



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



2022 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.



Solid Foundation

accelerating

Shareholders Return

Diversification

50+ countries
5 continents
4 core businesses

Net earnings

& EPS ⁽¹⁾
 (Post-IFRS 16)

\$19.1bn + 4%
\$4.98 + 5%

DPS

\$0.84 + 5%

Net Debt & Net Debt Ratio ⁽²⁾

\$168.4bn
 Flat vs Dec 2021
20.5%

Pro-forma with UK Tower proceeds: 17.5%

(1) 1H 2022 EPS is calculated based on profit attributable to ordinary shareholders on a Post-IFRS 16 basis and CKHH's weighted average number of share outstanding of 3,834,506,599 for the period.

(2) Presented under Pre-IFRS 16 basis and pro-forma ratio assumes CKHH's Pre-IFRS 16 reported net debt ratio with UK Tower proceeds received in the 1H 2022 (On a Post-IFRS 16 basis, reported and pro forma net debt ratio would be 20.7% and 17.6% respectively)



Resilient operational performances delivering stable growth

Revenue ⁽¹⁾
(pre-IFRS 16)

\$229.6bn

+8%

(+13% in local currencies)

EBITDA ⁽¹⁾
(pre-IFRS 16)

\$58.2bn

+5%

(+9% in local currencies)

Op FCF ⁽¹⁾
(pre-IFRS 16)

\$16.0 bn

(1H 2021 : \$17.7 bn)

EBIT ⁽¹⁾
(pre-IFRS 16)

\$34.5bn

+5%

(+9% in local currencies)

(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 2021 and 2022. 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 Operating Free Cash Flow were HK\$229.6 billion, HK\$70.5 billion, HK\$37.6 billion and HK\$25.1 billion respectively.

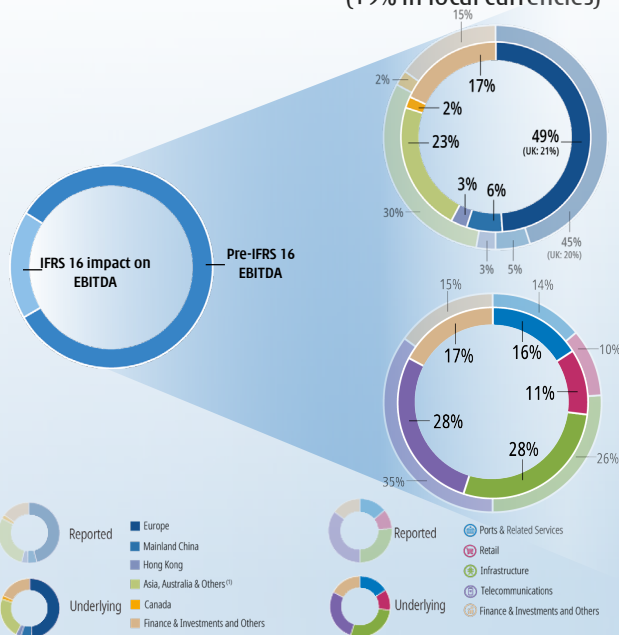
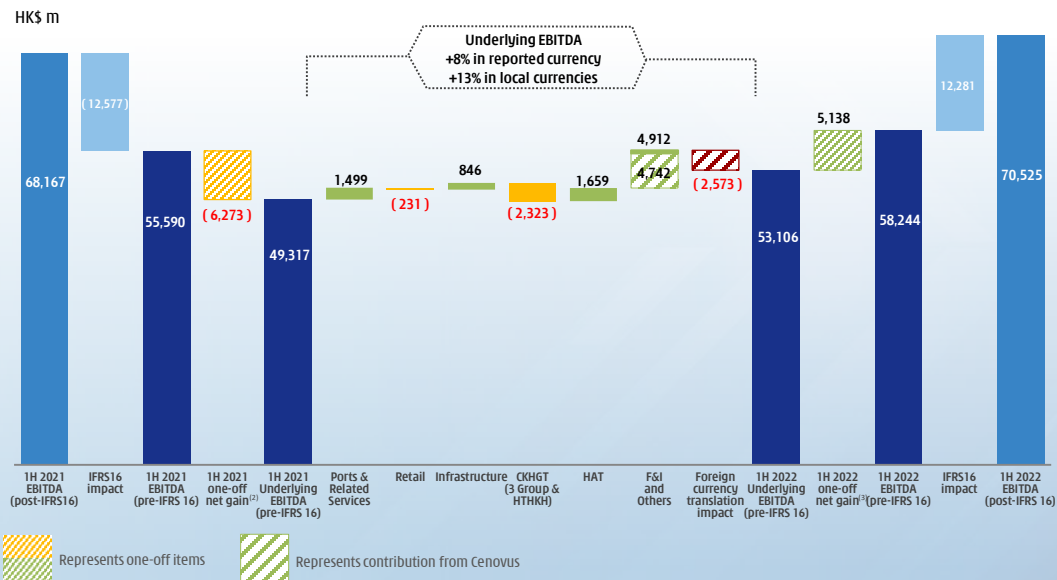
EBITDA (4)

Post-IFRS 16
\$70.5bn

Pre-IFRS 16
\$58.2bn

+5%

(+9% in local currencies)


EBITDA Change by Division


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

(2) 1H 2021 one-time net gain include gain on disposal of tower assets completed in 1H 2021 of HK\$25.3 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$15.5 billion, and a non-cash foreign exchange reserve loss of HK\$3.5 billion following the Cenovus-Husky merger.

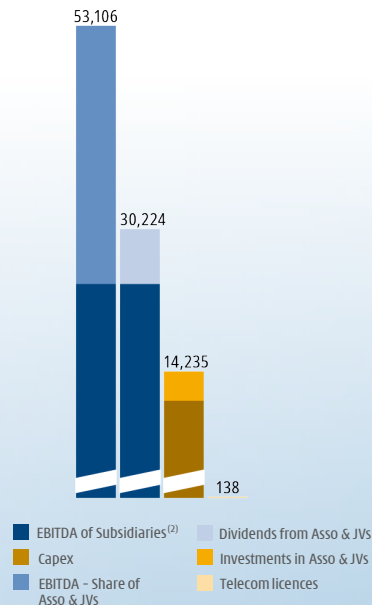
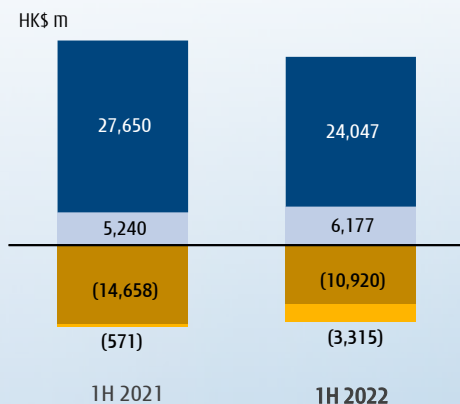
(3) 1H 2022 one-time net gain include disposal gain from the Group's Indonesia telecommunication business merger of HK\$6.1 billion, partly offset by non-cash impairment of the Group's Sri Lankan telecommunication business of HK\$1.0 billion.

(4) The outer pie chart represents EBITDA %-mix on a reported basis. The inner pie chart represents underlying EBITDA %-mix, which excludes the items mentioned in note (3) above.

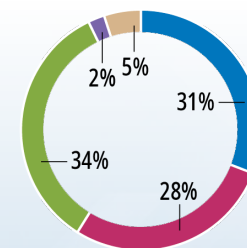
Operating FCF

\$16.0bn

(1H 2021: \$17.7bn)



Operating FCF by Core Business

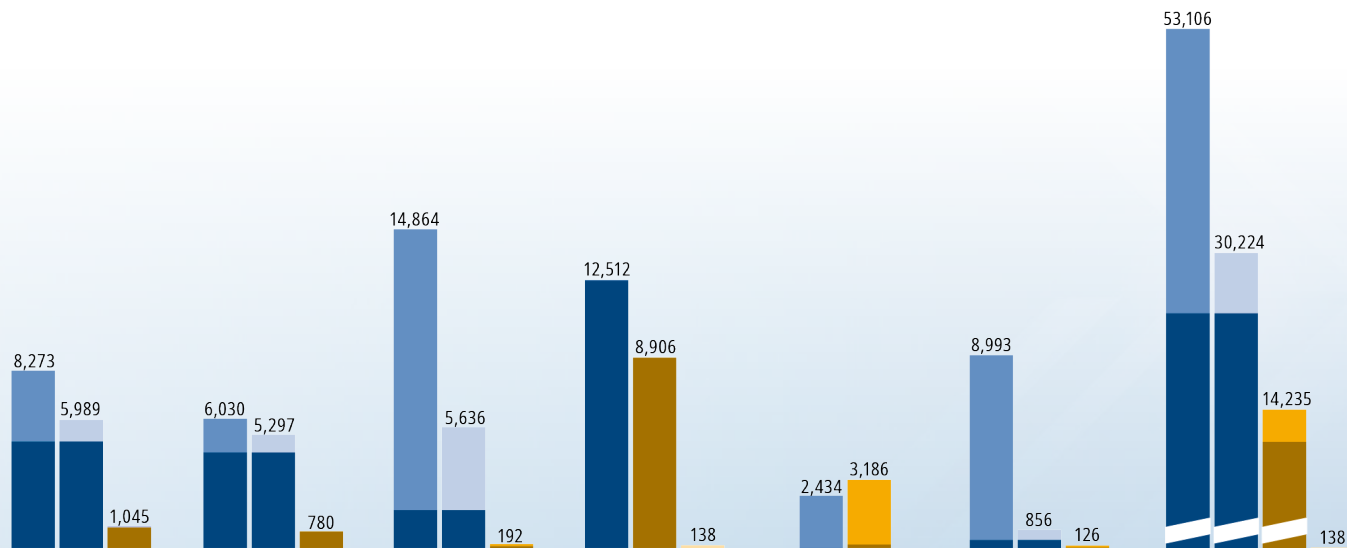


- Ports & Related Services
- Retail
- Infrastructure
- Telecommunications
- Finance & Investments and Others

(1) 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. Operating FCF excludes one-off items described below.

(2) EBITDA of subsidiaries in 1H 2022 and 1H 2021 exclude net gains from non-recurring transactions of HK\$5.1 billion and HK\$6.3 billion respectively. For details, refer to notes (2) and (3) on page 5.

HK\$ mn

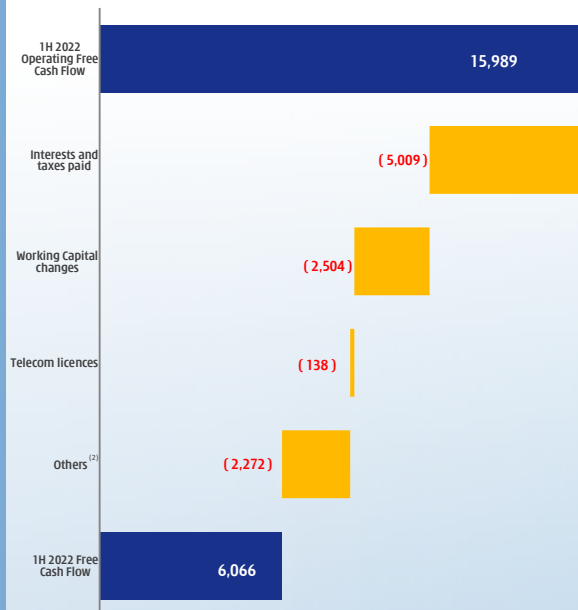


Division	EBITDA - Co & Subsidiaries ⁽²⁾	EBITDA - Share of Asso. & JVs	Dividends from Asso. & JVs	Capex	Investments in Asso. & JVs	Capex - Telecom Licences
Ports	4,972	3,301	1,017	968	77	-
Retail	4,461	1,569	836	780	-	-
Infrastructure	1,781	13,083	3,855	92	100	-
CKHGT	12,470	42	-	8,883	23	138
HAT	(24)	2,458	-	167	3,019	-
F&I and Others	387	8,606	469	30	96	-
1H 2022 Total	24,047	29,059	6,177	10,920	3,315	138

(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. Operating FCF excludes one-off items described below.

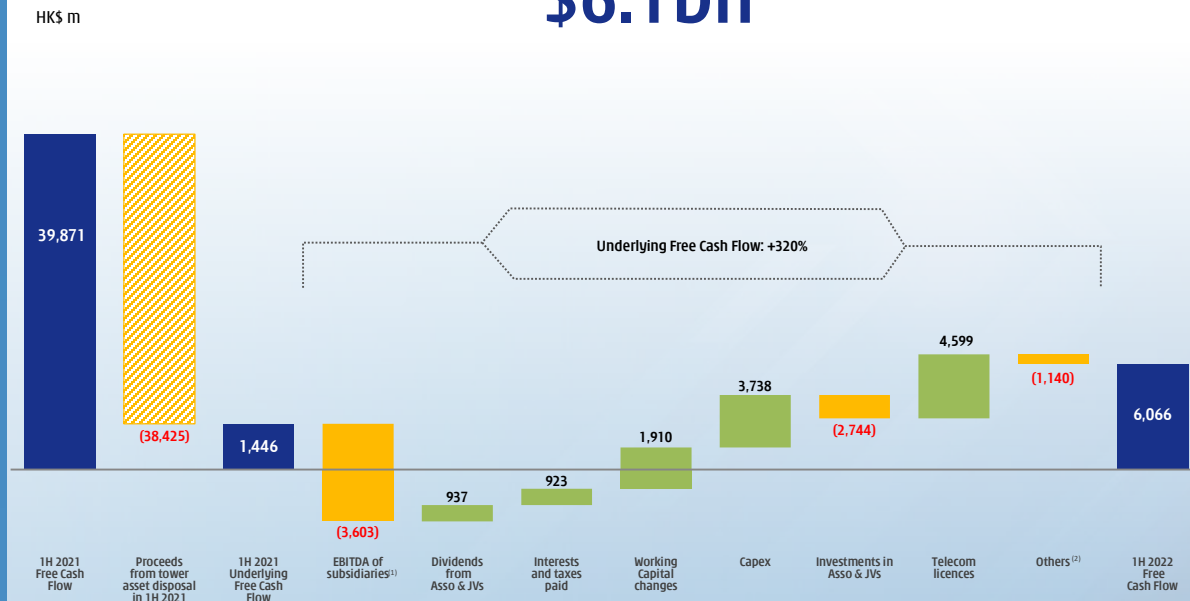
(2) EBITDA of subsidiaries in 1H 2022 excludes net gains from non-recurring transactions of HK\$5.1 billion. For details, refer to note (3) on page 5.

Free Cash Flow



Free Cash Flow Year-on-Year Change

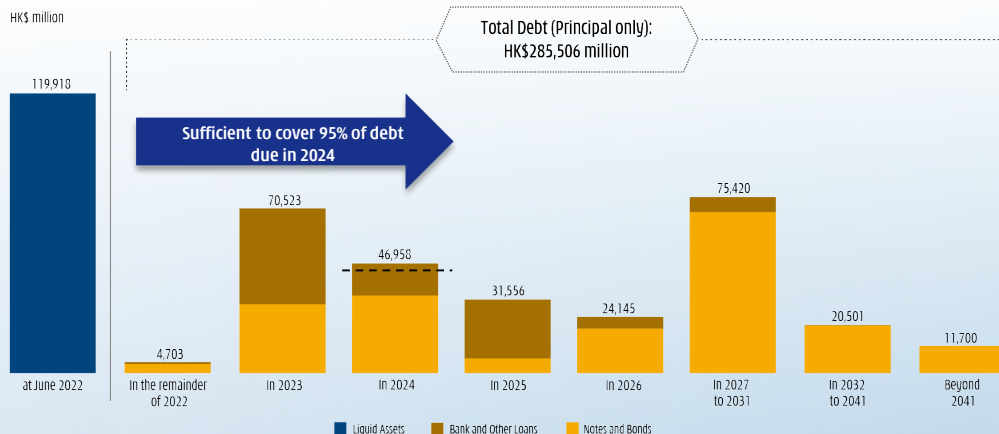
\$6.1 bn



(1) EBITDA of subsidiaries in 1H 2022 and 1H 2021 exclude net gains from non-recurring transactions of HK\$5.1 billion and HK\$6.3 billion respectively.

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

Debt Maturity Profile



Net Debt

Net debt ⁽¹⁾	Jun 2022 \$168.4bn	Dec 2021 \$168.2bn	Jun 2021 \$164.3bn
Net debt to net total capital ratio ⁽¹⁾	20.5%	20.3%	19.9%

Credit Ratings

	30 Jun 2022	31 Dec 2021
Moody's	A2 (Stable)	A2 (Stable)
S & P	A (Stable)	A (Stable)
Fitch	A- (Stable)	A- (Stable)

Weighted Average Maturity

5.2 years (Dec 2021: 4.8 years)

Average Cost of Debt

1.8% 0.2%-pts Y-o-Y

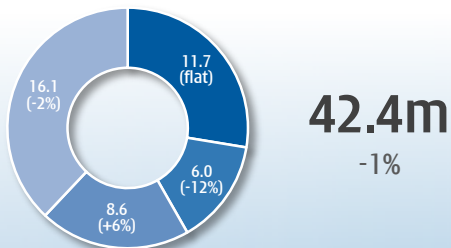
(1) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed 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 20.7%.

- Assets:
US\$12.4bn⁽³⁾

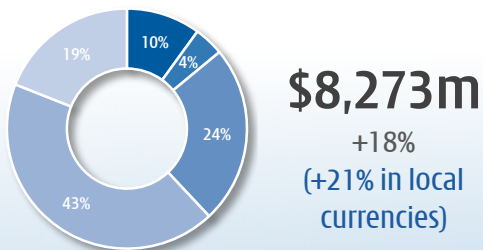
- 293 Berths
52 Ports
26 Countries

- 42.4m TEUs
handled in 1H 2022

TEUS



EBITDA⁽¹⁾



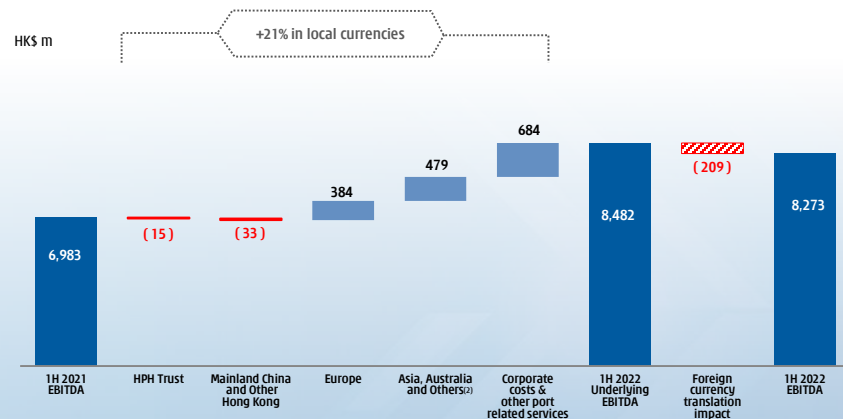
■ HPH Trust ■ Mainland China and Other Hong Kong
■ Europe ■ Asia, Australia and Others⁽²⁾
■ Corporate costs & other port related services

(1) Under Post-IFRS 16 basis, EBITDA was HK\$9,622 million.

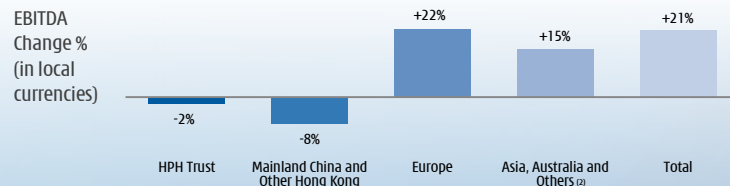
(2) Asia, Australia and Others includes Panama, Mexico and the Middle East.

(3) Under Post-IFRS 16 basis, total asset value was US\$14.4 billion.

EBITDA Growth



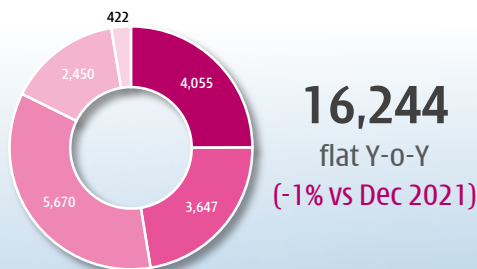
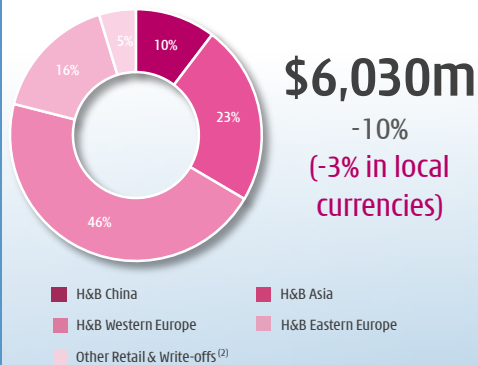
EBITDA Change





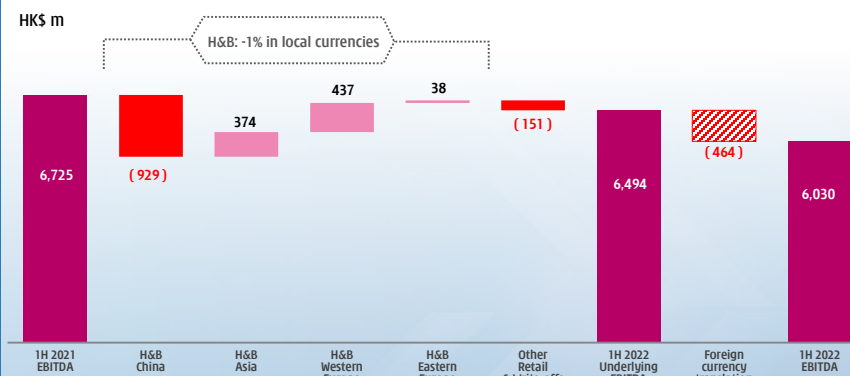
- Assets: US\$27.5bn⁽³⁾
- World's largest international H&B retailer
- Operating in 28 markets with 12 retail brands
- 142m loyalty members worldwide
- 36% exclusives sales participation
- O+O strategic focus to increase customer lifetime value and sales growth

Store number

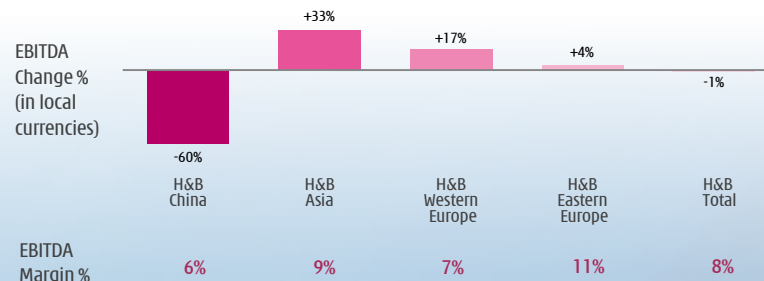
EBITDA⁽¹⁾

- (1) Under Post-IFRS 16 basis, EBITDA was HK\$10,763 million.
 (2) Includes PARKSHOP, PARKSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations, as well as one-time non-cash write offs in 1H 2022.
 (3) Under Post-IFRS 16 basis, total asset value was US\$30.0 billion.

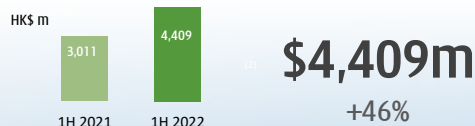
EBITDA Change



H&B EBITDA Change



CKI's reported NPAT ⁽¹⁾



• **Assets:**
US\$29.4bn ⁽³⁾

• **Largest publicly listed infrastructure company on SEHK**

• **Diversified operations in 31 countries**

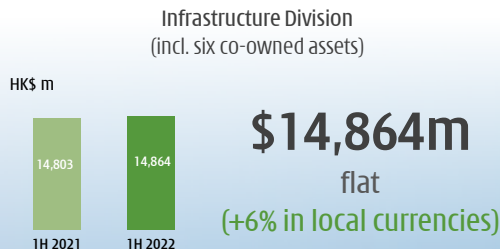
CKI's
Net Debt Ratio

12.9%

S&P Credit
Rating

A/Stable

EBITDA ⁽²⁾

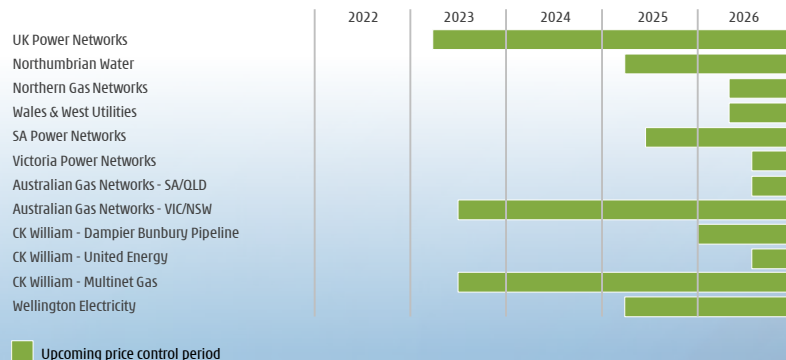


Stable Earnings & Dividend Growth



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

Regulatory Resets Timetable



(1) Post-IFRS 16 basis.

(2) Under Post-IFRS 16 basis, EBITDA was HK\$15,014 million.

(3) Under Post-IFRS 16 basis, total asset value was US\$29.5 billion.



Total Revenue

\$39,407m -9%
(-1% in local currencies)

KPI



Active mobile customers

39.2m +3%

Net AMPU⁽¹⁾

€11.59 +2%



Data Usage

4,062 pb/ half yr +22%

Sufficient 5G spectrum

No longer constraint by network quality as sufficient 5G spectrum acquired & continue to enhance indoor coverage with continue network & site rollouts across all operations



Recognised as **Italy's fastest mobile network** since 2021



Full **5G TDD coverage** launched in seven largest cities in Sweden



Recognition as UK's fastest 5G network in **third consecutive award** with enhanced customer experience



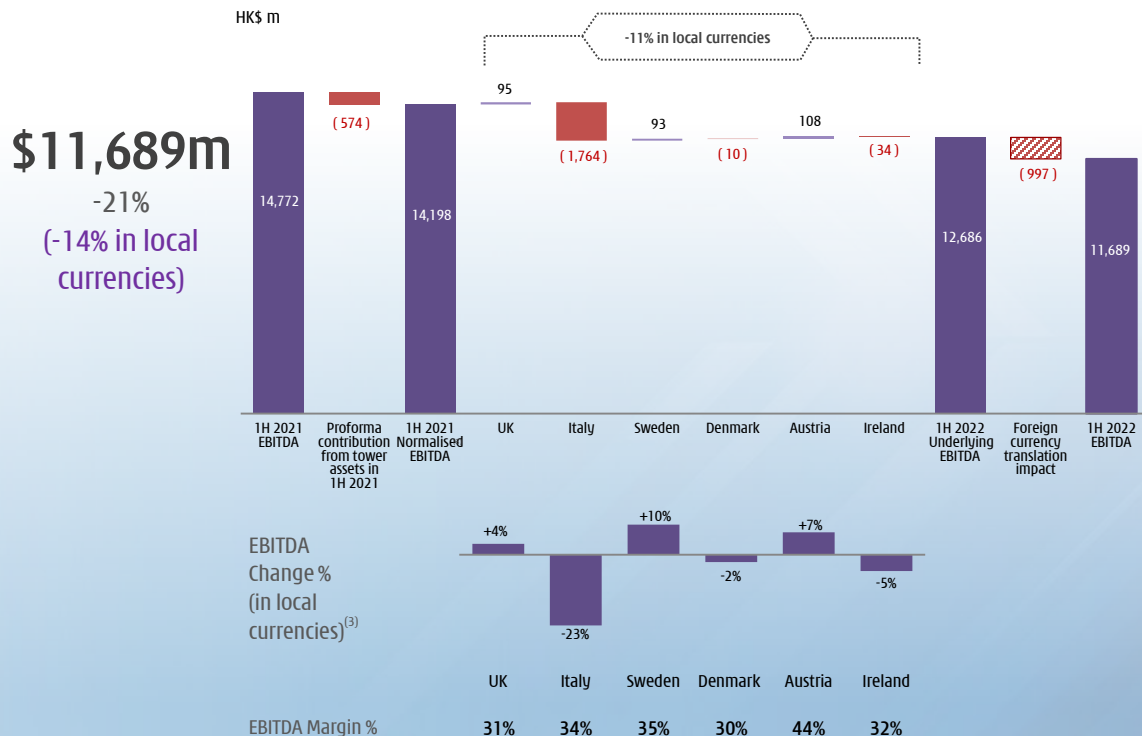
Recognised as **Ireland's fastest 5G network** with 86% population coverage



Achieved >90% population coverage and 30% TDD coverage



Awarded **Austria's fastest 5G network** for three consecutive periods since Q1 2021

EBITDA⁽²⁾

(1) 12-months trailing basis

(2) Under Post-IFRS 16 basis, EBITDA was HK\$14,910 million.

(3) As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 Italy results were normalised, which exclude the proforma contribution from tower assets for January to June 2021 for comparability purpose.

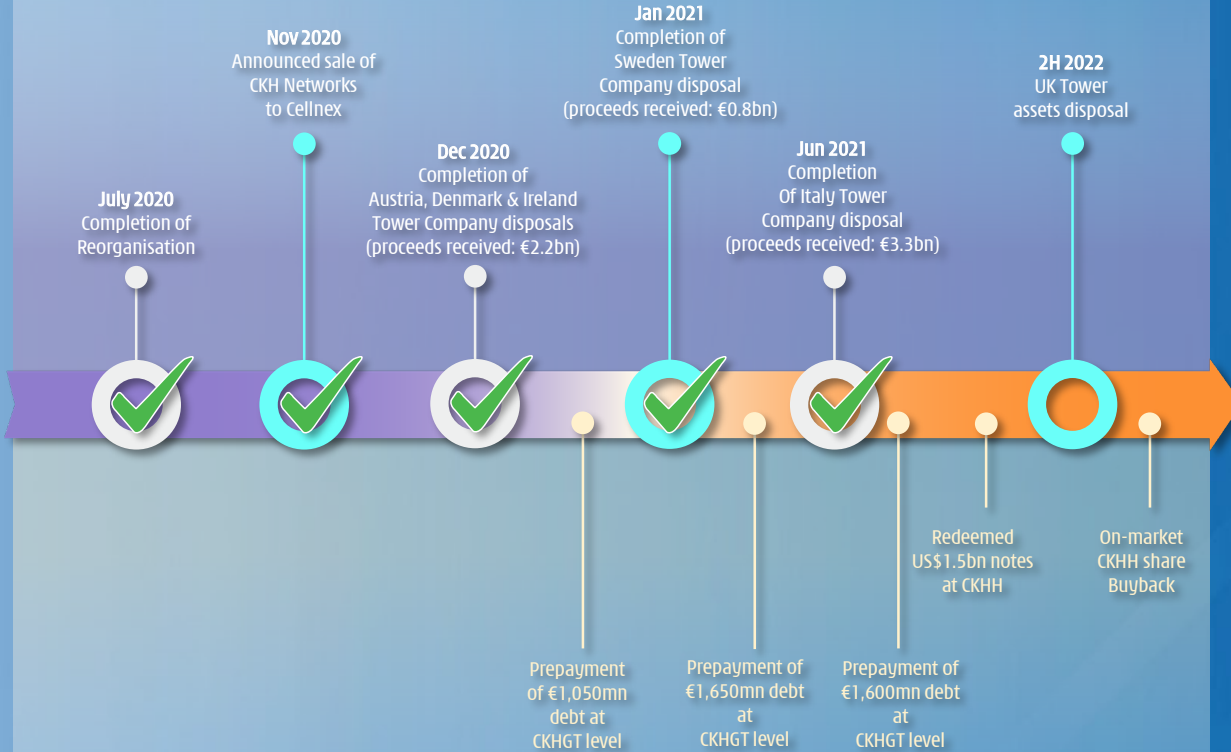
In million	UK GBP		Italy ⁽¹⁾ EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe before one-off ^{(1) (2)} HK\$			
	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021		
														Normalised	Tower assets	Reported
Total Revenue	1,175	1,176	1,958	2,085	3,531	3,259	1,166	1,102	436	425	301	279	39,407	43,160	-	43,160
% change	-		-6%		+8%		+6%		+3%		+8%		-9%			
													Local currencies change %			-1%
Total margin	743	719	1,500	1,580	2,319	2,111	913	873	332	312	227	217	28,241	30,512	-	30,512
% change	+3%		-5%		+10%		+5%		+6%		+5%		-7%			
													Local currencies change %			-
TOTAL CACS	(430)	(457)	(138)	(141)	(464)	(636)	(123)	(118)	(55)	(59)	(47)	(36)	(6,969)	(7,866)	-	(7,866)
Less: Handset Revenue	325	358	82	103	244	411	48	46	48	51	45	34	5,074	6,052	-	6,052
Total CACS (net of handset revenue)	(105)	(99)	(56)	(38)	(220)	(225)	(75)	(72)	(7)	(8)	(2)	(2)	(1,895)	(1,814)	-	(1,814)
Operating Expenses	(377)	(368)	(802)	(711)	(959)	(849)	(504)	(459)	(153)	(143)	(142)	(128)	(14,657)	(14,500)	574	(13,926)
Opex as a % of total margin	51%	51%	53%	45%	41%	40%	55%	53%	46%	46%	63%	59%	52%	48%		46%
EBITDA	261	252	642	831	1,140	1,037	334	342	172	161	83	87	11,689	14,198	574	14,772
% change	+4%		-23%		+10%		-2%		+7%		-5%		-18%			
													Local currencies change %			-11%
EBITDA margin % ⁽³⁾	31%	31%	34%	42%	35%	36%	30%	32%	44%	43%	32%	36%	34%	38%		40%
Depreciation & Amortisation	(236)	(208)	(577)	(514)	(717)	(586)	(303)	(203)	(75)	(72)	(64)	(64)	(9,501)	(9,118)	(53)	(9,171)
EBIT	25	44	65	317	423	451	31	139	97	89	19	23	2,188	5,080	521	5,601
% change	-43%		-79%		-6%		-78%		+9%		-17%		-57%			
													Local currencies change %			-53%
Capex	(334)	(307)	(342)	(618)	(715)	(612)	(545)	(145)	(84)	(75)	(53)	(62)	(8,724)	(11,130)		
Reported EBITDA less Capex	(73)	(55)	300	274	425	425	(211)	197	88	86	30	25	2,965	3,642		
EBITDA per above	261	252	642	831	1,140	1,037	334	342	172	161	83	87	11,689	14,198		
Proforma contribution from Tower assets	-	-	-	61	-	-	-	-	-	-	-	-	-	574		
Reported EBITDA	261	252	642	892	1,140	1,037	334	342	172	161	83	87	11,689	14,772		
EBIT per above	25	44	65	317	423	451	31	139	97	89	19	23	2,188	5,080		
Proforma contribution from Tower assets	-	-	-	56	-	-	-	-	-	-	-	-	-	521		
Reported EBIT	25	44	65	373	423	451	31	139	97	89	19	23	2,188	5,601		

(1) As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 Italy results were normalised, which exclude the proforma contribution from tower assets for January to June 2021 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 1H 2021 numbers.

(2) 3 Group Europe results do not include one-off items in 1H 2021, which represented gain on disposal of tower assets completed in 1H 2021 of HK\$25.3 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$15.5 billion.

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

Key Milestones



Use of Proceeds

Disposal Summary

- Total proceeds: €10bn
 - €8.6 billion cash
 - €1.4 billion Cellnex shares (Approximately 5% of Cellnex)
- Estimated €6.4bn gain on disposal in 2H 2022

Use of proceeds

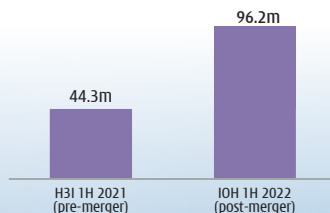
CKHH

- ✓ Total debt reduction: US\$1.5bn
- ✓ Run-rate annual interest savings: US\$70mn
- ✓ CKHH share buyback of HK\$1.2bn to date

CKHGT

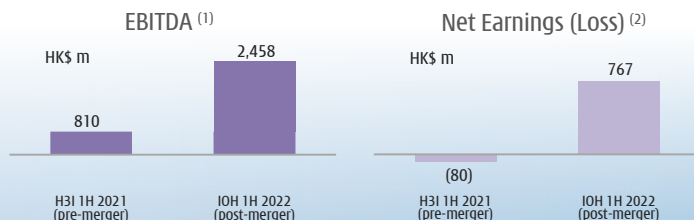
- ✓ Total debt reduction: €4.3bn
- ✓ Run-rate annual interest savings: €30mn

Total Active Customer Base

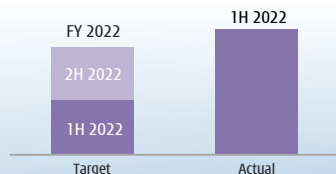


+51.9m
customers Y-o-Y

Share of IOH's results



Synergies



Synergies achieved in the first half of 2022 already exceeds full year target



Highly accretive transaction for the Group on both profit and value generation



Enhance **Profitability** with over 200+% growth and 1,000+ % growth in EBITDA and net earnings contribution to the Group



Strong operational performances with improving NPS on both brands and significant enhancement in network coverage and roll out delivered through ongoing realisation of synergistic impact on the enlarged network



Self financed operation capable of building the most up-to-date network with no further funding required by the Group



Shareholder return from potential future dividend payments

(1) Under Post-IFRS 16 basis, EBITDA was HK\$3,322 million (30 June 2021: HK\$1,798 million).

(2) Under Post-IFRS 16 basis, net earnings were HK\$767 million (30 June 2021: net loss HK\$(164) million).



2022 Sustainability

Group focus areas and achievements

- ESG rating improvements: MSCI upgrade from B to BBB in May 2022; Sustainalytics upgrade from High risk (38.7) to Medium risk (29.2) and now ranked 9th of 112 conglomerates globally
- Release of the 2021 Sustainability Report (May 2022)
- Ongoing development of net-zero transition opportunities and short/medium-term milestone emissions reduction targets
- First Green Bond Impact Report to be released in Q3; increased focus on wider measures to track investment in sustainability



- Ongoing rollout of **global electrification programme** of port equipment
- Investment in **digitisation** and **automation** making smarter, more efficient, more inclusive ports
- Engaging experts to deliver on:
 - **Net-zero transition plan**
 - **Scope 3 reporting**
 - **Climate risk assessment**



- Seeking validation of its **scope 1, 2 and 3 emissions reduction targets** by the Science Based Targets initiative
- Launched the **ASW Greener Stores Global Framework** globally
- Ongoing development of rigorous standards and labelling mechanisms for the **procurement of sustainable products**



- Continuing to invest in critical energy networks to **support the low carbon transition**
- **Phase out of coal-fired generation** before 2035
- **Engagement and advocacy** to drive cross-industry innovation in sustainability. Joined the Hydrogen Council in June 2022



- Seeking validation of its **scope 1, 2 and 3 emissions reduction targets** by the Science Based Targets initiative
- Focusing on **renewable electricity** procurement
- Implementing **TCFD recommendations**, including undertaking scenario analysis to identify material climate-related risks and opportunities



2022 Outlook

Solid Earnings

- Telecom **in-market consolidation / network sharing** are the main focus
- Continue **share buybacks** after the completion of the UK tower assets disposal
- Slow **recovery of H&B China** sales but pandemic continues to cause uncertainty
- Continue to **benefit from diversity** of business and geographical portfolio

- Global port congestion should ease in the 2H; Expects stable throughput with slight increase of container terminal tariff
- Storage income growth should be more moderate for the full year
- Handling capacity in Thailand and Indonesia will be expanded and new facility at Jazan, Saudi Arabia will be opened



- H&B Asia is expected to show further recovery as the Omicron outbreaks ease. H&B China will take a more cautious approach in store opening
- H&B Europe will continue to deliver robust performances
- Continue to drive our strategic pillars, O+O, GOBE and CRM to increase customer engagement and lifetime value

- High regulatory certainties for our portfolio in the next few years with UKPN finalizing the regulatory reset by year-end
- The revenues and asset bases of our regulated businesses are inflation protected
- With solid balance sheet, CKI will continue to look for new acquisition opportunities that align with our portfolio



- 3UK's EBIT and Wind Tre's net customer service margin are expected to improve
- Capex in 2022 is expected to be lower than 2021
- In-market consolidation and asset-light strategy



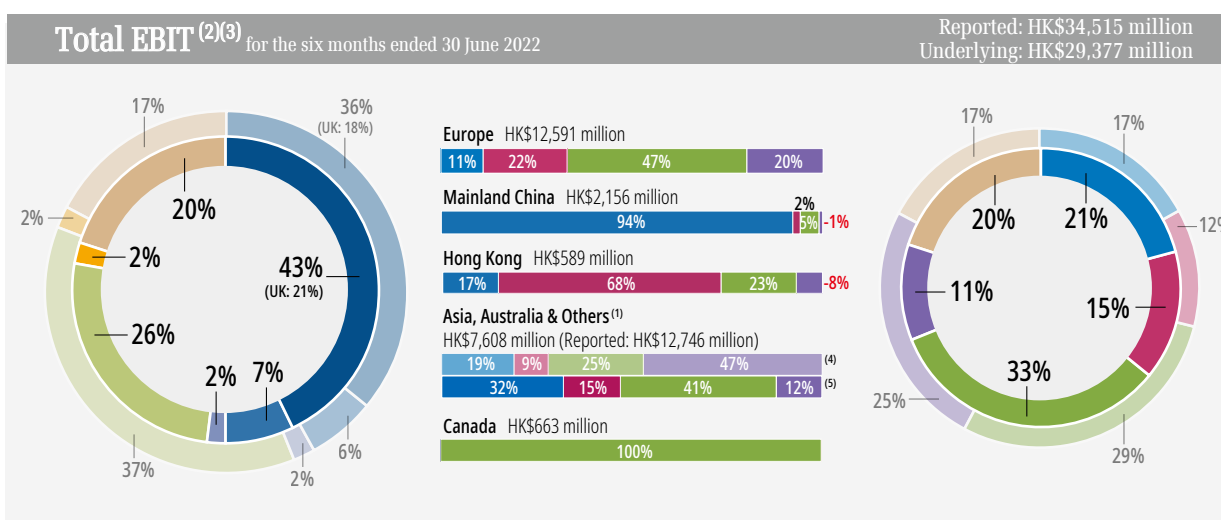
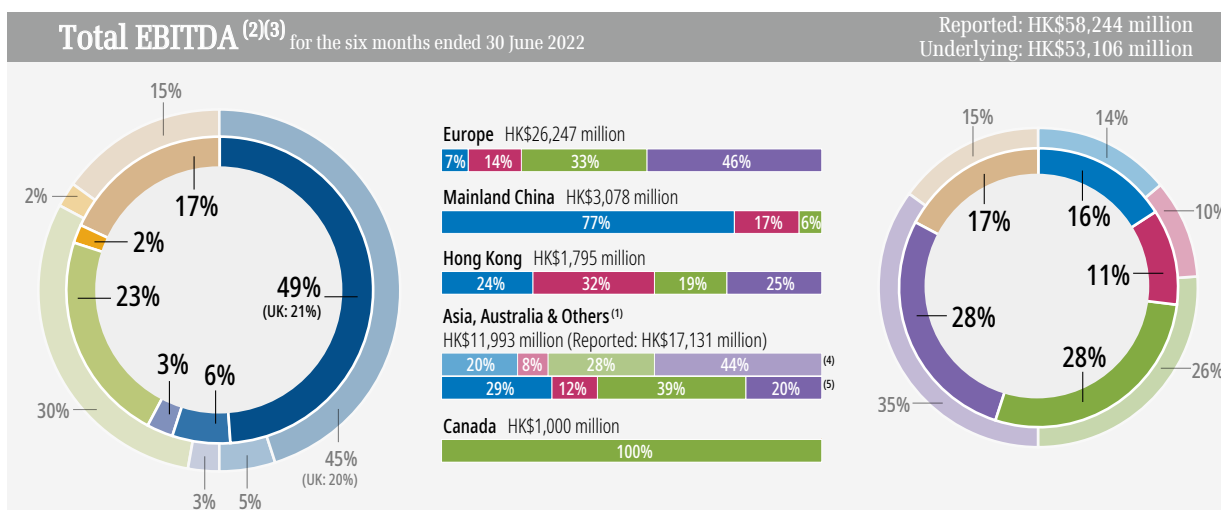
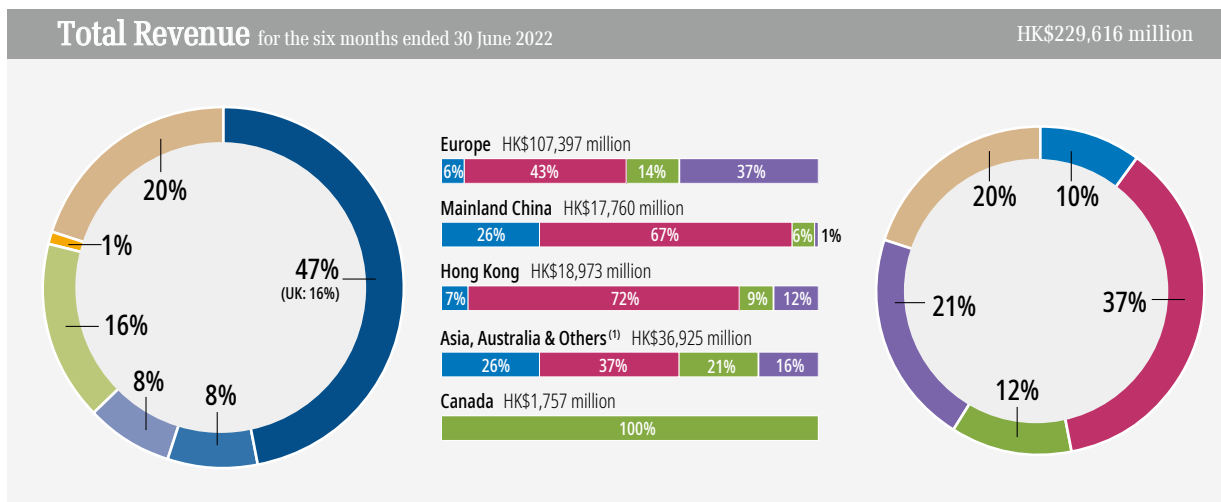
Q & A



2022 Interim Results

Appendix

Analyses of Core Business Segments by Geographical Location



Note 1: Includes Panama, Mexico and the Middle East
 Note 2: Prepared under Pre-IFRS 16 basis which is set out in note 1 on page 3
 Note 3: The outer pie chart represents EBITDA and EBIT %-mix on a reported basis. The inner pie chart represents underlying EBITDA and EBIT %-mix, which excludes the one-time disposal gain from the Group's Indonesia telecommunication business merger of HK\$6.1 billion, partly offset by non-cash impairment of the Group's Sri Lankan telecommunication business of HK\$1.0 billion
 Note 4: Represents EBITDA and EBIT %-mix for Asia, Australia & Others on a reported basis
 Note 5: Represents EBITDA and EBIT %-mix for Asia, Australia & Others on an underlying basis



Operations Highlights

Ports and Related Services

	30 June 2022 HK\$ million	30 June 2021 HK\$ million	Change	Local currencies change
Total Revenue ⁽¹⁾	22,651	19,933	+14%	+18%
EBITDA ⁽¹⁾⁽⁴⁾	8,273	6,983	+18%	+21%
EBIT ⁽¹⁾⁽⁴⁾	6,042	4,769	+27%	+30%
Throughput (million TEU)	42.4	42.9	-1%	
Number of berths ⁽³⁾	293	288	+5 berths	

	Throughput (million TEU)			Number of Berths ⁽³⁾		
	30 June 2022	30 June 2021	Change	30 June 2022	30 June 2021	Change
HPH Trust	11.7	11.6	-	52	52	-
Mainland China and Other Hong Kong	6.0	6.8	-12%	44	42	+2 berths
Europe	8.6	8.1	+6%	67	67	-
Asia, Australia and Others ⁽²⁾	16.1	16.4	-2%	130	127	+3 berths
Total	42.4	42.9	-1%	293	288	+5 berths

	Total Revenue ⁽¹⁾				Total EBITDA ⁽¹⁾⁽⁴⁾			
	30 June 2022	30 June 2021	Change	Local currencies change	30 June 2022	30 June 2021	Change	Local currencies change
HK\$ million								
HPH Trust	1,419	1,324	+7%	+7%	785	800	-2%	-2%
Mainland China and Other Hong Kong	968	978	-1%	-2%	361	391	-8%	-8%
Europe	6,966	6,304	+11%	+19%	1,975	1,749	+13%	+22%
Asia, Australia and Others ⁽²⁾	9,578	8,793	+9%	+12%	3,547	3,122	+14%	+15%
Corporate costs & other port related services	3,720	2,534	+47%	+47%	1,605	921	+74%	+74%
Total	22,651	19,933	+14%	+18%	8,273	6,983	+18%	+21%

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 the 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\$9,622 million (30 June 2021: HK\$8,406 million); EBIT was HK\$6,583 million (30 June 2021: HK\$5,372 million).

Throughput decreased marginally by 1% to 42.4 million TEU in the first half of 2022, with 64% and 36% local and transshipment volume respectively (1H 2021: 62% and 38% local and transshipment volume respectively). The largest reduction in throughput was seen in the Mainland China and Other Hong Kong segment, particularly the lockdown in Shanghai has resulted in an overall 12% drop in volumes compared to the first half last year. With the gradual easing of the restrictions since early June, volumes are expected to recover in the second half. The European ports reported higher throughput in the first half of 2022, primarily due to the full six months volume contribution from the newly acquired Delta II terminal in Rotterdam, partly offset by trade disruptions from the conflict in Ukraine affecting the nearby ports. In Asia, Australia and Others segment, the ports in Asia and Middle East was affected by the global supply chain disruptions but the impact has been largely offset by robust volumes in Mexico from new service lines and vessel diversions.

Total revenue in the first half of 2022 was 14% and 18% above the same period last year in reported currency and local currencies respectively. EBITDA and EBIT increased 18% and 27% respectively in reported currency against the same period last year. In local currencies, EBITDA and EBIT increased 21% and 30% respectively. Europe segment reported a 22% and 30% growth in EBITDA and EBIT respectively, primarily due to higher storage income from longer vessel dwell time, while Asia, Australia and Others segment reported a 15% and 23% growth in EBITDA and EBIT respectively as Mexico performed well. The favourable variance in the corporate costs and other port related services segment reflected the strong performance of an associated company in the container shipping business that benefitted from the elevated shipping rates in the period and continue to contribute to this division's profitability growth.

As at 30 June 2022, this division operates 293 berths, an increase of 5 berths compared to the same period last year. Four additional berths at Jazan port in Saudi Arabia are expected to commence operation in the second half, taking the total number of berths at the end of the year to 297.

Retail

	30 June 2022 HK\$ million	30 June 2021 HK\$ million	Change	Local currencies change
Total Revenue	84,905	82,621	+3%	+9%
EBITDA ⁽¹⁾	6,030	6,725	-10%	-3%
EBIT ⁽¹⁾	4,331	4,939	-12%	-4%
Store Numbers	16,244	16,206	–	

	Store Numbers			Net Change In Store Number	Comparable Stores Sales Growth (%) ⁽²⁾			
	30 June 2022	30 June 2021	Change	30 June 2022	30 June 2022		30 June 2021	
H&B China	4,055	4,134	-2%	-79	-17.6%	-15.6% ⁽³⁾	+17.8%	+20.7% ⁽³⁾
H&B Asia	3,647	3,487	+5%	160	+18.0%			-1.1%
H&B China & Asia Subtotal	7,702	7,621	+1%	81	+2.0%			+6.4%
H&B Western Europe	5,670	5,670	–	–	+9.4%			+7.2%
H&B Eastern Europe	2,450	2,468	-1%	-18	+12.1%			+4.2%
H&B Europe Subtotal	8,120	8,138	–	-18	+9.9%			+6.6%
H&B Subtotal	15,822	15,759	–	63	+7.1%			+6.5%
Other Retail ⁽⁴⁾	422	447	-6%	-25	+8.8%			-9.0%
Total Retail	16,244	16,206	–	38	+7.4%			+3.8%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$10,763 million (30 June 2021: HK\$11,869 million); EBIT was HK\$4,779 million (30 June 2021: HK\$5,489 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 the manufacturing operations, as well as one-time non-cash write offs in 1H 2022.

The Retail division consists of the A.S. Watson ("ASW") group of companies, the world's largest international Health and Beauty ("H&B") retailer with a 142 million loyalty member base. ASW operated 12 retail brands with 16,244 stores in 28 markets worldwide as of 30 June 2022. The division had a net store reduction of 154, mainly in the Mainland, during the first half of 2022 through adopting a prudential approach in store opening.

The division's total revenue increased by 3% and 9% in reported currency and local currencies respectively due to a 7.4% comparable stores sales growth. However, EBITDA and EBIT decreased by 10% and 12% respectively in reported currency, and 3% and 4% respectively in local currencies. In the first half of 2022, the division has delivered promising growth across all segments but this has been mostly offset by one-time non-cash write offs arising from the conflict in the Ukraine as well as the adverse performance in H&B China, which has been heavily impacted by reduced footfall from the sporadic lockdowns and containment measures adopted by different local governments. At its peak, approximately 590 stores in the Mainland, representing 14% of the stores, were temporarily closed. Currently, around 50 stores remained closed in the Mainland but traffic resumption has been slow. The operation has been preparing and implementing various initiatives including both in-store and online customer engagements to prepare for full recovery when the economy reopens.

HK\$ million	Total Revenue						Total EBITDA ⁽¹⁾							
	30 June 2022	%	30 June 2021	%	Change	Local currencies change	30 June 2022	%	EBITDA Margin	30 June 2021	%	EBITDA Margin	Change	Local currencies change
H&B China	9,685	11%	11,599	14%	-17%	-17%	623	10%	6%	1,546	23%	13%	-60%	-60%
H&B Asia	15,304	18%	13,499	16%	+13%	+22%	1,395	23%	9%	1,137	17%	8%	+23%	+33%
H&B China & Asia Subtotal	24,989	29%	25,098	30%	-	+4%	2,018	33%	8%	2,683	40%	11%	-25%	-21%
H&B Western Europe	36,798	43%	35,332	43%	+4%	+13%	2,744	46%	7%	2,551	38%	7%	+8%	+17%
H&B Eastern Europe	8,903	11%	8,466	10%	+5%	+16%	983	16%	11%	1,057	16%	12%	-7%	+4%
H&B Europe Subtotal	45,701	54%	43,798	53%	+4%	+13%	3,727	62%	8%	3,608	54%	8%	+3%	+13%
H&B Subtotal	70,690	83%	68,896	83%	+3%	+10%	5,745	95%	8%	6,291	94%	9%	-9%	-1%
Other Retail & Write-offs ⁽⁴⁾	14,215	17%	13,725	17%	+4%	+4%	285	5%	2%	434	6%	3%	-34%	-35%
Total Retail	84,905	100%	82,621	100%	+3%	+9%	6,030	100%	7%	6,725	100%	8%	-10%	-3%

H&B loyalty members' participation & exclusives sales contribution	30 June 2022	30 June 2021
Total loyalty members in H&B segment (million)	140	139
Loyalty members' sales participation in H&B segment (%)	63%	64%
Exclusives sales contribution to total H&B sales (%)	36%	36%

Comparable stores sales growth for the H&B segment of 7.1% in the first half of 2022 was mainly contributed by the solid performance in the H&B operations in Europe which recorded a comparable stores sales growth of 9.9% led by the recovery of business in the UK and the luxury retail businesses. H&B Asia also recorded an encouraging improvement with comparable stores sales of 18.0% with Hong Kong, Malaysia and the Philippines as the key contributors through adopting the appropriate store formats to meet local demands. The favourable comparable stores sales growth is partly offset by H&B China, which reported a decline of -17.6%, as footfall continues to be below pre-pandemic levels.

Infrastructure

	30 June 2022 HK\$ million	30 June 2021 HK\$ million	Change	Local currencies change
Total Revenue ⁽¹⁾	27,600	27,798	-1%	+4%
EBITDA ⁽¹⁾⁽²⁾	14,864	14,803	-	+6%
EBIT ⁽¹⁾⁽²⁾	9,851	9,686	+2%	+7%
CKI Reported Net Profit (under Post-IFRS 16 basis)	4,409	3,011	+46%	

Note 1: Total revenue, EBITDA and EBIT include 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 was HK\$15,014 million (30 June 2021: HK\$14,954 million); EBIT was HK\$9,870 million (30 June 2021: HK\$9,709 million).

The infrastructure division comprises the Group's 75.67% 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, Canada and the United States. CKI announced profit attributable to shareholders under Post-IFRS 16 basis of HK\$4,409 million in the first half of 2022, 46% higher against the same period last year, primarily due to the inclusion of deferred tax charges arising from the revision of the UK corporate tax rates in the first half of 2021. This favourable variance is partly offset by adverse exchange translation impact. Funds from operations amounted to HK\$4.2 billion, similar to the record high level reported for the same period last year.

In June 2022, draft determinations were published by the Office of Gas and Electricity Markets (Ofgem) in relation to the 2023-2028 regulatory period for electricity distribution networks, including UK Power Networks ("UKPN"). Work will continue to be carried out by UKPN to optimise the outcome. The final determination will be released in December, after which UKPN's regulated revenue will be predictable for another five-year period.

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 solid, with HK\$9.6 billion cash on hand and a net debt to net total capital ratio of 12.9% as at 30 June 2022. Credit rating from Standard & Poor's maintained at "A/ Stable".

CK Hutchison Group Telecom

In million	30 June 2022 HK\$	30 June 2021 HK\$	Change	Local currencies change	30 June 2022 EURO	30 June 2021 EURO
Total Revenue	41,817	45,826	-9%	-2%	4,861	4,901
Total Margin	29,695	32,012	-7%	-	3,457	3,424
Total CACs	(7,244)	(8,118)	+11%	-	(843)	(869)
Less: Handset revenue	5,268	6,218	-15%	-	613	665
Total CACs (net of handset revenue)	(1,976)	(1,900)	-4%	-	(230)	(204)
Operating Expenses	(15,207)	(14,276)	-7%	-	(1,768)	(1,526)
Gain on disposal of tower assets	-	25,259	-100%	-	-	2,620
Impairment of goodwill	-	(15,472)	+100%	-	-	(1,669)
EBITDA⁽¹⁾	12,512	25,623	-51%	-47%	1,459	2,645
Depreciation & Amortisation	(10,038)	(9,627)	-4%	-	(1,169)	(1,029)
EBIT⁽¹⁾	2,474	15,996	-85%	-83%	290	1,616

3 Group Europe⁽²⁾

In million	30 June 2022 HK\$	30 June 2021 ⁽³⁾ HK\$	Change	Local currencies change
Total Revenue	39,407	43,160	-9%	-1%
Total Margin	28,241	30,512	-7%	-
Total CACs	(6,969)	(7,866)	+11%	-
Less: Handset revenue	5,074	6,052	-16%	-
Total CACs (net of handset revenue)	(1,895)	(1,814)	-4%	-
Operating Expenses	(14,657)	(14,500)	-1%	-
<i>Opex as a % of total margin</i>	<i>52%</i>	<i>48%</i>		
EBITDA	11,689	14,198	-18%	-11%
<i>EBITDA Margin %⁽⁴⁾</i>	<i>34%</i>	<i>38%</i>		
Depreciation & Amortisation	(9,501)	(9,118)	-4%	-
EBIT	2,188	5,080	-57%	-53%
EBITDA per above	11,689	14,198	-18%	-11%
Proforma contribution from tower assets	-	574		
Reported EBITDA⁽⁵⁾	11,689	14,772	-21%	-14%
EBIT per above	2,188	5,080	-57%	-53%
Proforma contribution from tower assets	-	521		
Reported EBIT⁽⁵⁾	2,188	5,601	-61%	-57%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$15,947 million (30 June 2021: HK\$29,830 million); EBIT was HK\$3,067 million (30 June 2021: HK\$16,485 million).

Note 2: 3 Group Europe results above do not include one-off items in 1H 2021, which represented gain on disposal of tower assets completed in 1H 2021 of HK\$25.3 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$15.5 billion.

Note 3: As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 results of Italy were normalised, which exclude the proforma contribution from tower assets for January to June for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 1H 2021 numbers.

Note 4: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 5: Under Post-IFRS 16 basis, EBITDA was HK\$14,910 million (30 June 2021: HK\$18,714 million); EBIT was HK\$2,773 million (30 June 2021: HK\$6,027 million).

3 Group Europe's total revenue of HK\$39,407 million was 1% lower against the same period last year in local currencies, whereas the total margin of HK\$28,241 million was flat, primarily driven by improved total margin in all operations, except for the lower wholesale margin in Italy. Active customer base as at 30 June 2022 of 39.2 million is 3% higher against the same period last year, mainly due to the UK, where the customer base increased 5% year-on-year, as well as all other operations reported a slight growth or stable customer base. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base improved to 1.1% for the first half of 2022 (1H 2021: 1.2%).

3 Group Europe's net ARPU and net AMPU improved by 1% and 2% to €13.11 and €11.59 respectively as compared to the first half of 2021, primarily due to better tariff mix and higher value propositions.

Total data usage increased 22% to approximately 4,062 petabytes in the first half of 2022. Data usage per active customer was approximately 109.5 gigabytes per user in first half of 2022 compared to 92.0 gigabytes per user in the first half of 2021.

3 Group Europe's results have been adversely impacted by the incremental tower service fees. On a normalised basis, EBITDA and EBIT were 11% and 53% lower year-on-year respectively in local currencies, mainly driven by higher operating costs due to network expansion, as well as certain dispute settlement proceeds recognised by Italy in the first half of 2021 that did not recur this half. Higher depreciation and amortisation against the same period last year was due to the continued investments in network enhancements and IT and 5G rollouts, particularly in the UK and Italy, and accelerated depreciation recognised on the swap out of certain vendor equipments, all of which led to a lower EBIT performance as compared to first half of 2021.

CKHGT - Results by operations

In million	UK GBP		Italy ^{(6) (7)} EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe before one-off ^{(7) (8)} HK\$			HTHKH HK\$		Corporate and Others and one-off ⁽⁸⁾ HK\$		CKHGT HK\$		CKHGT EURO		
	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
Total Revenue	1,175	1,176	1,958	2,085	3,531	3,259	1,166	1,102	436	425	301	279	39,407	43,160	–	43,160	2,298	2,565	112	101	41,817	45,826	4,861	4,901
% change	–		-6%		+8%		+6%		+3%		+8%		-9%		-1%		-10%		+11%		-9%		-1%	
Total margin	743	719	1,500	1,580	2,319	2,111	913	873	332	312	227	217	28,241	30,512	–	30,512	1,441	1,486	13	14	29,695	32,012	3,457	3,424
% change	+3%		-5%		+10%		+5%		+6%		+5%		-7%		–		-3%		-7%		-7%		+1%	
Total CACs	(430)	(457)	(138)	(141)	(464)	(636)	(123)	(118)	(55)	(59)	(47)	(36)	(6,969)	(7,866)	–	(7,866)	(275)	(252)	–	–	(7,244)	(8,118)	(843)	(869)
Less: Handset Revenue	325	358	82	103	244	411	48	46	48	51	45	34	5,074	6,052	–	6,052	194	166	–	–	5,268	6,218	613	665
Total CACs (net of handset revenue)	(105)	(99)	(56)	(38)	(220)	(225)	(75)	(72)	(7)	(8)	(2)	(2)	(1,895)	(1,814)	–	(1,814)	(81)	(86)	–	–	(1,976)	(1,900)	(230)	(204)
Operating Expenses	(377)	(368)	(802)	(711)	(959)	(849)	(504)	(459)	(153)	(143)	(142)	(128)	(14,657)	(14,500)	574	(13,926)	(864)	(848)	314	498	(15,207)	(14,276)	(1,768)	(1,526)
Opex as a % of total margin	51%	51%	53%	45%	41%	40%	55%	53%	46%	46%	63%	59%	52%	48%	–	46%	60%	57%	N/A	N/A	51%	45%	51%	45%
Gain on disposal of tower assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	25,259	–	25,259	–	2,620
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(15,472)	–	(15,472)	–	(1,669)
EBITDA	261	252	642	831	1,140	1,037	334	342	172	161	83	87	11,689	14,198	574	14,772	496	552	327	10,299	12,512	25,623	1,459	2,645
% change	+4%		-23%		+10%		-2%		+7%		-5%		-18%		-11%		-10%		-97%		-51%		-45%	
EBITDA margin % ⁽⁹⁾	31%	31%	34%	42%	35%	36%	30%	32%	44%	43%	32%	36%	34%	38%	–	40%	24%	23%	–	–	34%	65%	34%	62%
Depreciation & Amortisation	(236)	(208)	(577)	(514)	(717)	(586)	(303)	(203)	(75)	(72)	(64)	(64)	(9,501)	(9,118)	(53)	(9,171)	(532)	(453)	(5)	(3)	(10,038)	(9,627)	(1,169)	(1,029)
EBIT	25	44	65	317	423	451	31	139	97	89	19	23	2,188	5,080	521	5,601	(36)	99	322	10,296	2,474	15,996	290	1,616
% change	-43%		-79%		-6%		-78%		+9%		-17%		-57%		-53%		-136%		-97%		-85%		-82%	
EBITDA per above	261	252	642	831	1,140	1,037	334	342	172	161	83	87	11,689	14,198	–	–	–	–	–	–	12,512	25,623	1,459	2,645
Proforma contribution from tower assets	–	–	–	61	–	–	–	–	–	–	–	–	–	574	–	–	–	–	–	–	–	–	–	–
Reported EBITDA	261	252	642	892	1,140	1,037	334	342	172	161	83	87	11,689	14,772	–	–	(36)	99	322	10,296	2,474	15,996	290	1,616
% change	+4%		-28%		+10%		-2%		+7%		-5%		-21%		-14%		-17%		-97%		-85%		-82%	
EBIT per above	25	44	65	317	423	451	31	139	97	89	19	23	2,188	5,080	521	5,601	(36)	99	322	10,296	2,474	15,996	290	1,616
Proforma contribution from tower assets	–	–	–	56	–	–	–	–	–	–	–	–	–	521	–	–	–	–	–	–	–	–	–	–
Reported EBIT	25	44	65	373	423	451	31	139	97	89	19	23	2,188	5,601	–	–	(36)	99	322	10,296	2,474	15,996	290	1,616
% change	-43%		-83%		-6%		-78%		+9%		-17%		-61%		-57%		-136%		-97%		-85%		-82%	
Capex (excluding licence)	(334)	(307)	(342)	(618)	(715)	(612)	(545)	(145)	(84)	(75)	(53)	(62)	(8,724)	(11,130)	–	–	(157)	(324)	(2)	(1)	(8,883)	(11,455)	(1,034)	(1,225)
Reported EBITDA less Capex	(73)	(55)	300	274	425	425	(211)	197	88	86	30	25	2,965	3,642	–	–	339	228	325	10,298	3,629	14,168	425	1,420
Licence ⁽¹⁰⁾	–	(280)	–	–	–	(492)	–	(544)	–	–	–	–	–	(4,237)	–	–	(138)	(500)	–	–	(138)	(4,737)	(17)	(500)
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:																								
EBITDA-pre IFRS 16 basis (HK\$)	2,655	2,726	5,519	8,345	936	958	385	430	1,483	1,504	711	809	11,689	14,772	–	–	496	552	327	10,299	12,512	25,623	€1,459	€2,645
EBITDA-post IFRS 16 basis (HK\$)	3,187	3,278	7,789	11,279	1,048	1,095	436	485	1,589	1,615	861	962	14,910	18,714	–	–	710	760	327	10,356	15,947	29,830	€1,859	€3,095
EBIT-pre IFRS 16 basis (HK\$)	245	474	556	3,488	348	416	37	175	838	835	164	213	2,188	5,601	–	–	(36)	99	322	10,296	2,474	15,996	€290	€1,616
EBIT-post IFRS 16 basis (HK\$)	342	577	968	3,735	358	428	40	179	862	859	203	249	2,773	6,027	–	–	(28)	105	322	10,353	3,067	16,485	€361	€1,669

	UK		Italy ⁽¹¹⁾		Sweden		Denmark		Austria		Ireland		3 Group Europe		HTHKH	
	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
Total registered customer base (million)	13.5	12.9	20.4	21.0	2.4	2.2	1.5	1.5	3.2	3.4	3.4	2.8	44.4	43.8	3.6	3.9
Total active customer base (million)	9.9	9.5	19.1	19.2	2.4	2.2	1.5	1.5	2.9	2.8	3.4	2.8	39.2	38.0	3.0	3.2
Contract customers as a % of the total registered customer base	62%	61%	47%	48%	69%	69%	57%	57%	77%	74%	75%	71%	58%	56%	41%	37%
Average monthly churn rate of the total contract registered customer base (%)	1.3%	1.2%	1.3%	1.4%	1.2%	1.2%	1.6%	1.7%	0.3%	0.3%	0.6%	0.7%	1.1%	1.2%	0.7%	1.1%
Active contract customers as a % of the total contract registered customer base	98%	99%	96%	94%	100%	100%	100%	100%	100%	100%	100%	100%	98%	97%	100%	100%
Active customers as a % of the total registered customer base	73%	73%	94%	91%	99%	98%	100%	100%	88%	84%	100%	100%	88%	87%	84%	84%
LTE coverage by population (%)	95%	94%	100%	100%	96%	93%	100%	100%	97%	96%	99%	99%	–	–	90%	90%
Six month data usage per active customer (Gigabyte)													109.5	92.0	43.9	41.3

Note 6: Wind Tre's results include fixed line business revenue of €476 million (30 June 2021: €488 million) and EBITDA of €80 million (30 June 2021: €117 million).

Note 7: As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 results of Italy were normalised, which exclude the proforma contribution from tower assets for January to June 2021 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 1H 2021 numbers.

Note 8: 3 Group Europe results do not include one-off items in 1H 2021, which represented gain on disposal of tower assets completed in 1H 2021 of HK\$25.3 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$15.5 billion.

Note 9: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 10: 1H 2021 licence cost for UK represents investment for 20 MHz of 700 MHz spectrum acquired in May 2021, the licence cost for Sweden represents 1000 MHz of 3500 MHz spectrum acquired in January 2021, the licence cost for Denmark represents 2x20 MHz of 2100 MHz spectrum, 120 MHz in 3500 MHz spectrum and 1000 MHz in 2.6 GHz spectrum acquired in April 2021, and the licence cost for Hong Kong represents investment for 10 MHz of 900 MHz spectrum renewed for 15 years from January 2021. 1H 2022 licence cost for Hong Kong represents investment for 20 MHz of 700 MHz spectrum acquired for 15 years from June 2022.

Note 11: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 30 June 2022 ('000)			Registered Customer Growth (%) from 31 December 2021 to 30 June 2022			Registered Customer Growth (%) from 30 June 2021 to 30 June 2022		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	5,113	8,362	13,475	+3%	+2%	+2%	+1%	+7%	+4%
Italy ⁽¹²⁾	10,711	9,642	20,353	-1%	-2%	-2%	-2%	-4%	-3%
Sweden	734	1,644	2,378	+1%	+2%	+2%	+4%	+6%	+5%
Denmark	656	868	1,524	+2%	+2%	+2%	+3%	+3%	+3%
Austria	751	2,471	3,222	-8%	-1%	-3%	-14%	-1%	-4%
Ireland	852	2,595	3,447	+2%	+12%	+10%	+5%	+32%	+24%
3 Group Europe Total	18,817	25,582	44,399	-	+1%	+1%	-1%	+3%	+1%
HTHKH	2,102	1,476	3,578	-17%	+2%	-10%	-14%	+4%	-7%

	Active ⁽¹³⁾ Customer Base								
	Active Customers at 30 June 2022 ('000)			Active Customer Growth (%) from 31 December 2021 to 30 June 2022			Active Customer Growth (%) from 30 June 2021 to 30 June 2022		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	1,660	8,224	9,884	+3%	+2%	+2%	-3%	+6%	+5%
Italy ⁽¹²⁾⁽¹⁴⁾	9,878	9,245	19,123	+2%	-1%	-	+1%	-2%	-1%
Sweden	722	1,644	2,366	+6%	+2%	+3%	+10%	+6%	+7%
Denmark	650	868	1,518	+1%	+2%	+2%	+3%	+3%	+3%
Austria	387	2,463	2,850	+4%	-1%	-1%	+9%	-1%	-
Ireland	852	2,595	3,447	+2%	+12%	+10%	+5%	+32%	+24%
3 Group Europe Total	14,149	25,039	39,188	+2%	+1%	+2%	+2%	+4%	+3%
HTHKH	1,538	1,476	3,014	-13%	+2%	-6%	-15%	+4%	-7%

Note 12: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 13: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 14: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

**12-month Trailing Average Revenue per Active User ("ARPU")⁽¹⁵⁾
to 30 June 2022**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2021
United Kingdom	£6.40	£21.34	£18.82	+3%
Italy ⁽¹⁸⁾	€10.14	€12.45	€11.27	-3%
Sweden	SEK116.14	SEK284.44	SEK233.79	-9%
Denmark	DKK91.57	DKK146.95	DKK123.14	+2%
Austria	€10.71	€23.09	€21.47	+4%
Ireland	€14.73	€12.98	€13.45	-16%
3 Group Europe Average⁽¹⁶⁾	€10.28	€18.98	€15.84	+1%
HTHKH	HK\$9.46	HK\$184.86	HK\$91.09	-

**12-month Trailing Net Average Revenue per Active User ("Net ARPU")⁽¹⁶⁾
to 30 June 2022**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2021
United Kingdom	£6.40	£14.29	£12.96	+1%
Italy ⁽¹⁸⁾	€10.14	€11.29	€10.70	-2%
Sweden	SEK116.14	SEK209.88	SEK181.67	+1%
Denmark	DKK91.57	DKK137.18	DKK117.57	+3%
Austria	€10.71	€19.85	€18.65	+7%
Ireland	€14.73	€10.09	€11.33	-15%
3 Group Europe Average	€10.28	€14.70	€13.11	+1%
HTHKH	HK\$9.46	HK\$165.43	HK\$82.05	+2%

**12-month Trailing Net Average Margin per Active User ("Net AMPU")⁽¹⁷⁾
to 30 June 2022**

	Non-contract	Contract	Blended Total	% Variance compared to 30 June 2021
United Kingdom	£5.82	£12.71	£11.55	+2%
Italy ⁽¹⁸⁾	€8.92	€9.90	€9.40	-
Sweden	SEK99.66	SEK183.59	SEK158.34	+1%
Denmark	DKK75.99	DKK112.46	DKK96.78	+2%
Austria	€9.37	€17.84	€16.73	+9%
Ireland	€13.69	€9.30	€10.47	-14%
3 Group Europe Average	€9.08	€13.01	€11.59	+2%
HTHKH	HK\$7.21	HK\$145.96	HK\$71.78	+3%

Note 15: 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 16: 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 17: 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 18: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

CK Hutchison Group Telecom (continued)

United Kingdom

3 UK's EBITDA increased by 4% in local currency compared to the same period last year, mainly driven by strong growth in net customer service margin from both 5% increase in customer base and 2% higher net AMPU from various revenue mix and margin initiatives, partly offset by higher network spending from increased 5G coverage and increased annual licence fee. However, EBIT decreased by 43% in local currency compared to the same period last year, mainly due to increased depreciation from higher asset base driven by IT investments and accelerated 5G network rollout.

Italy

On a normalised basis and in local currency, Italy's EBITDA decreased by 23% compared to the same period last year, mainly driven by reduction in wholesale volume resulting in revenue decline of 6%, higher operating costs in 2022 and certain dispute settlement proceeds in 2021. Wind Tre has implemented strategic transitions with net customer service margin in 2022 progressively improving against the first half and second half of last year, furthermore, wholesale contributions decline has narrowed through extending the scope of existing wholesale arrangements. EBIT decreased by 79% against the first half of 2021 due to higher depreciation and amortisation from the enlarged asset base as network enhancement continues.

Sweden

Sweden, where the Group has a 60% interest, reported robust EBITDA growth of 10% primarily driven by 10% increase in total margin from customer base growth, partly offset by higher operating expenses from promoting 5G commercial launch. However, EBIT decreased by 6% due to higher depreciation and amortisation from enlarged network base.

Denmark

The operation in Denmark, where the Group has a 60% interest, reported 5% growth in total margin primarily driven by 3% customer base growth. EBITDA decreased by 2% mainly due to higher operating costs from significant increase in electricity price and enlarged network base, partly offset by higher total margin. During the first half of 2022, the operation recognised accelerated depreciation charges from the ongoing network assets swap, resulting in 78% decrease in EBIT when compared against the same period of 2021.

Austria

EBITDA and EBIT in local currency increased by 7% and 9% respectively compared to the same period last year, primarily driven by 6% total margin growth from 9% increase in net AMPU, partly offset by higher operating expenses due to network expansion.

Ireland

EBITDA and EBIT in local currency decreased by 5% and 17% respectively compared to the same period last year driven by higher operating expenses due to network expansion and increased marketing and sponsorship following the ease of lockdown restrictions, partly offset by 5% higher total margin mainly due to the base growth, which more than offsets the lower net AMPU from the dilutive impact of higher mix of low value Internet of things (IoT) customers.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK\$2,298 million was 10% lower as compared to the same period last year, primarily driven by lower net customer service revenue due to intense competition and prolonged pandemic-related disruptions, as well as lower hardware sales as a result of supply chain constraints. EBITDA of HK\$496 million was 10% lower as compared to the same period last year, mainly due to lower net customer service margin and higher network costs driven by the investments in 5G technology and network infrastructure expansion. LBIT of HK\$36 million for the first half of 2022 as compared to EBIT of HK\$99 million for the same period last year was mainly due to higher depreciation and amortisation from the renewal of spectrum in 2021 and the enlarged asset base from 5G network infrastructure expansion.

Hutchison Asia Telecommunications

	30 June 2022 HK\$ million	30 June 2021 HK\$ million	Change	Local currencies change
Total Revenue	5,839	4,350	+34%	+36%
EBITDA⁽¹⁹⁾	7,572	803	+843%	+846%
EBIT⁽¹⁹⁾	6,047	(76)	+8,057%	+8,066%
Total active customer base (million)	115.1	60.4	+91%	
- Indonesia	96.2	44.3	+117%	
- Vietnam	15.0	12.0	+25%	
- Sri Lanka	3.9	4.1	-5%	

Note 19: Under Post-IFRS 16 basis, EBITDA was HK\$9,619 million (30 June 2021: HK\$1,869 million); EBIT was HK\$7,512 million (30 June 2021: HK\$272 million).

In January 2022, the merger transaction between the Group's Indonesia telecommunication business, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat") was completed. The newly merged company, Indosat Ooredoo Hutchison ("IOH"), remains listed on the Indonesia Stock Exchange and becomes the second largest telecommunication operator in Indonesia. As of 30 June 2022, Hutchison Asia Telecommunications ("HAT") had approximately 115.1 million active customer accounts, whereby Indonesia represented 84% of the total following the merger.

HAT's results at EBITDA and EBIT levels in the first half of 2022 included a gain of HK\$6,100 million from the completion of the merger of the Indonesian telecommunication business, partly offset by a non-cash impairment in the telecommunication business in Sri Lanka of HK\$962 million amidst the challenging market condition following the outbreak of the political and economic crisis in the country.

Excluding the above one-off items, EBITDA and EBIT in the first half of 2022 of HK\$2,434 million and HK\$909 million increased by 203% and 1,296% respectively due to the increased contribution from the Group's share of IOH's results since the merger. This solid performance in the first half of 2022 reflected the continued good growth momentum, synergies realisation ahead of target and the enlarged customer base following the merger.

Finance & Investments and Others

	30 June 2022 HK\$ million	30 June 2021 HK\$ million	Change	Local currencies change
Total Revenue	46,804	31,858	+47%	+49%
EBITDA⁽¹⁾	8,993	653	+1277%	+1290%
- Underlying	8,993	4,167	+116%	+118%
- One-off item	-	(3,514)	+100%	+100%
EBIT⁽¹⁾	5,770	(2,541)	+327%	+328%
- Underlying	5,770	973	+493%	+496%
- One-off item	-	(3,514)	+100%	+100%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$9,560 million (30 June 2021: HK\$1,239 million); EBIT was HK\$5,837 million (30 June 2021: HK\$(2,518) 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. Following the merger of the Group's energy business with Cenovus Energy in January 2021, the Group's 16.3% share of Cenovus Energy's results forms part of the Finance & Investments and Others segment.

In the first half of 2021, EBITDA and EBIT in this segment included the recognition of a non-cash foreign exchange reserve loss following the energy business merger of HK\$3.5 billion.

Excluding the one-off item, underlying EBITDA and EBIT grew 116% and 493% respectively from first half of 2021 primarily due to the strong performance from the Group's energy business. The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK\$7,735 million, HK\$5,621 million and HK\$3,931 million, an increase of 149%, 431% and 787% compared to the same period last year respectively, mainly due to strengthening commodity prices that resulted in operating margin growth.

As at 30 June 2022, the Group's holdings of cash and liquid investments totalled HK\$119,918 million. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of this results announcement.

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the six months ended 30 June 2022, 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\$7,872 million, increased by 9% when compared to the same period last year. The Group's weighted average cost of debt for the six months ended 30 June 2022 was 1.8% (30 June 2021: 1.6%).

The Group recorded current and deferred tax charges of HK\$5,381 million in the six months ended 30 June 2022, an increase of 32% compared to the same period last year, primarily reflected the higher profit before tax for the first half of 2022 and the favourable net impact from the revaluation of deferred tax assets and liabilities following the revision of the UK corporate tax rates which was reflected in the first half of 2021.