



長江和記實業有限公司  
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock code: 1



Three

# 2019 Interim Results

Operations Analysis





QR code for Operations Analysis

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**CKHH  
1H 2019  
Results**

**CK Hutchison  
Group Telecom  
Holdings**

**Q & A**



Three

# 2019 1H Results Highlights





### Revenue #

**\$217.1bn**

**- 3%**

(+2% in local currencies)

### EBITDA #

**\$54.0bn**

**- 2%**

(+3% in local currencies)

### EBIT #

**\$34.2bn**

**- 3%**

(+2% in local currencies)

### Net Earnings #\*

**\$18.2bn**

**+ 1%**

(+6% in local currencies)

### EPS \*

(Post-IFRS 16)

**\$4.75**

**+ 2%**

### DPS

**\$0.87**

**flat**

\* Net earnings represent profit attributable to ordinary shareholders. 1H 2019 EPS is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of shares outstanding during the six-month period of 3,856,240,500.

# Following the adoption of IFRS 16 on 1 January 2019, the Group's statutory results for six months ended 30 June 2019 are on a IFRS 16 basis, whereas the statutory results for the corresponding six months ended 30 June 2018 are on a IAS 17 basis ("Pre-IFRS 16 basis") as previously reported. Hence, any comparison between the two bases of reporting would not be meaningful. The Group believes that the IAS 17 basis metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), allows a like-with-like comparison with the prior period results, and to better reflect management's view of the Group's underlying operational performance. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the first six months of 2019. Unless otherwise specified, the discussion of the Group's operating results in this presentation is on a Pre-IFRS 16 basis as mentioned above. **Under Post-IFRS 16 basis, Revenue, EBITDA, EBIT and Net Earnings were HK\$217.1bn, HK\$65.7bn, HK\$36.3bn and HK\$18.3bn respectively.**

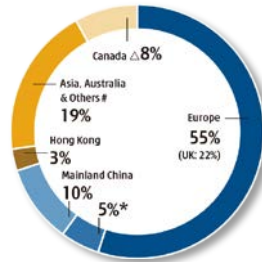
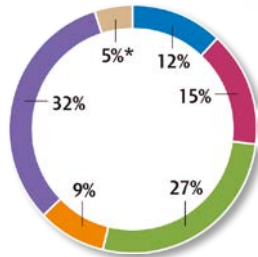


## EBITDA

**\$54.0bn**

**-2%**

(+3% in local currencies)



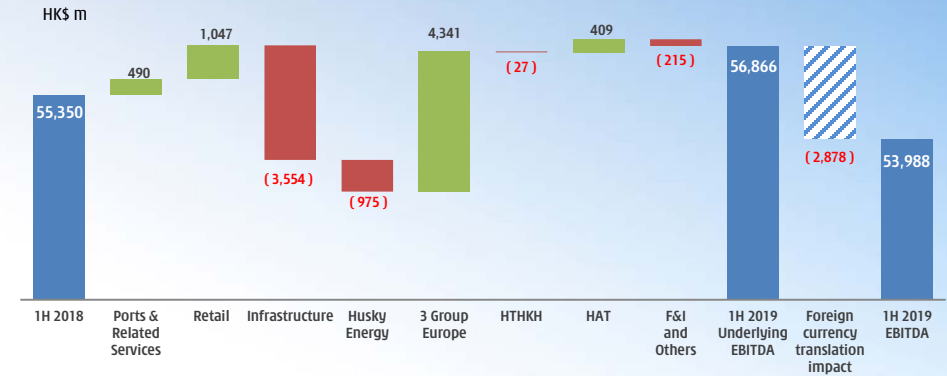
- Port & Related Services
- Retail
- Infrastructure
- Energy
- Telecommunications
- Finance and Investments & Others

# Asia, Australia & Others includes Panama, Mexico and the Middle East.

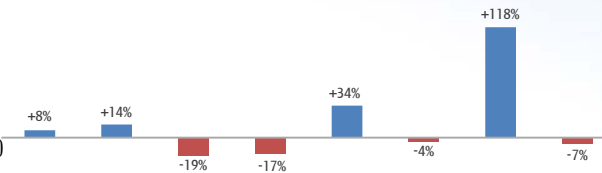
△ Canada includes contribution from the USA for Husky Energy.

\* Represents contributions from Finance & Investments and Others.

## EBITDA Change by Division



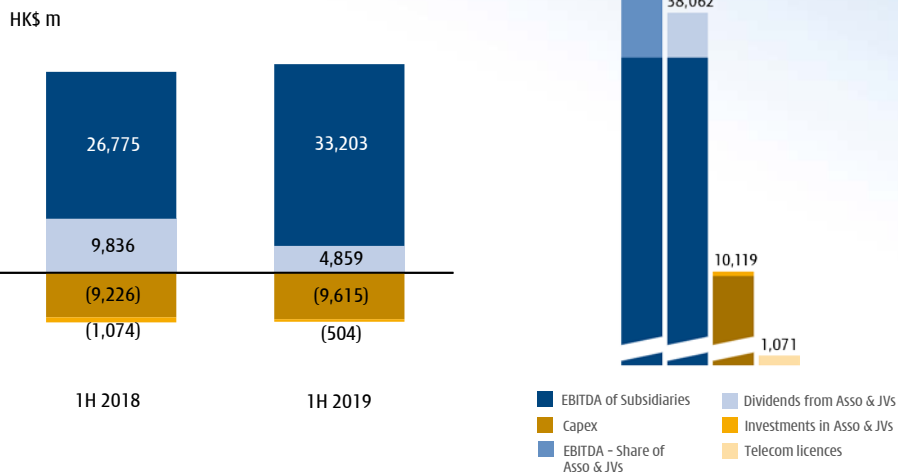
EBITDA Change % (in local currencies)





## Operating FCF

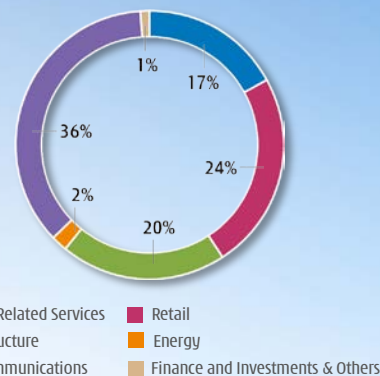
**\$27.9bn**  
**+ 6%**



Note 1 : Operating FCF (Operating Free Cash Flow) represents EBITDA of Company & subsidiaries (Pre-IFRS 16 basis) and dividends from Asso & JVs less capex of Company & subsidiaries (excluding Telecom licences and capex of assets classified as held for sale) and investments in Asso & JVs.

Note 2 : Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total cash, liquid funds and other listed investments less total bank and other debts. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity, is 26.7%.

## Operating FCF by Core Business



## Net Debt

Net debt <sup>(2)</sup> as at 30 June 2019 HK\$212,455m  
 Net debt to net total capital ratio <sup>(2)</sup> 26.2%

## Credit Ratings

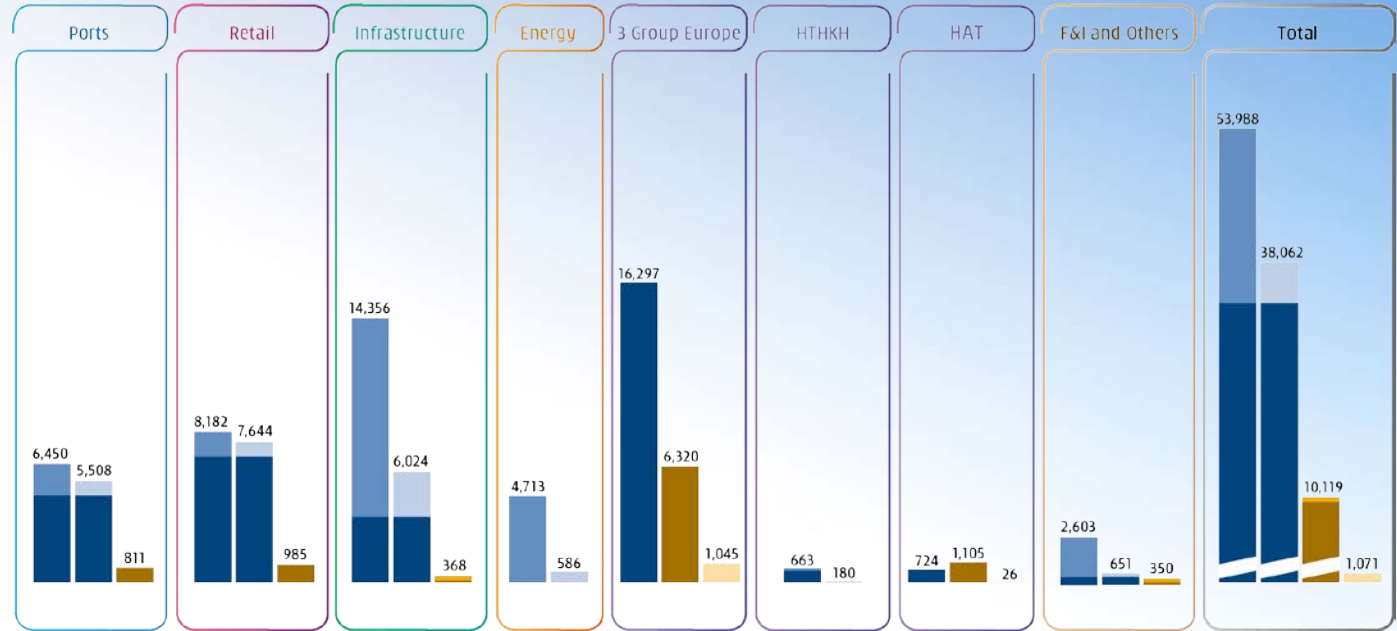
	30 June 2019	31 Dec 2018
Moody's	<b>A2 (Stable)</b>	A2 (Stable)
S & P	<b>A (Stable)</b>	A (Stable)
Fitch	<b>A- (Stable)</b>	A- (Stable)





# Financial Profile

## Operating FCF by division



EBITDA - Co & Subsidiaries	4,733	6,830	3,558	-	16,297	628	724	433	33,203
EBITDA - Share of Asso. & JVs	1,717	1,352	10,798	4,713	-	35	-	2,170	20,785
Dividends from Asso. & JVs	775	814	2,466	586	-	-	-	218	4,859
Capex	811	954	113	-	6,320	154	1,105	158	9,615
Investments in Asso. & JVs	-	31	255	-	-	26	-	192	504
Capex - Telecom Licences	-	-	-	-	1,045	-	26	-	1,071

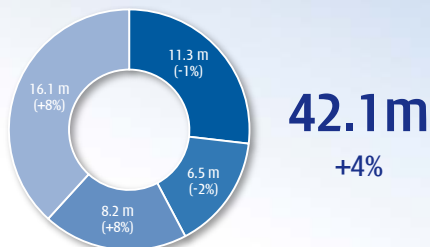
Note 1 : Operating FCF (Operating Free Cash Flow) represents EBITDA (Pre-IFRS 16 basis) of Company & subsidiaries and dividends from Asso. & JVs less capex of Company & subsidiaries (excluding Telecom licences and capex of assets classified as held for sale) and investment in Asso. & JVs.



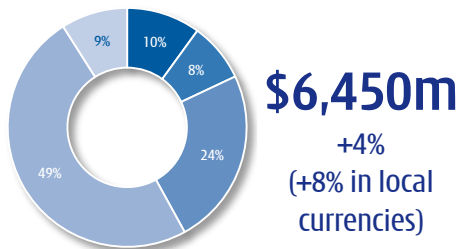


- Assets: US\$12.2bn
- 288 Berths  
52 Ports  
27 Countries
- 42.1m TEUs handled in 1H 2019

## TEUS



## EBITDA #

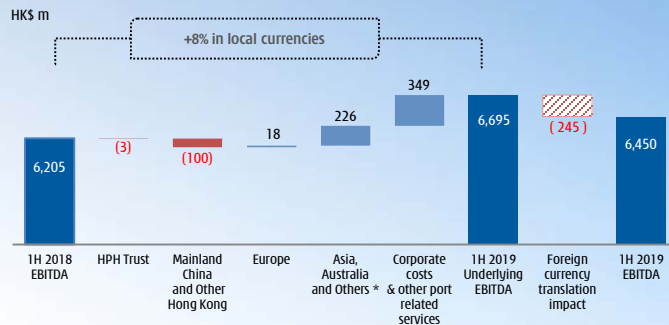


- HPH Trust
- Mainland China and Other Hong Kong
- Europe
- Asia, Australia and Others \*
- Corporate costs & other port related services

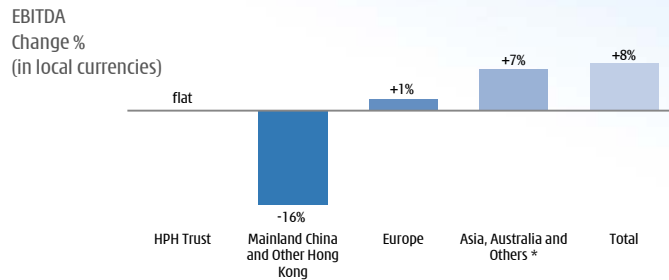
\* Asia, Australia and Others includes Panama, Mexico and the Middle East.

# Under Post-IFRS 16 basis, EBITDA was HK\$7,766 million.

## EBITDA Growth



## EBITDA Change



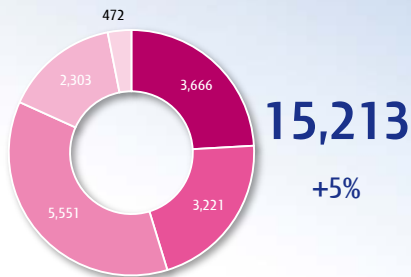


- Assets: US\$27.3bn
- World's largest international H&B retailer
- Operating in 25 markets with 12 retail brands
- 136m loyalty members worldwide

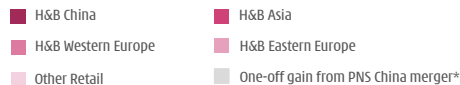
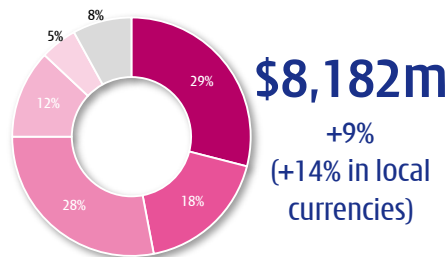
Retail



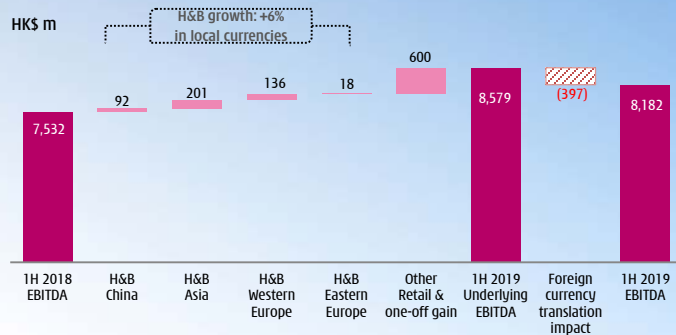
## Store number



## EBITDA #

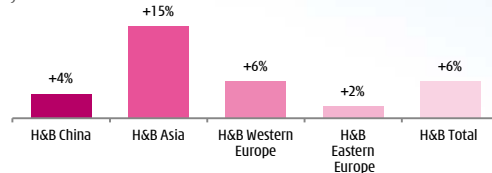


## EBITDA Growth



## H&B EBITDA Change

EBITDA Change % (in local currencies)



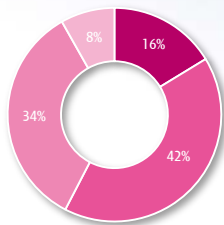
EBITDA Margin %	19%	10%	7%	12%	10%
	H&B China	H&B Asia	H&B Western Europe	H&B Eastern Europe	H&B Total

\* During the first half of 2019, ASW formed a joint venture with Yonghui and Tencent and recognized a one-off gain of approximately HK\$633 million, with its interest in China supermarket business reduced to 40%.

# Under Post-IFRS 16 basis, EBITDA was HK\$13,065 million.



### H&B China - Store Number



**3,666**

**+9%**

H&B China has presence in **477 cities**

- Tier 1
- Tier 2
- Tier 3
- Tier 4

### H&B China - EBITDA

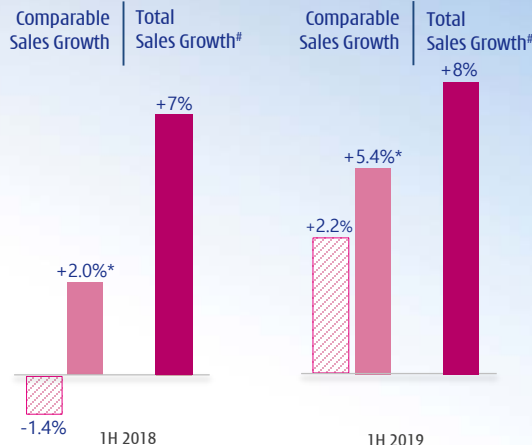
**\$2,412m**

**-2%**

(+4% in local currency)

EBITDA Margin % **19%**

### H&B China - Sales Growth



\* Adjusted to include loyalty members' sales recovered to proximate new stores  
 # Total sales growth % and comparable store sales growth % are based on local currency

### Scan & Go

"Scan and Go" payment technology now rolled out to 3,600+ stores



### Loyalty Members & Exclusives



Loyalty members **64 million**  
**79%** sales participation



Exclusives sales **48%** of total sales

### O+O Distribution

**3,600+ stores**

**Click & Collect Express**  
30 min promise

**Click & Deliver Flash**  
60 min promise

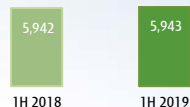




- Assets: US\$40.7bn
- Largest publicly listed infrastructure company on SEHK
- Diversified operations in 32 countries

## CKI's reported NPAT <sup>(1)</sup>

HK\$ m



**\$5,943m**

Flat

<sup>(1)</sup> Post-IFRS16 basis

CKI's  
Net Debt Ratio

S&P Credit  
Rating

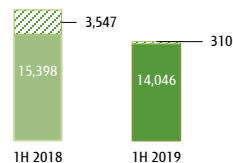
**15.1%**

**A/Stable**

↓ 1.4%-pts from Dec 2018

## EBITDA #

HK\$ m



Infrastructure Division  
(incl. six co-owned assets)

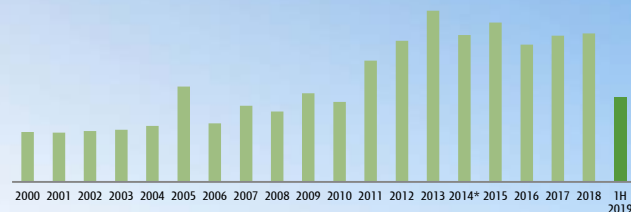
**\$14,356m**

-24%  
(-19% in local  
currencies)

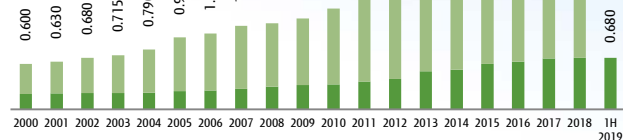
▨ co-owned infrastructure assets

# Under Post-IFRS 16 basis, EBITDA was HK\$14,481 million.

## Stable Earnings & Dividend Growth



Earnings Per Share  
(HK\$)



Dividends Per Share  
(HK\$)

\* Excludes share of one-off gains arising from the spin-off of HKE by PAH and privatisation of Envestra



- Assets: US\$8.4bn
- Capture value along the Integrated Corridor businesses
- One of the few publicly-traded North American energy co with significant exposure in the fast-growing energy markets in Asia

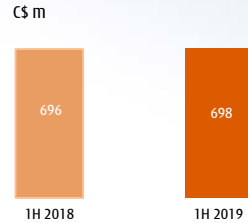
Energy



### Net Earnings <sup>(1)</sup>

**C\$698m**

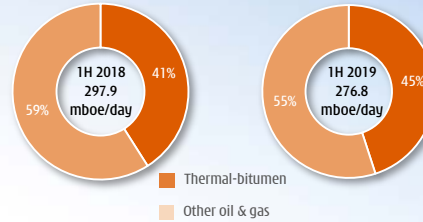
Flat



### Production

**276.8 mboe/day**

-7%



### Husky's Value Chain

#### Integrated Corridor (approx. 70% contribution)

##### Upstream (1H 2019)

- Production: 223mboe/day
- Netback: C\$24/boe

##### Downstream (1H 2019)

- Throughput: 337mboe/day
- Gross margin: C\$23/bbl

#### Offshore (approx. 30% contribution)

##### Production (1H2019):

- 54mboe/day
- Operating costs (1H2019): C\$17/boe
- Netback (1H2019): C\$57/boe

#### Thermal & Heavy Oil

- Large supply of low-cost, reliable feedstock

#### Asia Pacific

- Attractive, long-term contracts
- Fast-growing market

#### Western Canada

- Supplies gas to Corridor
- Competitive, standalone business

#### Atlantic

- High-netback production
- Global pricing
- Production growth

#### Downstream

- Capture full value for all Corridor production

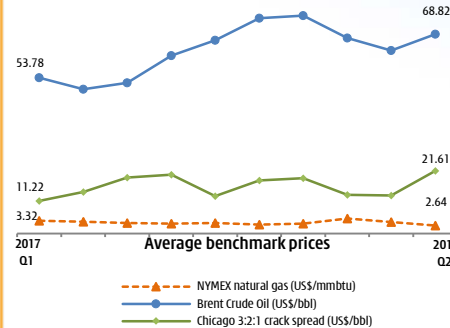
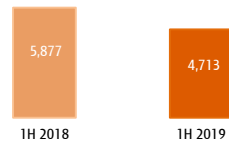
### Attributable EBITDA to CKHH <sup>(2)</sup>

**HK\$4,713m**

-20%

(-17% in local currency)

HK\$ m



<sup>(1)</sup> Post-IFRS 16 Basis

<sup>(2)</sup> Under Post-IFRS 16 basis, EBITDA was HK\$4,839 million.



## Net Customer Service Revenue

**\$33,245m**

+16%  
(+23% in local currencies)

## KPI



Active mobile customers  
**41.7m** -7%



12-month trailing  
Net AMPU  
**€11.17** -11%

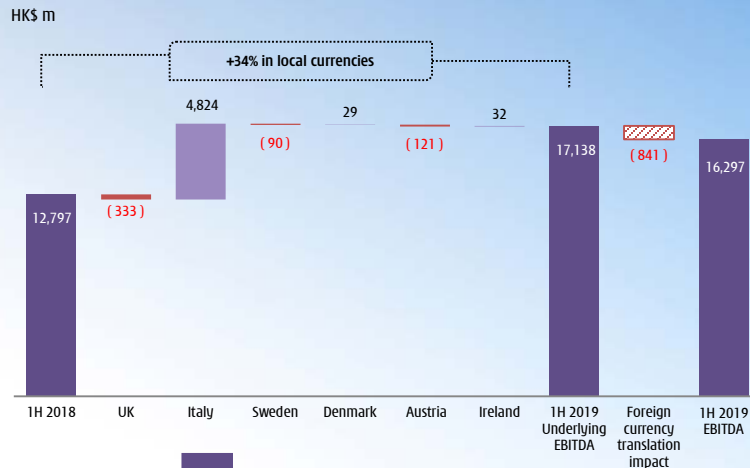


Data Usage  
**1,845 pb/ half yr**  
+31%

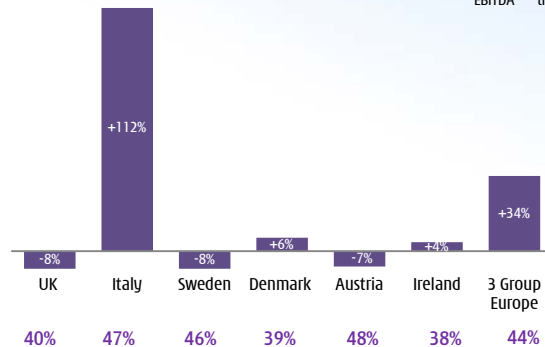
## EBITDA

**\$16,297m<sup>(1)</sup>**

+27%  
(+34% in local currencies)



EBITDA  
Change %  
(in local currencies)



Margin %

40% 47% 46% 39% 48% 38% 44%

<sup>(1)</sup> Under Post-IFRS 16 basis, EBITDA was HKS19,625 million

# Results by Operations

In million	UK GBP		Italy <sup>(1)</sup> EURO			Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe <sup>(1)</sup> HK\$	
	1H 2019	1H 2018	1H 2019 Wind Tre (100%)	1H 2018 Wind Tre (100%)	1H 2018 Wind Tre (50%)	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018
<b>Total Revenue</b>	1,167	1,186	2,398	2,492	1,246	3,238	3,556	1,054	1,076	425	427	296	290	43,464	36,124
% change	-2%		-4%			-9%		-2%		-		+2%		+20%	
														Local currencies growth %	+27%
- Net Customer Service Revenue	782	807	1,956	2,336	1,168	2,222	2,362	947	927	339	344	222	221	33,245	28,551
% change	-3%		-16%			-6%		+2%		-1%		-		+16%	
														Local currencies growth %	+23%
- Handset Revenue	323	286	201	88	44	913	1,089	49	62	53	51	39	35	6,694	5,410
- Other Revenue	62	93	241	68	34	103	105	58	87	33	32	35	34	3,525	2,163
<b>Net Customer Service Margin<sup>(2)</sup></b>	681	699	1,480	1,816	908	1,874	2,002	809	777	294	294	198	195	26,922	23,672
Net Customer Service Margin %	87%	87%	76%	78%	78%	84%	85%	85%	84%	87%	85%	89%	88%	81%	83%
<b>Other margin</b>	40	30	238	62	31	61	54	28	61	14	14	26	23	2,949	1,091
<b>Total margin</b>	721	729	1,718	1,878	939	1,935	2,056	837	838	308	308	224	218	29,871	24,763
% change	-1%		-9%			-6%		-		-		+3%		+21%	
TOTAL CACS	(408)	(370)	(230)	(178)	(89)	(1,166)	(1,359)	(124)	(158)	(60)	(58)	(42)	(44)	(8,198)	(7,268)
Less: Handset Revenue	323	286	201	88	44	913	1,089	49	62	53	51	39	35	6,694	5,410
<b>Total CACS (net of handset revenue)</b>	(85)	(84)	(29)	(90)	(45)	(253)	(270)	(75)	(96)	(7)	(7)	(3)	(9)	(1,504)	(1,858)
<b>Operating Expenses</b>	(302)	(281)	(664)	(822)	(411)	(617)	(625)	(373)	(376)	(121)	(108)	(123)	(115)	(12,070)	(10,108)
Opex as a % of net customer service margin	44%	40%	45%	45%	45%	33%	31%	46%	48%	41%	37%	62%	59%	45%	43%
<b>EBITDA</b>	334	364	1,025	966	483	1,065	1,161	389	366	180	193	98	94	16,297	12,797
% change	-8%		+6%			-8%		+6%		-7%		+4%		+27%	
														Local currencies growth %	+34%
EBITDA margin % <sup>(3)</sup>	40%	40%	47%	40%	40%	46%	47%	39%	36%	48%	51%	38%	37%	44%	42%
<b>Depreciation &amp; Amortisation</b>	(163)	(167)	(333)	(378)	(189)	(469)	(406)	(180)	(158)	(67)	(71)	(59)	(48)	(6,327)	(5,309)
<b>EBIT</b>	171	197	692	588	294	596	755	209	208	113	122	39	46	9,970	7,488
% change	-13%		+18%			-21%		-		-7%		-15%		+33%	
														Local currencies growth %	+40%

	Wind Tre (100%)		Wind Tre (100%)	Wind Tre (50%)											
Capex (excluding licence)	(155)	(125)	(352)	(308)	(154)	(549)	(515)	(80)	(70)	(68)	(43)	(56)	(62)	(6,320)	
EBITDA less Capex	179	239	673	658	329	516	646	309	296	112	150	42	32	9,977	
Licence <sup>(4)</sup>	-	(165)	-	-	-	-	-	(488)	-	(52)	-	-	-	(1,045)	

HK\$ equivalents of EBITDA and EBIT are summarised as follows:

EBITDA - pre IFRS 16 basis (HK\$)	3,381	3,938	9,093	9,170	4,585	898	1,088	462	466	1,596	1,827	867	893	16,297	12,797
EBITDA - post IFRS 16 basis in 1H 2019 (HK\$)	3,772	3,938	11,435	9,170	4,585	1,034	1,088	549	466	1,813	1,827	1,022	893	19,625	12,797

EBIT - pre IFRS 16 basis (HK\$)	1,729	2,128	6,142	5,588	2,794	502	708	248	265	1,002	1,155	347	438	9,970	7,488
EBIT - post IFRS 16 basis in 1H 2019 (HK\$)	1,798	2,128	6,430	5,588	2,794	516	708	257	265	1,045	1,155	389	438	10,435	7,488

Note (1): Group Europe 1H 2019 includes 100% share of Wind Tre's results, of which fixed line business revenue was €52 million and EBITDA was €168 million, while 1H 2018 represented 50% share of Wind Tre's results, of which fixed line business revenue was €290 million and EBITDA was €83 million. For comparability purposes in the Italy section above, 100% Wind Tre results in 1H 2018 have also been presented and the % changes are calculated based on the 100% Wind Tre numbers.

Note (2): Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note (3): EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

Note (4): 1H 2019 licence cost for Austria represents investment for 10x10 MHz of 3500 MHz spectrum acquired in March 2019 and the licence cost for Denmark represents investment for 2x10 MHz of 700 MHz spectrum and 2x10MHz of 900MHz spectrum acquired in March 2019. 1H 2018 licence cost for UK represents investment for 4x5 MHz of 3.4 GHz spectrum acquired in April 2018.



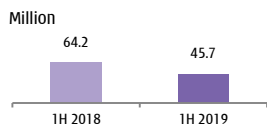


### Total Revenue



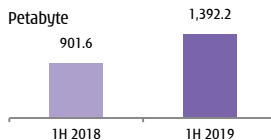
### KPI

Active mobile customer account  
**45.7m** -29% <sup>(1)</sup>



### Data Usage

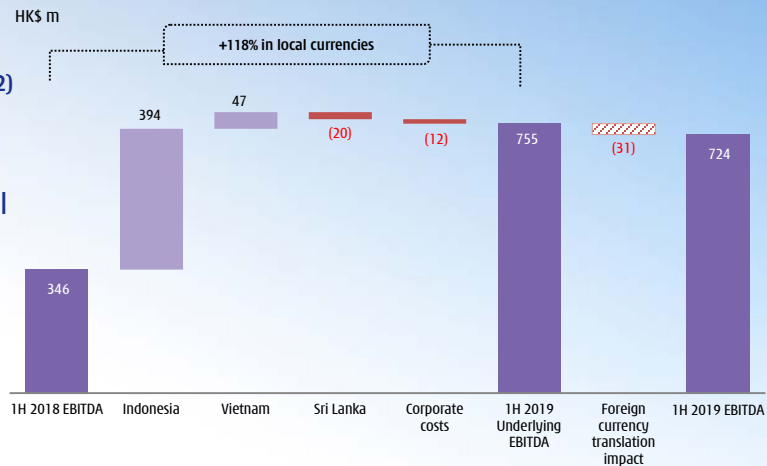
**1,392.2 pb/ half yr** +54%



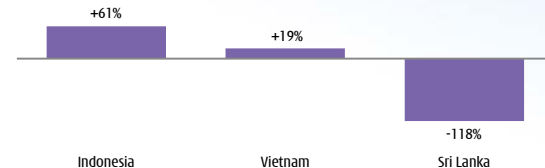
### EBITDA

**\$724m<sup>(2)</sup>**

+109%  
(+118% in local currencies)



EBITDA  
Change %  
(in local currencies)



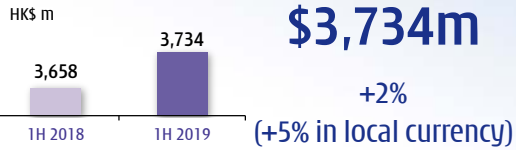
<sup>(1)</sup> Reduction primarily from Indonesia (due to the subscriber registration process imposed by the Government of Indonesia since May 2018).

<sup>(2)</sup> Under Post-IFRS 16 basis, EBITDA was HK\$1,761 million.





## Total Revenue



## KPI



Active mobile customer account  
**30.0m** -43% <sup>(1)</sup>



RGS ARPU  
**US\$3.33** +45%

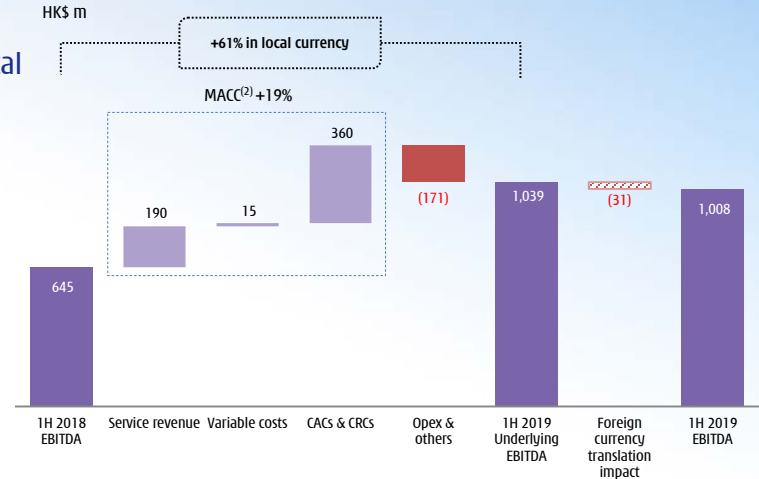


Data Usage  
**1,214.0 pb/ half yr**  
+46%

## EBITDA

**\$1,008m**

+56%  
(+61% in local currency)

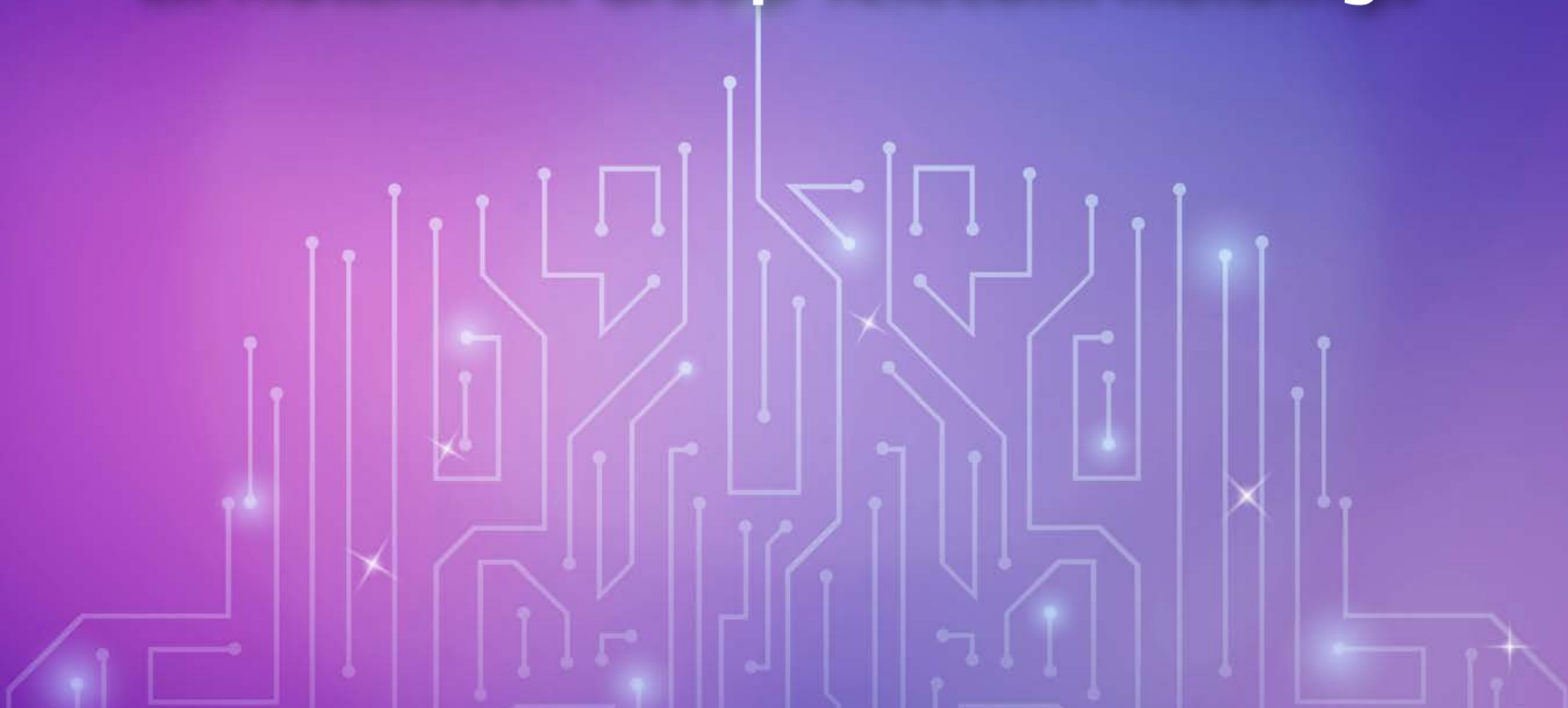


<sup>(1)</sup> Reduction primarily due to the subscriber registration process imposed by the Government of Indonesia since May 2018.

<sup>(2)</sup> MACC (Margin after CACS & CRCs) is defined as revenue less variable costs (i.e. net customer service margin) net of CACS & CRCs.



# CK Hutchison Group Telecom Holdings





UNITED KINGDOM

ITALY

HONG KONG

AUSTRIA

DENMARK

IRELAND

SWEDEN



## Geographical Footprint

- **Leading** worldwide operator of mobile telecommunications networks primarily under **3** brand
- **6** European countries + HK & Macau
- Majority of the contribution from Wind Tre accounted for **54%** of CK Hutchison Group Telecom's EBITDA in 1H 2019
- Sizable portfolio representing **31% & 28%** of CKHH's EBITDA & Total Assets respectively



## Investment-Grade Rating

- **Refinance** independently all Wind Tre existing €10bn high-yield debt generating in excess of **€100mn** expected annual interest savings
- **Investment Grade** entity with provisional ratings from all 3 rating agencies: Fitch: BBB+, Moody's: Baa1, S&P: A-
- **Secured** a Full Bridge Financing
- **Net leverage is < 2.5X** as at 1H 2019



## Innovative Platform

- **IT & network transformation** in progress to provide a leading customer experience that is online, multi-channel & real-time
- Established a Central **Digital Aggregation** Platform to deliver value creation and innovation on a global scale as well as leveraging on partnership ecosystems
- Sufficient **5G** spectrum in all major operations



## Sizable Tower Portfolio

- Set to emerge as **#4** European telecom infrastructure portfolio once the structure is in place
- Interests in **28,500** tower assets across 6 European countries
- **Operational efficiency** in managing telecom infrastructure assets
- **Value** transparency in the current "Tower Co" valuation environment

## Operational

**IT Transformation**  
To complete late 2019 or early 2020 for certain countries

**Network Enhancement**  
To complete Italy's network transformation & consolidation by Q3 2019

**5G Ready**  
To complete UK and Ireland IT & network transformation initiatives

**CK Hutchison Networks**  
To complete internal reorganisation

## Business

**Focus on contract customers**  
To increase proportion of high margin contract customers

**Expand Revenue Stream**  
FWA, accessories sales, IOT

## Financial

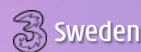
**Enhancing cost structure**  
To capture full cost efficiencies from network & IT transformation, as well as Italy expecting a higher level of synergies

**Prudent Financial Management**  
Maintain CKHH "Gold Standard" of financial management, disciplines & systems

**Credit Rating**  
Maintain investment grade rating



# CK Hutchison Group Telecom



3.8 million customers

**#2** in HK with 17.0% market share

Listed on SEHK

13.3 million customers

**#4** in the UK with 13.6% market share

25.7 million customers

**#1** in Italy with 36.1% market share

2.0 million customers

**#4** in Sweden with 13.7% market share

1.4 million customers

**#4** in Denmark with 17.9% market share

3.7 million customers

**#2** in Austria with 29.1% market share

3.7 million customers

**#2** in Ireland with 35.3% market share

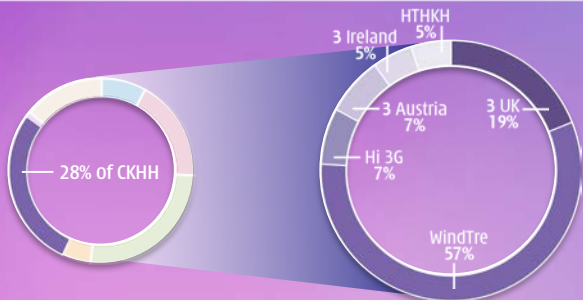
Note: All customer numbers are on a registered basis as at 30 June 2019, while market share data based on active customer base as at March 2019

(1) CK Hutchison Group Telecom has the option to roll in CKHH's interest in Indonesia, Vietnam and Sri Lanka

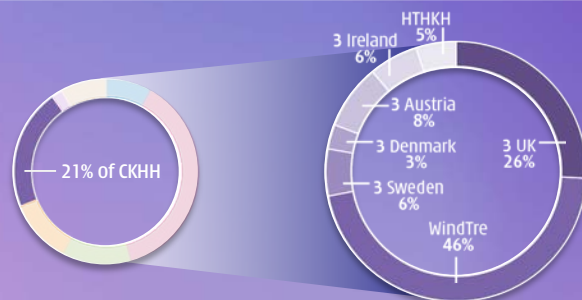


# CK Hutchison Group Telecom

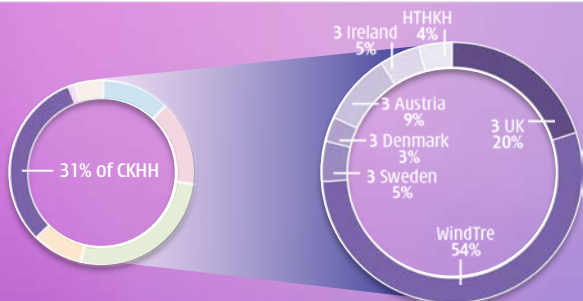
## Total Asset (HK\$345.0bn)



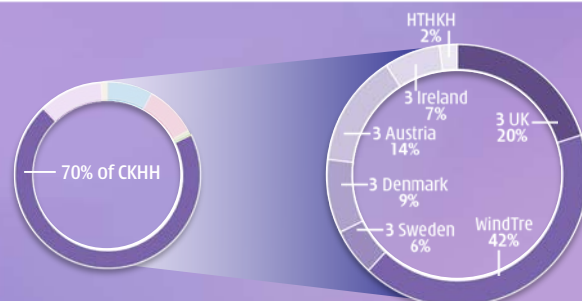
## Total Revenue (HK\$46.0bn)



## Total EBITDA (HK\$17.0bn)



## Total CAPEX (HK\$7.5bn)





# CK Hutchison Group Telecom Holdings preliminary Revenue, EBITDA and EBIT for 1H 2019

Preliminary Pre-IFRS 16<sup>#</sup>  
combined unaudited results  
for the six months  
ended 30 June 2019  
HK\$ billion %

Revenue	HK\$ billion	%
UK	11.8	26%
Italy	21.3	46%
Sweden	2.7	6%
Denmark	1.3	3%
Austria	3.8	8%
Ireland	2.6	6%
HTHKH	2.5	5%
Corporate Costs and Others	0.2	—
<b>Total Revenue</b>	<b>46.2</b>	<b>100%</b>

Preliminary Pre-IFRS 16<sup>#</sup>  
combined unaudited results<sup>#</sup>  
for the six months  
ended 30 June 2019  
HK\$ billion %

EBITDA	HK\$ billion	%
UK	3.4	20%
Italy	9.1	53%
Sweden	0.9	5%
Denmark	0.4	2%
Austria	1.6	10%
Ireland	0.9	5%
HTHKH	0.7	4%
Corporate Costs and Others	0.1	1%
<b>Total EBITDA</b>	<b>17.1</b>	<b>100%</b>

Preliminary Pre-IFRS 16<sup>#</sup>  
combined unaudited results<sup>#</sup>  
for the six months  
ended 30 June 2019  
HK\$ billion %

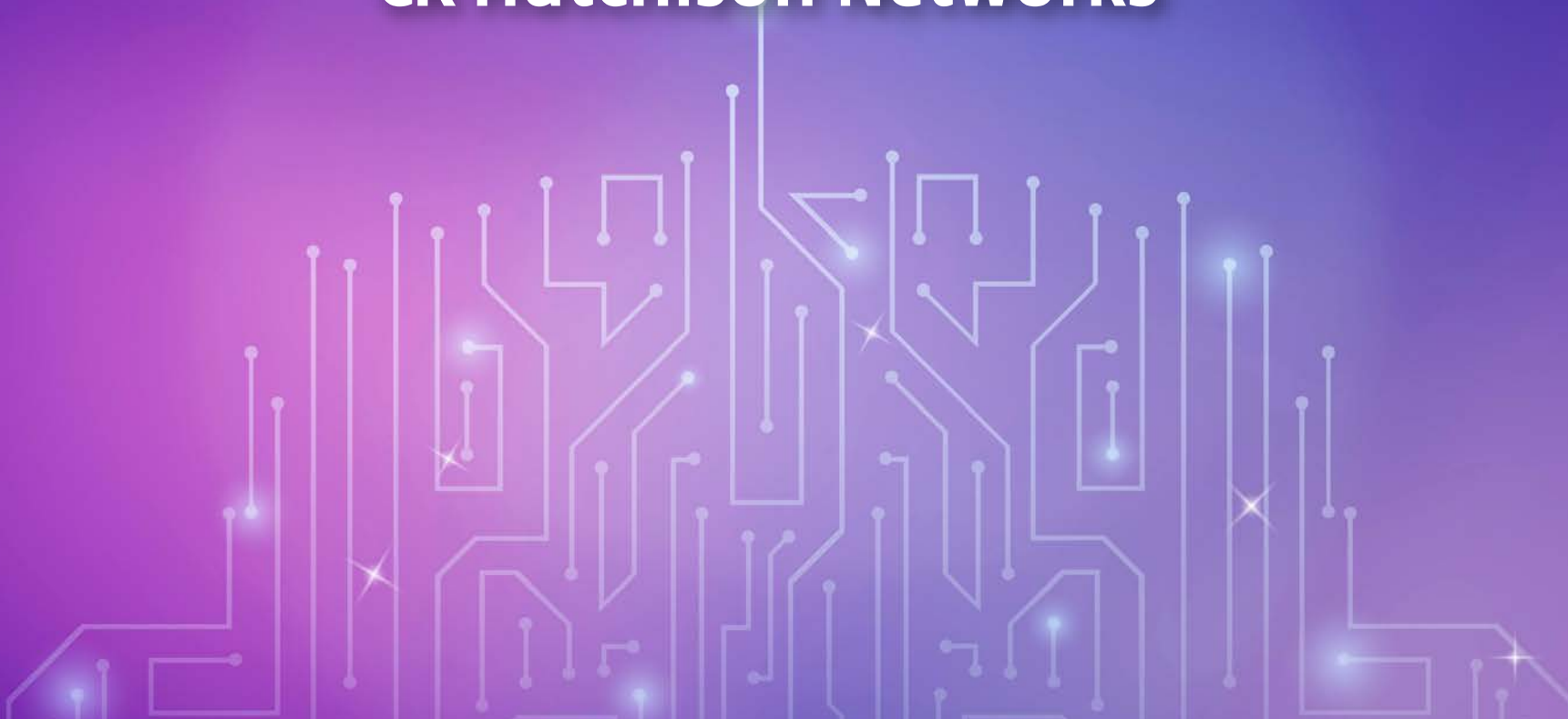
EBIT	HK\$ billion	%
UK	1.7	16%
Italy	6.1	59%
Sweden	0.5	5%
Denmark	0.3	3%
Austria	1.0	9%
Ireland	0.4	4%
HTHKH	0.3	3%
Corporate Costs and Others	0.1	1%
<b>Total EBIT</b>	<b>10.4</b>	<b>100%</b>

<sup>#</sup> The preliminary unaudited combined results of CK Hutchison Group Telecom ("CK Hutchison Telecom") for the six months ended 30 June 2019 is solely for illustrative purposes only and assuming that the internal reorganisation to include the Group's interests in 3 Group Europe telecommunication operations and HTHKH to form CK Hutchison Telecom has happened immediately prior to 1 January 2019. The preliminary Revenue, EBITDA and EBIT were compiled by combining the Group's share of first half 2019 actual results of the seven telecommunication operations, as well as adjusted for an allocated corporate costs of the Group and other consolidation adjustments, where applicable. These preliminary unaudited combined results are still subject to further allocation or consolidation adjustments and may not give a full picture of the actual combined results of CK Hutchison Telecom for the six months ended 30 June 2019.





# CK Hutchison Networks





# CK Hutchison Networks - A Leading Telecom Infrastructure Company



**28.5K** sites across Europe, with the option to include a further **9.3K** sites in Asia



Set to emerge as the **4th largest Tower Co** in Europe



A wholly owned subsidiary of CK Hutchison Group Telecom anchored by Three



Specialised management team, focused on **optimising** the asset portfolio; achieving **cost synergies** and **maximising returns** on invested capital



Tenancy ratio of **1.2X** across **6 markets** in Europe with further room to grow



**Optionality** for other passive infrastructure requirements of CKHH Telecom operations in 5G and future deployments

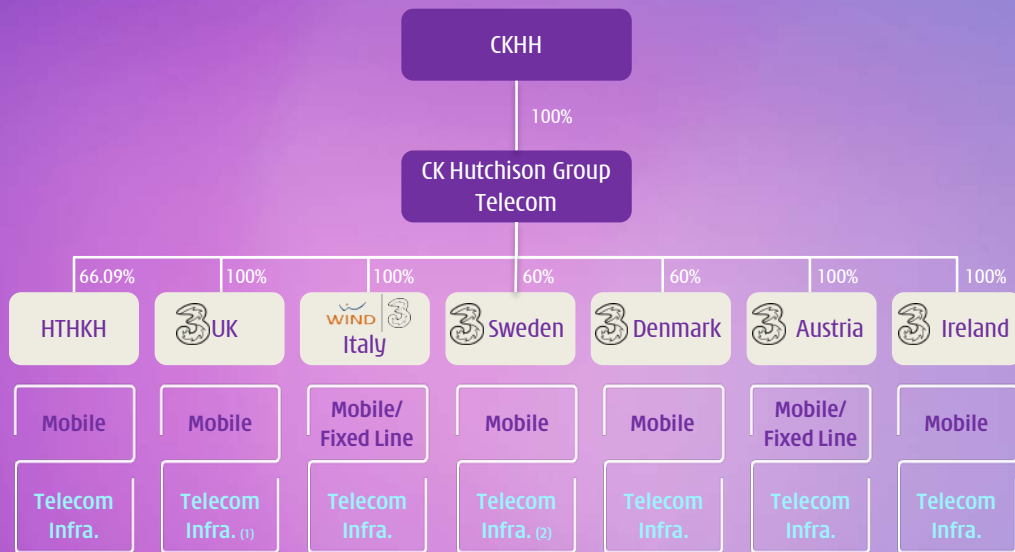


**CK Hutchison  
Networks**

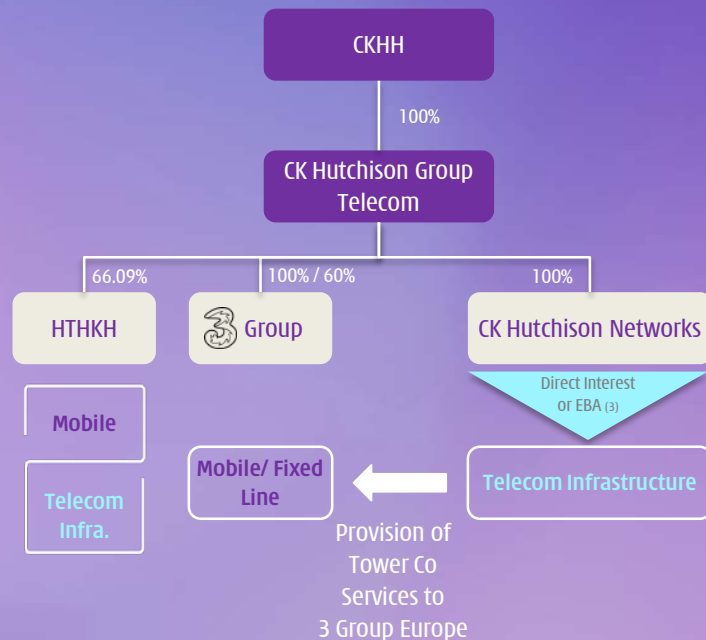


# Telecom Infrastructure Reorganisation Structure

## Pre CK Hutchison Networks Reorganisation



## Post CK Hutchison Networks Reorganisation



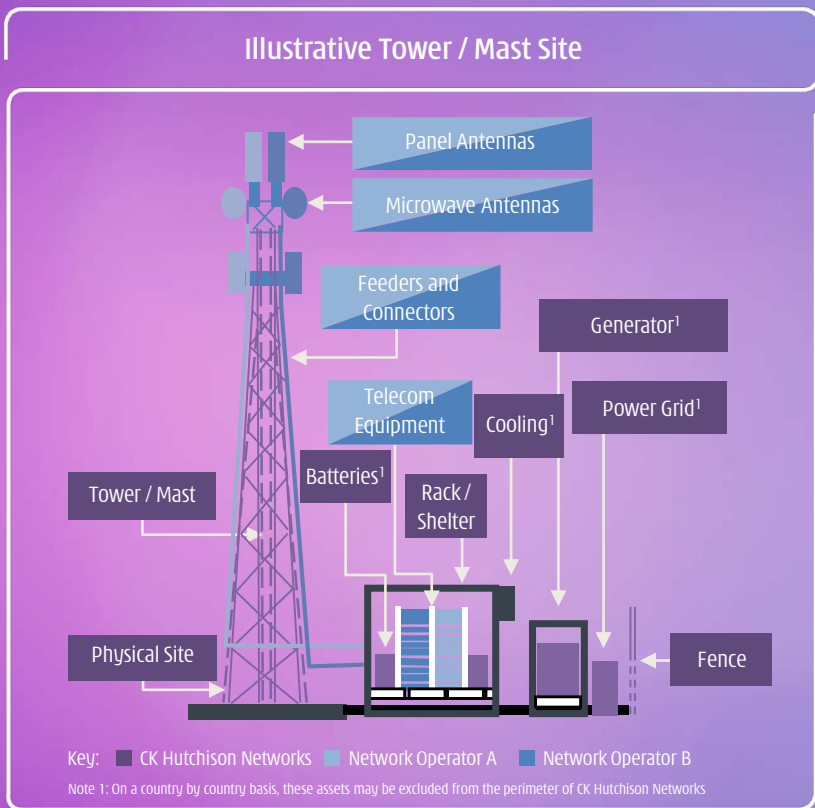
Note:

- (1) Telecom Infrastructure of approx. 7,300 sites, primarily managed by the 50:50 joint venture with EE
- (2) Includes Telecom Infrastructure sites held through a 50:50 joint venture with Telenor
- (3) EBA represents the economic benefit arrangements over Telecom Infrastructure in certain countries where physical transfers of the Telecom Infrastructure interests remain pending, or cannot be effected due to joint venture arrangements or other third parties' rights



# Scope of Tower Infrastructure to be Included

The below diagram illustrates which assets will be transferred to or included in CK Hutchison Networks and which assets will remain with the MNO operations



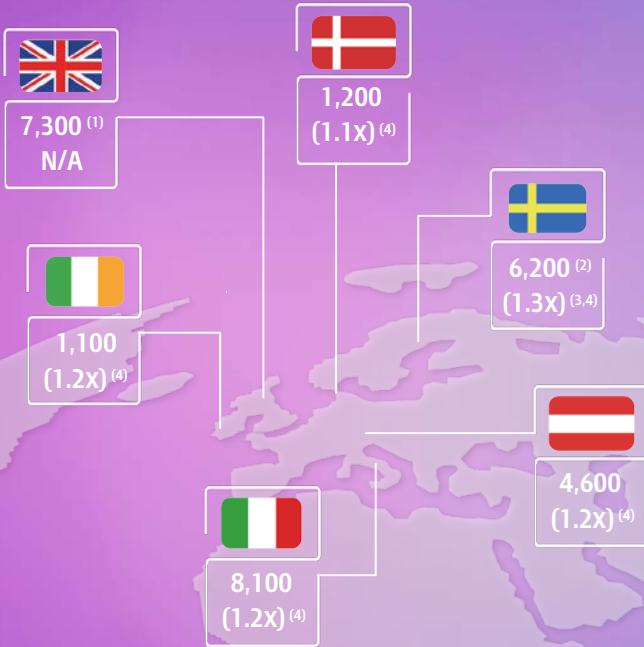
## Scope of Services Performed by CK Hutchison Networks

- Provision of space on the site
- Site access management
- Related utilities / energy and power supply
- Operations and management for site infrastructure
- Site planning, design and construction management



# Global Telecom Infrastructure Portfolio

## Sites and Tenancy Ratios by Country



Potential to add 9.3k sites across Asia<sup>(5)</sup>



Note:

- (1) Telecom Infrastructure of approx. 7,300 sites, primarily managed by the 50:50 joint venture with EE
- (2) Includes Telecom Infrastructure sites held through a 50:50 joint venture with Telenor
- (3) Represents 3 Sweden's tenancy ratio
- (4) Tenancy ratio refers to average number of tenants / MNO's per site
- (5) Asian regions include Hong Kong/Macau, Indonesia, Vietnam and Sri Lanka



# CK Hutchison Networks will Hold One of the Largest Portfolios in Europe

(000 sites)<sup>1</sup>



## ILLUSTRATIVE TOWER PORTFOLIO TRANSACTIONS<sup>4</sup>

### SELECT TRANSACTIONS



### IMPLIED VALUE / SITE

High End

EUR350k / Site

Average

EUR250k / Site

Low End

EUR180k / Site

## ILLUSTRATIVE LEASE RATE / SITE<sup>5</sup>



(2015)



Urban  
EUR27.5k p.a.



Rural/Suburban  
EUR18.9k p.a.

*Next 15 largest TowerCos in Europe*

Note:  
 (1) TowerCo (Vodafone) site count based on 2020 Q1 results presentation; Cellnex and Inwit site count based on 2019 Q2 results presentation; Deutsche Funkturm site count based on Deutsche Telekom 2019 Q1 results presentation; Telxius site count based on Telefonica 2019 Q2 results presentation  
 (2) CK Hutchison Networks site count includes European sites only (includes sites managed / owned by JV interests in the UK / Sweden)  
 (3) TowerCo (Vodafone) site count excludes 11k sites acquired by Inwit and Inwit site count includes 11k sites acquired from Vodafone  
 (4) Based on European tower transactions from 2016 to 2019 with site count over 1,000; Value per site based on 100% transaction value and the total number of sites  
 (5) Lease rate implied based on company disclosure of EUR140mm revenue for 7,416 rural/suburban sites and EUR113mm revenue for 4,103 urban sites

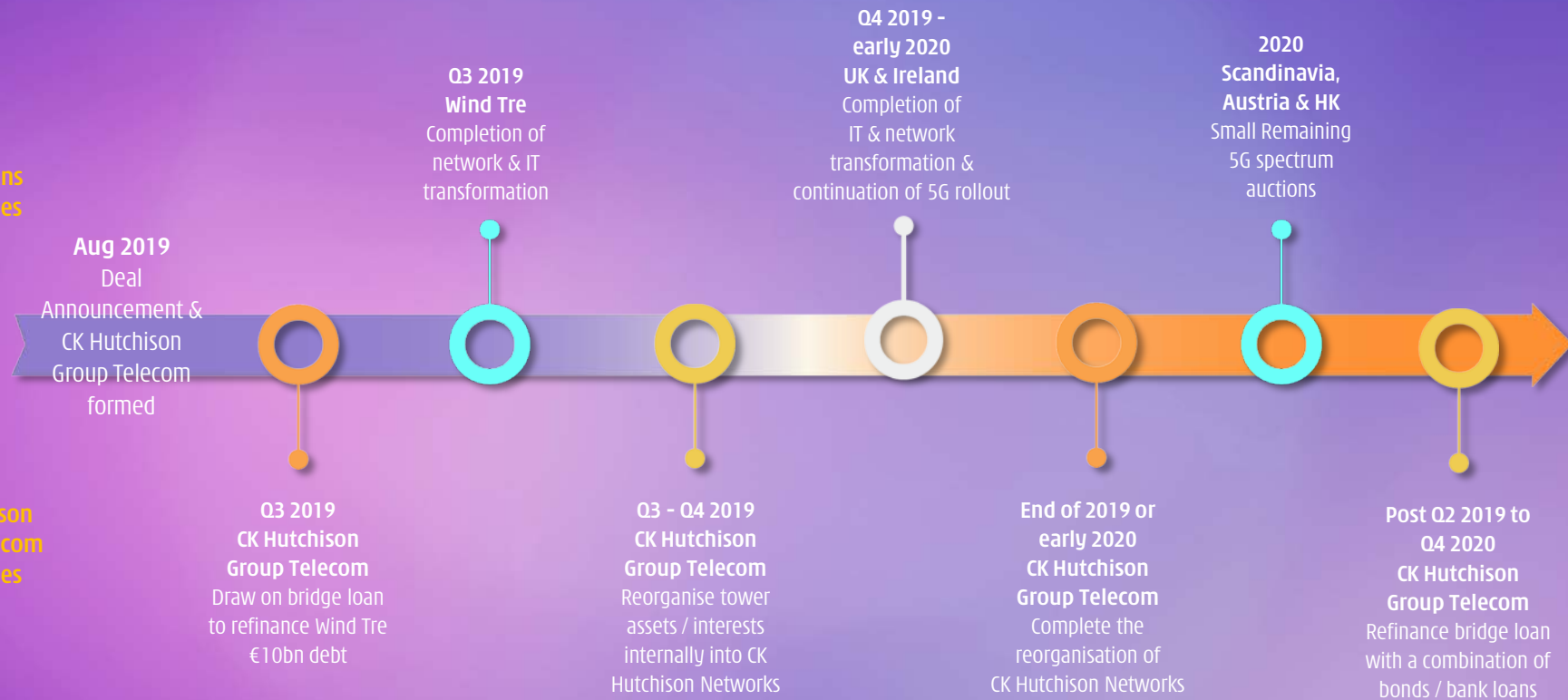


# Key Project Timeline



# Key Strategic Focus

## Operations Milestones



## CK Hutchison Group Telecom Milestones







# 2019 Interim Results

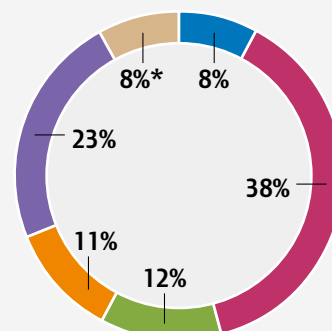
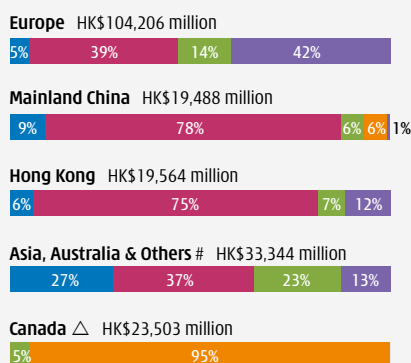
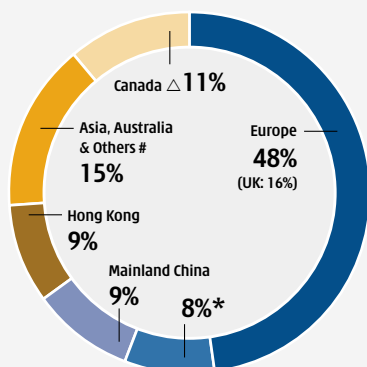
Appendix



## Analyses of Core Business Segments by Geographical Location

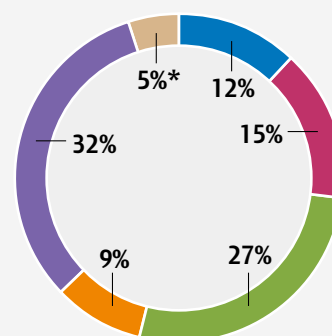
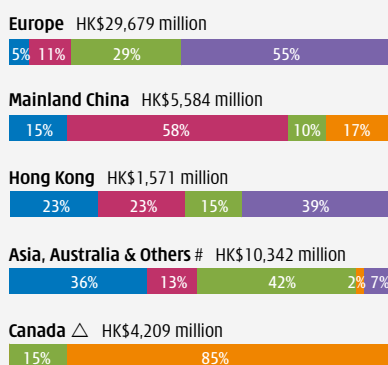
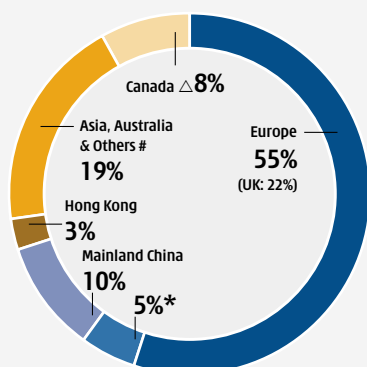
**Total Revenue** for the six months ended 30 June 2019

**HK\$217,062 million**



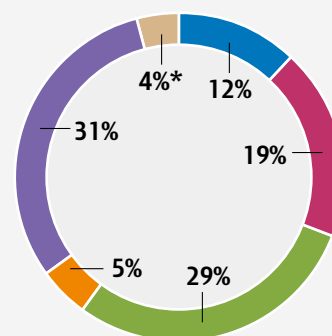
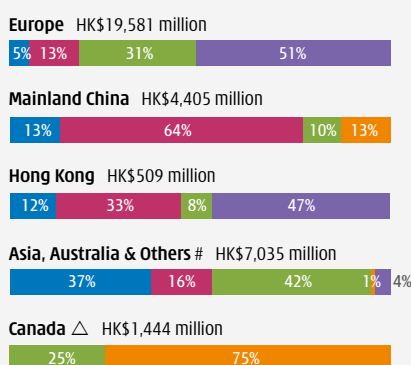
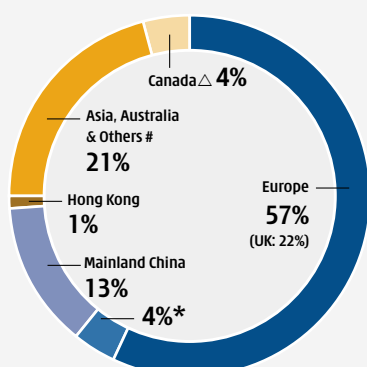
**Total EBITDA** for the six months ended 30 June 2019

**HK\$53,988 million**



**Total EBIT** for the six months ended 30 June 2019

**HK\$34,238 million**



- Ports & Related Services
- Retail
- Infrastructure
- Energy
- Telecommunications
- Finance & Investments and Others

- \* Represents contributions from Finance & Investments and Others
- # Includes Panama, Mexico and the Middle East
- Δ Includes contribution from the USA for Husky Energy

## Operations Highlights

### Ports and Related Services

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currencies change
Total Revenue <sup>(1)</sup>	17,550	17,591	–	+5%
EBITDA <sup>(1) (4)</sup>	6,450	6,205	+4%	+8%
EBIT <sup>(1) (4)</sup>	4,250	3,864	+10%	+14%
Throughput (million TEU)	42.1	40.6	+4%	

	Throughput (million TEU)			Number of Berths <sup>(3)</sup>		
	30 June 2019	30 June 2018	Change	30 June 2019	31 December 2018	Change
HPH Trust	11.3	11.4	-1%	52	52	–
Mainland China and other Hong Kong	6.5	6.7	-2%	42	42	–
Europe	8.2	7.6	+8%	61	61	–
Asia, Australia and others <sup>(2)</sup>	16.1	14.9	+8%	133	133	–
Total	42.1	40.6	+4%	288	288	–

HK\$ million	Total Revenue <sup>(1)</sup>				Total EBITDA <sup>(1) (4)</sup>			
	30 June 2019	30 June 2018	Change	Local currencies change	30 June 2019	30 June 2018	Change	Local currencies change
HPH Trust	1,248	1,290	-3%	-3%	645	648	–	–
Mainland China and other Hong Kong	1,183	1,282	-8%	-2%	506	635	-20%	-16%
Europe	5,603	5,648	-1%	+6%	1,538	1,627	-5%	+1%
Asia, Australia and others <sup>(2)</sup>	8,939	8,799	+2%	+7%	3,149	3,032	+4%	+7%
Corporate costs & other related services	577	572	+1%	+1%	612	263	+133%	+133%
Total	17,550	17,591	–	+5%	6,450	6,205	+4%	+8%

Note 1: Total Revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Asia, Australia and Others includes Panama, Mexico and Middle East.

Note 3: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Note 4: Under Post-IFRS 16 basis, EBITDA was HK\$7,766 million; EBIT was HK\$4,826 million.

Throughput increased by 4% to 42.1 million TEU in the first half of 2019, with 65% and 35% local and transshipment volume respectively (1H 2018: same).

Throughput improvements primarily coming from Klang in Malaysia due to strong transshipment volume contributed by export growth in Intra-Asia and Europe, Europe regions (Barcelona and Rotterdam due to new customers and organic growth), Yantian due to growth in empty and transshipment cargoes and Freeport in Bahamas due to recovery of handling capacity from hurricane damage. Although volume has improved, revenue for the first half of 2019 were adversely affected by exchange translation impact with total revenue being flat against the same period last year. In local currencies, revenue increased 5%, driven primarily by volume improvements mentioned above. EBITDA and EBIT increased 4% and 10% respectively in reported currency against the same period last year. In local currencies, EBITDA and EBIT increased 8% and 14% respectively, mainly due to higher revenue as mentioned above, continued cost management and efficiency enhancements, and lower depreciation at Dammam upon concession extension, partly offset by weaker performance in Shanghai and Panama from intense competition.

## Retail

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currencies change
Total Revenue	83,161	83,874	-1%	+4%
EBITDA <sup>(5)</sup>	8,182	7,532	+9%	+14%
EBIT <sup>(5)</sup>	6,590	5,992	+10%	+15%
Store Numbers	15,213	14,432	+5%	

	Store Numbers			Net Store Additions	Comparable Stores Sales Growth (%) <sup>(6)</sup>			
	30 June 2019	30 June 2018	Change	30 June 2019	30 June 2019		30 June 2018	
H&B China	3,666	3,377	+9%	289	+2.2%	+5.4 <sup>(7)</sup>	-1.4%	+2.0% <sup>(7)</sup>
H&B Asia	3,221	2,951	+9%	270	+6.9%		+7.4%	
<b>H&amp;B China &amp; Asia Subtotal</b>	<b>6,887</b>	<b>6,328</b>	<b>+9%</b>	<b>559</b>	<b>+4.7%</b>		<b>+3.3%</b>	
H&B Western Europe	5,551	5,413	+3%	138	+1.6%		+1.5%	
H&B Eastern Europe	2,303	2,236	+3%	67	+3.1%		+2.5%	
<b>H&amp;B Europe Subtotal</b>	<b>7,854</b>	<b>7,649</b>	<b>+3%</b>	<b>205</b>	<b>+1.9%</b>		<b>+1.6%</b>	
<b>H&amp;B Subtotal</b>	<b>14,741</b>	<b>13,977</b>	<b>+5%</b>	<b>764</b>	<b>+2.9%</b>		<b>+2.3%</b>	
Other Retail <sup>(8)</sup>	472	455	+4%	17	-7.3%		+4.5%	
<b>Total Retail</b>	<b>15,213</b>	<b>14,432</b>	<b>+5%</b>	<b>781</b>	<b>+1.5%</b>		<b>+2.6%</b>	

Note 5: Under Post-IFRS 16 basis, EBITDA was HK\$13,065 million; EBIT was HK\$6,994 million.

Note 6: Comparable stores sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Note 7: Adjusted to include loyalty members' sales recovered in proximate new stores.

Note 8: Other Retail includes PARKnSHOP, Fortress, Watson's wine and manufacturing operations for water and beverage businesses.

EBITDA and EBIT were 9% and 10% higher than first half of 2018 respectively in reported currency. Excluding the adverse exchange translation impact, EBITDA and EBIT growth were 14% and 15% respectively. Included in the first half of 2019 was a one-off dilution gain of approximately HK\$633 million from the formation of the joint venture of the supermarket business in Guangdong. Underlying performances remained strong, driven by a 5% increase in store portfolio and a 1.5% comparable stores sales growth.

HK\$ million	Total Revenue						Total EBITDA <sup>(5)</sup>							
	30 June 2019	%	30 June 2018	%	Change	Local currencies change	30 June 2019	%	EBITDA Margin	30 June 2018	%	EBITDA Margin	Change	Local currencies change
H&B China	12,512	15%	12,353	15%	+1%	+8%	2,412	29%	19%	2,470	33%	20%	-2%	+4%
H&B Asia	15,700	19%	14,363	17%	+9%	+13%	1,502	18%	10%	1,332	18%	9%	+13%	+15%
<b>H&amp;B China &amp; Asia Subtotal</b>	<b>28,212</b>	<b>34%</b>	<b>26,716</b>	<b>32%</b>	<b>+6%</b>	<b>+10%</b>	<b>3,914</b>	<b>47%</b>	<b>14%</b>	<b>3,802</b>	<b>51%</b>	<b>14%</b>	<b>+3%</b>	<b>+8%</b>
H&B Western Europe	32,819	39%	33,685	40%	-3%	+4%	2,255	28%	7%	2,259	30%	7%	—	+6%
H&B Eastern Europe	8,026	10%	8,073	10%	-1%	+7%	984	12%	12%	1,043	14%	13%	-6%	+2%
<b>H&amp;B Europe Subtotal</b>	<b>40,845</b>	<b>49%</b>	<b>41,758</b>	<b>50%</b>	<b>-2%</b>	<b>+5%</b>	<b>3,239</b>	<b>40%</b>	<b>8%</b>	<b>3,302</b>	<b>44%</b>	<b>8%</b>	<b>-2%</b>	<b>+5%</b>
<b>H&amp;B Subtotal</b>	<b>69,057</b>	<b>83%</b>	<b>68,474</b>	<b>82%</b>	<b>+1%</b>	<b>+7%</b>	<b>7,153</b>	<b>87%</b>	<b>10%</b>	<b>7,104</b>	<b>95%</b>	<b>10%</b>	<b>+1%</b>	<b>+6%</b>
Other Retail <sup>(8)</sup> and others	14,104	17%	15,400	18%	-8%	-8%	1,029	13%	7%	428	5%	3%	+140%	+140%
<b>Total Retail</b>	<b>83,161</b>	<b>100%</b>	<b>83,874</b>	<b>100%</b>	<b>-1%</b>	<b>+4%</b>	<b>8,182</b>	<b>100%</b>	<b>9%</b>	<b>7,532</b>	<b>100%</b>	<b>9%</b>	<b>+9%</b>	<b>+14%</b>

#### Health & Beauty Loyalty members' participation & Exclusives sales contribution

	30 June 2019	30 June 2018
Total loyalty members in Health & Beauty division (million)	135	130
Loyalty members' sale participation (%)	63%	62%
Exclusives sales contribution to total H&B sales (%)	34%	34%

The overall Health and Beauty subdivision, which represents 87% of the division's EBITDA, reported a revenue and EBITDA growth of 7% and 6% respectively in local currencies, mainly driven by a 5% increase in number of stores to 14,741 stores as at 30 June 2019 and a 2.9% comparable store sales growth.

Comparable stores sales growth remained healthy overall at 2.9% with strong growth in Health and Beauty Asia and encouraging improvement in Health and Beauty China. With the on-going integration of the online and offline platforms and enhanced operational strategies, Health and Beauty China reported a positive 2.2% comparable stores sales growth for first half of 2019. Taking into account the CRM sales recovery, the comparable stores sales growth was 5.4%. Despite generally lower consumer sentiment, Health and Beauty Europe overall reported a robust comparable stores sales growth rate of 1.9% primarily from the UK, Poland and Germany.

The Health and Beauty subdivision opened 411 new stores during the first half of 2019, of which 62% were in the Mainland and certain Asian countries. The quality of new store opening remains high with an average new store cash payback period less than 13 months. The division opened its first flagship store in Ho Chi Minh City, Vietnam, which is the 25th operating market of the division in January 2019.

## Infrastructure

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currencies change
<b>Total Revenue</b> <sup>(9)</sup>	<b>25,625</b>	34,225	-25%	-21%
- CKI	<b>24,945</b>	27,416	-9%	-4%
- Co-owned infrastructure assets	<b>680</b>	6,809	-90%	-89%
<b>EBITDA</b> <sup>(9)(10)</sup>	<b>14,356</b>	18,945	-24%	-19%
- CKI	<b>14,046</b>	15,398	-9%	-2%
- Co-owned infrastructure assets	<b>310</b>	3,547	-91%	-91%
<b>EBIT</b> <sup>(9)(10)</sup>	<b>9,901</b>	13,242	-25%	-20%
- CKI	<b>9,703</b>	10,904	-11%	-5%
- Co-owned infrastructure assets	<b>198</b>	2,338	-92%	-91%
<b>CKI Reported Net Profit (under Post-IFRS 16 basis)</b>	<b>5,943</b>	5,942	—	

The infrastructure division comprises the Group's 75.67% <sup>(11)</sup> interest in CK Infrastructure Holdings Limited ("CKI") and the Group's additional interests in six co-owned infrastructure assets.

### CKI

CKI is the largest publicly listed infrastructure company on the SEHK, with diversified investments in energy, transportation and water infrastructure, waste management, waste-to-energy, household infrastructure and infrastructure-related businesses. CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand and Canada. CKI announced profit attributable to shareholders under Post-IFRS 16 basis of HK\$5,943 million in the first half of 2019, flat against the same period last year. If exchange currency movements on translation are removed, net profit attributable to shareholders increased 6%. The Group's share of CKI's EBITDA and EBIT of HK\$14,046 million and HK\$9,703 million respectively were 9% and 11% lower than the same period last year in reported currency, mainly due to adverse foreign currency translation impacts, lower contribution from UK Power Networks and the loss on partial disposal of 2.05% interest in Power Assets ("PAH") of HK\$302 million.

CKI has always been committed to prudent financial management and the risk management approach is conservative with the underlying financial position closely monitored. CKI's financial strength continues to be robust, with more than HK\$8 billion cash on hand and a net debt to total capital ratio of 15.1% as at 30 June 2019. Following the credit rating upgrade by Standard & Poor's from "A-/Positive" to "A/ Stable" in September last year, the "A/ Stable" rating was reaffirmed in June 2019.

### Co-owned infrastructure assets

The lower contribution from the co-owned infrastructure assets in the first half of 2019 reflected the full six months effect on the divestiture of an aggregated 90% economic benefits in the Group's direct interest in the six co-owned infrastructure assets under the Economic Benefits agreements entered with CK Asset Holdings Limited, CKI and PAH in October 2018.

Note 9: Total revenue, EBITDA and EBIT reflect the Group's share of results on the remaining 10% direct interest in the co-owned infrastructure assets with CKI after the divestment of 90% of the direct economic benefits in October 2018.

Note 10: Under Post-IFRS 16 basis, EBITDA for CKI was HK\$14,171 million and co-owned infrastructure assets was HK\$310 million; EBIT for CKI was HK\$9,721 million and co-owned infrastructure assets was HK\$198 million.

Note 11: In January 2015, CKI completed a share placement and share subscription transaction that resulted in the Group's interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group holds a 71.93% interest. As these new shares are disregarded for the purpose of determining the number of shares held by the public, the Group's profit sharing in CKI continues to be 75.67%.



## Husky Energy

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currency change
Total Revenue	<b>23,465</b>	27,315	-14%	-11%
EBITDA <sup>(12)</sup>	<b>4,713</b>	5,877	-20%	-17%
EBIT <sup>(12)</sup>	<b>1,787</b>	2,761	-35%	-32%
Production (mboe/day)	<b>276.8</b>	297.9	-7%	
Husky's reported net earnings <sup>(13)</sup> (C\$ million)	<b>698</b>	696	—	

Note 12: Under Post-IFRS 16 basis, EBITDA was HK\$4,839 million; EBIT was HK\$1,803 million.

Note 13: Net earnings for the six months ended 30 June 2019 are under Post-IFRS 16 basis, whereas net earnings for the six months ended 30 June 2018 are under Pre-IFRS 16 basis.

Husky Energy ("Husky") Post-IFRS 16 net earnings of C\$698 million in the first half of 2019 was flat when compared to net earnings of C\$696 million in the same period last year, primarily due to:

- Higher realised Upstream crude oil pricing due to narrowing of the Canadian light/heavy oil differential,
- One-time tax recoveries related to the reduction in the Alberta provincial corporate tax rate in the first half of 2019;

fully offset by:

- Lower earnings from Upstream operations due to lower production and lower global crude oil commodity benchmark prices,
- Lower earnings from crude oil marketing activities due to the tightening of location pricing differentials between Canada and the US,
- Lower realised Upgrading margins,
- Lower earnings from the Canadian and US Refining operations due to the turnarounds in first half of 2019, and
- Certain one-time write-offs and provisions recognised in the first half of 2019.

After translation into Hong Kong dollars and including consolidation adjustments based on Pre-IFRS 16, the Group's share of EBITDA and EBIT were HK\$4,713 million and HK\$1,787 million respectively, a decrease of 20% and 35% respectively in reported currency or 17% and 32% respectively in local currency against the first half of 2018, driven by the reasons mentioned above affecting the pre-tax earnings.

Cash flow from operating activities was C\$1,305 million for the first half of 2019 compared to C\$1,538 million for the first half of 2018, with the decrease primarily attributed to lower net earnings from Upstream operations and Canadian and US Refining operations as mentioned above.

Husky reported a 7% decrease of average production in the first half of 2019, from 297,900 barrels of oil equivalent per day ("boe/day") in first half of 2018 to 276,800 boe/day in first half of 2019.

## Husky Energy (continued)

### 2019 Five-Year Plan Guidance

Husky's 2019 production guidance remains unchanged at 290,000 boe/day to 305,000 boe/day, and capital spending remains on target at C\$3.3 billion to C\$3.5 billion. Husky continues to explore the potential sale of its Canadian retail and commercial fuels business and Prince George Refinery, with both assets attracting strong interest.

### Update Five-Year Plan Guidance <sup>(14)</sup>

<b>Key Metrics</b>	<b>2019 Forecast</b>	<b>2023 Forecast</b>
Cash flow from operating activities	C\$4.1 billion - C\$4.3 billion	C\$5.7 billion - C\$5.9 billion
Funds from operations (FFO)	C\$4.1 billion - C\$4.3 billion	C\$5.7 billion - C\$5.9 billion
Capital spending	C\$3.3 billion - C\$3.5 billion	C\$2.7 billion - C\$2.9 billion
Free cash flow	C\$800 million	C\$3.0 billion
Upstream production (mboe/day)	290 - 305	400 - 415
Downstream capacity (mbbls/day)	355	400

Note 14: Based on an oil price of US\$60 WTI, an AECO price of C\$1.60 and a Chicago 3:2:1 crack spread of US\$18 in 2019 and US\$16 in 2020-2023.

### 3 Group Europe

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currencies change
<b>Total Revenue</b>	<b>43,464</b>	36,124	+20%	+27%
- Net customer service revenue	<b>33,245</b>	28,551	+16%	+23%
- Handset revenue	<b>6,694</b>	5,410	+24%	
- Other revenue	<b>3,525</b>	2,163	+63%	
Net customer service margin <sup>(15)</sup>	<b>26,922</b>	23,672	+14%	
<i>Net customer service margin %</i>	<b>81%</b>	83%		
Other margin	<b>2,949</b>	1,091	+170%	
Total margin	<b>29,871</b>	24,763	+21%	
Total CACs	<b>(8,198)</b>	(7,268)	-13%	
Less: Handset revenue	<b>6,694</b>	5,410	+24%	
Total CACs (net of handset revenue)	<b>(1,504)</b>	(1,858)	+19%	
Operating expenses	<b>(12,070)</b>	(10,108)	-19%	
<i>Opex as a % of Net customer service margin</i>	<b>45%</b>	43%		
<b>EBITDA<sup>(17)</sup></b>	<b>16,297</b>	12,797	+27%	+34%
<i>EBITDA margin %<sup>(16)</sup></i>	<b>44%</b>	42%		
Depreciation & Amortisation	<b>(6,327)</b>	(5,309)	-19%	
<b>EBIT<sup>(17)</sup></b>	<b>9,970</b>	7,488	+33%	+40%

Note 15: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note 16: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 17: Under Post-IFRS 16 basis, EBITDA was HK\$19,625 million; EBIT was HK\$10,435 million.

### 3 Group Europe - Results by operations

In million	UK GBP		Italy <sup>(18)</sup> EURO			Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe <sup>(18)</sup> HK\$	
	1H 2019	1H 2018	1H 2019 Wind Tre (100%)	1H 2018 Wind Tre (100%)	1H 2018 Wind Tre (50%)	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018
<b>TOTAL REVENUE</b>	<b>1,167</b>	1,186	<b>2,398</b>	2,492	1,246	<b>3,238</b>	3,556	<b>1,054</b>	1,076	<b>425</b>	427	<b>296</b>	290	<b>43,464</b>	36,124
<i>% change</i>	<b>-2%</b>		<b>-4%</b>			<b>-9%</b>		<b>-2%</b>		<b>-</b>		<b>+2%</b>		<b>+20%</b>	
- Net Customer Service Revenue	<b>782</b>	807	<b>1,956</b>	2,336	1,168	<b>2,222</b>	2,362	<b>947</b>	927	<b>339</b>	344	<b>222</b>	221	<b>33,245</b>	28,551
<i>% change</i>	<b>-3%</b>		<b>-16%</b>			<b>-6%</b>		<b>+2%</b>		<b>-1%</b>		<b>-</b>		<b>+16%</b>	
- Handset Revenue	<b>323</b>	286	<b>201</b>	88	44	<b>913</b>	1,089	<b>49</b>	62	<b>53</b>	51	<b>39</b>	35	<b>6,694</b>	5,410
- Other Revenue	<b>62</b>	93	<b>241</b>	68	34	<b>103</b>	105	<b>58</b>	87	<b>33</b>	32	<b>35</b>	34	<b>3,525</b>	2,163
Net Customer Service Margin <sup>(19)</sup>	<b>681</b>	699	<b>1,480</b>	1,816	908	<b>1,874</b>	2,002	<b>809</b>	777	<b>294</b>	294	<b>198</b>	195	<b>26,922</b>	23,672
<i>% change</i>														<b>+14%</b>	
<i>Net Customer Service Margin %</i>	<b>87%</b>	87%	<b>76%</b>	78%	78%	<b>84%</b>	85%	<b>85%</b>	84%	<b>87%</b>	85%	<b>89%</b>	88%	<b>81%</b>	83%
Other margin	<b>40</b>	30	<b>238</b>	62	31	<b>61</b>	54	<b>28</b>	61	<b>14</b>	14	<b>26</b>	23	<b>2,949</b>	1,091
Total margin	<b>721</b>	729	<b>1,718</b>	1,878	939	<b>1,935</b>	2,056	<b>837</b>	838	<b>308</b>	308	<b>224</b>	218	<b>29,871</b>	24,763
<i>% change</i>	<b>-1%</b>		<b>-9%</b>			<b>-6%</b>		<b>-</b>		<b>-</b>		<b>+3%</b>		<b>+21%</b>	
TOTAL CACS	<b>(408)</b>	(370)	<b>(230)</b>	(178)	(89)	<b>(1,166)</b>	(1,359)	<b>(124)</b>	(158)	<b>(60)</b>	(58)	<b>(42)</b>	(44)	<b>(8,198)</b>	(7,268)
Less: Handset Revenue	<b>323</b>	286	<b>201</b>	88	44	<b>913</b>	1,089	<b>49</b>	62	<b>53</b>	51	<b>39</b>	35	<b>6,694</b>	5,410
Total CACs (net of handset revenue)	<b>(85)</b>	(84)	<b>(29)</b>	(90)	(45)	<b>(253)</b>	(270)	<b>(75)</b>	(96)	<b>(7)</b>	(7)	<b>(3)</b>	(9)	<b>(1,504)</b>	(1,858)
Operating Expenses	<b>(302)</b>	(281)	<b>(664)</b>	(822)	(411)	<b>(617)</b>	(625)	<b>(373)</b>	(376)	<b>(121)</b>	(108)	<b>(123)</b>	(115)	<b>(12,070)</b>	(10,108)
<i>Opex as a % of net customer service margin</i>	<b>44%</b>	40%	<b>45%</b>	45%	45%	<b>33%</b>	31%	<b>46%</b>	48%	<b>41%</b>	37%	<b>62%</b>	59%	<b>45%</b>	43%
<b>EBITDA</b>	<b>334</b>	364	<b>1,025</b>	966	483	<b>1,065</b>	1,161	<b>389</b>	366	<b>180</b>	193	<b>98</b>	94	<b>16,297</b>	12,797
<i>% change</i>	<b>-8%</b>		<b>+6%</b>			<b>-8%</b>		<b>+6%</b>		<b>-7%</b>		<b>+4%</b>		<b>+27%</b>	
<i>EBITDA margin %<sup>(20)</sup></i>	<b>40%</b>	40%	<b>47%</b>	40%	40%	<b>46%</b>	47%	<b>39%</b>	36%	<b>48%</b>	51%	<b>38%</b>	37%	<b>44%</b>	42%
Depreciation & Amortisation	<b>(163)</b>	(167)	<b>(333)</b>	(378)	(189)	<b>(469)</b>	(406)	<b>(180)</b>	(158)	<b>(67)</b>	(71)	<b>(59)</b>	(48)	<b>(6,327)</b>	(5,309)
<b>EBIT</b>	<b>171</b>	197	<b>692</b>	588	294	<b>596</b>	755	<b>209</b>	208	<b>113</b>	122	<b>39</b>	46	<b>9,970</b>	7,488
<i>% change</i>	<b>-13%</b>		<b>+18%</b>			<b>-21%</b>		<b>-</b>		<b>-7%</b>		<b>-15%</b>		<b>+33%</b>	
Capex (excluding licence)	<b>(155)</b>	(125)	<b>(352)</b>	(308)	(154)	<b>(549)</b>	(515)	<b>(80)</b>	(70)	<b>(68)</b>	(43)	<b>(56)</b>	(62)	<b>(6,320)</b>	
EBITDA less Capex	<b>179</b>	239	<b>673</b>	658	329	<b>516</b>	646	<b>309</b>	296	<b>112</b>	150	<b>42</b>	32	<b>9,977</b>	
Licence <sup>(21)</sup>	<b>-</b>	(165)	<b>-</b>	-	-	<b>-</b>	-	<b>(488)</b>	-	<b>(52)</b>	-	<b>-</b>	-	<b>(1,045)</b>	

HK dollar equivalents of EBITDA and EBIT are summarised as follows:

EBITDA-pre IFRS 16 basis (HK\$)	3,381	3,938	9,093	9,170	4,585	898	1,088	462	466	1,596	1,827	867	893	16,297	12,797
EBITDA-post IFRS 16 basis in 1H 2019 (HK\$)	3,772	3,938	11,435	9,170	4,585	1,034	1,088	549	466	1,813	1,827	1,022	893	19,625	12,797
EBIT-pre IFRS 16 basis (HK\$)	1,729	2,128	6,142	5,588	2,794	502	708	248	265	1,002	1,155	347	438	9,970	7,488
EBIT-post IFRS 16 basis in 1H 2019 (HK\$)	1,798	2,128	6,430	5,588	2,794	516	708	257	265	1,045	1,155	389	438	10,435	7,488

Note 18: 3 Group Europe 1H 2019 includes 100% share of Wind Tre's results, of which fixed line business revenue was €552 million and EBITDA was €168 million, while 1H 2018 represented 50% share of Wind Tre's results, of which fixed line business revenue was €290 million and EBITDA was €83 million. For comparability purposes in the Italy section above, 100% Wind Tre results in 1H 2018 have also been presented and the % changes are calculated based on the 100% Wind Tre numbers.

Note 19: Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note 20: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 21: 1H 2019 licence cost for Austria represents investment for 10x10 MHz of 3500 Mhz spectrum acquired in March 2019 and the licence cost for Denmark represents investment for 2x10 MHz of 700 Mhz spectrum and 2x10 MHz of 900 MHz spectrum acquired in March 2019. 1H 2018 licence cost for UK represents investment for 4x5 MHz of 3.4 GHz spectrum acquired in April 2018.

	UK		Italy <sup>(22)</sup>		Sweden		Denmark		Austria		Ireland		3 Group Europe		
	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018	
Total registered customer base (million)	<b>13.3</b>	13.0	<b>25.7</b>	28.6	<b>2.0</b>	2.0	<b>1.4</b>	1.3	<b>3.7</b>	3.6	<b>3.7</b>	3.4	<b>49.9</b>	51.9	
Total active customer base (million)	<b>10.2</b>	10.1	<b>22.9</b>	26.2	<b>2.0</b>	1.9	<b>1.4</b>	1.3	<b>2.9</b>	2.9	<b>2.3</b>	2.1	<b>41.7</b>	44.6	
Contract customers as a % of the total registered customer base	<b>53%</b>	54%	<b>42%</b>	26%	<b>72%</b>	78%	<b>59%</b>	60%	<b>70%</b>	69%	<b>38%</b>	38%	<b>49%</b>	40%	
Contract customers' contribution to the net customer service margin (%) <sup>(23)</sup>	<b>88%</b>	88%	<b>50%</b>	33%	<b>86%</b>	91%	<b>71%</b>	72%	<b>92%</b>	92%	<b>64%</b>	63%	<b>69%</b>	68%	
Average monthly churn rate of the total contract registered customer base (%)	<b>1.2%</b>	1.2%	<b>1.5%</b>	1.9%	<b>1.6%</b>	1.9%	<b>1.8%</b>	2.0%	<b>0.2%</b>	0.2%	<b>1.0%</b>	1.0%	<b>1.3%</b>	1.4%	
Active contract customers as a % of the total contract registered customer base	<b>99%</b>	98%	<b>93%</b>	93%	<b>100%</b>	100%	<b>100%</b>	100%	<b>100%</b>	100%	<b>99%</b>	98%	<b>96%</b>	97%	
Active customers as a % of the total registered customer base	<b>77%</b>	78%	<b>89%</b>	92%	<b>97%</b>	96%	<b>97%</b>	97%	<b>80%</b>	80%	<b>61%</b>	63%	<b>83%</b>	86%	
LTE coverage by population (%)	<b>94%</b>	94%	<b>99%</b>	97%	<b>87%</b>	84%	<b>99%</b>	96%	<b>98%</b>	98% <sup>(24)</sup>	<b>98%</b>	97%	<b>-</b>	-	
Six month data usage per active customer (Gigabyte)														<b>46.0</b>	33.1

Note 22: Italy KBIs were calculated based on 100% of Wind Tre's figures. The contract customer base of Wind and corresponding KBIs have been adjusted in 2019 to conform with the definition of 3, the comparative KBIs have not been restated due to limitations of the data tracking system.

Note 23: 3 Group Europe 1H 2019 contract customers' contribution to net customer service margin was calculated based on 100% contribution from Wind Tre, whereas 1H 2018 was calculated based on 50% contribution from Wind Tre.

Note 24: 1H 2018 LTE coverage by population for Austria is restated to conform with current year presentation.

### 3 Group Europe (continued)

#### Key Business Indicators

	Registered Customer Base								
	Registered Customers at 30 June 2019 ('000)			Registered Customer Growth (%) from 31 December 2018 to 30 June 2019			Registered Customer Growth (%) from 30 June 2018 to 30 June 2019		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	6,232	7,107	<b>13,339</b>	–	+1%	<b>+1%</b>	+4%	+2%	<b>+3%</b>
Italy <sup>(25)</sup>	14,870	10,803	<b>25,673</b>	-25%	+49%	<b>-5%</b>	-30%	+45%	<b>-10%</b>
Sweden	574	1,471	<b>2,045</b>	+11%	-3%	–	+28%	-6%	<b>+2%</b>
Denmark	587	843	<b>1,430</b>	+7%	+3%	<b>+4%</b>	+10%	+4%	<b>+6%</b>
Austria	1,106	2,569	<b>3,675</b>	-2%	+1%	–	+1%	+3%	<b>+2%</b>
Ireland	2,328	1,419	<b>3,747</b>	+5%	+6%	<b>+5%</b>	+11%	+10%	<b>+11%</b>
<b>3 Group Europe Total</b>	<b>25,697</b>	<b>24,212</b>	<b>49,909</b>	<b>-16%</b>	<b>+18%</b>	<b>-2%</b>	<b>-18%</b>	<b>+18%</b>	<b>-4%</b>

	Active <sup>(26)</sup> Customer Base								
	Active Customers at 30 June 2019 ('000)			Active Customer Growth (%) from 31 December 2018 to 30 June 2019			Active Customer Growth (%) from 30 June 2018 to 30 June 2019		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	3,230	7,004	<b>10,234</b>	+3%	+2%	<b>+2%</b>	-2%	+2%	<b>+1%</b>
Italy <sup>(25)</sup>	12,857	10,001	<b>22,858</b>	-28%	+49%	<b>-7%</b>	-33%	+45%	<b>-13%</b>
Sweden	505	1,471	<b>1,976</b>	+15%	-3%	<b>+1%</b>	+39%	-6%	<b>+2%</b>
Denmark	544	843	<b>1,387</b>	+6%	+3%	<b>+4%</b>	+10%	+4%	<b>+6%</b>
Austria	366	2,560	<b>2,926</b>	-5%	+1%	–	-3%	+3%	<b>+2%</b>
Ireland	882	1,402	<b>2,284</b>	–	+6%	<b>+4%</b>	+1%	+11%	<b>+7%</b>
<b>3 Group Europe Total</b>	<b>18,384</b>	<b>23,281</b>	<b>41,665</b>	<b>-20%</b>	<b>+18%</b>	<b>-3%</b>	<b>-26%</b>	<b>+17%</b>	<b>-7%</b>

Note 25: Italy KBIs were calculated based on 100% of Wind Tre's figures. In addition to the above, Wind Tre has 2.7 million fixed line customers. The contract customer base of Wind and corresponding KBIs have been adjusted in 2019 to conform with the definition of 3, the comparative KBIs have not been restated due to limitations of the data tracking system.

Note 26: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

#### 12-month Trailing Average Revenue per Active User ("ARPU") <sup>(27)</sup> to 30 June 2019

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2018
United Kingdom	£4.93	£24.45	<b>£18.26</b>	+2%
Italy	€9.65	€13.16	<b>€10.86</b>	-11%
Sweden	SEK116.39	SEK342.46	<b>SEK291.82</b>	-4%
Denmark	DKK88.86	DKK148.11	<b>DKK125.31</b>	-5%
Austria	€10.67	€22.40	<b>€20.88</b>	-3%
Ireland	€15.19	€22.44	<b>€19.56</b>	-6%
<b>3 Group Europe Average <sup>(30)</sup></b>	<b>€9.25</b>	<b>€21.32</b>	<b>€15.46</b>	<b>-12%</b>

**12-month Trailing Net Average Revenue per Active User ("Net ARPU")<sup>(28)</sup>  
to 30 June 2019**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2018
United Kingdom	£4.93	£17.30	<b>£13.38</b>	-1%
Italy	€9.65	€13.16	<b>€10.86</b>	-11%
Sweden	SEK116.39	SEK217.27	<b>SEK194.67</b>	-6%
Denmark	DKK88.86	DKK136.76	<b>DKK118.33</b>	-4%
Austria	€10.67	€18.48	<b>€17.46</b>	-4%
Ireland	€15.19	€17.87	<b>€16.81</b>	-8%
<b>3 Group Europe Average<sup>(30)</sup></b>	<b>€9.25</b>	<b>€16.96</b>	<b>€13.22</b>	<b>-11%</b>

**12-month Trailing Net Average Margin per Active User ("Net AMPU")<sup>(29)</sup>  
to 30 June 2019**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2018
United Kingdom	£4.30	£15.04	<b>£11.63</b>	-1%
Italy	€7.58	€11.24	<b>€8.84</b>	-12%
Sweden	SEK92.33	SEK185.44	<b>SEK164.58</b>	-6%
Denmark	DKK75.64	DKK114.84	<b>DKK99.76</b>	-2%
Austria	€9.34	€16.37	<b>€15.46</b>	-1%
Ireland	€13.68	€15.60	<b>€14.84</b>	-7%
<b>3 Group Europe Average<sup>(30)</sup></b>	<b>€7.46</b>	<b>€14.67</b>	<b>€11.17</b>	<b>-11%</b>

Note 27: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

Note 28: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

Note 29: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the period.

Note 30: 3 Group Europe 12-month trailing ARPU, Net ARPU and Net AMPU in the first half of 2019 were calculated based on 50% contribution from Wind Tre from June to August 2018 and 100% contribution from September 2018 onwards, whereas first half of 2018 were calculated based on 50% contribution from Wind Tre.

## 3 Group Europe (continued)

### United Kingdom

EBITDA and EBIT decreased by 8% and 13% in local currency respectively compared to the same period last year, mainly driven by higher cost incurred for network and IT transformation projects and lower net customer service margin due to market competition and regulatory impact, partly offset by higher other margin through various initiatives. The network and IT transformation projects are expected to be completed over the coming year, which is expected to improve customer experience as well as create cost synergies for 3 UK.

### Italy

In local currency, the Group's share of Wind Tre's EBITDA and EBIT increased by 112% and 135% respectively, reflecting the accretive contribution from the acquisition of the additional 50% share in Wind Tre in September 2018. On a comparable basis, EBITDA and EBIT grew by 6% and 18%, mainly due to continued synergy realisation, lower depreciation and amortisation from network consolidation, as well as higher other margin under the remedy taker contract, partly offset by lower net customer service margin due to unfavourable market condition.

### Sweden

Sweden, where the Group has a 60% interest, reported 8% and 21% decrease in EBITDA and EBIT in local currency respectively compared to the same period last year, mainly due to lower net customer service margin as VAT reclaim was not recognised from December 2018 onwards. Underlying EBITDA, without the VAT reclaim benefits in the first half of 2018, would be 3% higher than same period last year primarily driven by lower operating costs and total CACs from stringent cost control. Underlying EBIT would be 5% below the same period last year primarily due to the higher depreciation and amortisation from an enlarged asset base, particularly the ongoing LTE network rollout since 2018.

### Denmark

The operation in Denmark, where the Group has a 60% interest, reported 6% growth in EBITDA in local currency compared to the same period last year, mainly due to 4% growth in net customer service margin driven by 6% growth in customer base. EBIT was flat compared to the same period last year in local currency as the EBITDA growth was fully offset by higher depreciation and amortisation from an enlarged asset base.

### Austria

EBITDA and EBIT both decreased by 7% in local currency mainly due to higher network and IT costs to cope with network capacity expansion. Depreciation and amortisation decreased to €67 million from €71 million from the same period last year primarily due to lower amortisation from capitalised customer value from Orange acquisition fully amortised at the end of 2018, partly offset by higher depreciation from an enlarged asset base.

### Ireland

EBITDA in local currency increased by 4% compared to the same period last year driven by improved net customer service margin from increased customer base, as well as stringent control on total CACs, partly offset by higher operating cost due to inclusion of certain provision releases in the first half of 2018. EBIT in local currency decreased by 15% from the same period last year due to higher depreciation and amortisation from an enlarged asset base.

## Hutchison Telecommunications Hong Kong Holdings

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change
<b>Total Revenue</b>	<b>2,515</b>	4,021	-37%
- Service	1,782	1,843	-3%
- Hardware	733	2,178	-66%
<b>EBITDA</b> <sup>(31)</sup>	<b>663</b>	690	-4%
<b>EBIT</b> <sup>(31)</sup>	<b>260</b>	284	-8%
<b>Total active customer base ('000)</b>	<b>3,328</b>	3,414	-3%

Note 31: Under Post-IFRS 16 basis, EBITDA was HK\$896 million; EBIT was HK\$269 million.

Total revenue of HK\$2,515 million was 37% lower as compared to the same period last year, primarily driven by the decrease in low margin hardware sales in the first half of 2019. EBITDA and EBIT of HK\$663 million and HK\$260 million were 4% and 8% lower respectively as compared to the same period last year, mainly due to lower net customer service margin from keen competition and the continued reduction in hardware sales, partly offset by stringent control on operating costs.

## CK Hutchison Group Telecom Holdings and CK Hutchison Networks Holdings

In July 2019, the Group formed a new wholly-owned telecommunication holding company, CK Hutchison Group Telecom Holdings ("CK Hutchison Telecom"), which consolidates the Group's European operations and HTHKH under one holding entity, providing a diversified telecommunication asset platform across eight geographical locations. CK Hutchison Telecom has secured an 18-months bridge financing with the intention to repay all the existing external debt of Wind Tre of approximately €10 billion. The bridge loan will then be subsequently refinanced through bonds or bank loans. CK Hutchison Telecom will be separately rated with an expected investment grade rating from all three credit rating agencies. On a combined basis, CK Hutchison Telecom's net debt to EBITDA ratio is less than 2.5x as at 30 June 2019 and the reorganisation will allow the Group to generate significant financing cost savings from 2020 onwards, based on expectation, in excess of €100 million per annum.

Correspondingly, the CK Hutchison Telecom Group will also set up a new telecommunication infrastructure company, CK Hutchison Networks Holdings ("CK Hutchison Networks") which will group the 28,500 tower asset interests<sup>(32)</sup> into a separately managed wholly owned subsidiary of CK Hutchison Telecom and could potentially become the fourth largest European telecom infrastructure portfolio with the expected completion of the reorganisation by the end of 2019 or early 2020. CK Hutchison Networks will start with an expected tenancy ratio of 1.2x across the six European markets and through reorganising the tower and infrastructure asset interests under a specialised management team, the new structure will allow the Group to focus on optimising the asset portfolio, achieving cost synergies, as well as maximising returns on invested capital.

Note 32: CK Hutchison Networks site count includes European sites only (includes shared sites of joint venture interests in the UK and Sweden), with an option to include a further 9,300 sites in Asia.

## CK Hutchison Group Telecom Holdings preliminary Revenue, EBITDA and EBIT for 1H 2019

	Preliminary Pre-IFRS 16 combined unaudited results # for the six months ended 30 June 2019	
	HK\$ billion	%
<b>Revenue</b>		
UK	11.8	26%
Italy	21.3	46%
Sweden	2.7	6%
Denmark	1.3	3%
Austria	3.8	8%
Ireland	2.6	6%
HTHKH	2.5	5%
Corporate Costs and Others	0.2	—
<b>Total Revenue</b>	<b>46.2</b>	<b>100%</b>
<b>EBITDA</b>		
UK	3.4	20%
Italy	9.1	53%
Sweden	0.9	5%
Denmark	0.4	2%
Austria	1.6	10%
Ireland	0.9	5%
HTHKH	0.7	4%
Corporate Costs and Others	0.1	1%
<b>Total EBITDA</b>	<b>17.1</b>	<b>100%</b>
<b>EBIT</b>		
UK	1.7	16%
Italy	6.1	59%
Sweden	0.5	5%
Denmark	0.3	3%
Austria	1.0	9%
Ireland	0.4	4%
HTHKH	0.3	3%
Corporate Costs and Others	0.1	1%
<b>Total EBIT</b>	<b>10.4</b>	<b>100%</b>

# The preliminary unaudited combined results of CK Hutchison Group Telecom ("CK Hutchison Telecom") for the six months ended 30 June 2019 is solely for illustrative purposes only and assuming that the internal reorganisation to include the Group's interests in 3 Group Europe telecommunication operations and HTHKH to form CK Hutchison Telecom has happened immediately prior to 1 January 2019. The preliminary Revenue, EBITDA and EBIT were compiled by combining the Group's share of first half 2019 actual results of the seven telecommunication operations, as well as adjusted for an allocated corporate costs of the Group and other consolidation adjustments, where applicable. These preliminary unaudited combined results are still subject to further allocation or consolidation adjustments and may not give a full picture of the actual combined results of CK Hutchison Telecom for the six months ended 30 June 2019.



## Hutchison Asia Telecommunications

	30 June 2019 HK\$ million	30 June 2018 HK\$ million	Change	Local currencies change
<b>Total Revenue</b>	<b>4,325</b>	4,081	+6%	+10%
- Indonesia	3,734	3,658	+2%	+5%
- Vietnam	329	258	+28%	+28%
- Sri Lanka	262	165	+59%	+81%
<b>EBITDA<sup>(33)</sup></b>	<b>724</b>	346	+109%	+118%
- Indonesia	1,008	645	+56%	+61%
- Vietnam	(202)	(249)	+19%	+19%
- Sri Lanka	(3)	17	-118%	-118%
- Corporate costs	(79)	(67)	-18%	-18%
<b>EBIT<sup>(33)</sup></b>	<b>216</b>	69	+213%	+233%
- Indonesia	643	405	+59%	+64%
- Vietnam	(304)	(282)	-8%	-8%
- Sri Lanka	(44)	13	-438%	-485%
- Corporate costs	(79)	(67)	-18%	-18%
<b>Total active customer account ('000)</b>	<b>45,695</b>	64,240	-29%	

Note 33: Under Post-IFRS 16 basis, EBITDA was HK\$1,761 million; EBIT was HK\$687 million.

As of 30 June 2019, Hutchison Asia Telecommunications ("HAT") had approximately 45.7 million active customer accounts, 29% decrease compared to the same period last year, primarily due to the subscriber registration process imposed by the Government of Indonesia since May 2018. Indonesia and Vietnam represent 66% and 23% of the total active customer account number respectively.

In Indonesia, the operation focused on growth of subscriber 4G data usage and offering data services in additional areas of the country. Accordingly, the operation continued to upgrade its network capacity and expand its 4G network coverage by more than 1,700 villages. As at 30 June 2019, the Indonesia operation had expanded its 4G network to over 21,000 base transceiver stations ("BTS"). Data traffic growth has resulted in improved network utilisation and through this scaling of the business the Indonesia operation reported EBITDA and EBIT growth of 56% and 59% respectively in the reported currency compared to the same period last year.

The Vietnam operation continued to report LBITDA and LBIT in the first half of 2019, primarily due to the delays in network rollout which was resumed in July 2018 after the embargoes on the major network provider was lifted. With LTE service officially launched in southern region in first quarter of 2019, the operation had approximately 15,000 BTS as at 30 June 2019, of which approximately 66% are 3G/LTE BTS.

In Sri Lanka, following the acquisition of Etisalat Lanka completed in November 2018, the operation focused in network integration and LTE network expansion in the first half of the year. With a stronger network and cost synergies expected to materialise in the second half of the year, Sri Lanka operation is expected to increase its contribution to the business.