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

2020 Interim Results

Operations Analysis

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Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

2020 Results Highlights

Revenue (1)

$189.9bn

- 12%

(-9% in local currencies)

EBITDA (1)

$47.0bn

- 13%

(-10% in local currencies)

EBIT (1)

$26.7bn

- 22%

(-19% in local currencies)

Net Earnings (1)(2)

$13.2bn

- 28%

(-25% in local currencies)

EPS (2)

(Post-IFRS 16)

$3.37

- 29%

DPS

$0.614

- 29%

Net Debt Ratio

25.1%

1.1%-pt Y-o-Y

(1) The Group believes that the IAS 17 basis ("Pre-IFRS 16 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"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. 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 and 2020. 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$189.9bn, HK$59.3bn, HK$28.6bn and HK$13.0bn respectively.**

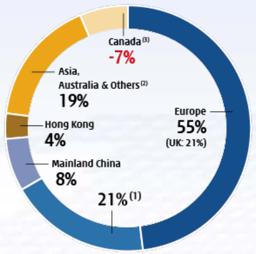
(2) Net earnings represent profit attributable to ordinary shareholders. 1H 2020 EPS is calculated based on profit attributable to ordinary shareholders.

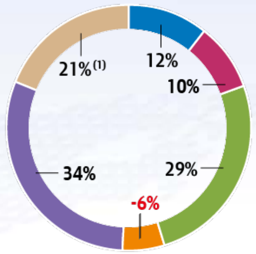
EBITDA

$47.0bn

-13%

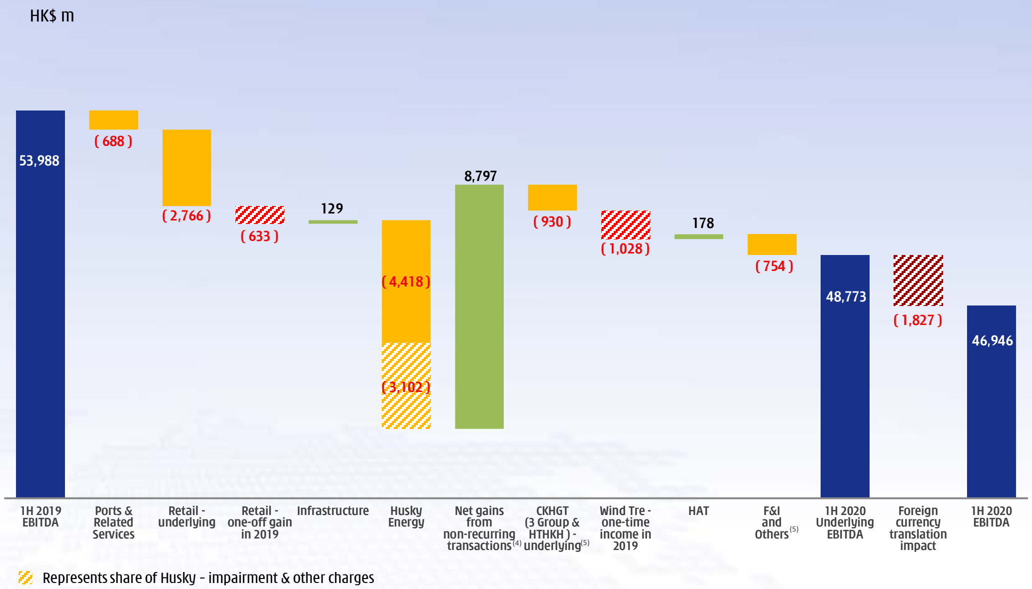
(-10% in local currencies)





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

EBITDA Change by Division



(1) Represents contributions from Finance & Investments and Others.

(2) Asia, Australia & Others includes Panama, Mexico and the Middle East.

(3) Canada includes contribution from the USA for Husky Energy.

(4) Net gains from non-recurring transactions in 1H 2020 includes gain arising from the merger of VHA and TPG and certain impairment provisions.

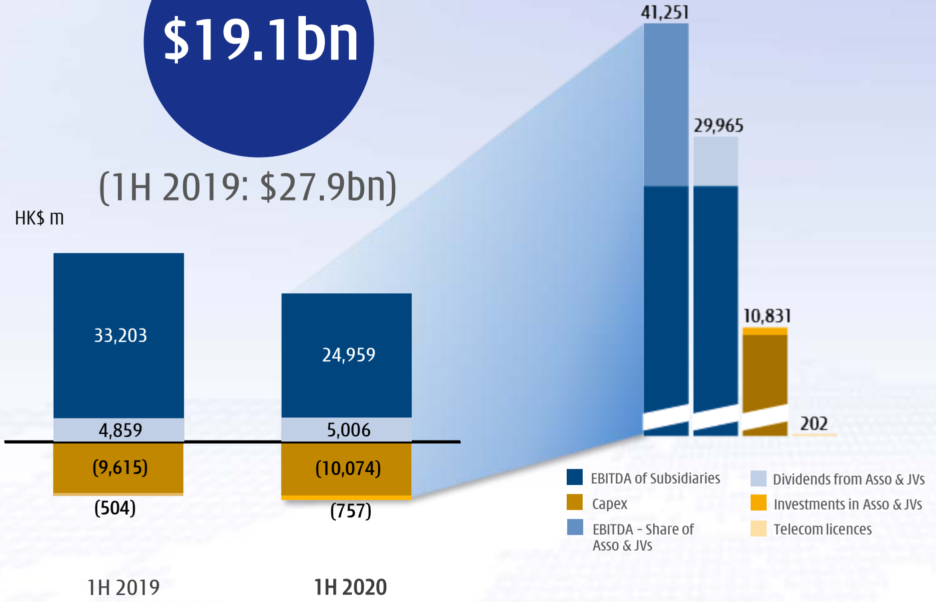
(5) EBITDA of HK$549 million in 1H 2019 were reclassified from Finance & Investments and Others segment to CKH Group Telecom segment to conform with the 1H 2020 presentation.

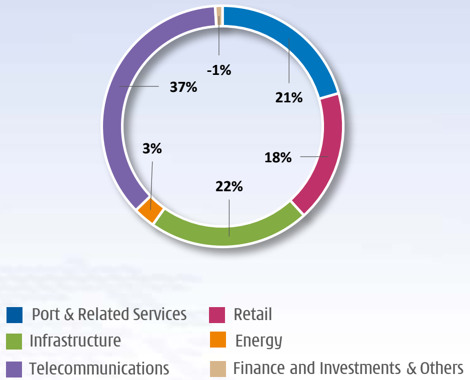
Operating FCF

Operating FCF by Core Business

$19.1bn

(1H 2019: $27.9bn)

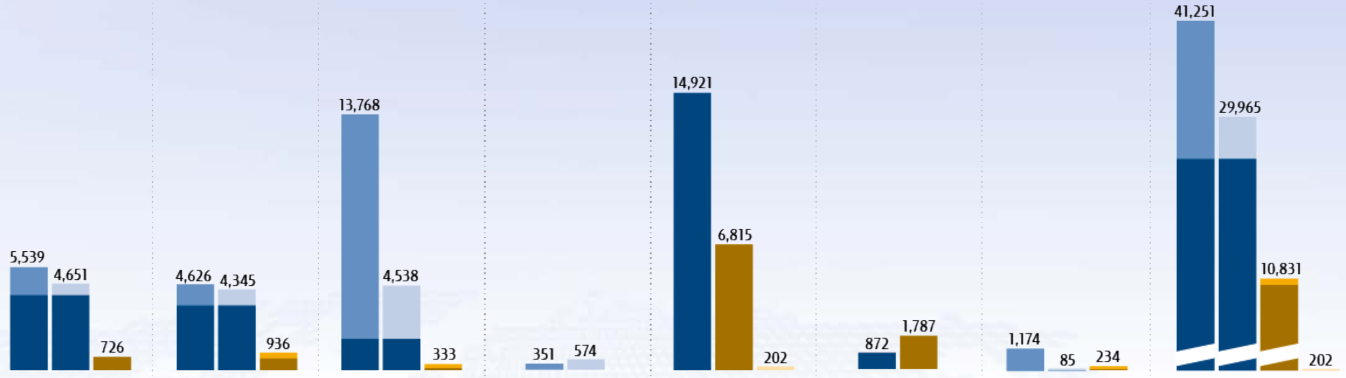




(1) The Operating FCF represents EBITDA (Pre-IFRS 16 basis) of Company & subsidiaries and dividends from Asso. & JVs less capex of Company & subsidiaries (excluding Telecom licences) and investments in Asso. & JVs. For 1H 2019, capex of Company & subsidiaries also excludes capex of assets classified as held for sale.

(2) EBITDA of subsidiaries in 1H 2020 excludes net gains from non-recurring transactions of HK$8.8 billion. EBITDA - Share of Asso & JVs in 1H 2020 excludes share of impairment and other charges of the Energy segment of HK$3.1 billion.

Financial Profile - Operating FCF by division

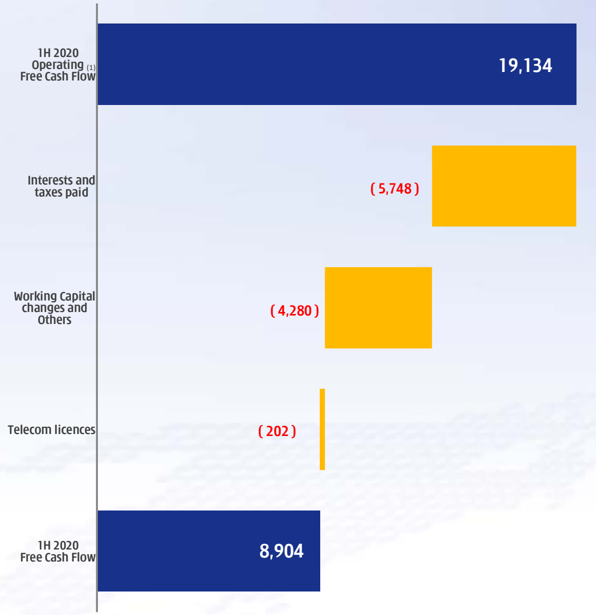


HK$ mn	Ports	Retail	Infrastructure	Energy	CKHGT	HAT	F&I and Others	1H 2020 Total
EBITDA - Co & Subsidiaries	4,025	3,472	1,686	-	14,900	872	4	24,959
EBITDA - Share of Asso. & JVs	1,514	1,154	12,082	351	21	-	1,170	16,292
Dividends from Asso. & JVs	626	873	2,852	574	-	-	81	5,006
Capex	726	628	113	-	6,762	1,787	58	10,074
Investments in Asso. & JVs	-	308	220	-	53	-	176	757
Capex - Telecom Licences	-	-	-	-	202	-	-	202

(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 investments in Asso. & JVs.

(2) EBITDA of subsidiaries in 1H 2020 excludes net gains from non-recurring transactions of HK$8.8 billion. EBITDA - Share of Asso & JVs in 1H 2020 excludes share of impairment and other charges of the Energy segment of HK$3.1 billion.

Free Cash Flow

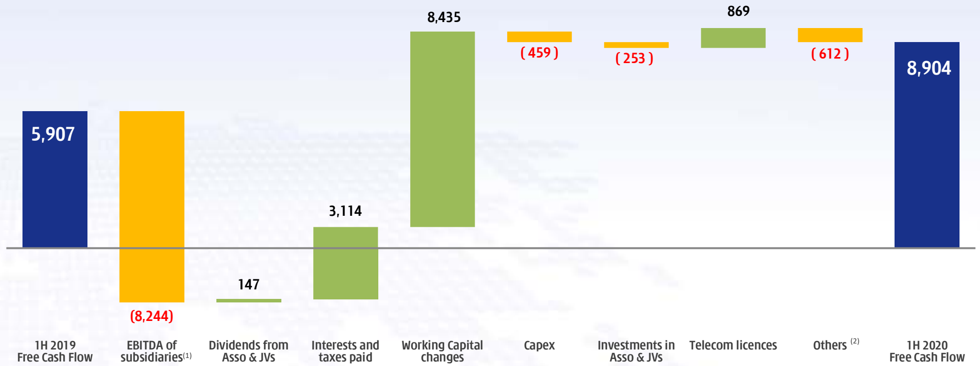


Free Cash Flow Year-on-Year Change

$8.9bn

+51%

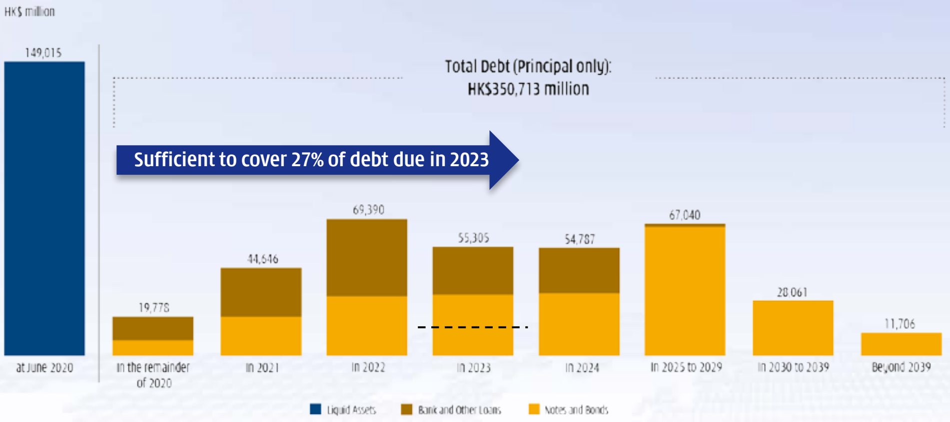
HK$ m



(1) EBITDA of subsidiaries in 1H 2020 excludes net gains from non-recurring transactions of HK$8.8 billion.

(2) Others mainly represents additions and proceeds from disposals of subsidiaries, Asso & JVs and other investments.

Debt Maturity Profile



Net Debt

	Jun 2020	Dec 2019	Jun 2019
Net debt (1)	**$205.9bn**	$202.9bn	$212.5bn
Net debt to net total capital ratio (1)	**25.1%**	24.8%	26.2%

Credit Ratings

	30 Jun 2020	31 Dec 2019
Moody's	**A2 (Stable)**	A2 (Stable)
S & P	**A (Stable)**	A (Stable)
Fitch	**A- (Stable)**	A- (Stable)

Weighted Average Maturity

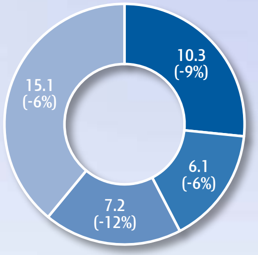
5 years

Average Cost of Debt

1.7% 0.4%-pts y.o.y

(1) 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 bank and other debts less total cash, liquid funds and other listed investments. 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 25.6%.

TEUs

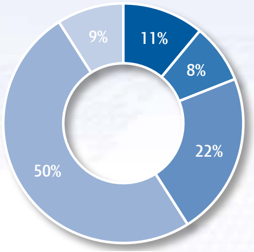


38.7m

-8%

- Assets: US$11.9bn
- 291 Berths
  52 Ports
  27 Countries
- 38.7m TEUs handled in 1H 2020

EBITDA (1)



$5,539m

-14%

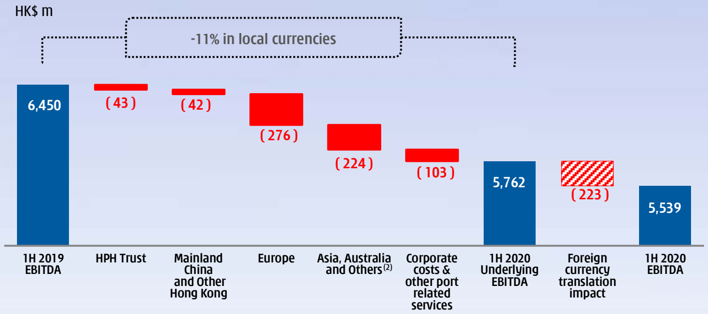
(-11% in local currencies)

- HPH Trust
- Mainland China and Other Hong Kong
- Europe
- Asia, Australia and Others (2)
- Corporate costs & other port related services

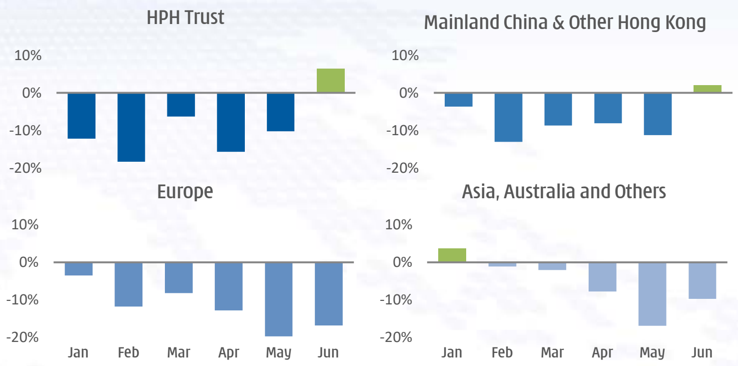
(1) Under Post-IFRS 16 basis, EBITDA was HK$6,958 million.

(2) Asia, Australia and Others includes Panama, Mexico and the Middle East.

EBITDA Growth

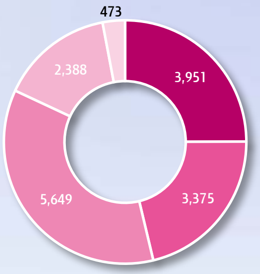


Monthly Throughput Change (YoY)



- Assets: US$27.4bn
- World's largest international H&B retailer
- Operating in 25 markets with 12 retail brands
- 137m loyalty members worldwide
- 34% exclusives sales participation

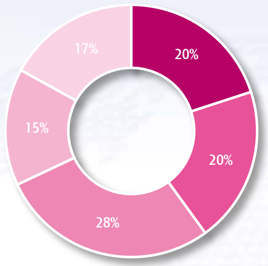
Store number



15,836

+4%

EBITDA (1)

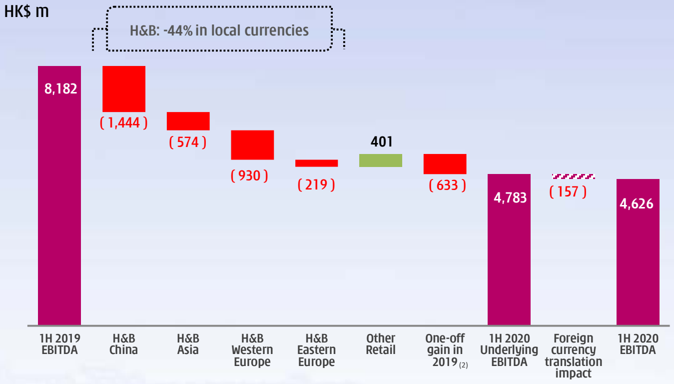


$4,626m

-43%

(-42% in local currencies)

EBITDA Growth

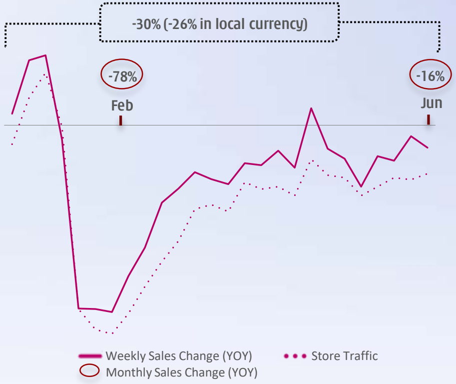


	H&B China	H&B Asia	H&B Western Europe	H&B Eastern Europe	H&B Total
EBITDA Margin %	11%	7%	4%	10%	7%

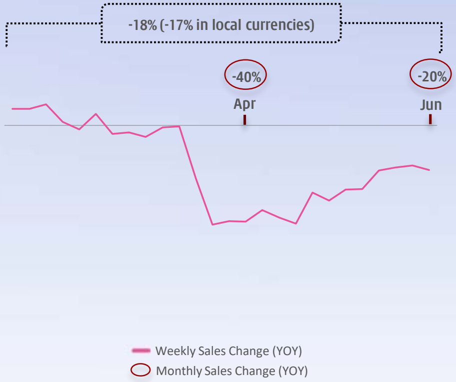
(1) Under Post-IFRS 16 basis, EBITDA was HK$9,627 million.

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

H&B China



H&B Asia



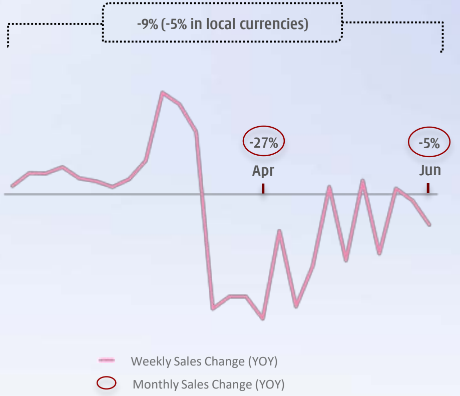
H&B China

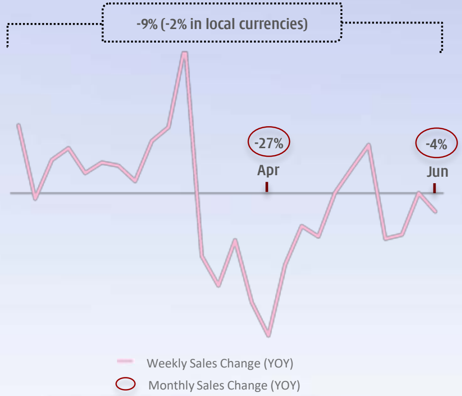
- **Store traffic reduction** improved from the peak of -87% in February to -26% in June
- **Sales reduction** peaked at -78% in February and recovered to -16% in June
- **MyStore** (WeChat Enterprise app) enabling 22+k Beauty Advisors to stay connected with the 63+m loyalty members

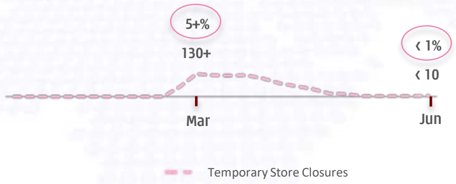
H&B Asia

- **Taiwan, Thailand & Malaysia** leading the recovery with sales reduction of only -5%, -7% & -8% in local currencies respectively in June
- **Philippines** is taking longer to recover with sales reduction of -17% in local currency in June as populated areas (such as Metro Manila) are still under quarantine
- **Hong Kong** represented only 2% of the Retail division's revenue in 1H 2020, remains challenging since the close of border in February with tourist comparable sales decline of over -90%

H&B Western Europe	H&B Eastern Europe







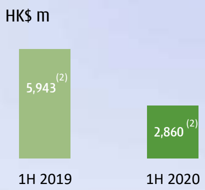
H&B Western Europe

- **Benelux** leading the recovery with sales growth of +5% in local currency in June
- **Germany** has proved resilient in 1H 2020 with sales and EBITDA growth of +4% and +12% in local currency respectively
- **UK** remains challenging since the country lockdown in March with some improvements towards the end of June following easing of lockdown

H&B Eastern Europe

- **Poland**, despite weak consumer sentiment due to a rising unemployment rate, proved to have robust sales with a decline of only -4% in local currency in June

CKI's reported NPAT (1)



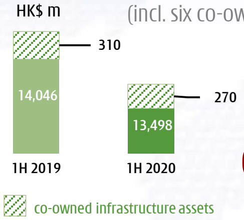
$2,860m

-52%

CKI's Net Debt Ratio	S&P Credit Rating
13.9%	A/Stable

EBITDA (3)

Infrastructure Division
(incl. six co-owned assets)



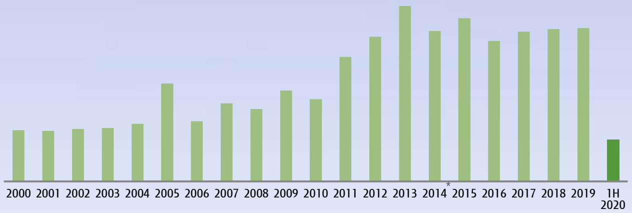
$13,768m

-4%

(+1% in local currencies)

- Assets: US$29.7bn
- Largest publicly listed infrastructure company on SEHK
- Diversified operations in 31 countries

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

(1) Post-IFRS16 basis.

(2) 1H 2020 included deferred tax charge of HK$1.4 billion as a result of the revision of the UK corporate tax rate glide path from 17% to 19% in 2020 as well as lower earnings contribution from Northumbrian Water from lower allowable returns following tariff reset in April 2020; whereas 1H 2019 included gain on partial disposal of Power Assets of HK$427 million. As the Group rebased Power Assets' assets to their fair values in the 2015 Reorganisation, after consolidation adjustment, the disposal gain recognised by CKI in first half of 2019 resulted in a loss on disposal of HK$302 million in the Group's reported EBITDA and EBIT.

(3) Under Post-IFRS 16 basis, EBITDA was HK$13,911 million.

Energy 2020

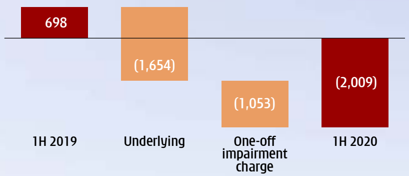
- **Assets: US$7.1bn**
- **Listed on the Toronto Stock Exchange**
- **Integrated Corridor - Canada & US Upstream, Midstream and Downstream businesses**
- **Offshore - production in Atlantic and Asia Pacific**

Net Loss [1]

C$(2,009)m

-388%

C$ m



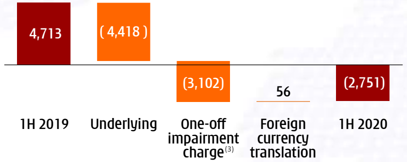
Attributable LBITDA to CKHH [2]

HK$(2,751)m

-158%

(-160% in local currency)

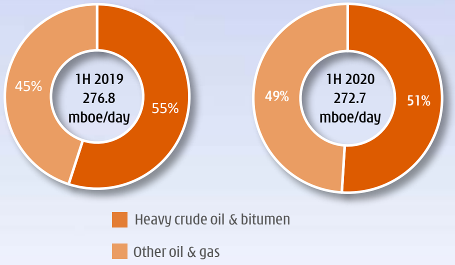
HK$ m

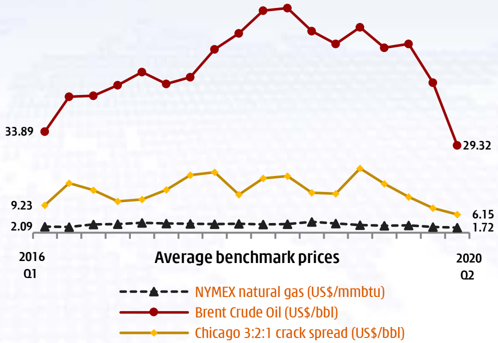


Production

272.7 mboe/day

-1%





Preserving Value, Positioned For the Future

Business resilience

- Strong balance sheet and ample liquidity
  - 2020 capital cut ~50% to C$1.7bn
  - Approx. C$150mn cost efficiencies identified to date
  - Well within debt covenants, no debt maturities until 2022
  - 90% dividend cut
- Investment-grade credit rating affirmed by S&P
- Asset performance in low price environment
  - Integrated Corridor: Sizable downstream & midstream segments capture margins
  - Offshore: includes long-term contracted prices in Asia

Positioned for value capture

- Deep physical integration
- Flexibility to adjust upstream production to price conditions
- Ability to optimise throughput and refined product slate to meet market demands
- Offshore production has direct access to markets
- Dedicated transportation and storage capacity

Improving safety, reliability & ESG performance

- Target to be top quartile in 2022
- ESG performance & transparency
  - Define carbon intensity targets
  - Diversity targets

(1) Represents Husky's Post-IFRS 16 net loss for the six months ended 30 June 2020.

(2) Under Post-IFRS 16 basis, the Group's share of LBITDA was HK$2,609 million.

(3) Represents the Group's share of non-cash impairment charge (before-tax) in Q1 2020.

Total Revenue

$40,524m

-7%
(-3% in local currencies)

KPI

Active mobile customers
38.7m -7%

12-month trailing Net AMPU
€11.24 +1%

Data Usage
2,560 pb/ half yr +39%

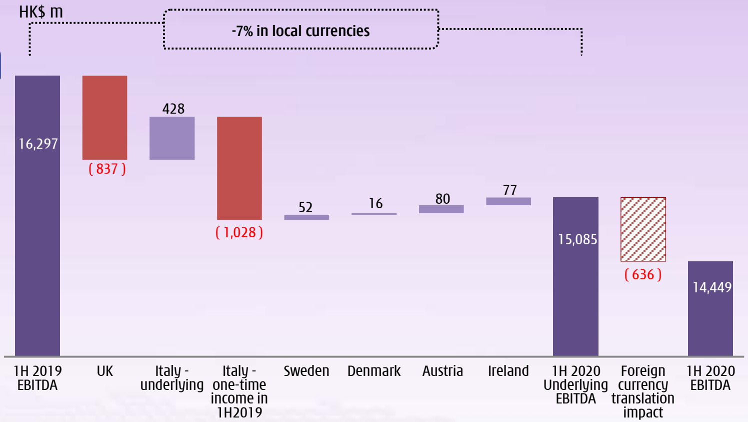
5G capabilities

- UK: 5G rollout continues with leading spectrum portfolio
- Sweden: Launched largest 5G Network on 2100 MHz covering six cities
- Italy: Best network based on independent survey to complement 5G roll-out
- Ireland: Go live with services offering including FWA and connected products utilising the broadest 5G spectrum from Q4 2020

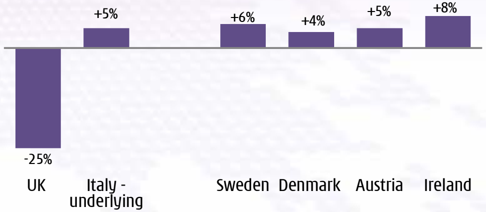
EBITDA

$14,449m

-11%
(-7% in local currencies)



EBITDA Change % (in local currencies)



	UK	Italy - underlying	Sweden	Denmark	Austria	Ireland
EBITDA Margin %	30%	44%	47%	37%	51%	41%

(1) Under Post-IFRS 16 basis, EBITDA was HK$17,974 million

In million	UK GBP		Italy EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe HK$	
	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019
Total Revenue	**1,116**	1,167	**2,324**	2,398	**3,249**	3,238	**1,127**	1,054	**417**	425	**294**	296	**40,524**	43,464
% change	*-4%*		*-3%*		*-*		*+7%*		*-2%*		*-1%*		*-7%*	
											Local currencies change %		*-3%*	
Total margin	**713**	721	**1,740**	1,718	**2,019**	1,935	**880**	837	**309**	308	**229**	224	**28,899**	29,871
% change	*-1%*		*+1%*		*+4%*		*+5%*		*-*		*+2%*		*-3%*	
											Local currencies change %		*+1%*	
TOTAL CACs	(391)	(408)	(176)	(230)	(1,105)	(1,166)	(123)	(124)	(50)	(60)	(39)	(42)	(7,068)	(8,198)
Less: Handset Revenue	280	323	141	201	877	913	49	49	45	53	35	39	5,360	6,694
Total CACs (net of handset revenue)	**(111)**	(85)	**(35)**	(29)	**(228)**	(253)	**(74)**	(75)	**(5)**	(7)	**(4)**	(3)	**(1,708)**	(1,504)
Operating Expenses	**(351)**	(302)	**(747)**	(664)	**(665)**	(617)	**(403)**	(373)	**(115)**	(121)	**(119)**	(123)	**(12,742)**	(12,070)
Opex as a % of total margin	49%	42%	43%	39%	33%	32%	46%	45%	37%	39%	52%	55%	44%	40%
EBITDA - Underlying	251	334	958	910	1,126	1,065	403	389	189	180	106	98	14,449	15,269
% change	*-25%*		*+5%*		*+6%*		*+4%*		*+5%*		*+8%*		*-5%*	
											Local currencies change %		*-1%*	
One-time income	-	-	-	115	-	-	-	-	-	-	-	-	-	1,028
EBITDA	**251**	334	**958**	1,025	**1,126**	1,065	**403**	389	**189**	180	**106**	98	**14,449**	16,297
% change	*-25%*		*-7%*		*+6%*		*+4%*		*+5%*		*+8%*		*-11%*	
											Local currencies change %		*-7%*	
EBITDA margin %[1]	30%	40%	44%	47%	47%	46%	37%	39%	51%	48%	41%	38%	41%	44%
Depreciation & Amortisation	**(165)**	(163)	**(386)**	(333)	**(559)**	(469)	**(206)**	(180)	**(75)**	(67)	**(61)**	(59)	**(6,727)**	(6,327)
EBIT - Underlying	86	171	572	577	567	596	197	209	114	113	45	39	7,722	8,942
% change	*-50%*		*-1%*		*-5%*		*-6%*		*+1%*		*+15%*		*-14%*	
											Local currencies change %		*-10%*	
One-time income	-	-	-	115	-	-	-	-	-	-	-	-	-	1,028
EBIT	**86**	171	**572**	692	**567**	596	**197**	209	**114**	113	**45**	39	**7,722**	9,970
% change	*-50%*		*-17%*		*-5%*		*-6%*		*+1%*		*+15%*		*-23%*	
											Local currencies change %		*-19%*	
Capex (excluding licence)	**(192)**	(155)	**(348)**	(352)	**(606)**	(549)	**(82)**	(80)	**(58)**	(68)	**(72)**	(56)	**(6,650)**	(6,320)
EBITDA less Capex	**59**	179	**610**	673	**520**	516	**321**	309	**131**	112	**34**	42	**7,799**	9,977
Licence[2]	**-**	-	**-**	-	**-**	-	**-**	(488)	**-**	(52)	**-**	-	**-**	(1,045)

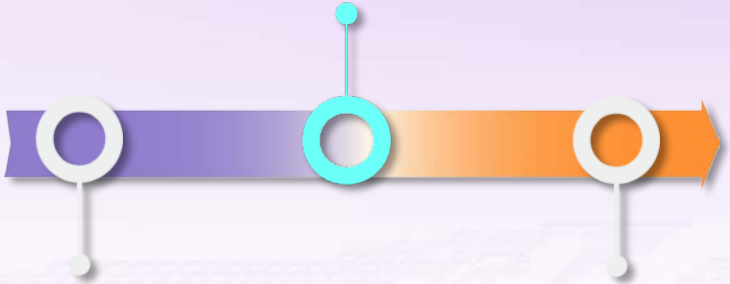
(1) EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

(2) 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.

Telecommunications - CKH Networks

Project Timeline

July 2020
Completion of Reorganisation and CKHN operational



June 2020
Senior management teams appointed - CEO overseeing local teams including 6 local Managing Directors

March 2021
Pro forma FY2020 results

Key Highlights

Towers
29,100

Tenancy Ratio
1.2x

Geographical Presence

Pro Forma FY 2020 EBITDA [1]
~€300m

(1) Assumes set-up of CKH Networks completed on 1 January 2020

Total Revenue

$4,521m

+ 5%

(+8% in local currencies)

KPI

Active mobile customer account

48.8m +7%

Data Usage

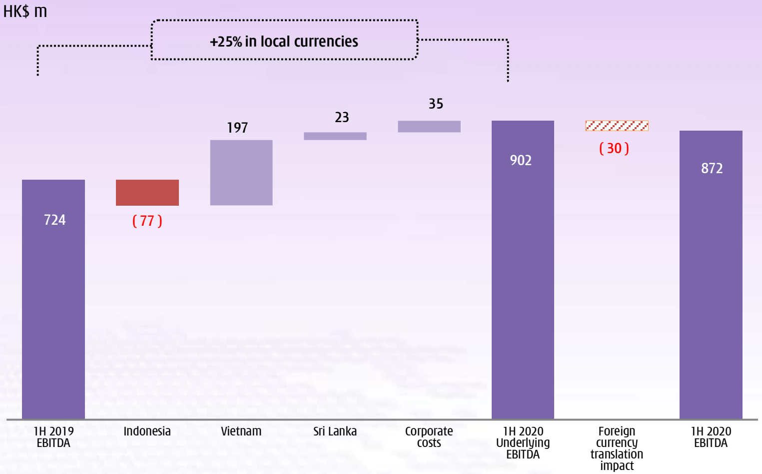
1,974.0 pb/ half yr +42%

EBITDA

$872m(1)

+20%

(+25% in local currencies)



(1) Under Post-IFRS 16 basis, EBITDA was HK$2,065 million.

TOWARDS BETTER

GROWTH

AND A **SUSTAINABLE**

FUTURE

Towards Better GROWTH and a Sustainable FUTURE

Improving Disclosure	✓ Inaugural sustainability report ✓ CDP reporting kicking off with CKHGT Next Actions: ➢ Seeking stakeholder feedback for continuous improvement to disclosure
Strengthening Governance	✓ Board-level Sustainability Committee established ✓ Sustainability committees at the business-unit level in place ✓ Semi-annual sustainability risk assessment setup Next Actions: ➢ Setting group-wide goals and targets
Commitment to Climate Action	✓ Targeting 8% reduction in carbon intensity across the Group ✓ Business-level climate commitments being set, both medium and long term, e.g. Husky is aspiring to achieve net zero emissions by 2050 Next Actions: ➢ Focusing on important frameworks and assessments: TCFD, CDP and SBTi

Material Sustainability Issues by Division

		Ports and Related Services	Retail	Infrastructure	Energy	Telecommunications
Business	Anti-Corruption	✓		✓	✓	
Business	Product Responsibility		✓			✓
Business	Data Privacy					✓
Business	Supply Chain Management		✓			
People	Labour Management	✓	✓			✓
People	Occupational Health and Safety	✓		✓	✓	
Community	Community Engagement		✓	✓	✓	
Envirnoment	Greenhouse Gas (GHG) Emissions	✓	✓		✓	✓
Envirnoment	Waste Management		✓			
Envirnoment	Opportunities in Clean Technology			✓		
Envirnoment	Land Use and Reclamation				✓	
Envirnoment	Environmental Management			✓		

Ports and Related Services Retail Infrastructure Energy Telecommunications

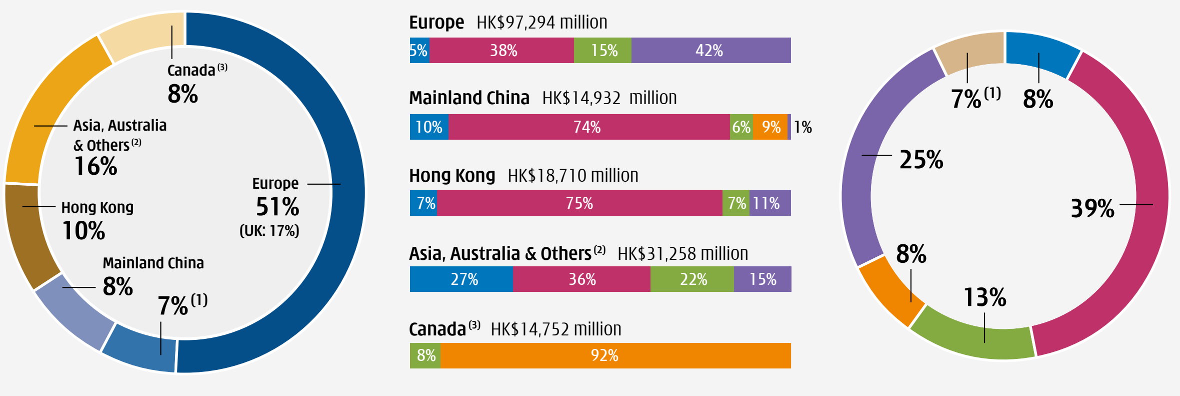
Q & A

2020 Interim Results

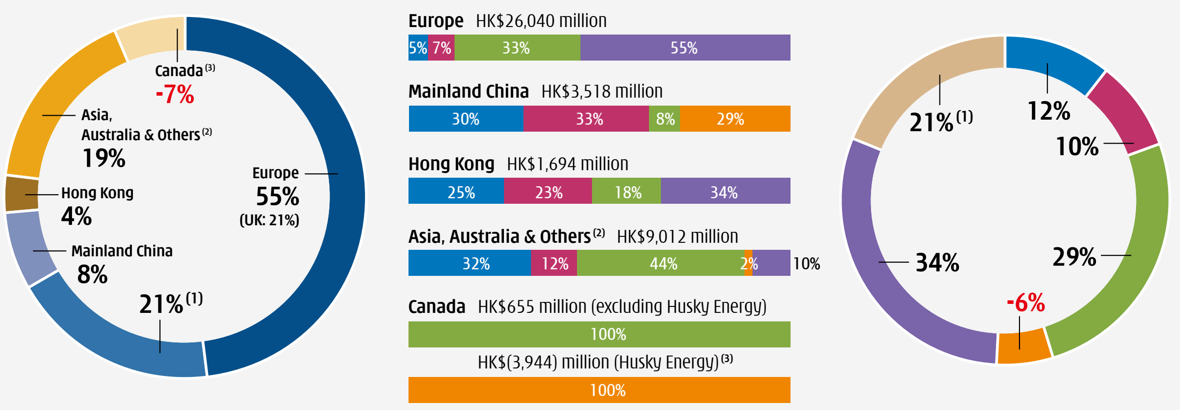
Appendix

Analyses of Core Business Segments by Geographical Location

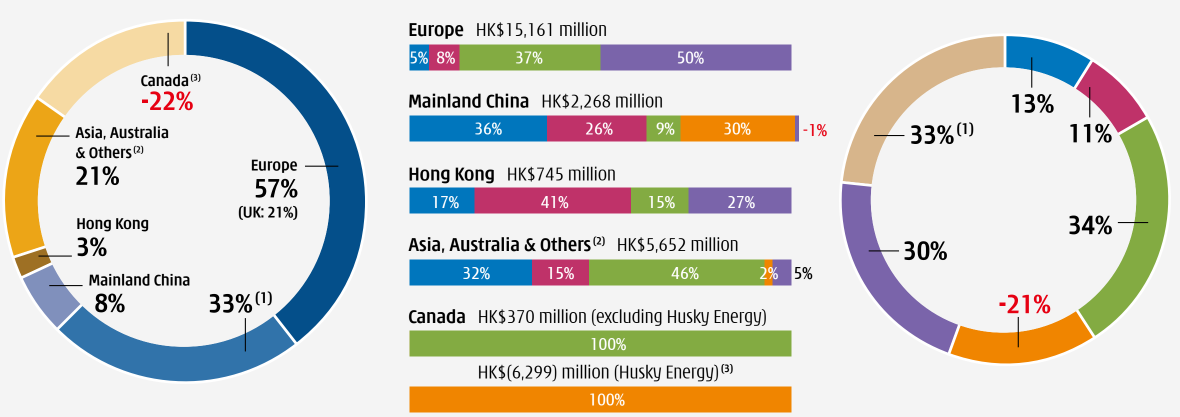
Total Revenue for the six months ended 30 June 2020 HK$189,942 million



Total EBITDA (4) for the six months ended 30 June 2020 HK$46,946 million



Total EBIT (4) for the six months ended 30 June 2020 HK$26,677 million



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

Note 1: Represents contributions from Finance & Investments and Others
Note 2: Includes Panama, Mexico and the Middle East
Note 3: Includes contribution from the USA for Husky Energy, as well as one-off impairment and other charges of HK$(3,102) million under the Group's EBITDA and EBIT results
Note 4: Prepared under Pre-IFRS 16 basis

Operations Highlights

Ports and Related Services

	30 June 2020 HK$ million	30 June 2019 HK$ million	Change	Local currencies change
Total Revenue [1]	**16,031**	17,550	-9%	-4%
EBITDA [1] [4]	**5,539**	6,450	-14%	-11%
EBIT [1] [4]	**3,454**	4,250	-19%	-15%
Throughput (million TEU)	**38.7**	42.1	-8%	
Number of berths [3]	**291**	288	+3 berths	

	Throughput (million TEU)			Number of Berths [3]		
	30 June 2020	30 June 2019	Change	**30 June 2020**	30 June 2019	Change
HPH Trust	**10.3**	11.3	-9%	**52**	52	–
Mainland China and Other Hong Kong	**6.1**	6.5	-6%	**42**	42	–
Europe	**7.2**	8.2	-12%	**62**	61	+1 berth
Asia, Australia and Others [2]	**15.1**	16.1	-6%	**135**	133	+2 berths
Total	**38.7**	42.1	-8%	**291**	288	+3 berths

	Total Revenue [1]				Total EBITDA [1] [4]			
HK$ million	**30 June 2020**	30 June 2019	Change	Local currencies change	**30 June 2020**	30 June 2019	Change	Local currencies change
HPH Trust	**1,111**	1,248	-11%	-11%	**602**	645	-7%	-7%
Mainland China and Other Hong Kong	**1,077**	1,183	-9%	-5%	**444**	506	-12%	-8%
Europe	**4,926**	5,603	-12%	-8%	**1,209**	1,538	-21%	-18%
Asia, Australia and Others [2]	**8,329**	8,939	-7%	-1%	**2,775**	3,149	-12%	-7%
Corporate costs & other related services	**588**	577	+2%	+2%	**509**	612	-17%	-17%
Total	**16,031**	17,550	-9%	-4%	**5,539**	6,450	-14%	-11%

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$6,958 million (30 June 2019: HK$7,766 million); EBIT was HK$4,122 million (30 June 2019: HK$4,826 million).

Throughput decreased by 8% to 38.7 million TEU in the first half of 2020, with 63% and 37% local and transhipment volume respectively (1H 2019: 65% and 35% local and transhipment volume respectively).

Throughput decline across majority of the portfolio was primarily attributable to global trade disruptions and reduced cargo demand due to the pandemic, resulting in increased number of blank sailings (particularly in Hong Kong, Shanghai, Ningbo, the UK, Rotterdam and Pakistan). Temporary suspension of factories in Mainland China together with border control and regional lockdowns in many countries including the US and Europe led to a sharp deceleration of economic activites in the first half of 2020. As a result, underlying performance in the first half of 2020 has declined, with total revenue being 9% and 4% lower against the same period last year in reported currency and local currencies respectively. EBITDA and EBIT decreased 14% and 19% respectively in reported currency against the same period last year. In local currencies, EBITDA and EBIT decreased 11% and 15% respectively, mainly due to volume decline as mentioned above and higher mix of low margin throughput from shift in trade flows.

Retail

	30 June 2020 HK$ million	30 June 2019 HK$ million	Change	Local currencies change
Total Revenue	**73,627**	83,161	-11%	-9%
EBITDA [(1)]	**4,626**	8,182	-43%	-42%
EBIT [(1)]	**2,970**	6,590	-55%	-53%
Store Numbers	**15,836**	15,213	+4%	

	Store Numbers			Net Store Additions	Comparable Stores Sales Growth (%) [(2)]			
	30 June 2020	30 June 2019	Change	**30 June 2020**	**30 June 2020**		30 June 2019	
H&B China	**3,951**	3,666	+8%	**285**	**-29.2%**	**-27.4%** [(3)]	+2.2%	+5.4% [(3)]
H&B Asia	**3,375**	3,221	+5%	**154**	**-18.5%**		+6.9%	
H&B China & Asia Subtotal	**7,326**	6,887	+6%	**439**	**-23.3%**		+4.7%	
H&B Western Europe	**5,649**	5,551	+2%	**98**	**-5.7%**		+1.6%	
H&B Eastern Europe	**2,388**	2,303	+4%	**85**	**-6.0%**		+3.1%	
H&B Europe Subtotal	**8,037**	7,854	+2%	**183**	**-5.7%**		+1.9%	
H&B Subtotal	**15,363**	14,741	+4%	**622**	**-12.7%**		+2.9%	
Other Retail [(4)]	**473**	472	–	**1**	**+10.8%**		-7.3%	
Total Retail	**15,836**	15,213	+4%	**623**	**-9.5%**		+1.5%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$9,627 million (30 June 2019: HK$13,065 million); EBIT was HK$3,381 million (30 June 2019: HK$6,994 million).

Note 2: 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 3: Adjusted to include loyalty members' sales recovered in proximate new stores.

Note 4: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

The division's businesses have experienced deterioration in profitability in the first half of 2020 due to reduction in sales starting from February due to temporary store closures and lower footfall as the pandemic spread. As a result, EBITDA and EBIT were 43% and 55% lower than the first half of 2019 respectively in reported currency. Included in the first half of 2019 was a one-off gain of approximately HK$633 million recognised upon formation of the joint venture in the division's China supermarket business. Excluding this one-off gain and adverse foreign currency translation impacts, EBITDA and EBIT decreased by 37% and 48% respectively in local currencies.

HK$ million	Total Revenue 30 June 2020	%	30 June 2019	%	Change	Local currencies change	Total EBITDA [1] 30 June 2020	%	EBITDA Margin	30 June 2019	%	EBITDA Margin	Change	Local currencies change
H&B China	**8,805**	**12%**	12,512	15%	-30%	-26%	**927**	**20%**	**11%**	2,412	29%	19%	-62%	-60%
H&B Asia	**12,906**	**18%**	15,700	19%	-18%	-17%	**917**	**20%**	**7%**	1,502	18%	10%	-39%	-38%
H&B China & Asia Subtotal	**21,711**	**30%**	28,212	34%	-23%	-21%	**1,844**	**40%**	**8%**	3,914	47%	14%	-53%	-52%
H&B Western Europe	**29,838**	**40%**	32,819	39%	-9%	-5%	**1,274**	**28%**	**4%**	2,255	28%	7%	-43%	-41%
H&B Eastern Europe	**7,299**	**10%**	8,026	10%	-9%	-2%	**711**	**15%**	**10%**	984	12%	12%	-28%	-22%
H&B Europe Subtotal	**37,137**	**50%**	40,845	49%	-9%	-5%	**1,985**	**43%**	**5%**	3,239	40%	8%	-39%	-36%
H&B Subtotal	**58,848**	**80%**	69,057	83%	-15%	-11%	**3,829**	**83%**	**7%**	7,153	87%	10%	-46%	-44%
Other Retail [4] and others [5]	**14,779**	**20%**	14,104	17%	+5%	+5%	**797**	**17%**	**5%**	1,029	13%	7%	-23%	-23%
Total Retail	**73,627**	**100%**	83,161	100%	-11%	-9%	**4,626**	**100%**	**6%**	8,182	100%	9%	-43%	-42%

Health and Beauty loyalty members' participation & exclusives sales contribution	**30 June 2020**	30 June 2019
Total loyalty members in Health and Beauty segment (million)	**136**	135
Loyalty members' sales participation (%)	**63%**	63%
Exclusives sales contribution to total Health and Beauty sales (%)	**34%**	34%

Note 5: During the first half of 2019, the division formed a joint venture with Yonghui and Tencent and recognised a one-off gain of approximately HK$633 million, which was included in EBITDA, with its interest in China supermarket business reduced to 40%.

The overall Health and Beauty segment, which represents 83% of the division's EBITDA, reported a revenue and EBITDA reduction of 11% and 44% respectively in local currencies.

Comparable stores sales recorded a decline of 12.7%, with temporary store closures for H&B China peaked at around 2,500 stores in February, while H&B Eastern Europe peaked at around 130 stores in March. Temporary store closures of H&B Asia and H&B Western Europe reached their maximum at around 750 and 1,100 stores respectively in April. As the pandemic related restriction measures gradually ease off, almost all H&B China stores reopened by the end of April. H&B Eastern Europe also started to reopen its stores in April, while major store reopenings for both H&B Asia and H&B Western Europe gradually took place in May.

Despite the significant disruptions to operations, the Health and Beauty segment opened 261 new stores during the first half of 2020 with the store numbers increased to 15,363 stores as at 30 June 2020. The quality of new store opening remains high with an average new store cash payback period within 14 months.

The Other Retail segment reported a growth in revenue of 5% in the first half of 2020, mainly arising from the improved performance of PARKnSHOP Hong Kong due to the increased demand in hygiene products and groceries with more people staying at home during the pandemic.

Infrastructure

	30 June 2020 HK$ million	30 June 2019 HK$ million	Change	Local currencies change
Total Revenue [(1)]	**25,181**	25,625	-2%	+3%
- CKI	**24,714**	24,945	-1%	+4%
- Co-owned infrastructure assets	**467**	680	-31%	-28%
EBITDA [(1)(2)]	**13,768**	14,356	-4%	+1%
- CKI	**13,498**	14,046	-4%	+1%
- Co-owned infrastructure assets	**270**	310	-13%	-9%
EBIT [(1)(2)]	**8,989**	9,901	-9%	-5%
- CKI	**8,824**	9,703	-9%	-4%
- Co-owned infrastructure assets	**165**	198	-17%	-13%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**2,860**	5,943	-52%	

Note 1: 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 2: Under Post-IFRS 16 basis, EBITDA for CKI was HK$13,641 million (30 June 2019: HK$14,171 million) and co-owned infrastructure assets was HK$270 million (30 June 2019: HK$310 million); EBIT for CKI was HK$8,845 million (30 June 2019: HK$9,721 million) and co-owned infrastructure assets was HK$165 million (30 June 2019: HK$198 million).

The infrastructure division comprises the Group's 75.67% [(3)] interest in CK Infrastructure Holdings Limited ("CKI") and the Group's 10% economic benefits deriving from the Group's direct holdings 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$2,860 million in the first half of 2020, 52% lower against the same period last year. The Group's share of CKI's EBITDA and EBIT of HK$13,498 million and HK$8,824 million respectively were 4% and 9% lower than the same period last year in reported currency, mainly due to adverse foreign currency translation impacts and lower earnings contribution from Northumbrian Water which entered new regulatory regime in April 2020 imposing a lower than anticipated allowable return, partly offset by the loss on partial disposal of 2.05% interest in Power Assets ("PAH") of HK$302 million[(4)] included in the results of first half of 2019.

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 HK$15.7 billion cash on hand and a net debt to net total capital ratio of 13.9% as at 30 June 2020. Credit rating from Standard & Poor's maintained at "A/ Stable".

Note 3: 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%.

Note 4: As the Group rebased PAH's assets to their fair values in the 2015 Reorganisation, after consolidation adjustment, the disposal gain recognised by CKI in the first half of 2019 resulted in a loss on disposal in the Group's reported results.

Husky Energy

	30 June 2020 HK$ million	30 June 2019 HK$ million	Change	Local currencies change
Total Revenue	**14,884**	23,465	-37%	-35%
(LBITDA) / EBITDA (1)	**(2,751)**	4,713	-158%	-160%
- Underlying	**351**	4,713	-93%	-94%
- One-off impairment charge (2)	**(3,102)**	–		
(LBIT) / EBIT (1)	**(5,487)**	1,787	-407%	-416%
- Underlying	**(2,385)**	1,787	-233%	-243%
- One-off impairment charge (2)	**(3,102)**	–		
Production (mboe/day)	**272.7**	276.8	-1%	
	C$ million	C$ million		
Husky's reported net (loss) / earnings (3)	**(2,009)**	698	-388%	
- Underlying	**(956)**	698	-237%	
- One-off impairment charge (4)	**(1,053)**	–		

Note 1: Under Post-IFRS 16 basis, the Group's share of LBITDA was HK$2,609 million (30 June 2019: EBITDA of HK$4,839 million); LBIT was HK$5,452 million (30 June 2019: EBIT of HK$1,803 million).

Note 2: Represents the Group's share of non-cash impairment charge (before-tax) recognised in the first half of 2020.

Note 3: Net earnings for the six months ended 30 June 2019 and 2020 are under Post-IFRS 16 basis.

Note 4: Represents non-cash impairment charge (after-tax) recognised in Q1 2020.

Husky Energy ("Husky") Post-IFRS 16 net loss of C$(2,009) million in the first half of 2020, which included recognition of the non-cash asset impairment charge (after-tax) in Q1 2020 of C$1,053 million. Net loss for the first half of 2020, excluding this impairment charge, was C$(956) million, compared to net earnings of C$698 million for the same period last year, primarily due to lower earnings from the Lloydminster Heavy Oil Value Chain and US Refining operations due to the lower realised crude oil and refined product pricing and lower refining margins, as a result of the significant decline in global crude oil and refined product prices since March 2020.

In Q1 2020, Husky recognised C$1,416 million (before-tax) or C$1,053 million (after-tax) of non-cash asset impairment charge, primarily related to Husky's upstream assets in North America largely due to lower crude oil price assumptions. Included in the Group's EBITDA and EBIT results for the first half of 2020 was the Group's 40.19% share of this impairment charge of HK$3,102 million. Together with this impairment charge, after translation into Hong Kong dollars and including consolidation adjustments based on Pre-IFRS 16, the Group's share of LBITDA and LBIT were HK$2,751 million and HK$5,487 million respectively, compared to an EBITDA and EBIT of HK$4,713 million and HK$1,787 million in the same period last year, reflecting the aforementioned adverse underlying performance.

Cash flow from operating activities was C$345 million for the first half of 2020 as compared to C$1,305 million for the first half of 2019, with the decrease primarily attributed to lower net earnings as mentioned above.

Capital expenditures were C$922 million for the first half of 2020, compared to C$1,670 million in the same period in 2019. Spending in the first half of 2020 was primarily directed towards the safe ramp-down of activities at the West White Rose Project and the Superior Refinery, the crude oil flexibility project at the Lima Refinery, and completing the offshore project in Asia Pacific and the 10,000 barrel-per-day Spruce Lake Central thermal bitumen project in Saskatchewan, which has commenced steaming operations as a result of improving market conditions.

Husky reported a 1% decrease of average production in the first half of 2020, from 276,800 barrels of oil equivalent per day ("boe/day") in first half of 2019 to 272,700 boe/day in first half of 2020, primarily due to:

- Lower production from Integrated Corridor operations in Q2 2020, as throughput was adjusted and optimised in line with the changing market conditions, resulting in the safe and orderly reduction, or shut-in, of production to align with upgrading and refining requirements; and
- Lower production from the Terra Nova field in Atlantic due to continued suspended operations;

partly offset by:

- Higher production from Asia Pacific and White Rose field in Atlantic.

During Q2 2020, approximately 50,000 barrels per day ("bbls/day") of heavy oil production in the Integrated Corridor was shut-in.

Downstream throughput was also reduced by 13% to 294 thousand barrels per day ("mbbls/day") for the first half of 2020, compared to 337 mbbls/day in the same period last year, primarily due to the decision to reduce refinery operating rates early in Q2 2020, in response to the reduced demand for refined products. At the end of Q2 2020, throughput reached 85% of capacity following increased product demand in the US Midwest region.

2020 Latest Capital Guidance and Financial Strategic Plan

In the first half of 2020, Husky announced to reduce its 2020 capital program by C$1.6 billion and additional cost-saving measures. These initiatives reflect Husky's commitment to capital discipline, which includes maintaining the strength of its balance sheet while protecting value in an extended lower commodity price environment.

Husky has the flexibility to reduce annual capital spending to the range of C$1.2 billion - C$1.4 billion (excluding Superior Refinery rebuild costs) in 2021, while maintaining a strong production base and current downstream throughput capacity.

Following recent rating agency reviews, Husky has maintained its investment-grade credit rating. In addition, Husky has reinforced its liquidity in Q2 2020 with a C$500 million term loan that is due in 2022, with no other near-term debt maturities.

Husky also continues to work on lowering operating costs and ongoing sustaining capital requirements. Approximately C$150 million in cost efficiencies have been identified to date and Husky is evaluating additional opportunities for operating and capital cost reductions.

CKH Group Telecom

In million	30 June 2020 HK$	30 June 2019 HK$	Change	Local currencies change	30 June 2020 EURO	30 June 2019 EURO
Total Revenue	**42,702**	46,199	-8%	-4%	**5,021**	5,209
Total Margin	**30,494**	31,672	-4%	–	**3,586**	3,570
Total CACs	**(7,326)**	(8,569)	+15%		**(860)**	(967)
Less: Handset revenue	**5,509**	6,907	-20%		**646**	780
Total CACs (net of handset revenue)	**(1,817)**	(1,662)	-9%		**(214)**	(187)
Operating Expenses	**(13,756)**	(12,501)	-10%		**(1,619)**	(1,412)
Opex as a % of total margin	***45%***	*40%*			***45%***	*40%*
EBITDA (2)	**14,921**	17,509	-15%	-11%	**1,753**	1,971
EBITDA Margin % (1)	***40%***	*45%*			***40%***	*45%*
Depreciation & Amortisation	**(7,144)**	(6,730)	-6%		**(840)**	(758)
EBIT (2)	**7,777**	10,779	-28%	-25%	**913**	1,213

Note 1: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$18,665 million (30 June 2019: HK$21,070 million); EBIT was HK$7,946 million (30 June 2019: HK$11,253 million).

3 Group Europe

In million	30 June 2020 HK$	30 June 2019 HK$	Change	Local currencies change
Total Revenue	**40,524**	43,464	-7%	-3%
Total Margin	**28,899**	29,871	-3%	+1%
Total CACs	**(7,068)**	(8,198)	+14%	
Less: Handset revenue	**5,360**	6,694	-20%	
Total CACs (net of handset revenue)	**(1,708)**	(1,504)	-14%	
Operating Expenses	**(12,742)**	(12,070)	-6%	
Opex as a % of total margin	**44%**	40%		
EBITDA (4)	**14,449**	16,297	-11%	-7%
EBITDA Margin % (3)	***41%***	*44%*		
Depreciation & Amortisation	**(6,727)**	(6,327)	-6%	
EBIT (4)	**7,722**	9,970	-23%	-19%

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

Note 4: Under Post-IFRS 16 basis, EBITDA was HK$17,974 million (30 June 2019: HK$19,625 million); EBIT was HK$7,887 million (30 June 2019: HK$10,435 million).

CKH Group Telecom - Results by operations

In million	UK GBP		Italy [5] EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe HK$		HTHKH HK$		Corporate and Others HK$		CKHGT HK$		CKHGT EURO	
	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019
Total Revenue	**1,116**	1,167	**2,324**	2,398	**3,249**	3,238	**1,127**	1,054	**417**	425	**294**	296	**40,524**	43,464	**1,982**	2,515	**196**	220	**42,702**	46,199	**5,021**	5,209
% change	*-4%*		*-3%*		–		*+7%*		*-2%*		*-1%*		*-7%*		*-21%*		*-11%*		*-8%*		*-4%*	
											Local currencies change %		*-3%*						*-4%*			
Total margin	**713**	721	**1,740**	1,718	**2,019**	1,935	**880**	837	**309**	308	**229**	224	**28,899**	29,871	**1,570**	1,770	**25**	31	**30,494**	31,672	**3,586**	3,570
% change	*-1%*		*+1%*		*+4%*		*+5%*		–		*+2%*		*-3%*		*-11%*		*-19%*		*-4%*		–	
											Local currencies change %		*+1%*						–			
TOTAL CACs	**(391)**	(408)	**(176)**	(230)	**(1,105)**	(1,166)	**(123)**	(124)	**(50)**	(60)	**(39)**	(42)	**(7,068)**	(8,198)	**(258)**	(371)	–	–	**(7,326)**	(8,569)	**(860)**	(967)
Less: Handset Revenue	**280**	323	**141**	201	**877**	913	**49**	49	**45**	53	**35**	39	**5,360**	6,694	**149**	213	–	–	**5,509**	6,907	**646**	780
Total CACs (net of handset revenue)	**(111)**	(85)	**(35)**	(29)	**(228)**	(253)	**(74)**	(75)	**(5)**	(7)	**(4)**	(3)	**(1,708)**	(1,504)	**(109)**	(158)	–	–	**(1,817)**	(1,662)	**(214)**	(187)
Operating Expenses	**(351)**	(302)	**(747)**	(664)	**(665)**	(617)	**(403)**	(373)	**(115)**	(121)	**(119)**	(123)	**(12,742)**	(12,070)	**(830)**	(949)	**(184)**	518	**(13,756)**	(12,501)	**(1,619)**	(1,412)
Opex as a % of total margin	*49%*	*42%*	*43%*	*39%*	*33%*	*32%*	*46%*	*45%*	*37%*	*39%*	*52%*	*55%*	*44%*	*40%*	*53%*	*54%*	*N/A*	*N/A*	*45%*	*40%*	*45%*	*40%*
EBITDA - Underlying	**251**	334	**958**	910	**1,126**	1,065	**403**	389	**189**	180	**106**	98	**14,449**	15,269	**631**	663	**(159)**	549	**14,921**	16,481	**1,753**	1,856
% change	*-25%*		*+5%*		*+6%*		*+4%*		*+5%*		*+8%*		*-5%*		*-5%*		*-129%*		*-9%*		*-6%*	
											Local currencies change %		*-1%*						*-6%*			
One-time income	–	–	–	115	–	–	–	–	–	–	–	–	–	1,028	–	–	–	–	–	1,028	–	115
EBITDA	**251**	334	**958**	1,025	**1,126**	1,065	**403**	389	**189**	180	**106**	98	**14,449**	16,297	**631**	663	**(159)**	549	**14,921**	17,509	**1,753**	1,971
% change	*-25%*		*-7%*		*+6%*		*+4%*		*+5%*		*+8%*		*-11%*		*-5%*		*-129%*		*-15%*		*-11%*	
											Local currencies change %		*-7%*						*-11%*			
EBITDA margin % [6]	*30%*	*40%*	*44%*	*47%*	*47%*	*46%*	*37%*	*39%*	*51%*	*48%*	*41%*	*38%*	*41%*	*44%*	*34%*	*29%*	*-81%*	*250%*	*40%*	*45%*	*40%*	*45%*
Depreciation & Amortisation	**(165)**	(163)	**(386)**	(333)	**(559)**	(469)	**(206)**	(180)	**(75)**	(67)	**(61)**	(59)	**(6,727)**	(6,327)	**(415)**	(403)	**(2)**	–	**(7,144)**	(6,730)	**(840)**	(758)
EBIT - Underlying	**86**	171	**572**	577	**567**	596	**197**	209	**114**	113	**45**	39	**7,722**	8,942	**216**	260	**(161)**	549	**7,777**	9,751	**913**	1,098
% change	*-50%*		*-1%*		*-5%*		*-6%*		*+1%*		*+15%*		*-14%*		*-17%*		*-129%*		*-20%*		*-17%*	
											Local currencies change %		*-10%*						*-17%*			
One-time income	–	–	–	115	–	–	–	–	–	–	–	–	–	1,028	–	–	–	–	–	1,028	–	115
EBIT	**86**	171	**572**	692	**567**	596	**197**	209	**114**	113	**45**	39	**7,722**	9,970	**216**	260	**(161)**	549	**7,777**	10,779	**913**	1,213
% change	*-50%*		*-17%*		*-5%*		*-6%*		*+1%*		*+15%*		*-23%*		*-17%*		*-129%*		*-28%*		*-25%*	
											Local currencies change %		*-19%*						*-25%*			
Capex (excluding licence)	**(192)**	(155)	**(348)**	(352)	**(606)**	(549)	**(82)**	(80)	**(58)**	(68)	**(72)**	(56)	**(6,650)**	(6,320)	**(105)**	(154)	**(7)**	(2)	**(6,762)**	(6,476)	**(772)**	(729)
EBITDA less Capex	**59**	179	**610**	673	**520**	516	**321**	309	**131**	112	**34**	42	**7,799**	9,977	**526**	509	**(166)**	547	**8,159**	11,033	**981**	1,242
Licence [7]	–	–	–	–	–	–	–	(488)	–	(52)	–	–	–	(1,045)	**(202)**	–	–	–	**(202)**	(1,045)	**(24)**	(117)
HK dollar equivalents of EBITDA and EBIT are summarised as follows:																						
EBITDA-pre IFRS 16 basis (HK$)	***2,429***	*3,381*	***8,150***	*9,093*	***898***	*898*	***459***	*462*	***1,608***	*1,596*	***905***	*867*	***14,449***	*16,297*	***631***	*663*	***(159)***	*549*	***14,921***	*17,509*	***€1,753***	*€1,971*
EBITDA-post IFRS 16 basis (HK$)	***2,936***	*3,772*	***10,553***	*11,435*	***1,038***	*1,034*	***544***	*549*	***1,821***	*1,813*	***1,082***	*1,022*	***17,974***	*19,625*	***850***	*896*	***(159)***	*549*	***18,665***	*21,070*	***€2,193***	*€2,373*
EBIT-pre IFRS 16 basis (HK$)	***828***	*1,729*	***4,860***	*6,142*	***452***	*502*	***225***	*248*	***970***	*1,002*	***387***	*347*	***7,722***	*9,970*	***216***	*260*	***(161)***	*549*	***7,777***	*10,779*	***€913***	*€1,213*
EBIT-post IFRS 16 basis (HK$)	***923***	*1,798*	***4,832***	*6,430*	***465***	*516*	***233***	*257*	***1,015***	*1,045*	***419***	*389*	***7,887***	*10,435*	***220***	*269*	***(161)***	*549*	***7,946***	*11,253*	***€934***	*€1,267*

Note 5: Wind Tre's results include fixed line business revenue of €504 million (30 June 2019: €552 million) and EBITDA of €123 million (30 June 2019: €168 million).

Note 6: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 7: 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 900MHz spectrum acquired in March 2019. 1H 2020 licence cost for Hong Kong mainly represents investment for 40 MHz of 3500 MHz spectrum acquired in October 2019 for 15 years from 2020.

	UK		Italy		Sweden		Denmark		Austria		Ireland [8]		3 Group Europe [8]		HTHKH	
	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019
Total registered customer base (million)	**13.3**	13.3	**22.5**	25.7	**2.1**	2.0	**1.5**	1.4	**3.6**	3.7	**2.4**	2.3	**45.4**	48.4	**3.9**	3.8
Total active customer base (million)	**9.5**	10.2	**20.3**	22.9	**2.1**	2.0	**1.5**	1.4	**2.9**	2.9	**2.4**	2.3	**38.7**	41.7	**3.3**	3.3
Contract customers as a % of the total registered customer base	**56%**	53%	**45%**	42%	**69%**	72%	**59%**	59%	**72%**	70%	**67%**	61%	**53%**	50%	**37%**	40%
Average monthly churn rate of the total contract registered customer base (%)	**1.3%**	1.2%	**1.3%**	1.5%	**1.5%**	1.6%	**1.7%**	1.8%	**0.2%**	0.2%	**0.9%**	1.0%	**1.2%**	1.3%	**1.1%**	1.1%
Active contract customers as a % of the total contract registered customer base	**98%**	99%	**95%**	93%	**100%**	100%	**100%**	100%	**100%**	100%	**100%**	100%	**97%**	96%	**100%**	100%
Active customers as a % of the total registered customer base	**72%**	77%	**90%**	89%	**97%**	97%	**100%**	97%	**81%**	80%	**100%**	100%	**85%**	86%	**85%**	89%
LTE coverage by population (%)	**94%**	94%	**100%**	99%	**91%**	87%	**100%**	99%	**98%**	98%	**99%**	98%	–	–	**90%**	90%
Six month data usage per active customer (Gigabyte)													**68.6**	46.0	**35.2**	25.8

Note 8: **3** Ireland's closing registered customer base as at 30 June 2020 represented the closing active base as the new system will not identify registered base separately from the active base following the completion of system integration and migration in the first half of 2020. The comparative registered base and the corresponding KBIs of **3** Ireland and **3** Group Europe have been restated to enable a like-for-like comparison.

CKH Group Telecom (continued)

Key Business Indicators

Registered Customer Base

	Registered Customers at 30 June 2020 ('000)			Registered Customer Growth (%) from 31 December 2019 to 30 June 2020			Registered Customer Growth (%) from 30 June 2019 to 30 June 2020		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	5,915	7,384	**13,299**	-8%	+2%	**-3%**	-5%	+4%	**–**
Italy [9]	12,285	10,185	**22,470**	-8%	-3%	**-6%**	-17%	-6%	**-12%**
Sweden	656	1,481	**2,137**	+6%	+1%	**+2%**	+14%	+1%	**+4%**
Denmark	600	855	**1,455**	-2%	–	**-1%**	+2%	+1%	**+2%**
Austria	1,008	2,609	**3,617**	-7%	–	**-2%**	-9%	+2%	**-2%**
Ireland [11]	788	1,587	**2,375**	-9%	+7%	**+1%**	-11%	+13%	**+4%**
3 Group Europe Total [11]	21,252	24,101	**45,353**	-7%	–	**-4%**	-12%	–	**-6%**
HTHKH	2,435	1,458	**3,893**	-13%	-1%	**-9%**	+8%	-2%	**+4%**

Active [10] Customer Base

	Active Customers at 30 June 2020 ('000)			Active Customer Growth (%) from 31 December 2019 to 30 June 2020			Active Customer Growth (%) from 30 June 2019 to 30 June 2020		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	2,303	7,259	**9,562**	-27%	+1%	**-7%**	-29%	+4%	**-7%**
Italy [9]	10,643	9,683	**20,326**	-10%	–	**-6%**	-17%	-3%	**-11%**
Sweden	589	1,481	**2,070**	+7%	+1%	**+2%**	+17%	+1%	**+5%**
Denmark	595	855	**1,450**	+4%	–	**+2%**	+9%	+1%	**+5%**
Austria	330	2,602	**2,932**	-7%	–	**-1%**	-10%	+2%	**–**
Ireland	788	1,587	**2,375**	-9%	+7%	**+1%**	-11%	+13%	**+4%**
3 Group Europe Total	15,248	23,467	**38,715**	-12%	+1%	**-5%**	-17%	+1%	**-7%**
HTHKH	1,851	1,458	**3,309**	-15%	-1%	**-9%**	+1%	-2%	**-1%**

Note 9: In addition to the above, Wind Tre has 2.8 million fixed line customers.

Note 10: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 11: **3** Ireland's closing registered customer base as at 30 June 2020 represented the closing active base as the new system will not identify registered base separately from the active base following the completion of system integration and migration in the first half of 2020. The comparative registered base and the corresponding KBIs of **3** Ireland and **3** Group Europe have been restated to enable a like-for-like comparison.

12-month Trailing Average Revenue per Active User ("ARPU") (12) to 30 June 2020

	Non-contract	Contract	**Blended Total**	% Variance compared to 30 June 2019
United Kingdom	£4.53	£23.21	**£17.77**	-3%
Italy	€10.57	€11.53	**€11.00**	+1%
Sweden	SEK117.46	SEK335.73	**SEK276.22**	-5%
Denmark	DKK89.05	DKK149.34	**DKK125.16**	–
Austria	€11.15	€21.87	**€20.56**	-2%
Ireland	€15.31	€20.60	**€18.66**	-5%
3 Group Europe Average (15)	€9.95	€19.44	**€15.42**	–
HTHKH	HK$8.44	HK$196.12	**HK$87.55**	-13%

12-month Trailing Net Average Revenue per Active User ("Net ARPU") (13) to 30 June 2020

	Non-contract	Contract	**Blended Total**	% Variance compared to 30 June 2019
United Kingdom	£4.53	£15.94	**£12.62**	-6%
Italy	€10.57	€11.53	**€11.00**	+1%
Sweden	SEK117.46	SEK214.79	**SEK188.26**	-3%
Denmark	DKK89.05	DKK138.99	**DKK118.96**	+1%
Austria	€11.15	€17.94	**€17.11**	-2%
Ireland	€15.31	€16.29	**€15.93**	-5%
3 Group Europe Average (15)	€9.95	€15.40	**€13.09**	-1%
HTHKH	HK$8.44	HK$170.40	**HK$76.71**	-11%

12-month Trailing Net Average Margin per Active User ("Net AMPU") (14) to 30 June 2020

	Non-contract	Contract	**Blended Total**	% Variance compared to 30 June 2019
United Kingdom	£3.89	£13.87	**£10.96**	-6%
Italy	€8.91	€9.69	**€9.26**	+5%
Sweden	SEK96.61	SEK183.83	**SEK160.05**	-3%
Denmark	DKK74.70	DKK116.03	**DKK99.45**	–
Austria	€9.79	€16.11	**€15.33**	-1%
Ireland	€14.05	€14.45	**€14.30**	-4%
3 Group Europe Average (15)	€8.46	€13.29	**€11.24**	+1%
HTHKH	HK$6.37	HK$150.72	**HK$67.22**	-14%

Note 12: 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 13: 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 14: 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 15: **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.

CKH Group Telecom (continued)

United Kingdom

EBITDA and EBIT decreased by 25% and 50% in local currency respectively compared to the same period last year, mainly due to lower margin driven by regulatory changes in the UK and within EU since 2019, increased annual spectrum licence fee imposed by Ofcom, as well as increased network and IT transformation spend and higher commissions, partly offset by improvements in other margins from MVNOS and various initiatives.

Italy

Wind Tre's EBITDA and EBIT decreased by 7% and 17% respectively, as the 2019 results included a one-time income of around €110 million, excluding which, the underlying EBITDA of Wind Tre increased by 5% through realisation of cost synergies while underlying EBIT decreased by 1%. Encouragingly, despite fierce market competition, Wind Tre's total margin increased by 1% driven by higher net AMPU from better network quality and improved other margins.

Sweden

Sweden, 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 total margin driven by higher customer base as well as stringent contol on total CACs, partly offset by higher operating costs incurred from enlarged network. EBIT in local currency decreased by 5% from the same period last year due to higher depreciation and amortisation from enlarged asset base, particularly the ongoing LTE network rollout.

Denmark

The operation in Denmark, where the Group has a 60% interest, reported 4% growth in EBITDA in local currency compared to the same period last year, mainly due to 5% growth in total margin driven by higher customer base. EBIT in local currency decreased by 6% from the same period last year as the EBITDA growth was more than offset by higher depreciation and amortisation from enlarged asset base.

Austria

EBITDA and EBIT grew by 5% and 1% in local currency respectively compared to the same period last year, mainly driven by stringent control on total CACs and operating cost. The EBITDA growth was partly offset by higher depreciation and amortisation from an enlarged asset base.

Ireland

EBITDA and EBIT in local currency increased by 8% and 15% respectively compared to the same period last year driven by 2% higher total margin mainly from improved MVNO margin, as well as stringent control on total CACs and operating cost. EBIT also reflected slightly higher depreciation and amortisation from an enlarged asset base.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$1,982 million was 21% lower as compared to the same period last year, primarily driven by the decrease in roaming service revenue and sales of low margin hardware in the first half of 2020. EBITDA and EBIT of HK$631 million and HK$216 million were 5% and 17% lower respectively as compared to the same period last year, mainly due to lower interest income following the distribution of special dividend and the cash settlement for the acquisition of 24.1% interest in the mobile business in May 2019, together with lower net customer service margin from less roaming revenue following restriction in travelling affected by the pandemic, partly offset by stringent control on operating costs.

Hutchison Asia Telecommunications

	30 June 2020 HK$ million	30 June 2019 HK$ million	Change	Local currencies change
Total Revenue	**4,521**	4,325	+5%	+8%
- Indonesia	**3,952**	3,734	+6%	+10%
- Vietnam	**363**	329	+10%	+12%
- Sri Lanka	**206**	262	-21%	-17%
EBITDA [16]	**872**	724	+20%	+25%
- Indonesia	**899**	1,008	-11%	-8%
- Vietnam	**(2)**	(202)	+99%	+98%
- Sri Lanka	**19**	(3)	+733%	+767%
- Corporate costs	**(44)**	(79)	+44%	+44%
EBIT [16]	**194**	216	-10%	-7%
- Indonesia	**430**	643	-33%	-31%
- Vietnam	**(140)**	(304)	+54%	+52%
- Sri Lanka	**(52)**	(44)	-18%	-23%
- Corporate costs	**(44)**	(79)	+44%	+44%
Total active customer account ('000)	**48,846**	45,695	+7%	

Note 16: Under Post-IFRS 16 basis, EBITDA was HK$2,065 million (30 June 2019: HK$1,761 million); EBIT was HK$708 million (30 June 2019: HK$687 million).

As of 30 June 2020, Hutchison Asia Telecommunications ("HAT") had approximately 48.8 million active customer accounts, 7% increase compared to the same period last year. Indonesia and Vietnam represent 70% and 22% of the total active customer account numbers respectively.

With approximately 7,000 additional 4G base transceiver station ("BTS") having been rolled-out over the last 12 months, the Indonesia operation has expanded its 4G network to almost 28,000 BTS, covering approximately 35,000 villages as at 30 June 2020. For the first half of 2020, the Indonesia operation reported revenue growth of 10% in local currency, reflecting the 14% growth in active customer accounts and 45% growth of data traffic compared to the same period last year. However, EBITDA and EBIT decreased by 8% and 31% in local currency respectively compared to same period last year, primarily due to increased network costs and depreciation that accompany the network expansion.

Despite reporting 1% decline in active customer accounts, the Vietnam operation reported revenue growth of 12% in local currency when compared to last year, reflecting the result of ARPU improvement and strategic churn of low value customers since 2019. Despite reporting LBITDA and LBIT, the results represent 98% and 52% improvement in local currency when compared to the first half of 2019, primarily driven by the revenue growth and disciplined cost controls.

In Sri Lanka, the operation continues to be under challenge from market conditions. Revenue was 17% below same period last year in local currency, primarily driven by 18% decrease in active customer accounts. Despite the decrease in revenue, the operation turnaround and reported EBITDA positive for the first half of 2020 through continued realisation of cost synergies and re-launch of the merged network. However, LBIT was 23% higher than the same period last year in local currency, primarily due to the increase in depreciation following the 4G network rollout.

Finance & Investments and Others

	30 June 2020 HK$ million	30 June 2019[1] HK$ million	Change	Local currencies change
Total Revenue	**12,996**	16,737	-22%	-18%
EBITDA [2]	**9,971**	2,054	+385%	+392%
- Underlying	**1,174**	2,054	-43%	-37%
- Non-recurring item	**8,797**	–		
EBIT [2]	**8,780**	715	+1128%	+1132%
- Underlying	**(17)**	715	-102%	-98%
- Non-recurring item	**8,797**	–		

Note 1: Revenue of HK$220 million, EBITDA of HK$549 million and EBIT of HK$549 million in the six months ended 30 June 2019 were reclassified from Finance & Investments and Others segment to CKH Group Telecom segment to conform with the six months ended 30 June 2020 presentation.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$10,724 million (30 June 2019: HK$2,707 million); EBIT was HK$8,904 million (30 June 2019: HK$786 million).

Finance & Investments and Others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited, listed associate TOM Group, the Marionnaud businesses, listed associate CK Life Sciences Group and listed subsidiary, Hutchison Telecommunications (Australia) Limited, which has a 25.05% interest in TPG Telecom Limited (formerly known as Vodafone Hutchison Australia Pty Limited or "VHA").

In the first half of 2020, EBITDA and EBIT of this segment included net gains of HK$10.1 billion [3] arising from the dilution of the Group's attributable interest in VHA, renamed to TPG Telecom Limited, following the merger of VHA with TPG Corporation Limited ("TPG", formerly known as TPG Telecom Limited) effective in late June 2020, partly offset by write-downs on certain non-strategic equity investments totalling approximately HK$1.3 billion. The net dilution gain attributable to ordinary shareholders from the merger was HK$9.2 billion [3] while the after-tax write-downs amounted to approximately HK$1.4 billion.

As at 30 June 2020, the Group's holdings of cash and liquid investments totalled HK$149,015 million. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of this Announcement.

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the period ended 30 June 2020, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK$7,434 million, decreased by 5% when compared to the same period last year. The Group's weighted average cost of debt for the period ended 30 June 2020 was 1.7% (30 June 2019: 2.1%), mainly due to the refinancing of Wind Tre external debt with CKH Group Telecom debt in August 2019.

The Group recorded current and deferred tax changes of HK$2,349 million in the period ended 30 June 2020, a decrease of 46% compared to the same period last year, primarily reflected the lower profit before tax for the first half of 2020.

Note 3: Under Post-IFRS 16 basis, the net gains was HK$10.2 billion and net gains attributable to shareholders was HK$9.2 billion.