



Hutchison Telecom
Hong Kong Holdings

Keep Growing

2018 Interim Results Presentation

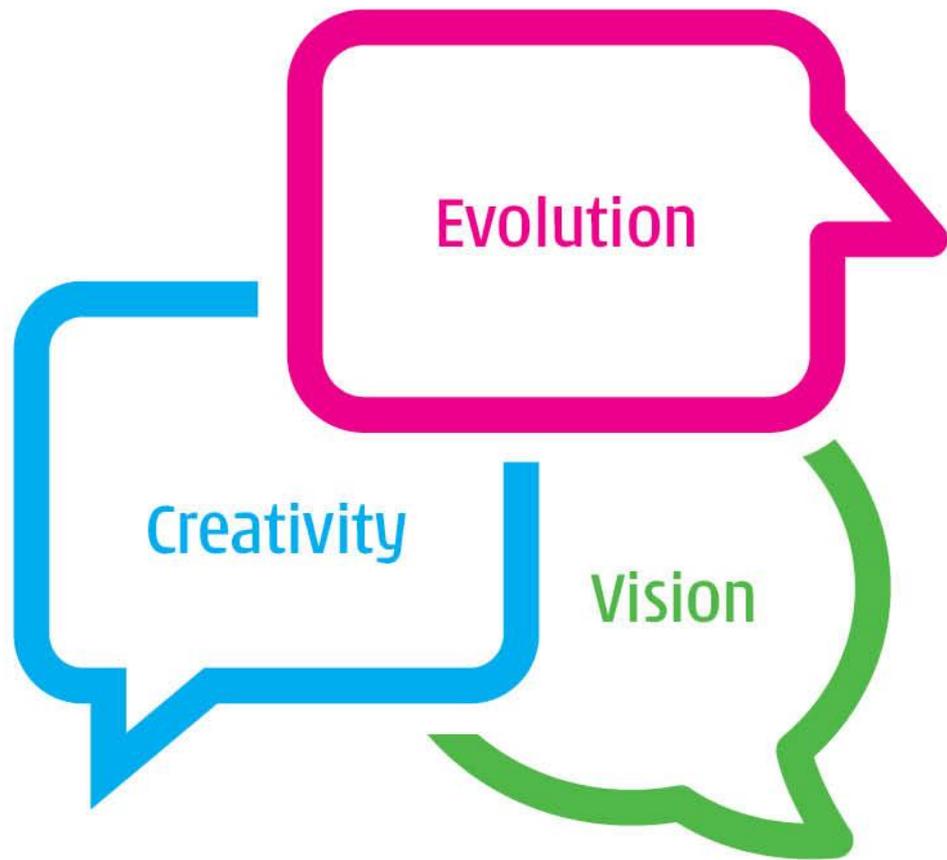
25 July 2018

Hutchison Telecommunications Hong Kong Holdings Limited

和記電訊香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 215)



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Business Performance



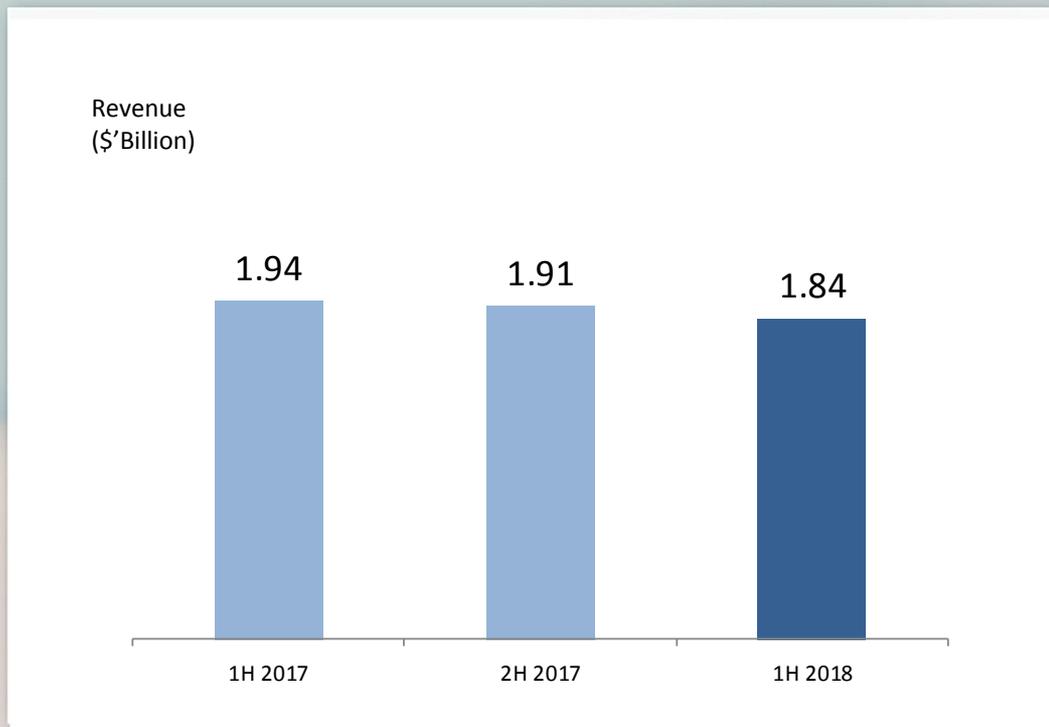
NB-
IoT



Remarkable achievements

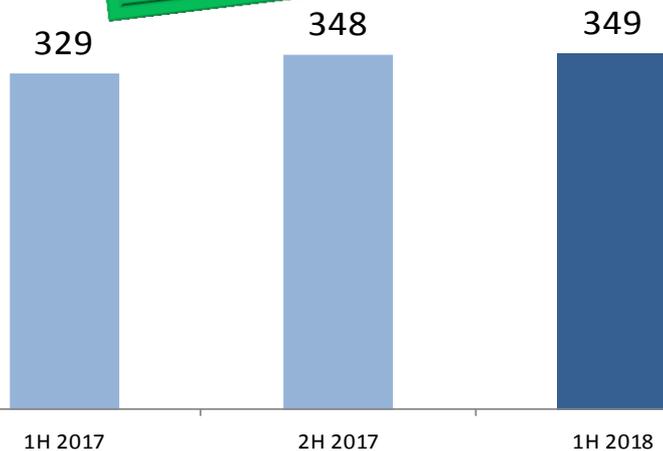
- Mobile customer number increased 4%
- Roaming revenue increased 6%
- Profit attributable to shareholders from continuing operations was HK\$198 million, increased 77%
- Solid financial position with net cash of HK\$9.5 billion as at 30 June 2018
- Evaluate various opportunities to enhance shareholder value
- Sustainable dividend policy of 75% of recurring NPAT

Steady mobile service revenue amid fierce competition



Roaming revenue sustained growth

Revenue
(\$'Million)

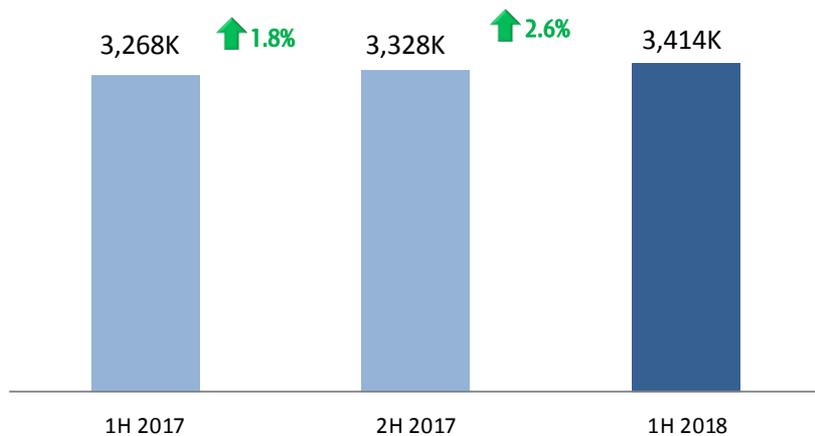


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Steadily growing customer base

Customer no. YOY +4% (1H18 vs 1H17)

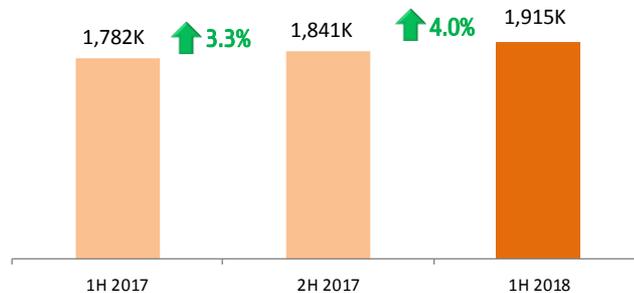
Postpaid & Prepaid



Postpaid

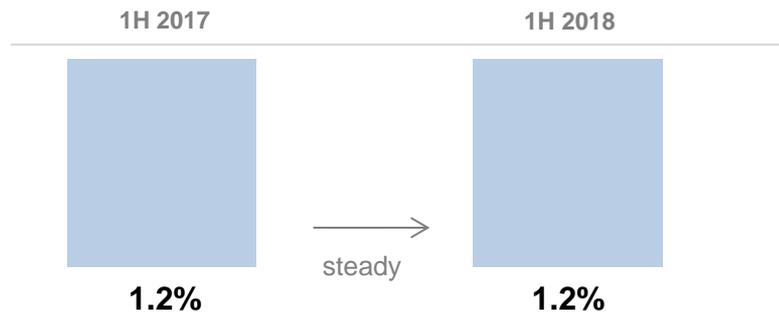


Prepaid

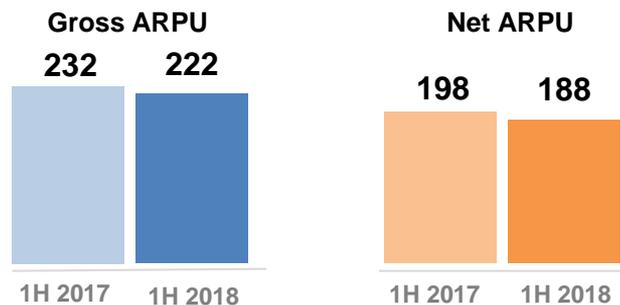


Mobile KPIs

Postpaid Churn



Blended postpaid gross ARPU⁽¹⁾ and net ARPU⁽¹⁾



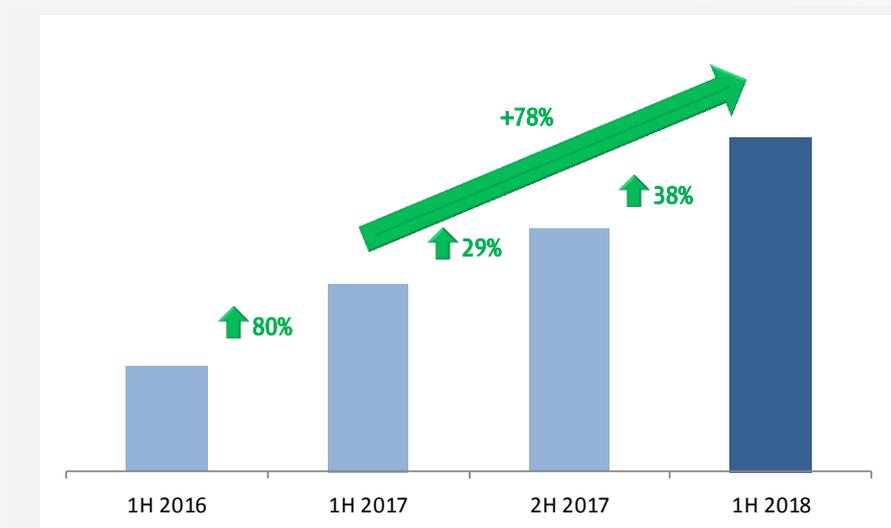
Note 1

Postpaid Gross ARPU = monthly average spending per postpaid user including handset contribution for bundled plan.

Postpaid Net ARPU = monthly average spending per postpaid user excluding handset contribution for bundled plan.

Data usage

4G Network data usage



Technology development

5CC Carrier Aggregation (FDD + TDD)

Activated network-wide
LTE1800+LTE2100+LTE2600+LTE2300+LTE2300



Digital Transformation

Transformation of business operation and system landscapes for higher levels of customer interaction and open up business monetised opportunities



All Cloud core network to usher in the 5G era

Deployment of 3G & 4G telco cloud networks, to lay a solid foundation for evolution to 5G network architecture



Online Channel Development

Online brand, eShopping, Digital Behaviour Analytics, Loyalty and eCoupon



5G indoor & outdoor commercial network trials in the 3.5GHz, 26GHz and 28GHz

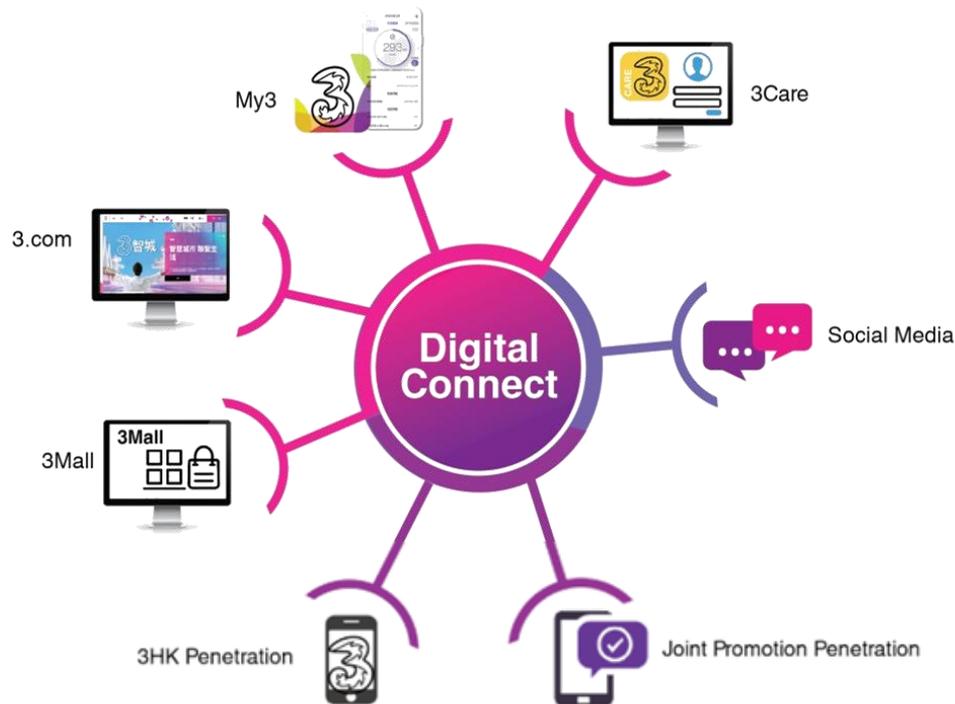


Comprehensive mobile coverage along the Hong Kong-Zhuhai-Macao Bridge

Reinforcing the leadership position on roaming service offerings



Diversified Digital Customer Touchpoints



Continuous improvement on brand building

Facebook reach



high increment of My3App Activation Rate



* Activation rate = Active users/ Download



Video view 1.22M

Reach 1.5M



Roaming initiatives

Pool-sharing Data China-Macau-HK proposition

(China data as local tariff)



唔駛換SIM



中港澳一樣咁free



3地數據唔怕咗
唔外遊留嚟香港
都可以用

Roaming Prepaid Promotion



Pioneering in NB-IoT for new revenue streams

Monetize NB-IoT network at 900MHz through ecosystem strategy with key strategic partners



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Financial Performance



NB-
IoT



Financials highlights

	1H 2017 HK\$ million	1H 2018 HK\$ million	Favourable/ (unfavourable) Change
Revenue	3,117	4,021	+29%
Service revenue	1,944	1,843	-5%
Hardware revenue	1,173	2,178	+86%
EBITDA	644	601	-7%
EBIT	215	195	-9%
Profit attributable to shareholders from continuing operations	112	198	+77%
Earnings per share from continuing operations (in HK cents)	2.32	4.11	+77%
Interim dividend per share (in HK cents)	3.90	3.10	-21%



Mobile business

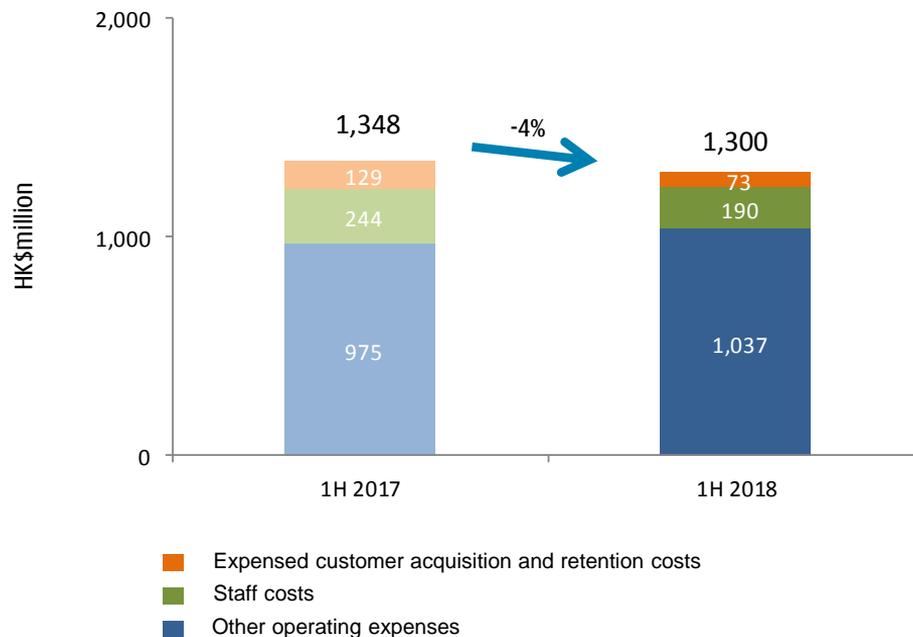
	1H 2017 HK\$ million	1H 2018 HK\$ million	Favourable/ (unfavourable) Change
Revenue	3,117	4,021	+29%
- Net customer service revenue	1,944	1,843	-5%
- Local service revenue	1,615	1,494	-7%
- Roaming service revenue	329	349	+6%
- Hardware revenue	1,173	2,178	+86%
Net customer service margin	1,815	1,681	-7%
Net customer service margin %	93%	91%	-2% points
Standalone handset sales margin	17	22	+29%
Total CACs (net of handset revenue)	(129)	(73)	+43%
Operating expenses and staff costs	(1,090)	(1,065)	+2%
Opex and staff costs as a % of net customer service margin	60%	63%	-3% points
EBITDA	644	601	-7%
Service EBITDA	627	579	-8%
Service EBITDA margin %	32%	31%	-1% point
Depreciation and amortisation	(407)	(381)	+6%
EBIT	215	195	-9%



Enhanced operational efficiency

- Continued focus on efficiency enhancement and stringent spending control

Costs



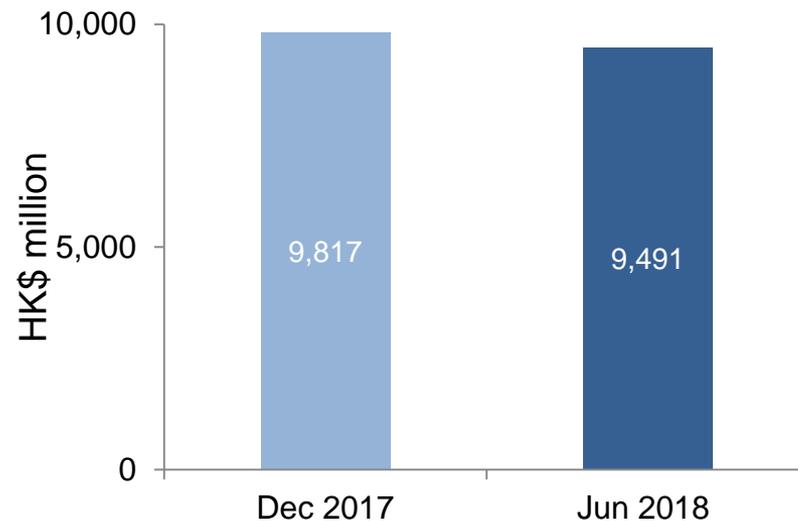
Disciplined capex spending and solid net cash position

Capex



◆ capex over service revenue

Net Cash





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Outlook

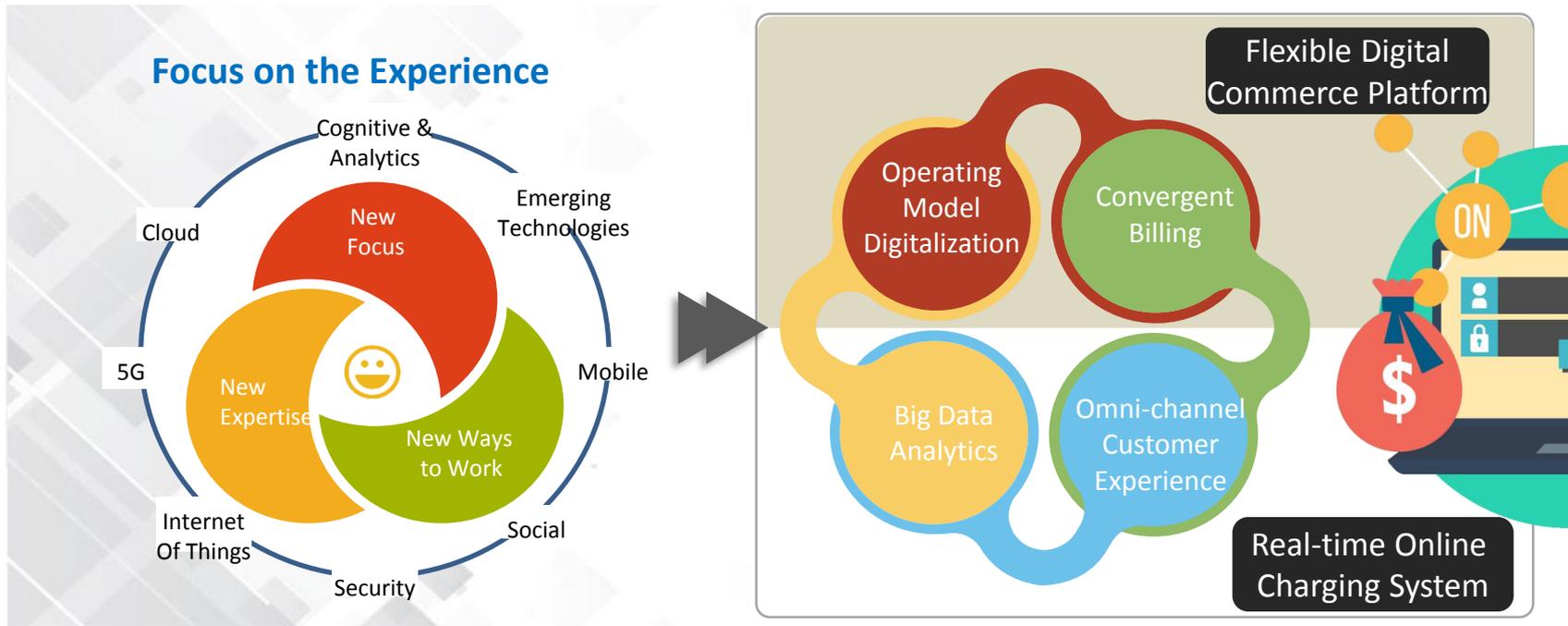


NB-
IoT



Digital Transformation

Accelerating **Transformation** of business activities, processes and competencies to fully leverage **Digital Technologies** to improve customer engagement and operational efficiency



Strategies to meet the Challenges

<p>Profitability and Value Creation</p>	<ul style="list-style-type: none"> • Value creation to combat price competition • Innovative roaming products • Unique local service offerings • Develop new digital business revenue streams
<p>Customer First Experience</p>	<ul style="list-style-type: none"> • Focus on total customer satisfaction • Refresh online and offline customer service experience • Enhance digital connection with customers
<p>Leading Technology for Future</p>	<ul style="list-style-type: none"> • Accelerate digital transformation and deploy latest technologies • Continue with latest NB IoT ecosystem expansion and business development • Accelerate network architecture evolution for 5G
<p>Brand and Customer Loyalty</p>	<ul style="list-style-type: none"> • Introduce complete digital experience via second brand • Rewarding package to loyal customers





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Thank You