HKT Trust

(a trust constituted on November 7, 2011 under the laws of Hong Kong and managed by HKT Management Limited)

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

The directors of HKT Management Limited (the "Trustee-Manager", in its capacity as the trustee-manager of the HKT Trust) and HKT Limited (the "Company" or "HKT") are pleased to announce the audited consolidated results of the HKT Trust and of the Company together with the Company's subsidiaries (collectively the "Group") for the year ended December 31, 2012.

- Total revenue increased by 6% to HK$21,081 million
- Total EBITDA increased by 3% to HK$7,669 million
- Profit attributable to holders of Share Stapled Units increased by 32% to HK$1,610 million; basic earnings per Share Stapled Unit was 25.09 HK cents
- Adjusted funds flow for the year increased by 12% to HK$2,672 million; adjusted funds flow per Share Stapled Unit was 41.64 HK cents
- Final distribution per Share Stapled Unit of 21.58 HK cents

MANAGEMENT REVIEW

In the first full financial year since its listing, HKT achieved an excellent set of financial results in 2012 with strong growth in revenue, EBITDA, net profit and, most importantly, adjusted funds flow. These financial results exceed the forecasts made in HKT’s global offering prospectus issued in November 2011, demonstrating the strong underlying fundamentals of our business and the successful execution of our strategy.

Total revenue for the year ended December 31, 2012 increased by 6% to HK$21,081 million driven by the strong performance of the Telecommunications Services (“TSS”) business and further gains made in the Mobile business. Total EBITDA for the year was HK$7,669 million, an increase of 3% over the previous year and exceeding the prospectus forecast of HK$7,621 million.

Profit attributable to holders of Share Stapled Units was HK$1,610 million, a substantial increase of 32% over the previous year and 18% above the prospectus forecast of HK$1,364 million. This impressive growth was attributable to the higher EBITDA achieved from the TSS and Mobile businesses and significant savings in net finance costs during the year.

Adjusted funds flow for the year ended December 31, 2012 reached HK$2,672 million, an increase of 12% over the previous year and 4% above the prospectus forecast of HK$2,574 million. Adjusted funds flow per Share Stapled Unit was 41.64 HK cents.

The board of directors of the Trustee-Manager has recommended the payment of a final distribution of 21.58 HK cents per Share Stapled Unit for the year ended December 31, 2012. This brings the 2012 full-year distribution to 41.64 HK cents per Share Stapled Unit (comprising 20.06 HK cents as interim and 21.58 HK cents as final distribution). The total payment to holders of Share Stapled Units amounts to HK$2,672 million being 100% of the 2012 adjusted funds flow.

OUTLOOK

It is evident that the hard work of the HKT team last year has ignited a strong momentum for the Company to continue to grow in 2013. As we continue to benefit from the steady and solid performance of our long-established businesses, we also expect our new business initiatives to flourish and make more significant contributions in the coming year. The broadband and mobile businesses shall continue to be the main growth drivers, while the global connectivity business has considerable development potential.

Competition is likely to remain keen, although we are confident that our first-class network and innovative products and services continue to provide a competitive edge. Furthermore, our professional and friendly customer service staff and investment in customer service web portal, apps and other channels will further differentiate HKT from the other operators in the market.

The general economic conditions will also likely remain challenging in the foreseeable future in the absence of a breakthrough of the economic doldrums in the U.S. and Europe. Management will cautiously examine any opportunities and threats with a view to further developing our businesses and maximizing return for unitholders.

FINANCIAL REVIEW BY SEGMENTS

For the year ended December 31, HK$ million	2011			2012			Better/ (Worse)
	H1	H2	Full Year	H1	H2	Full Year	y-o-y
Revenue							
TSS	8,259	9,036	**17,295**	8,425	9,941	**18,366**	6%
Mobile	919	1,048	**1,967**	1,133	1,333	**2,466**	25%
Other Businesses	479	331	**810**	368	316	**684**	(16)%
Eliminations	(120)	(127)	**(247)**	(211)	(224)	**(435)**	(76)%
Total revenue	9,537	10,288	**19,825**	9,715	11,366	**21,081**	6%
Cost of sales	(3,758)	(4,391)	**(8,149)**	(3,922)	(5,105)	**(9,027)**	(11)%
Operating costs before depreciation, amortization, and gain/(loss) on disposal of property, plant and equipment, net	(2,156)	(2,109)	**(4,265)**	(2,057)	(2,328)	**(4,385)**	(3)%
EBITDA[1]							
TSS	3,386	3,619	**7,005**	3,467	3,659	**7,126**	2%
Mobile	218	292	**510**	342	394	**736**	44%
Other Businesses	19	(123)	**(104)**	(73)	(120)	**(193)**	(86)%
Total EBITDA[1]	3,623	3,788	**7,411**	3,736	3,933	**7,669**	3%
TSS EBITDA Margin[1]	*41%*	*40%*	***41%***	*41%*	*37%*	***39%***	
Mobile EBITDA Margin[1]	*24%*	*28%*	***26%***	*30%*	*30%*	***30%***	
Total EBITDA Margin[1]	*38%*	*37%*	***37%***	*38%*	*35%*	***36%***	
Depreciation and amortization	(2,132)	(2,118)	**(4,250)**	(2,281)	(2,407)	**(4,688)**	(10)%
Gain/(Loss) on disposal of property, plant and equipment, net	1	4	**5**	2	(2)	**–**	NA
Other (losses)/gains, net	(28)	–	**(28)**	10	8	**18**	NA
Finance costs, net	(733)	(771)	**(1,504)**	(411)	(394)	**(805)**	46%
Share of results of associates and jointly controlled companies	(5)	(14)	**(19)**	(62)	(17)	**(79)**	(316)%
Profit before income tax	726	889	**1,615**	994	1,121	**2,115**	31%

ADJUSTED FUNDS FLOW[2]

For the year ended December 31, HK$ million	2011 H1	2011 H2	2011 Full Year	2012 H1	2012 H2	2012 Full Year	Better/ (Worse) y-o-y
Total EBITDA[1]	3,623	3,788	**7,411**	3,736	3,933	**7,669**	3%
Less cash outflows in respect of:							
Customer acquisition costs and licence fees	(613)	(802)	**(1,415)**	(756)	(963)	**(1,719)**	(21)%
Capital expenditures	(721)	(848)	**(1,569)**	(832)	(1,074)	**(1,906)**	(21)%
Adjusted funds flow before tax paid, net finance costs paid and changes in working capital	2,289	2,138	**4,427**	2,148	1,896	**4,044**	(9)%
Adjusted for:							
Tax payment	(24)	(106)	**(130)**	(23)	(180)	**(203)**	(56)%
Net finance costs paid	(660)	(662)	**(1,322)**	(355)	(373)	**(728)**	45%
Changes in working capital	(253)	(335)	**(588)**	(340)	(101)	**(441)**	25%
Adjusted funds flow[2]	1,352	1,035	**2,387**	1,430	1,242	**2,672**	12%
Annual adjusted funds flow per Share Stapled Unit (HK cents)[3]			**37.20**			**41.64**	

KEY OPERATING DRIVERS[4]

	2011 H1	2011 H2	2012 H1	2012 H2	Better/ (Worse) y-o-y
Exchange lines in service ('000)	2,625	2,636	2,641	2,646	0%
Business lines ('000)	1,217	1,228	1,233	1,238	1%
Residential lines ('000)	1,408	1,408	1,408	1,408	0%
Total broadband access lines ('000)	1,437	1,518	1,540	1,567	3%
(Consumer, business and wholesale customers)					
Retail consumer broadband subscribers ('000)	1,285	1,363	1,385	1,410	3%
Retail business broadband subscribers ('000)	116	119	122	126	6%
Traditional data (Exit Gbps)	1,243	1,501	1,689	1,811	21%
Retail IDD minutes ('M mins)	618	591	558	551	(8)%
Mobile subscribers ('000)	1,506	1,535	1,605	1,645	7%
Post-paid subscribers ('000)	923	945	1,005	1,013	7%
Prepaid subscribers ('000)	583	590	600	632	7%

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, and interests in leasehold land, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interest in an associate and jointly controlled companies and the Groups' share of results of an associate 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 ("HKFRS") 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 *Adjusted funds flow is defined as EBITDA less capital expenditures, customer acquisition costs and licence fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. It is not presented as a measure of leverage or liquidity in accordance with HKFRS and should not be considered as representing net cash flows or any other similar measures derived in accordance with HKFRS, or an alternative to cash flow from operations or a measure of liquidity. The Group's Adjusted Funds Flow is computed in accordance with the above definition using financial information derived from the Group's audited consolidated financial statements. The Adjusted Funds Flow may be used for debt repayment.*

Note 3 *Annual adjusted funds flow per Share Stapled Unit is calculated by dividing the adjusted funds flow for the year by the number of issued Share Stapled Units as at end of the respective year.*

Note 4 *Figures are stated as at the period end, except for International Direct Dial ("IDD") minutes which is the total for the period.*

Note 5 *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.*

Note 6 *Group capital expenditures represent additions to property, plant and equipment, and interests in leasehold land.*

Telecommunications Services ("TSS")

For the year ended December 31, HK$ million	**2011**			**2012**			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
Local Telephony Services	1,653	1,744	**3,397**	1,680	1,721	**3,401**	0%
Local Data Services	2,660	3,020	**5,680**	2,875	3,180	**6,055**	7%
International Telecommunications Services	2,188	2,011	**4,199**	2,188	3,059	**5,247**	25%
Other Services	1,758	2,261	**4,019**	1,682	1,981	**3,663**	(9)%
TSS Revenue	8,259	9,036	**17,295**	8,425	9,941	**18,366**	6%
Cost of sales	(3,205)	(3,989)	**(7,194)**	(3,488)	(4,682)	**(8,170)**	(14)%
Operating costs before depreciation and amortization	(1,668)	(1,428)	**(3,096)**	(1,470)	(1,600)	**(3,070)**	1%
TSS EBITDA[1]	3,386	3,619	**7,005**	3,467	3,659	**7,126**	2%
TSS EBITDA margin[1]	*41%*	*40%*	***41%***	*41%*	*37%*	***39%***	

The growth in revenue and EBITDA in 2012 reflected the fundamental strength of HKT's TSS business. Driven by the successful fiber service strategy, turnaround to revenue growth of our traditional fixed-line business and strong growth in our international telecommunications business, TSS revenue for the year ended December 31, 2012 increased by 6% to HK$18,366 million and EBITDA increased by 2% to HK$7,126 million for the year.

Local Telephony Services. Local telephony services halted the decline in revenue and recorded a modest increase to HK$3,401 million for the year ended December 31, 2012, compared to HK$3,397 million a year earlier. The return to revenue growth in 2012 reflects the success of our innovative eye multimedia service, an integral part of our quadruple-play strategy which is instrumental in increasing customer stickiness. Total fixed lines in service at the end of December 2012 increased to 2,646,000, and eye penetration of the residential customer base grew to 19% for the year.

Local Data Services. Local data services revenue, comprising broadband network revenue and local data revenue, increased by 7% year-on-year to HK$6,055 million for the year ended December 31, 2012. The strong take-up of our fiber service accompanied by our premium customer service drove a 9% year-on-year growth in broadband network revenue for the year. At the end of December 2012, the total number of broadband access lines increased by 3% year-on-year to 1,567,000. Of these broadband access lines, 300,000 were fiber-to-the-home (FTTH) connections. Meanwhile, local data revenue also recorded a healthy growth due to increased business demand for local data services.

International Telecommunications Services. International telecommunications services revenue for the year ended December 31, 2012 increased significantly by 25% year-on-year to HK$5,247 million, driven by strong demand growth from carrier customers and enterprises and the addition of a number of new customers following the acquisition of businesses and assets in Europe and Africa. During the year, international voice and data connectivity services performed very well due to continued growing demand from both wholesale and enterprise customers.

Other Services. Other services revenue primarily comprises revenue from the sales of network equipment and customer premises equipment ("CPE"), provision of technical and maintenance subcontracting services and contact centre services ("Teleservices"). Other services revenue for the year ended December 31, 2012 decreased by 9% year-on-year to HK$3,663 million, primarily due to lower CPE sales and the timing of the completion of certain telecommunications projects.

Mobile

For the year ended December 31, HK$ million	**2011**			**2012**			Better/ (Worse)
	H1	**H2**	**Full Year**	**H1**	**H2**	**Full Year**	y-o-y
Mobile Revenue	919	1,048	**1,967**	1,133	1,333	**2,466**	25%
Mobile EBITDA[1]	218	292	**510**	342	394	**736**	44%
Mobile EBITDA margin[1]	*24%*	*28%*	***26%***	*30%*	*30%*	***30%***	

The Mobile business once again delivered stellar growth with a 25% surge in total mobile revenue to HK$2,466 million for the year ended December 31, 2012. Mobile service revenue also increased by 25% year-on-year on a growing customer base and higher average revenue per user ("ARPU").

During the year, the Mobile business witnessed healthy subscriber growth which lifted the total subscriber base to 1,645,000 at the end of December 2012, up 7% from a year earlier. The number of post-paid subscribers also increased by 7% to 1,013,000. More importantly, our continued focus on acquiring high-quality, premium smart device customers pushed the blended post-paid exit ARPU to HK$206, up 12% from HK$184 a year ago.

Our focus on providing an unparalleled mobile experience is reflected by our continued mobile network investment, highlighted by the launch of our 4G LTE service in May, and the roll-out of numerous mobile service initiatives during the year including unlimited voice plans. Our strong suite of 4G smartphone offerings combined with our range of "Ultimate Mobility" service plans continued to drive mobile data usage. As a result, mobile data revenue for the year ended December 31, 2012 increased by 55% year-on-year and accounted for 73% of mobile service revenue for the year.

HKT enjoys unrivalled competitive advantages because of its unique fixed-mobile integrated network boasting an extensive fiber backhaul network and more than 11,000 Wi-Fi hotspots as at the end of December 2012. Benefiting from these advantages and the continued improvement in ARPU, the Mobile business recorded impressive EBITDA growth of 44% year-on-year to HK$736 million and margin improvement from 26% in 2011 to 30% in 2012.

Other Businesses

Other Businesses primarily comprised Unihub China Information Technology Company Limited (the "ZhongYing JV"), which provides network integration and related services to telecommunications operators in the PRC. Revenue from Other Businesses for the year ended December 31, 2012 was HK$684 million, as compared to HK$810 million a year ago. The decline in revenue was mainly due to the shifting business focus of ZhongYing JV from the lower-margin CPE sales to software development projects with lower revenue but higher margin.

Eliminations

Eliminations were HK$435 million for the year ended December 31, 2012, as compared to HK$247 million a year ago. Eliminations mainly related to internal charges for telecommunications services consumed among HKT's business units.

Cost of Sales

Cost of sales for the year ended December 31, 2012 increased by 11% to HK$9,027 million. The increase in cost of sales was in line with the growth in revenue.

General and Administrative Expenses

HKT continued to focus on enhancing its operational efficiency and productivity to mitigate the impact of the overall inflationary environment, while at the same time investing for business growth. In 2012, we launched a series of promotion and publicity campaigns and opened flagship stores that reinforce our leading brand in the market, with a view to driving revenue growth. Against this backdrop, we managed to contain the increase in net operating expenses before depreciation, amortization, and gain/(loss) on disposal of property, plant and equipment to 3% to HK$4,385 million. During the year, customer acquisition costs also increased in line with business growth and thus depreciation and amortization expenses increased by 10% to HK$4,688 million. As a result, general and administrative expenses increased by 7% to HK$9,073 million for the year ended December 31, 2012.

EBITDA[1]

Strong performance in the TSS business and continued growth in the Mobile business led to an overall EBITDA improvement in 2012. EBITDA increased by 3% to HK$7,669 million for the year ended December 31, 2012.

Finance Costs, Net

Net finance costs for the year ended December 31, 2012 decreased by 46% to HK$805 million. The significant reduction in finance costs was primarily due to the interest savings after the repayment of the US$1 billion 7.75% guaranteed notes due 2011 in November 2011.

Income Tax

Income tax expense for the year ended December 31, 2012 was HK$455 million, as compared to HK$344 million a year ago, representing an effective tax rate of 22% (2011: 21%). The increase in the tax expense was mainly due to higher profit before income tax during the year. The rate is higher than the statutory tax rate of 16.5%, mainly due to tax losses of certain subsidiaries not recognized during the year.

Non-controlling Interests

Non-controlling interests of HK$50 million primarily represented the net profit attributable to the minority shareholders of the ZhongYing JV.

Profit Attributable to Holders of Share Stapled Units/Shares of the Company

Profit attributable to holders of Share Stapled Units/shares of the Company for the year ended December 31, 2012 increased by 32% to HK$1,610 million (2011: HK$1,221 million).

LIQUIDITY AND CAPITAL RESOURCES

The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholders' return and a sound capital position. The Group also makes adjustments to maintain an optimal capital structure in light of changes in economic conditions and to reduce the cost of capital.

The Group's gross debt[5] was HK$24,124 million as at December 31, 2012 (December 31, 2011: HK$23,583 million). Cash and cash equivalents totaled HK$2,401 million as at December 31, 2012 (December 31, 2011: HK$2,226 million). The Group's net debt[5] was HK$21,723 million as at December 31, 2012 (December 31, 2011: HK$21,357 million).

As at December 31, 2012, the Group had ample liquidity as evidenced by committed bank loan facilities totaling HK$23,182 million, of which HK$10,758 million remained undrawn.

The Group's gross debt[5] to total assets was 36% as at December 31, 2012 (2011: 36%).

CREDIT RATINGS OF HONG KONG TELECOMMUNICATIONS (HKT) LIMITED

As at December 31, 2012, 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 EXPENDITURE[6]

Capital expenditure including capitalized interest for the year ended December 31, 2012 was HK$1,945 million (2011: HK$1,600 million). Capital expenditure remained well below 10% of revenue and was at 9.2% in 2012, compared to 8.1% in 2011 and 8.7% in 2010. Major outlays for the year were mainly in network expansion and enhancement to meet demand for high-speed broadband fiber services, mobile services and international networks.

Going forward, the Group will continue to invest in its delivery platforms and networks taking into account the prevailing market conditions, and using assessment criteria including internal rate of return, net present value and payback period.

HEDGING

Market risk arises from foreign currency and interest rate exposure 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 of directors of the Company, 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, 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 December 31, 2012, all cross currency swap contracts were designated as cash flow hedges and fair value hedges for the Group’s foreign currency denominated short-term and long-term borrowings.

CHARGE ON ASSETS

As at December 31, 2012, no assets of the Group (2011: certain assets of the Group with an aggregate carrying value of HK$62 million) were pledged to secure loans and banking facilities of the Group.

CONTINGENT LIABILITIES

As at December 31, HK$ million	2011	**2012**
Performance guarantees	240	**280**
Others	3	**63**
	243	**343**

The Group is subject to certain corporate guarantee obligations to guarantee performance of its subsidiaries and fellow 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 December 31, 2012, the Group had approximately 15,500 employees (2011: 15,300). About 60% of these employees work in Hong Kong and the others are based mainly in the PRC, the Philippines and the United States. The Group has established incentive bonus schemes designed to motivate and reward employees at all levels to achieve the Group’s business performance targets. Payment of bonuses is generally based on achievement of EBITDA and free cash flow targets for the Group as a whole and for each of the individual business units.

FINAL DIVIDEND/DISTRIBUTION

The board of directors of the Trustee-Manager has recommended the payment of a final distribution by the HKT Trust in respect of the Share Stapled Units, of 21.58 HK cents per Share Stapled Unit (after deduction of any operating expenses permissible under the trust deed dated November 7, 2011 constituting the HKT Trust (the "Trust Deed")), in respect of the year ended December 31, 2012 (and in order to enable the HKT Trust to pay that distribution, the board of directors of the Company has recommended the payment of a final dividend in respect of the ordinary shares in the Company held by the Trustee-Manager, of 21.58 HK cents per ordinary share, in respect of the same period), subject to the approval of the registered unitholders of the HKT Trust and the shareholders of the Company at the forthcoming annual general meeting of unitholders of the HKT Trust and shareholders of the Company to be held on a combined basis as a single meeting characterized as an annual general meeting of registered holders of Share Stapled Units ("AGM"). An interim distribution/dividend of 20.06 HK cents per Share Stapled Unit/ordinary share of the Company for the six months ended June 30, 2012 was paid to the registered holders of Share Stapled Unit/shareholders of the Company in September 2012.

The board of directors of the Trustee-Manager has confirmed, in accordance with the Trust Deed, that (i) the auditors of the Group have performed limited assurance procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants to review and verify the Trustee-Manager's calculation of the above distribution entitlement per Share Stapled Unit and (ii) having made all reasonable enquiries, immediately after making the above distribution to the registered unitholders of the HKT Trust, the Trustee-Manager will be able to fulfill, from the Trust Property (as defined in the Trust Deed), the liabilities of the HKT Trust as they fall due.

CLOSURE OF BOOKS

The register of registered holders of Share Stapled Units, the register of holders of units, the principal and Hong Kong branch registers of members of the Company and the register of beneficial interests as established and maintained by the Trustee-Manager and the Company in accordance with the provisions of the Trust Deed will all be closed from Thursday, May 16, 2013 to Monday, May 20, 2013 (both days inclusive), during which period no transfer of Share Stapled Units will be effected. The record date for the proposed final distribution will be Monday, May 20, 2013. In order to qualify for the proposed final distribution, all transfers of Share Stapled Units accompanied by the relevant certificates in respect of the Share Stapled Units transferred must be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Transfer Office, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, May 15, 2013. Subject to the approval of holders of the Share Stapled Units at the AGM, the distribution warrants will be despatched to holders of the Share Stapled Units on or around Tuesday, May 28, 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Under the Trust Deed and for so long as the Trust Deed remains in effect, the Share Stapled Units cannot be repurchased or redeemed by the HKT Trust and the Company unless and until specific regulations which expressly permit repurchase or redemption are introduced by the Securities and Futures Commission. Therefore, the holders of Share Stapled Units have no right to request the Trustee-Manager to repurchase or redeem their Share Stapled Units, and the HKT Trust and the Company are not allowed to repurchase their own Share Stapled Units.

During the year ended December 31, 2012, none of the HKT Trust (including the Trustee-Manager), the Company or the Company's subsidiaries purchased, sold or redeemed any Share Stapled Units.

AUDIT COMMITTEE

The Trustee-Manager's Audit Committee and the Company's Audit Committee have reviewed the accounting policies adopted by the Group and the Trustee-Manager, the audited consolidated financial statements of the HKT Trust and HKT Limited for the year ended December 31, 2012 and the audited financial statements of the Trustee-Manager for the same period.

CORPORATE GOVERNANCE PRACTICES

The HKT Trust, the Trustee-Manager and the Company are 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 their affairs are conducted in accordance with applicable laws and regulations.

The HKT Trust and the Company have applied the principles and complied with all relevant code provisions of the Code on Corporate Governance Practices (the "Former CG Code") during the period from January 1 to March 31, 2012 and the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period from April 1 to December 31, 2012, except that the chairman of the Remuneration Committee of the Company was unable to attend the AGM held on May 3, 2012 (which was required under Code Provision A.6.7) as he had another engagement overseas. The requirement to establish a separate Remuneration Committee for the Trustee-Manager under the Code Provision B.1.1 of the Former CG Code for the period from January 1 to March 31, 2012 and Listing Rule 3.25 for the period from April 1 to December 31, 2012 is not relevant to the Trustee-Manager as its directors are not entitled to any remuneration under the Trust Deed, and therefore has not been complied with. In addition, given the unique circumstances of the HKT Trust i.e., the fact that the Trust Deed requires that the directors of the Company and the directors of the Trustee-Manager must always be the same individuals, the establishment of a separate Nomination Committee for the Trustee-Manager as required by Code Provision A.5.1 of the CG Code is not relevant to the Trustee-Manager, and therefore has not been complied with.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.hkt.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report 2012 will be despatched to holders of the Share Stapled Units and available on the above websites in due course.

By order of the boards of
HKT Management Limited
and
HKT Limited
Philana WY POON
Group General Counsel and Company Secretary

Hong Kong, February 26, 2013

AUDITED CONSOLIDATED INCOME STATEMENT OF HKT TRUST AND OF HKT LIMITED
For the year ended December 31, 2012
(In HK$ million except for earnings per Share Stapled Unit/share of the Company)

	Note	2011	**2012**
Turnover	2	19,825	**21,081**
Cost of sales		(8,149)	**(9,027)**
General and administrative expenses		(8,510)	**(9,073)**
Other (losses)/gains, net	3	(28)	**18**
Finance costs, net		(1,504)	**(805)**
Share of results of jointly controlled companies		(2)	**(44)**
Share of results of an associate		(17)	**(35)**
Profit before income tax	2, 4	1,615	**2,115**
Income tax	5	(344)	**(455)**
Profit for the year		1,271	**1,660**
Attributable to:			
Holders of Share Stapled Units/shares of the Company		1,221	**1,610**
Non-controlling interests		50	**50**
		1,271	**1,660**
Earnings per Share Stapled Unit/share of the Company			
Basic and diluted *	7	26.84 cents	**25.09 cents**

* *The earnings per Share Stapled Unit/share of the Company are based on the weighted average number of Share Stapled Units/shares of the Company deemed to be in issue during the year of 6,415,937,641 (the year ended December 31, 2011: 4,549,022,496, for which 2,053,354,000 Share Stapled Units/shares of the Company had not been issued until the public offering in November 2011). Please refer to note 7 for details.*

AUDITED CONSOLIDATED BALANCE SHEET OF HKT TRUST AND OF HKT LIMITED
As at December 31, 2012
(In HK$ million)

	Note	2011	**2012**
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		14,253	**14,227**
Interests in leasehold land		316	**303**
Goodwill		35,893	**36,026**
Intangible assets		4,872	**4,573**
Interest in an associate		95	**200**
Interests in jointly controlled companies		577	**605**
Available-for-sale financial assets		72	**85**
Financial assets at fair value through profit or loss		–	**4**
Derivative financial instruments		275	**253**
Deferred income tax assets		3	**3**
Other non-current assets		498	**531**
		56,854	**56,810**
Current assets			
Prepayments, deposits and other current assets		2,273	**2,733**
Inventories		1,076	**971**
Trade receivables, net	8	2,541	**3,425**
Amounts due from related companies		–	**25**
Derivative financial instruments		–	**4**
Financial asset at fair value through profit or loss		–	**4**
Income tax recoverable		68	–
Cash and cash equivalents		2,226	**2,401**
		8,184	**9,563**

AUDITED CONSOLIDATED BALANCE SHEET OF HKT TRUST AND OF HKT LIMITED (CONTINUED)
As at December 31, 2012
(In HK$ million)

	Note	2011	**2012**
Current liabilities			
Short-term borrowings		(31)	**(8,462)**
Trade payables	9	(1,532)	**(1,966)**
Accruals and other payables		(2,315)	**(2,539)**
Carrier licence fee liabilities		(190)	**(200)**
Amounts due to related companies		(29)	**(135)**
Amounts due to fellow subsidiaries and the immediate holding company		(1,282)	**(672)**
Advances from customers		(1,483)	**(1,684)**
Current income tax liabilities		–	**(347)**
		(6,862)	**(16,005)**
Net current assets/(liabilities)		1,322	**(6,442)**
Total assets less current liabilities		58,176	**50,368**
Non-current liabilities			
Long-term borrowings		(23,470)	**(15,644)**
Deferred income tax liabilities		(1,991)	**(1,831)**
Deferred income		(893)	**(989)**
Carrier licence fee liabilities		(838)	**(736)**
Other long-term liabilities		(51)	**(51)**
		(27,243)	**(19,251)**
Net assets		30,933	**31,117**
CAPITAL AND RESERVES			
Share capital		6	**6**
Reserves		30,750	**30,928**
Equity attributable to holders of Share Stapled Units/shares of the Company		30,756	**30,934**
Non-controlling interests		177	**183**
Total equity		30,933	**31,117**

NOTES

1. BASIS OF PREPARATION AND CRITICAL ACCOUNTING ESTIMATES

In accordance with trust deed, HKT Trust (the "HKT Trust") and HKT Limited are each required to prepare their own sets of financial statements on a consolidated basis. The HKT Trust consolidated financial statements for the year ended December 31, 2012 comprise the consolidated financial statements of the HKT Trust, HKT Limited (or the "Company") and its subsidiaries (together the "Group"), and the Group's interests in an associate and jointly controlled companies. The HKT Limited consolidated financial statements for the year ended December 31, 2012 comprise the consolidated financial statements of HKT Limited and its subsidiaries (together the "HKT Limited Group") and the HKT Limited Group's interests in an associate and jointly controlled companies, and the Company's balance sheet.

The HKT Trust controls HKT Limited and the sole activity of the HKT Trust during the year ended December 31, 2012 was investing in HKT Limited. Therefore, the consolidated results and financial position that would be presented in the consolidated financial statements of the HKT Trust are identical to the consolidated financial results and financial position of HKT Limited with the only differences being disclosures of capital of HKT Limited. The Trustee-Manager (as defined below) and the directors of the Company believe therefore that it is clearer to present the consolidated financial statements of the HKT Trust and the HKT Limited together. The consolidated financial statements of the HKT Trust and the consolidated financial statements of HKT Limited are presented together to the extent they are identical and are hereinafter referred as the "HKT Trust and HKT Limited consolidated financial statements".

The consolidated income statements, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of changes in equity, consolidated statements of cash flows, significant accounting policies and the related explanatory information are common to the HKT Trust and the Company. The HKT Limited consolidated financial statements also include the stand-alone balance sheet of HKT Limited.

The Group and the HKT Limited Group are referred as the "Groups".

HKT Management Limited ("Trustee-Manager"), an indirect wholly-owned subsidiary of PCCW Limited, whose financial statements, are not consolidated by the HKT Trust and HKT Limited, is required by the trust deed to prepare and publish financial statements prepared on an unconsolidated basis, as such the income statement and balance sheet of the Trustee-Manager only present the results and financial position attributable to the Trustee-Manager. The financial statements of the Trustee-Manager are using accounting policies consistent with those adopted for the preparation of the consolidated financial statements of the Groups.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except that the following assets and liabilities are stated at fair value as explained in the accounting policies set out below:

– available-for-sale financial assets; and
– derivative financial instruments.

1. BASIS OF PREPARATION AND CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the HKT Trust and HKT Limited consolidated financial statements and estimates with a significant risk of material adjustment in the next year are set out below:

i. Useful lives of property, plant and equipment and intangible assets (other than goodwill)

The Groups have significant property, plant and equipment and intangible assets (other than goodwill). The Groups are required to estimate the useful lives of property, plant and equipment and intangible assets (other than goodwill) in order to ascertain the amount of depreciation and amortization charges for each reporting period.

The useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Groups' strategies. The Groups perform annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Groups extend or shorten the useful lives and/or makes impairment provisions according to the results of the review.

ii. Impairment of assets (other than investments in equity securities and other receivables)

At each balance sheet date, the Groups review internal and external sources of information to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

– property, plant and equipment;
– interests in leasehold land;
– intangible assets;
– interests in an associate and jointly controlled companies;
– goodwill; and
– investments in subsidiaries (at Company level).

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment. An impairment loss is recognized in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amount.

1. BASIS OF PREPARATION AND CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

ii. Impairment of assets (other than investments in equity securities and other receivables) (Continued)

The sources utilized to identify indications of impairment are often subjective in nature and the Groups are required to use judgement in applying such information to its business. The Groups' interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given balance sheet date. Such information is particularly significant as it relates to the Groups' telecommunications services and infrastructure businesses in Hong Kong.

If an indication of impairment is identified, such information is further subject to an exercise that requires the Groups to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Groups' assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable value, the Groups may perform such assessment utilizing internal resources or the Groups may engage external advisors to counsel the Groups in making this assessment. Regardless of the resources utilized, the Groups are required to make many assumptions to make this assessment, including the utilization of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable value of any asset.

iii. Revenue recognition

Telecommunications service revenue based on usage of the Groups' network and facilities is recognized when the services are rendered. Telecommunications revenue for services provided for fixed periods is recognized on a straight-line basis over the respective period. In addition, up-front fees received for installation of equipment and activation of customer service are deferred and recognized over the expected customer relationship period. The Groups are required to exercise considerable judgement in revenue recognition particularly in the areas of customer discounts and customer disputes. Significant changes in management estimates may result in material revenue adjustments.

The Groups offer certain arrangements whereby a customer can purchase telecommunications equipment together with a fixed period of telecommunications service arrangement. When such multiple-element arrangements exist, the amount recognized as revenue upon the sale of the telecommunications equipment is the fair value of the equipment in relation to the fair value of the arrangement taken as a whole. The revenue relating to the service element, which represents the fair value of the servicing arrangement in relation to the fair value of the arrangement taken as a whole, is recognized over the service period. The fair values of each element are determined based on the current market price of each of the elements when sold separately.

Where the Groups are unable to determine the fair value of each of the elements in an arrangement, it uses the residual value method. Under this method, the Groups determine the fair value of the delivered element by deducting the fair value of the undelivered element from the total contract consideration.

To the extent that there is a discount on the arrangement, such discount is allocated between the elements of the contract in such a manner as to reflect the fair value of the elements.

1. BASIS OF PREPARATION AND CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

iv. Deferred income tax

While deferred income tax liabilities are provided in full on all taxable temporary differences, deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In assessing the amount of deferred income tax assets that need to be recognized, the Groups consider future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Groups' estimate of projected future taxable income and benefits from available tax strategies are changed, or changes in current income tax regulations are enacted that would impact the timing or extent of the Groups' ability to utilize the tax benefits of net operating loss carry-forwards in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

v. Current income tax

The Groups make a provision for current income tax based on estimated taxable income for the year. The estimated income tax liabilities are primarily computed based on the tax computations as prepared by the Groups. Nevertheless, from time to time, there are cases of disagreements with the tax authorities of Hong Kong and elsewhere on the tax treatment of items included in the tax computations and certain non-routine transactions. If the Groups consider it probable that these disputes or judgements will result in different tax positions, the most likely amounts of the outcome will be estimated and adjustments to the income tax expense and income tax liabilities will be made accordingly.

vi. Recognition of intangible asset – carrier licences

In order to measure the intangible assets, HKAS 39 "Financial Instruments: Recognition and Measurement" is applied for recognition of the minimum annual fee and royalty payments as they constitute contractual obligations to deliver cash and, hence, should be considered as financial liabilities. To establish the fair value of the minimum annual fee and royalty payments for the right of use of the carrier licences, the discount rate used is an indicative incremental borrowing rate estimated by the Groups. Had a different discount rate been used to determine the fair value, the Groups' result of operations and financial position could be materially different.

2. SEGMENT INFORMATION

The chief operating decision-maker (the “CODM”) is the Groups’ senior executive management collectively. The CODM reviews the Groups’ 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 product and geographic perspectives. 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.

- Mobile includes the Groups’ mobile telecommunications businesses in Hong Kong.

- Other businesses of the Groups primarily comprise Unihub China Information Technology Company Limited, which provides network integration and related services to telecommunications operators in the PRC.

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortization (“EBITDA”). 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, and interests in leasehold land, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interest in an associate and jointly controlled companies and the Groups’ share of results of an associate 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 statements.

2. SEGMENT INFORMATION (CONTINUED)

Information regarding the Groups' reportable segments as provided to the Groups' CODM is set out below:

For the year ended December 31, 2011
(In HK$ million)

	TSS	Mobile	Other Businesses	Eliminations	Consolidated
REVENUE					
Total Revenue	17,295	1,967	810	(247)	19,825
RESULTS					
EBITDA	7,005	510	(104)	–	7,411

For the year ended December 31, 2012
(In HK$ million)

	TSS	**Mobile**	**Other Businesses**	**Eliminations**	**Consolidated**
REVENUE					
Total Revenue	**18,366**	**2,466**	**684**	**(435)**	**21,081**
RESULTS					
EBITDA	**7,126**	**736**	**(193)**	**–**	**7,669**

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

In HK$ million	2011	**2012**
Total segment EBITDA	7,411	**7,669**
Gain on disposals of property, plant and equipment, net	5	**–**
Depreciation and amortization	(4,250)	**(4,688)**
Other (losses)/gains, net	(28)	**18**
Finance costs, net	(1,504)	**(805)**
Share of results of jointly controlled companies	(2)	**(44)**
Share of results of an associate	(17)	**(35)**
Profit before income tax	1,615	**2,115**

2. SEGMENT INFORMATION (CONTINUED)

The following table sets out information about the geographical location of the Groups' revenue from external customers. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

In HK$ million	Revenue from external customers 2011	**2012**
Hong Kong	16,664	**17,863**
The PRC (excluding Hong Kong) and Taiwan	1,477	**1,459**
Others	1,684	**1,759**
	19,825	**21,081**

The total non-current assets other than financial instruments and deferred income tax assets located in Hong Kong are HK$53,429 million as at December 31, 2012 (2011: HK$56,504 million). The total of these non-current assets located in other countries are HK$3,036 million as at December 31, 2012 (2011: HK$2,806 million).

3. OTHER (LOSSES)/GAINS, NET

In HK$ million	2011	**2012**
Net gain on cash flow hedging instruments transferred from equity	1	**19**
Impairment loss on interest in a jointly controlled company	(16)	**–**
Others	(13)	**(1)**
	(28)	**18**

4. PROFIT BEFORE INCOME TAX

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

(a) Staff costs

In HK$ million	2011	**2012**
Salaries, bonuses and other benefits	1,439	**1,416**
Share-based compensation expenses	–	**8**
Retirement costs for staff under defined contribution retirement schemes	181	**198**
	1,620	**1,622**

4. PROFIT BEFORE INCOME TAX (CONTINUED)

(b) Other items

In HK$ million	2011	**2012**
Crediting:		
Gross rental income	24	**32**
Gain on disposals of property, plant and equipment, net	5	**–**
Charging:		
Impairment loss on doubtful debts	125	**138**
Provision for inventory obsolescence	7	**5**
Depreciation of property, plant and equipment	2,252	**2,229**
Operating costs of property, plant and equipment, net	436	**532**
Amortization of land lease premium	13	**13**
Amortization of intangible assets	1,985	**2,446**
Cost of inventories sold	2,871	**2,547**
Cost of sales, excluding inventories sold	5,278	**6,480**
Exchange losses/(gains), net	7	**(26)**
Cash flow hedges: transferred from equity	(11)	**37**
Auditor’s remuneration	10	**11**
Operating lease rental		
- equipment	14	**54**
- other assets (including property rentals)		
- recorded under general and administrative expenses	509	**665**
- recorded under cost of sales	86	**79**

5. INCOME TAX

In HK$ million	2011	**2012**
Hong Kong profits tax		
- provision for current year	390	**579**
- overprovision for prior year	–	**(3)**
Overseas tax		
- provision for current year	44	**41**
Movement of deferred income tax	(90)	**(162)**
	344	**455**

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year. Overseas tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the respective jurisdictions.

6. DISTRIBUTIONS/DIVIDENDS

In HK$ million	2011	**2012**
Interim distribution/dividend declared and paid in respect of current year of 20.06 HK cents (2011: nil) per Share Stapled Unit/ordinary share of the Company	–	**1,287**
Final distribution/dividend declared in respect of previous financial year, approved and paid during the year of 3.36 HK cents (2011: nil) per Share Stapled Unit/ordinary share of the Company	–	**216**
	–	**1,503**
Final distribution/dividend proposed after the balance sheet date of 21.58 HK cents (2011: 3.36 HK cents) per Share Stapled Unit/ordinary share of the Company	216	**1,385**

The final distribution/dividend proposed after the balance sheet date has not been recognized as a liability as at the balance sheet date.

7. EARNINGS PER SHARE STAPLED UNIT/SHARE OF THE COMPANY

The calculations of basic and diluted earnings per Share Stapled Unit/share of the Company are based on the following data:

	2011	**2012**
Earnings (in HK$ million)		
Earnings for the purpose of basic and diluted earnings per Share Stapled Unit/share of the Company	1,221	**1,610**
Number of Share Stapled Units/shares of the Company		
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of basic earnings per Share Stapled Unit/share of the Company	4,549,022,496	**6,415,937,641**
Weighted average number of Share Stapled Units/ordinary shares of the Company for the purpose of diluted earnings per Share Stapled Unit/share of the Company	4,549,022,496	**6,415,937,641**

(Note: The Unaudited Pro Forma earnings per Share Stapled Unit/share were 19.03 HK cents and 25.09 HK cents, respectively, for the years ended December 31, 2011 and December 31, 2012, which were calculated by dividing the earnings attributable to Share Stapled Units/shares of the Company for the year by 6,416,730,792, representing the number of Share Stapled Units/shares in issue as at December 31, 2011 and December 31, 2012.)

8. TRADE RECEIVABLES, NET

An aging analysis of trade receivables is set out below:

In HK$ million	2011	**2012**
0 – 30 days	1,426	**1,768**
31 – 60 days	356	**422**
61 – 90 days	145	**278**
91 – 120 days	102	**113**
Over 120 days	622	**969**
	2,651	**3,550**
Less: Impairment loss for doubtful debts	(110)	**(125)**
	2,541	**3,425**

Trade receivables have a normal credit period ranging up to 30 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. The Groups maintain a well-defined credit policy and individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. 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	2011	**2012**
0 – 30 days	657	**604**
31 – 60 days	97	**273**
61 – 90 days	53	**75**
91 – 120 days	35	**84**
Over 120 days	690	**930**
	1,532	**1,966**

AUDITED INCOME STATEMENT OF HKT MANAGEMENT LIMITED
For the year ended December 31, 2012

(In HK$'000)	2011	**2012**
Management fee income	–	**27**
General and administrative expenses	–	**(40)**
Loss before income tax	–	**(13)**
Income tax	–	**–**
Loss for the year	–	**(13)**

AUDITED BALANCE SHEET OF HKT MANAGEMENT LIMITED
As at December 31, 2012

(In HK$'000)	2011	**2012**
ASSETS AND LIABILITIES		
Current assets		
Amount due from a fellow subsidiary	–	**26**
	–	**26**
Current liabilities		
Accruals and other payables	–	**(39)**
Amounts due to a fellow subsidiary	–	**–**
	–	**(39)**
Net current liabilities	–	**(13)**
Net liabilities	–	**(13)**
CAPITAL AND RESERVES		
Share capital	–	**–**
Reserves	–	**(13)**
Total equity	–	**(13)**

The directors of the Trustee-Manager and the Company as at the date of this announcement are as follows:

Executive Directors:
Li Tzar Kai, Richard *(Executive Chairman)*; Alexander Anthony Arena *(Group Managing Director)* and Hui Hon Hing, Susanna *(Group Chief Financial Officer)*

Non-Executive Directors:
Peter Anthony Allen; Chung Cho Yee, Mico; Lu Yimin and Li Fushen

Independent Non-Executive Directors:
Professor Chang Hsin Kang, FREng, GBS, JP; Sir Rogerio (Roger) Hyndman Lobo, CBE, LLD, JP;
The Hon Raymond George Hardenbergh Seitz and Sunil Varma

Forward-Looking Statements

This announcement may contain certain forward-looking statements. These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words “believe”, “intend”, “expect”, “anticipate”, “project”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to identify forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of HKT relating to the business, industry and markets in which HKT operates.