,804)	(19)	(8,823)
At June 30, 2009	1,693	7,989	12,401	3	(18)	137	554	317	38	(29,411)	(6,297)	3,236	(3,061)

In HK\$ million

2008
(Unaudited)

	Attributable to equity holders of the Company											Minority interests	Total equity
	Share capital	Share premium	Special capital reserve	Capital redemption reserve	Treasury stock	Employee share-based compensation reserve	Currency translation reserve	Hedging reserve	Available-for-sale financial assets reserve	Deficit	Total		
At January 1, 2008	1,695	7,968	21,254	-	(18)	143	327	115	16	(29,948)	1,552	2,799	4,351
Total comprehensive income for the period	-	-	-	-	-	-	206	376	(6)	656	1,232	139	1,371
Repurchase of shares	(3)	-	(49)	3	-	-	-	-	-	-	(49)	-	(49)
Exercise of employee share options	1	12	-	-	-	-	-	-	-	-	13	-	13
Premium arising from exercise of employee share options	-	5	-	-	-	(5)	-	-	-	-	-	-	-
Dividend paid in respect of the previous year	-	-	-	-	-	-	-	-	-	(915)	(915)	-	(915)
	(2)	17	(49)	3	-	(5)	-	-	-	(915)	(951)	-	(951)
At June 30, 2008	1,693	7,985	21,205	3	(18)	138	533	491	10	(30,207)	1,833	2,938	4,771

The notes on pages 26 to 34 form an integral part of this unaudited condensed consolidated interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2009

In HK\$ million	2009 (Unaudited)	2008 (Unaudited)
Net cash generated from operating activities	3,158	2,007
Net cash used in investing activities	(1,328)	(1,599)
Net cash used in financing activities	(6,353)	(45)
Net (decrease)/increase in cash and cash equivalents	(4,523)	363
Exchange differences	1	34
Cash and cash equivalents at January 1,	9,284	3,678
Cash and cash equivalents at June 30,	4,762	4,075
Analysis of the balance of cash and cash equivalents:		
Cash and bank balances	7,562	4,888
Bank overdrafts	(3)	(11)
Less: Restricted cash	(2,797)	(802)
	4,762	4,075

The notes on pages 26 to 34 form an integral part of this unaudited condensed consolidated interim financial information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended June 30, 2009

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of PCCW Limited (the “Company”) and its subsidiaries (collectively the “Group”) has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2008.

The unaudited condensed consolidated interim financial information has been reviewed by the Company’s Audit Committee and, 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 HKICPA, by the Company’s independent auditor.

The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group deferred and recognized the up-front fees received for installation of equipment and activation of customer service over the expected customer relationship period. During the period, the Group re-assessed the expected customer relationship period. As a result of the re-assessment, the expected customer relationship period has been shortened. This change in accounting estimate has been accounted for prospectively from June 30, 2009. Accordingly, the Group’s profit for the period has been increased and the net liabilities as at June 30, 2009 have been decreased by HK\$55 million.

The accounting policies and methods of computation used in preparing this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Group’s annual financial statements for the year ended December 31, 2008, except for the adoption of the following new, revised or amended Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (“Ints”) (collectively “new HKFRSs”) which are effective for accounting period beginning on or after January 1, 2009:

- HKAS 1 (Revised), ‘Presentation of Financial Statements’. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: a consolidated income statement and a consolidated statement of comprehensive income. The unaudited condensed consolidated interim financial information has been prepared under the revised disclosure requirements.
- Amendment to HKFRS 7, ‘Financial Instruments: Disclosures’. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its annual financial statements ending December 31, 2009.

1 BASIS OF PREPARATION *(CONTINUED)*

The following new HKFRSs are mandatory for the first time for the financial year beginning January 1, 2009, but have no material effect on the Group's results and financial position for the current and prior periods.

- HKAS 23 (Revised), 'Borrowing Costs'.
- HKAS 32 (amendment), 'Financial Instruments: Presentation'.
- HKAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'.
- HKAS 40 (amendment), 'Investment Property'.
- HKFRS 2 (amendment), 'Share-based Payment'.
- HKFRS 8, 'Operating Segments'.
- HK(IFRIC) – Int 9 (amendment), 'Reassessment of Embedded Derivatives' and HKAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'.
- HK(IFRIC) – Int 13, 'Customer Loyalty Programmes'.
- HK(IFRIC) – Int 15, 'Agreements for the Construction of Real Estate'.
- HK(IFRIC) – Int 16, 'Hedges of a Net Investment in a Foreign Operation'.
- Improvements to HKFRSs (2008).

The Group has not adopted any new HKFRSs that are not yet effective for the current accounting period.

2 SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") has been identified as the Group's senior executive management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from both a geographic and product perspective. From a product perspective, management assesses the performance of the following segments:

- Telecommunications Services ("TSS") is the leading provider of telecommunications products and services including local telephony, broadband access services, local and international data, international direct dial, sales of equipment, technical maintenance and subcontracting services and teleservices businesses.
- TV & Content includes interactive pay-TV service, Internet portal multimedia entertainment platform and the Group's directories operations in Hong Kong and mainland China.
- Mobile includes the Group's mobile telecommunications businesses.
- PCCW Solutions offers Information and Communications Technologies services and solutions in Hong Kong and mainland China.
- Pacific Century Premium Developments Limited ("PCPD") covers the Group's property portfolio in Hong Kong and mainland China, including the Cyberport development in Hong Kong, and elsewhere in Asia.
- Other Businesses include the Group's wireless broadband business in the United Kingdom and all corporate support functions.

2 SEGMENT INFORMATION (CONTINUED)

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortization (“EBITDA”). The EBITDA represents earnings before interest income, finance costs, income tax, depreciation of property, plant and equipment, amortization of land lease premium and intangible assets, gain/loss on disposal of property, plant and equipment, investment properties and interests in leasehold land, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on interests in associates and jointly controlled companies and the Group’s share of results of associates and jointly controlled companies.

Segment revenue, expense and segment performance include transactions between segments. Inter-segment pricing is based on similar terms as those available to other external parties for similar services. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

Information regarding the Group’s reportable segments as provided to the Group’s CODM is set out below:

For the six months ended

June 30, In HK\$ million	TSS	TV & Content	Mobile	PCCW Solutions	PCPD	Other Businesses	Eliminations	Consolidated
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2009 (Unaudited)

TURNOVER	8,241	1,092	828	905	2,306	26	(624)	12,774
EBITDA	3,421	(34)	130	82	306	(315)	–	3,590

2008 (Unaudited)

TURNOVER	8,551	1,039	857	900	618	43	(636)	11,372
EBITDA	3,549	(40)	108	82	72	(335)	–	3,436

In HK\$ million	TSS	TV & Content	Mobile	PCCW Solutions	PCPD	Other Businesses	Eliminations	Consolidated
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SEGMENT ASSETS

As at June 30,

2009 (Unaudited)	18,895	1,070	4,747	1,219	13,054	1,366	–	40,351
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As at December 31,

2008 (Audited)	19,356	1,135	4,897	1,132	17,857	1,288	–	45,665
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2 SEGMENT INFORMATION (CONTINUED)

A reconciliation of total segment EBITDA to profit before income tax is provided as follows:

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Total segment EBITDA	3,590	3,436
Depreciation and amortization	(1,889)	(1,750)
Other (losses)/gains, net	(12)	16
Interest income	12	74
Finance costs	(748)	(664)
Share of results of associates and jointly controlled companies	10	(7)
Impairment losses on interests in an associate and a jointly controlled company	(41)	–
Profit before income tax	922	1,105

A reconciliation of total segment assets to total assets is provided as follows:

In HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Total segment assets	40,351	45,665
Interest in associates	145	674
Interest in jointly controlled companies	517	268
Deferred income tax assets	87	48
Derivative financial instruments	129	230
Tax recoverable	9	8
Cash and cash equivalents	4,762	9,284
Unallocated corporate assets	430	428
Total assets	46,430	56,605

3 OTHER (LOSSES)/GAINS, NET

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Net realized gains on disposals of available-for-sale financial assets	–	18
Net realized and unrealized fair value gains on derivative financial instruments	–	7
Provision for impairment of investment	–	(24)
Net gain on cash flow hedging instruments transferred from equity	21	15
Others	(33)	–
	(12)	16

4 PROFIT BEFORE INCOME TAX

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

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Crediting:		
Revenue from properties sold	2,109	415
Charging:		
Cost of inventories sold	1,008	1,215
Cost of properties sold	1,863	308
Cost of sales, excluding inventories and properties sold	3,560	3,419
Depreciation of property, plant and equipment	1,337	1,369
Amortization of intangible assets	540	365
Amortization of land lease premium	12	16
Finance costs on borrowings	716	630
Staff costs	1,297	1,378

5 INCOME TAX

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Current income tax:		
Hong Kong profits tax	(57)	464
Overseas tax	9	41
Movement of deferred income tax	222	(88)
	174	417

Hong Kong profits tax has been provided at the rate of 16.5% (2008:16.5%) on the estimated assessable profits for the period. Overseas tax has been calculated on the estimated assessable profits for the period at the rates prevailing in the respective jurisdictions.

6 DIVIDENDS

a. Dividend attributable to the interim period

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Interim dividend declared after the interim period - Nil (2008: 7 HK cents per ordinary share)	–	474

At a meeting held on August 20, 2009, the directors have resolved not to declare an interim dividend for the six months ended June 30, 2009.

b. Dividends approved/declared and paid during the interim period

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Final dividend in respect of the previous financial year, approved and paid during the interim period - Nil (2008: 13.5 HK cents per ordinary share)	–	915
Special dividend declared and paid during the interim period, of 130 HK cents (2008: Nil) per ordinary share	8,804	–
	8,804	915

7 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the following data:

	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Earnings (in HK\$ million)		
Earnings for the purposes of basic and diluted earnings per share	654	656
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	6,772,294,654	6,776,300,672
Effect of deemed issue of shares under the Company's share option schemes for nil consideration	–	6,072,024
Effect of shares purchased from the market under the Company's share award schemes	2,519,109	2,519,109
Weighted average number of ordinary shares for the purpose of diluted earnings per share	6,774,813,763	6,784,891,805

8 TRADE RECEIVABLES, NET

An aging analysis of trade receivables is set out below:

In HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
0 – 30 days	1,965	3,122
31 – 60 days	463	372
61 – 90 days	253	162
91 – 120 days	171	101
Over 120 days	907	887
	3,759	4,644
Less: Impairment loss for doubtful debts	(301)	(327)
	3,458	4,317

Trade receivables in respect of properties sold are payable by the purchasers pursuant to the terms of the sales contracts. Other trade receivables have a normal credit period ranging up to 30 days from the date of invoice or per contracted terms unless there is a separate mutual agreement on extension of the credit period. Credit evaluations are performed on all customers requiring credit over a certain amount. Debtors who have overdue payable are requested to settle all outstanding balances before any further credit is granted.

9 TRADE PAYABLES

An aging analysis of trade payables is set out below:

In HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
0 – 30 days	692	1,094
31 – 60 days	106	83
61 – 90 days	94	55
91 – 120 days	77	26
Over 120 days	463	442
	1,432	1,700

10 SHARE CAPITAL

	Number of shares (Unaudited)	Nominal value (Unaudited) HK\$ million
Authorized:		
Ordinary shares of HK\$0.25 each	10,000,000,000	2,500
Issued and fully paid:		
Ordinary shares of HK\$0.25 each		
Balances as at January 1, 2009 and June 30, 2009	6,772,294,654	1,693

11 CAPITAL COMMITMENTS

In HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Authorized and contracted for	750	871
Authorized but not contracted for	1,158	924
	1,908	1,795

12 CONTINGENT LIABILITIES

In HK\$ million	As at	
	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Performance guarantee	451	923
Others	66	27
	517	950

The Group is subject to certain corporate guarantee obligations to guarantee the performance of its wholly-owned subsidiaries in the normal course of their businesses. The amount of liabilities arising from such obligations, if any, cannot be ascertained but the directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

13 CHARGE ON ASSETS

As at June 30, 2009, no assets of the Group (December 31, 2008: certain assets of the Group with an aggregate carrying value of HK\$1 million) were pledged to secure loans and banking facilities of the Group.

14 RELATED PARTY TRANSACTIONS

During the period, the Group had the following significant transactions with related parties:

In HK\$ million	Note(s)	Six months ended	
		June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Telecommunications service fees, rental charges, facility management services and subcontracting charges received or receivable from a jointly controlled company	a	38	51
Telecommunications service fees and systems integration charges received or receivable from a substantial shareholder	a	73	30
Telecommunications service fees, outsourcing fees and rental charges paid or payable to a jointly controlled company	a & c	307	380
Telecommunications service fees paid or payable to a substantial shareholder	a	106	23
Key management compensation	b	47	51

a. These transactions were carried out after negotiations between the Group and the related parties in the ordinary course of business and on the basis of estimated market value as determined by the directors. In respect of transactions for which the price or volume has not yet been agreed with the relevant related parties, the directors have determined the relevant amounts based on their best estimation.

b. Details of key management compensation

In HK\$ million	Six months ended	
	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Salaries and other short-term employee benefits	45	49
Post-employment benefits	2	2
	47	51

c. Details of transactions with a jointly controlled company of a subsidiary (the "JV")

On April 16, 2005, the Company agreed with Telstra Corporation Limited ("Telstra") and the JV on an operating model under which the JV would operate as an outsourcer of telecommunications network services for the Group and Telstra and its subsidiaries.

During the six months ended June 30, 2009, the outsourcing fees paid or payable by the Group to the JV, determined on a cost plus basis, were HK\$236 million (2008: HK\$291 million).

15 POST BALANCE SHEET EVENT

On August 20, 2009, the PCPD Group entered into an agreement for the disposal of the entire share capital of its subsidiary to a third party at a consideration of US\$118 million subject to certain adjustments. The disposal is expected to be completed on October 5, 2009. The subsidiary holds a property development company in mainland China which is carrying out the property development project at No. 4 Gong Ti Bei Lu, Chaoyang District, Beijing, the People's Republic of China. Based on latest available information on July 31, 2009, the carrying value of the disposed subsidiaries amounted to approximately HK\$758 million. The Group is expected to recognize a gain before tax, inclusive of the relevant currency translation reserve of HK\$73 million, of approximately HK\$235 million (subject to adjustments to the consideration) in the second half of 2009 as a result of the disposal.

GENERAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at June 30, 2009, the directors and chief executive of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

1. Interests in the Company

The table below sets out the aggregate long positions in the shares and underlying shares of the Company held by the directors and chief executive of the Company:

Name of Director/ Chief Executive	Personal interests	Number of ordinary shares			Other interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital
		Family interests	Corporate interests					
Li Tzar Kai, Richard	–	–	250,109,824 <i>(Note 1(a))</i>	1,687,060,335 <i>(Note 1(b))</i>	–	1,937,170,159	28.60%	
Alexander Anthony Arena <i>(Note 3)</i>	760,000	–	–	–	12,800,200 <i>(Note 2)</i>	13,560,200	0.20%	
Peter Anthony Allen	253,200	–	–	–	2,629,200 <i>(Note 4)</i>	2,882,400	0.04%	
Chung Cho Yee, Mico	1,176,260	18,455 <i>(Note 5)</i>	–	–	11,390,400 <i>(Note 4)</i>	12,585,115	0.19%	
Lee Chi Hong, Robert	992,600 <i>(Note 6(a))</i>	511 <i>(Note 6(b))</i>	–	–	5,000,000 <i>(Note 4)</i>	5,993,111	0.09%	
Sir David Ford	–	–	–	–	1,000,000 <i>(Note 4)</i>	1,000,000	0.01%	
Professor Chang Hsin-kang	64,000	–	–	–	–	64,000	0.001%	
Dr The Hon Sir David Li Kwok Po	1,000,000	–	–	–	–	1,000,000	0.01%	

Notes:

1. (a) Of these shares, Pacific Century Diversified Limited, a wholly-owned subsidiary of Chiltonlink Limited, held 216,362,824 shares and Eisner Investments Limited held 33,747,000 shares. Li Tzar Kai, Richard owned 100% of Chiltonlink Limited and Eisner Investments Limited.
- (b) These interests represented:
 - (i) a deemed interest in 36,726,857 shares of the Company held by Yue Shun Limited, a subsidiary of Hutchison Whampoa Limited ("HWL"). Cheung Kong (Holdings) Limited ("Cheung Kong") through certain subsidiaries held more than one-third of the issued share capital of HWL. Li Tzar Kai, Richard was a discretionary beneficiary of certain discretionary trusts which held units in unit trusts which in turn held interests in certain shares of Cheung Kong and HWL. Li Tzar Kai, Richard was also interested in one-third of the issued share capital of two companies, which owned all the shares of the trustee companies which acted as trustees of such discretionary trusts and unit trusts. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 36,726,857 shares of the Company held by Yue Shun Limited;
 - (ii) a deemed interest in 102,122,177 shares of the Company held by Pacific Century Group Holdings Limited ("PCGH"). Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 102,122,177 shares of the Company held by PCGH; and

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION (CONTINUED)

1. Interests in the Company (continued)

Notes: (continued)

1. (b) (continued)

(iii) a deemed interest in 1,548,211,301 shares of the Company held by Pacific Century Regional Developments Limited ("PCRD"), a company in which PCGH had, through certain wholly-owned subsidiaries being Anglang Investments Limited, Pacific Century Group (Cayman Islands) Limited, Pacific Century International Limited and Borsington Limited, an aggregate of 75.74% interest. Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Li Tzar Kai, Richard was also deemed to be interested in 0.91% of PCRD through Hopestar Holdings Limited, a company wholly-owned by Li Tzar Kai, Richard. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 1,548,211,301 shares of the Company held by PCRD.

2. These interests represented Alexander Anthony Arena's beneficial interest in: (a) 200 underlying shares held in the form of 20 American Depositary Receipts which constituted listed equity derivatives; and (b) 12,800,000 underlying shares in respect of share options granted by the Company to Alexander Anthony Arena as beneficial owner, the details of which are set out in the section below headed "SHARE OPTION SCHEMES".

3. A private company owned by Li Tzar Kai, Richard has provided a seven year interest-free loan in the amount of US\$10,000,000 to Alexander Anthony Arena at his request and for personal reasons. Alexander Anthony Arena has entered into a seven year consultancy agreement with another private company owned by Li Tzar Kai, Richard with an annual consultancy fee sufficient to repay the aforementioned loan over its seven year term. This private arrangement was reviewed by the Remuneration Committee prior to its finalization. The Committee noted that the consultancy services provided to the private company would be publicly disclosed, would not conflict with Alexander Anthony Arena's duties at PCCW and overall would be in the interests of PCCW.

4. These interests represented the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the section below headed "SHARE OPTION SCHEMES".

5. These shares were held by the spouse of Chung Cho Yee, Mico.

6. (a) These shares were held jointly by Lee Chi Hong, Robert and his spouse.

(b) These shares were held by the spouse of Lee Chi Hong, Robert.

2. Interests in Associated Corporation of the Company

The table below sets out the long position in the shares and underlying shares of Pacific Century Premium Developments Limited ("PCPD") held by the director and chief executive of the Company:

Name of Director/ Chief Executive	Number of ordinary shares				Other interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital
	Personal interests	Family interests	Corporate interests					
Chung Cho Yee, Mico	-	-	-	-	-	5,000,000	5,000,000	0.21%

The above interest represented the interest in underlying shares in respect of share options granted by PCPD to the director of the Company as beneficial owner pursuant to PCPD's share option scheme, the details of which are set out in the section below headed "SHARE OPTION SCHEMES".

Save as disclosed in the foregoing, none of the directors or chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules as at June 30, 2009.

SHARE OPTION SCHEMES

1. Share Option Schemes of the Company

The Company adopted a share option scheme on September 20, 1994 (the “1994 Scheme”). At the annual general meeting of the Company held on May 19, 2004, the shareholders of the Company approved the termination of the 1994 Scheme and adoption of a new share option scheme (the “2004 Scheme”). Following the termination of the 1994 Scheme during 2004, no further share options will be granted under such scheme, but the provisions of such scheme will remain in full force and effect with respect to the options granted prior to its termination. Since May 19, 2004, the board of directors of the Company may, at its discretion, grant share options to any eligible person to subscribe for shares of the Company subject to the terms and conditions stipulated in the 2004 Scheme.

Details of the share options outstanding and movements during the six months ended June 30, 2009 are as follows:

A. 1994 Scheme

(1) Outstanding options at January 1, 2009 and at June 30, 2009

Name or category of participant	Date of grant (Notes 1 & 2)	Vesting period (Note 1)	Exercisable period (Note 1)	Exercise price HK\$	Number of options	
					Outstanding at 01.01.2009	Outstanding at 06.30.2009
Director/Chief Executive						
Alexander Anthony Arena	08.28.1999	08.17.2000 to 08.17.2004	08.17.2000 to 08.17.2009	11.7800	3,200,000	3,200,000
	08.26.2000	08.26.2001 to 08.26.2005	08.26.2001 to 08.26.2010	60.1200	1,600,000	1,600,000
	02.20.2001	08.26.2001 to 08.26.2005	08.26.2001 to 01.22.2011	16.8400	1,600,000	1,600,000
	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	6,400,000	6,400,000
Peter Anthony Allen	08.28.1999	08.17.2000 to 08.17.2002	08.17.2000 to 08.17.2009	11.7800	272,000	272,000
	08.26.2000	08.26.2001 to 08.26.2005	08.26.2001 to 08.26.2010	60.1200	178,600	178,600
	02.20.2001	08.26.2001 to 08.26.2005	08.26.2001 to 01.22.2011	16.8400	178,600	178,600
	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	2,000,000	2,000,000
Chung Cho Yee, Mico	08.28.1999	08.17.2000 to 08.17.2004	08.17.2001 to 08.17.2009	11.7800	3,575,200	3,575,200
	08.26.2000	08.26.2001 to 08.26.2005	08.26.2001 to 08.26.2010	60.1200	1,060,000	1,060,000
	02.20.2001	08.26.2001 to 08.26.2005	08.26.2001 to 01.22.2011	16.8400	1,060,000	1,060,000
	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	5,695,200	5,695,200
Lee Chi Hong, Robert	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	5,000,000	5,000,000
Sir David Ford	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	1,000,000	1,000,000

SHARE OPTION SCHEMES (CONTINUED)

1. Share Option Schemes of the Company (continued)

A. 1994 Scheme (continued)

(1) Outstanding options at January 1, 2009 and at June 30, 2009 (continued)

Name or category of participant	Date of grant (Notes 1 & 2)	Vesting period (Note 1)	Exercisable period (Note 1)	Exercise price HK\$	Number of options	
					Outstanding at 01.01.2009	Outstanding at 06.30.2009
Employees						
In aggregate	08.17.1999 to 09.15.1999	(Note 3)	08.17.2000 to 08.17.2009	11.7800	5,345,593	5,134,793
	10.25.1999 to 11.23.1999	(Note 3)	10.25.2000 to 10.25.2009	22.7600	1,529,600	1,378,800
	02.08.2000 to 03.08.2000	02.08.2001 to 02.08.2003	02.08.2001 to 02.08.2010	75.2400	86,700	86,700
	08.26.2000 to 09.24.2000	(Note 4)	(Note 4)	60.1200	823,000	823,000
	10.27.2000 to 11.25.2000	(Note 5)	(Note 5)	24.3600	8,159,626	7,781,226
	01.22.2001 to 02.20.2001	(Note 6)	(Note 6)	16.8400	5,293,839	5,040,319
	02.20.2001	02.08.2002 to 02.08.2004	02.08.2002 to 02.08.2011	18.7600	86,700	86,700
	04.17.2001 to 05.16.2001	(Note 7)	(Note 7)	10.3000	1,050,920	1,047,640
	07.16.2001 to 09.15.2001	07.16.2002 to 07.16.2004	07.16.2002 to 07.16.2011	9.1600	210,280	204,480
	05.10.2002	(Note 3)	04.11.2003 to 04.11.2012	7.9150	86,700	86,700
	08.01.2002	08.01.2003 to 08.01.2005	08.01.2003 to 07.31.2012	8.0600	200,000	200,000
	11.13.2002	11.13.2003 to 11.13.2005	11.13.2003 to 11.12.2012	6.1500	6,120,000	6,000,000
	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	30,360,672	29,995,672
	09.16.2003	09.16.2004 to 09.16.2006	09.16.2004 to 09.14.2013	4.9000	7,000	7,000
Others						
	08.17.1999 to 09.15.1999	(Note 3)	08.17.2000 to 08.17.2009	11.7800	800,000	800,000
	08.26.2000 to 09.24.2000	(Note 4)	(Note 4)	60.1200	2,800,000	2,800,000
	01.22.2001 to 02.20.2001	(Note 6)	(Note 6)	16.8400	2,800,000	2,800,000
	07.25.2003	07.25.2004 to 07.25.2006	07.25.2004 to 07.23.2013	4.3500	1,000,000	1,000,000

SHARE OPTION SCHEMES (CONTINUED)

1. Share Option Schemes of the Company (continued)

A. 1994 Scheme (continued)

(2) Options exercised during the six months ended June 30, 2009

During the period under review, no share options were exercised by any directors or chief executive of the Company, employees of the Group or other participants.

(3) Options cancelled or lapsed during the six months ended June 30, 2009

Name or category of participant	Exercise price HK\$	Number of options cancelled	Number of options lapsed
Employees			
In aggregate	11.7800	–	210,800
	22.7600	–	150,800
	24.3600	–	378,400
	16.8400	–	253,520
	10.3000	–	3,280
	9.1600	–	5,800
	6.1500	–	120,000
	4.3500	–	365,000

B. 2004 Scheme

(1) Outstanding options at January 1, 2009 and at June 30, 2009

Name or category of participant	Date of grant (Note 1)	Vesting period (Note 1)	Exercisable period (Note 1)	Exercise price HK\$	Number of options	
					Outstanding at 01.01.2009	Outstanding at 06.30.2009
Director/Chief Executive						
Alexander Anthony Arena	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	3,000,000	–
Peter Anthony Allen	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	2,000,000	–
Chung Cho Yee, Mico	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	3,000,000	–
Lee Chi Hong, Robert	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	1,000,000	–
Sir David Ford	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	2,000,000	–
Employees						
In aggregate	02.08.2005	02.08.2006 to 02.08.2007	02.08.2006 to 02.07.2009	4.4750	27,391,500	–

SHARE OPTION SCHEMES (CONTINUED)**1. Share Option Schemes of the Company (continued)****B. 2004 Scheme (continued)****(2) Options granted during the six months ended June 30, 2009**

During the period under review, no share options were granted to any directors or chief executive of the Company or employees of the Group or other participants.

(3) Options exercised during the six months ended June 30, 2009

During the period under review, no share options were exercised by any directors or chief executive of the Company, employees of the Group or other participants.

(4) Options cancelled or lapsed during the six months ended June 30, 2009

Name or category of participant	Exercise price HK\$	Number of options cancelled	Number of options lapsed
Director/Chief Executive			
Alexander Anthony Arena	4.4750	-	3,000,000
Peter Anthony Allen	4.4750	-	2,000,000
Chung Cho Yee, Mico	4.4750	-	3,000,000
Lee Chi Hong, Robert	4.4750	-	1,000,000
Sir David Ford	4.4750	-	2,000,000
Employees			
In aggregate	4.4750	-	27,391,500

2. Share Option Schemes of Subsidiary of the Company**PCPD**

PCPD, an indirect non wholly-owned subsidiary of the Company, adopted a share option scheme on March 17, 2003 (the "2003 PCPD Scheme"), which was valid for 10 years after the date of adoption. In order to align the terms of the share option scheme of PCPD with those of the Company and in view of the limited number of shares capable of being issued under the 2003 PCPD Scheme relative to the current capital base of PCPD, the shareholders of PCPD approved the termination of the 2003 PCPD Scheme and the adoption of a new share option scheme (the "2005 PCPD Scheme") at PCPD's annual general meeting held on May 13, 2005. The 2005 PCPD Scheme became effective on May 23, 2005 following its approval by the shareholders of the Company. No further share options will be granted under the 2003 PCPD Scheme following its termination, but the provisions of such scheme will remain in full force and effect with respect to the options granted prior to its termination. The board of directors of PCPD may, at its discretion, grant share options to any eligible person to subscribe for shares of PCPD subject to the terms and conditions stipulated in the 2005 PCPD Scheme.

SHARE OPTION SCHEMES (CONTINUED)

2. Share Option Schemes of Subsidiary of the Company (continued)

PCPD (continued)

Details of the share options outstanding under the 2003 PCPD Scheme and movements during the six months ended June 30, 2009 are as follows:

2003 PCPD Scheme

(1) Outstanding options at January 1, 2009 and at June 30, 2009

Name or category of participant	Date of grant (Note 1)	Vesting period (Note 1)	Exercisable period (Note 1)	Exercise price HK\$	Number of options	
					Outstanding at 01.01.2009	Outstanding at 06.30.2009
Director/Chief Executive of the Company						
Chung Cho Yee, Mico	12.20.2004	Fully vested on 12.20.2004	12.20.2004 to 12.19.2014	2,375	5,000,000	5,000,000

As at June 30, 2009, the total number of shares of PCPD that may be issued upon exercise of all share options granted and yet to be exercised under the 2003 PCPD Scheme was 5,000,000, which represented approximately 0.21% of the issued share capital of PCPD as at that date.

(2) Options granted during the six months ended June 30, 2009

During the period under review, no share options were granted to any directors or chief executive of the Company or other participants under the 2003 PCPD Scheme.

(3) Options exercised during the six months ended June 30, 2009

During the period under review, no share options were exercised by any directors or chief executive of the Company.

(4) Options cancelled or lapsed during the six months ended June 30, 2009

During the period under review, no share options were cancelled or lapsed.

2005 PCPD Scheme

No share options have been granted under the 2005 PCPD Scheme since its adoption.

Notes:

- All dates are shown month/day/year.
- Due to the large number of employees participating in the 1994 Scheme, certain information such as the date of grant can only be shown within a reasonable range in this report. For options granted to employees, the options were granted, where applicable, during the underlying periods for acceptance of the offer of such options by the employees concerned.
- These options vest in installments during a period starting from the first anniversary of the offer date of such options (the "Offer Date") and ending on either the third or fifth anniversary of the Offer Date inclusive.
- These options vest in installments during a period starting from: (i) May 26, 2001 and ending on May 26, 2003 inclusive; (ii) the first anniversary of the Offer Date and ending on the third anniversary of the Offer Date inclusive; or (iii) the first anniversary of the Offer Date and ending on the fifth anniversary of the Offer Date inclusive. All these options are exercisable in installments from the commencement of the relevant vesting period until the tenth anniversary of the Offer Date.
- These options vest in installments during a period starting from: (i) March 15, 2001 and ending on March 15, 2005 inclusive; or (ii) the first anniversary of the Offer Date and ending on the third anniversary of the Offer Date inclusive. All these options are exercisable in installments from the commencement of the relevant vesting period until the tenth anniversary of the Offer Date.
- These options vest in installments during a period starting from: (i) dates ranging between the date of grant to August 26, 2001 and ending on dates ranging between December 7, 2002 to August 26, 2005 inclusive; (ii) the first anniversary of the Offer Date and ending on the third anniversary of the Offer Date inclusive; or (iii) the first anniversary of the Offer Date and ending on the fifth anniversary of the Offer Date inclusive. All these options are exercisable in installments from the commencement of the relevant vesting period until the tenth anniversary of the Offer Date.
- These options vest in installments during a period starting from: (i) May 26, 2001 and ending on May 26, 2005 inclusive; (ii) the first anniversary of the Offer Date and ending on the third anniversary of the Offer Date inclusive; or (iii) the first anniversary of the Offer Date and ending on the fifth anniversary of the Offer Date inclusive. All these options are exercisable in installments from the commencement of the relevant vesting period until the tenth anniversary of the Offer Date.

SHARE AWARD SCHEMES

In 2002, the Company established two employee share incentive award schemes, namely the Purchase Scheme and the Subscription Scheme, under which employees of participating subsidiaries of the Company (excluding directors of the Company) may be selected to participate in such schemes. Subject to the relevant scheme rules, each scheme provides that following the making of an award to an employee, the relevant shares are held in trust for that employee and then shall vest over a period of time provided that the employee remains an employee of the applicable subsidiary of the Company at the relevant time and satisfies any other conditions specified at the time the award is made. In May 2006, the rules of the Purchase Scheme were altered such that the directors of the Company are also eligible to participate in such scheme. During the six months ended June 30, 2009, no awards have been made to any directors and employees of the Company or its subsidiaries under these two schemes.

Save as disclosed above, at no time during the period under review was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement that may enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors or chief executive of the Company or their spouses or children under 18 years of age had any right to subscribe for equity or debt securities of the Company or any of its associated corporations or had exercised any such right during the period under review.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at June 30, 2009, the following persons (other than any directors or chief executive of the Company) were substantial shareholders of the Company (as defined in the Listing Rules) and had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	Note	Number of shares/underlying shares held	Approximate percentage of issued share capital
Interests			
PCRD		1,548,211,301	22.86%
PCGH	1	1,650,333,478	24.37%
Star Ocean Ultimate Limited	2	1,650,333,478	24.37%
The Ocean Trust	2	1,650,333,478	24.37%
The Starlite Trust	2	1,650,333,478	24.37%
OS Holdings Limited	2	1,650,333,478	24.37%
Ocean Star Management Limited	2	1,650,333,478	24.37%
The Ocean Unit Trust	2	1,650,333,478	24.37%
The Starlite Unit Trust	2	1,650,333,478	24.37%
China United Network Communications Group Company Limited ("Unicom")	3	1,343,571,766	19.84%

Notes:

- These interests represented (i) PCGH's beneficial interests in 102,122,177 shares; and (ii) PCGH's interests through its controlled corporations (being its wholly-owned subsidiaries, Borsington Limited, Pacific Century International Limited, Pacific Century Group (Cayman Islands) Limited and Anglang Investments Limited, which together controlled 75.74% of PCRD) in 1,548,211,301 shares held by PCRD.
- On April 18, 2004, Li Tzar Kai, Richard transferred the entire issued share capital of PCGH to Ocean Star Management Limited as trustee of The Ocean Unit Trust and The Starlite Unit Trust. The entire issued share capital of Ocean Star Management Limited was held by OS Holdings Limited. The Ocean Trust and The Starlite Trust held all units of The Ocean Unit Trust and The Starlite Unit Trust respectively. Star Ocean Ultimate Limited was the discretionary trustee of The Ocean Trust and The Starlite Trust.
- Unicom indirectly held these interests through its indirect wholly-owned subsidiary, China Netcom Corporation (BVI) Limited.

INTERESTS AND SHORT POSITIONS OF OTHER PERSONS REQUIRED TO BE DISCLOSED UNDER THE SFO

As at June 30, 2009, the following person (not being the director or chief executive or substantial shareholder (as disclosed in the previous section headed “INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS”) of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name		Number of shares/underlying shares held	Approximate percentage of issued share capital
Interests			
Ocean Star Investment Management Limited	Note	1,650,333,478	24.37%

Note:

Ocean Star Investment Management Limited was deemed interested under the SFO in the shares of the Company by virtue of it being the investment manager of The Ocean Unit Trust and The Starlite Unit Trust which together held 100% of PCGH (see the Notes to the previous section headed “INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS”).

Save as disclosed above in this section and the previous section headed “INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS”, the Company had not been notified of any other persons (other than any directors or chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at June 30, 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company’s Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2009. Such condensed consolidated interim financial information has not been audited but has been reviewed by the Company’s independent auditor.

MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has established its own code of conduct regarding securities transactions by directors, senior management and relevant employees as defined in the PCCW Code of Conduct for Securities Transactions by Directors, Senior Management and Nominated Persons (the “PCCW Code”) on terms no less exacting than the required standard set out in the Model Code. Having made specific inquiries of all directors of the Company, confirmations have been received of compliance with the required standard set out in the Model Code and the PCCW Code during the accounting period covered by this interim report.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business and to ensure that affairs are conducted in accordance with applicable laws and regulations.

The Company has applied the principles and complied with all the code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules for the six months ended June 30, 2009, except that the Chairman of the board of directors was unable to attend the Company’s annual general meeting held on June 26, 2009 (which was required under the Code provision E.1.2) as he was out of town on another engagement that was important to the Company’s business.

INVESTOR RELATIONS

FINANCIAL CALENDAR

Announcement of 2009 Interim Results	August 20, 2009
Announcement of 2009 Annual Results	March 2010

DIRECTORS

The directors of the Company as at the date of the announcement of the 2009 Interim Results are:

Executive Directors:

Li Tzar Kai, Richard (*Chairman*)
Alexander Anthony Arena (*Group Managing Director*)
Peter Anthony Allen
Chung Cho Yee, Mico
Lee Chi Hong, Robert

Non-Executive Directors:

Sir David Ford, KBE, LVO
Lu Yimin
Zuo Xunsheng (*Deputy Chairman*)
Li Fushen

Independent Non-Executive Directors:

Professor Chang Hsin-kang, FREng, GBS, JP
Dr The Hon Sir David Li Kwok Po, GBM, GBS, OBE, JP
Sir Roger Lobo, CBE, LLD, JP
Aman Mehta
The Hon Raymond George Hardenbergh Seitz

INTERIM REPORT 2009

This Interim Report 2009 in both English and Chinese is now available in printed form and on the websites of the Company (www.pccw.com) and Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk).

Shareholders who:

- A) received the Interim Report 2009 by electronic means may request a printed copy, or
- B) received the Interim Report 2009 in either English or Chinese may request a printed copy of the other language version

by writing to the Company c/o the Company's Share Registrars at:

Computershare Hong Kong Investor Services Limited
Investor Communications Centre
Rooms 1806-1807, 18th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Fax: +852 2529 6087/+852 2865 0990
Email: hkinfo00008@computershare.com.hk

Shareholders who have chosen to receive the Interim Report 2009 by electronic means through the Company's website and who, for any reason, have difficulty in receiving or gaining access to the Interim Report 2009 will promptly, upon request in writing or by email to the Company's Share Registrars – Computershare Hong Kong Investor Services Limited, be sent the Interim Report 2009 in printed form, free of charge.

Shareholders may change their choice of language or means of receipt of the Company's corporate communications at any time, free of charge, by reasonable prior notice in writing or by email to the Company's Share Registrars.

LISTINGS

The Company's shares are listed on The Stock Exchange of Hong Kong Limited and traded in the form of American Depositary Receipts ("ADRs") on the Pink OTC Markets in the United States. Each ADR represents 10 ordinary shares of the Company. Certain United States Dollar guaranteed notes issued by wholly-owned subsidiaries of the Company are listed on the Luxembourg Stock Exchange and the Singapore Exchange Securities Trading Limited.

Additional information and specific inquiries concerning the Company's ADRs should be directed to the Company's ADR Depository at the address given on this page.

Other inquiries regarding the Company should be addressed to Investor Relations at the address given on this page.

STOCK CODES

The Stock Exchange of Hong Kong Limited	0008
Reuters	0008.HK
Bloomberg	8 HK
ADRs	PCCWY

SHARE INFORMATION

Board lot:	1,000 shares
Issued shares as at June 30, 2009:	6,772,294,654 shares

REGISTRARS

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Telephone: +852 2862 8555 Fax: +852 2529 6087
Email: hkinfo@computershare.com.hk

ADR DEPOSITORY

Citibank, N.A.
PCCW American Depositary Receipts
Citibank Shareholder Services
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Toll free number: +1 877 248 4237
Telephone: +1 781 575 4555
Email: citibank@shareholders-online.com
Website: www.citi.com/dr

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Philana WY Poon

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PCCW shares are listed on The Stock Exchange of Hong Kong Limited (SEHK: 0008)
and traded in the form of American Depositary Receipts on the Pink OTC Markets in the US (Ticker: PCCWY).

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