



Hutchison Telecom
Hong Kong Holdings

2022 Annual Results Presentation



A member of CK Hutchison Holdings

Disclaimer

The information, statements and opinions contained in this Presentation and subsequent discussion do not constitute an offer to sell or solicitation of any offer to subscribe for or purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

Potential investors and shareholders of the Hutchison Telecommunications Hong Kong Holdings Limited (“the Company”) (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation and any subsequent discussion comprises extracts of operational data and financial information of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2022. The information included in this Presentation and subsequent discussion, which does not purport to be comprehensive nor render any form of financial or other advice, has been provided by the Group for general information purposes only and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, statements or opinions presented or contained in this Presentation and any subsequent discussions or any data which such information generates. Potential Investors and Shareholders should refer to the 2022 Annual Report for the audited results of the Group which are published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The performance data and the results of operations of the Group contained in this Presentation and any subsequent discussion are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained in this Presentation and subsequent discussion are based on current plans, beliefs, expectations, estimates and projections at the date the statements and opinions are made, and therefore involve risks and uncertainties. There can be no assurance that any of the matters set out in such forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. Actual results may differ materially from those stated, implied and/or reflected in such forward-looking statements and opinions. The Group, the Directors, officers, employees and agents of the Group assume (a) no obligation to correct, update or supplement the forward-looking statements or opinions contained in this Presentation and any subsequent discussion; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

Agenda



QR Code for the
Group's Financial Results

- Result Highlights
- Business Review & Development
- Financial Review
- Sustainability
- Outlook



Result Highlights



Hutchison Telecom
Hong Kong Holdings

Highlights

Resilient local service revenue and rebound in roaming service revenue

Service Revenue

\$3,278m

+1% YoY

Local
Service Revenue

\$2,981m

Flat YoY

Roaming
Service Revenue

\$297m

+14% YoY

Encouraging 5G uptake

5G Penetration

30%

+9%-point

Effective customer retention strategies

Customer Base

3.3m

+2% YoY

Churn⁽¹⁾

0.8%

+0.4%-point YoY

Robust Financial Position

Cash⁽²⁾

\$3,700m

Steady recovery with promising outlook

Net loss
& LPS⁽³⁾

\$158m -4050% YoY

\$3.28 -4200% YoY

Full Year Dividend

7.49 HK cents

Final Dividend

5.21 HK cents

Business Review & Development

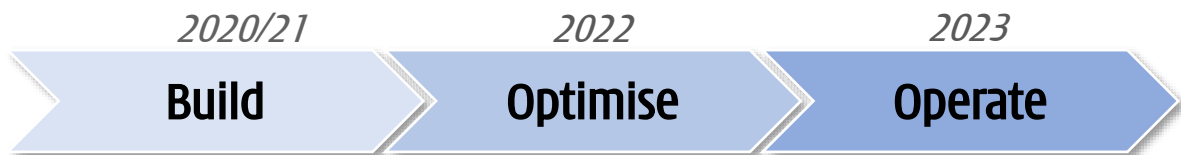


Hutchison Telecom
Hong Kong Holdings

Building the Best 5G Network in Hong Kong



Note: (1) In 2022, the number of its 5G base stations has increased by more than 50% compared to the third quarter of 2020.

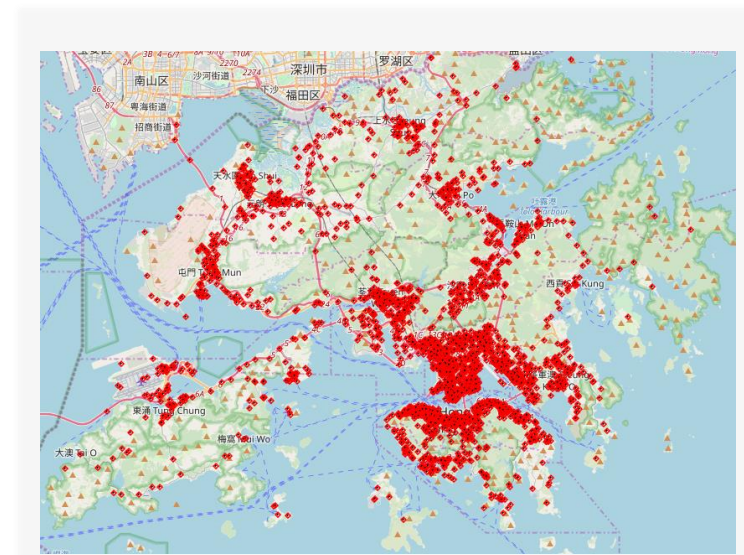
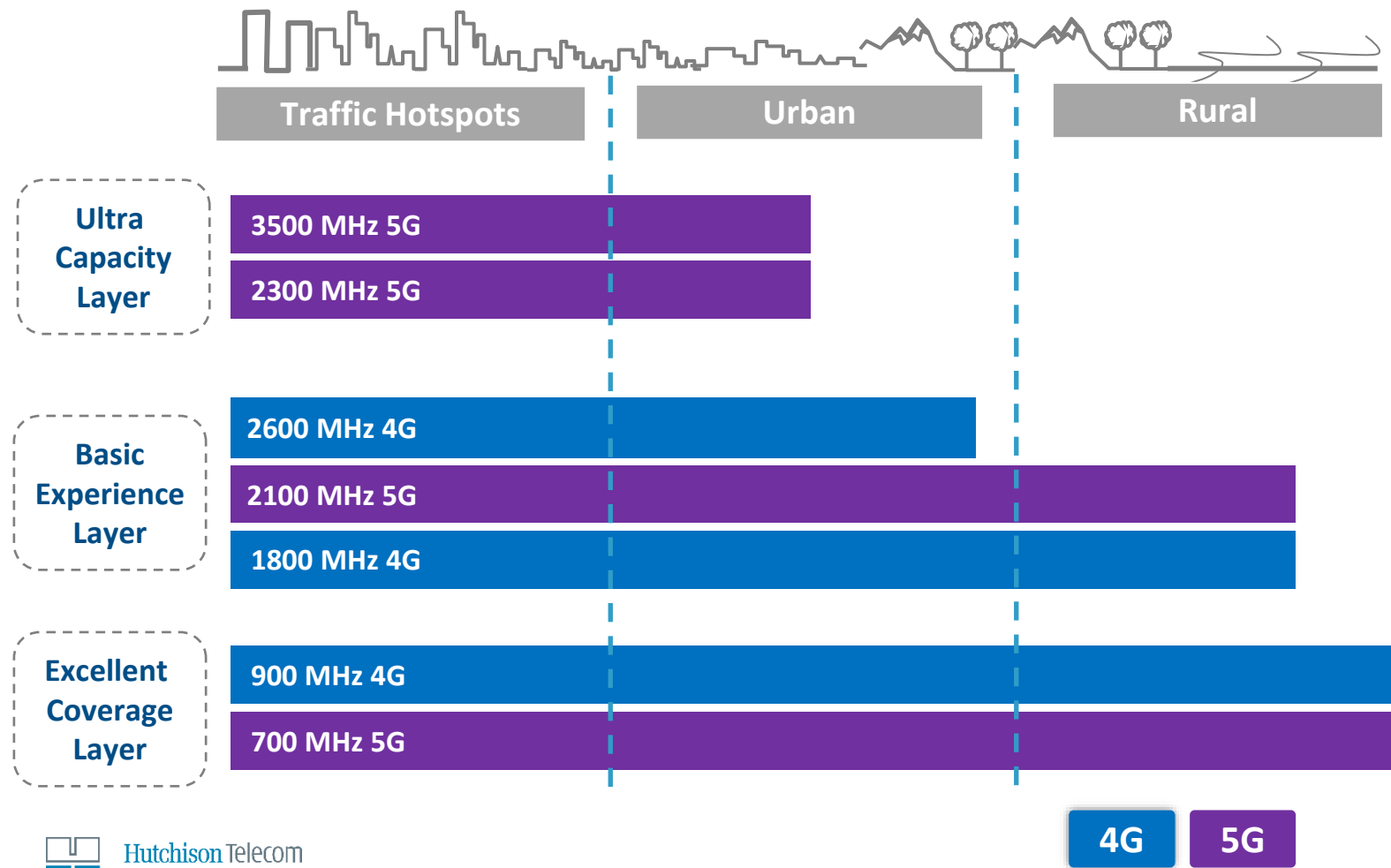


- Number of 5G base stations **increased more than 50%** ⁽¹⁾
- 5G coverage extended to **East Rail Line Cross-Harbour Extension of MTR & Tseung Kwan O-Lam Tin Tunnel and Cross Bay Link**
- **Activated 700 MHz** band on 5G
- **"Net You Own"** Rewards Scheme
- Launched **"HoneyBee"** Initiative
- Optimised **"Switching Centre"**
- Upgraded **"Network Operations Centre"**

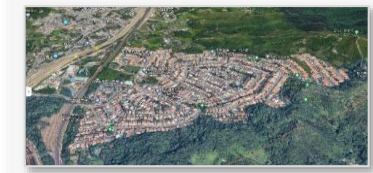
Building the Best 5G Network in Hong Kong

Significantly expanded network capacity and coverage **with additional spectrum**.

Leveraged the 700 MHz band spectrum to enhance deeper network coverage including low-density rural residential areas.



Comprehensive Outdoor & Indoor Coverage



Prestige Area



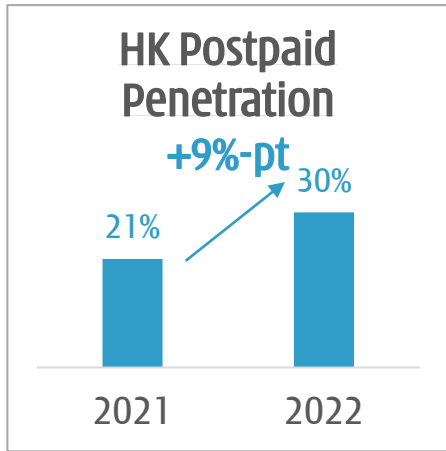
Recreation / Sport



New Infrastructure

Core Revenue Drivers

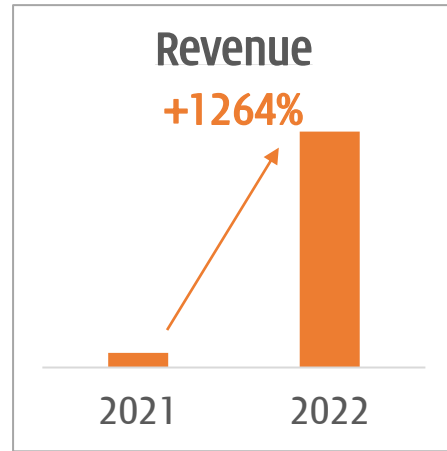
5G



- Successful 5G upgrade initiatives & loyalty programme



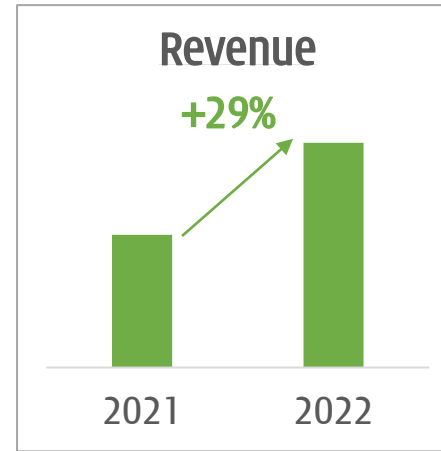
5G Broadband



- High potential market from traditional broadband



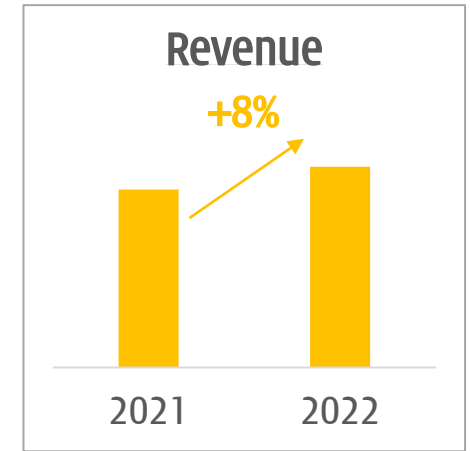
HK Postpaid Outbound Roaming



- Head start on roaming rebound



Corporate Solutions

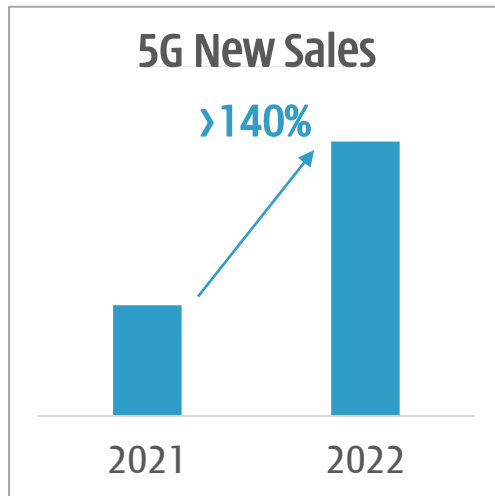
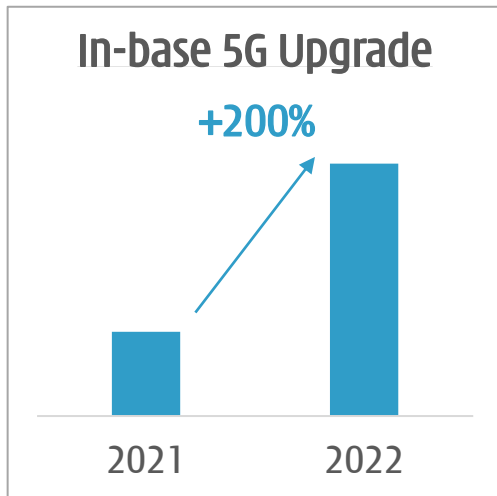


- Leveraging CKHH Group companies & stay ahead of market 5G technology



5G Penetration Growth

Strong Growth by **outstanding network performance** & **successful initiatives**.



Competitive offers with **Flagship Handsets**



Various offers with **HOT products**



Tactical **limited offers**



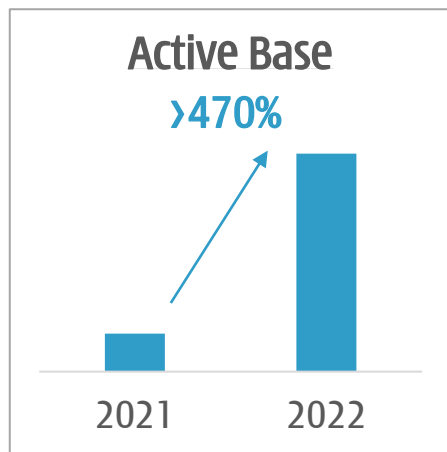
Showcase of **Strongest⁽¹⁾ 5G network**



Note: (1) Source: ePrice article published on Sep 28, 2021. Details: <https://www.eprice.com.hk/mobile/talk/3146/218826/1/>.

5G Broadband Uptake

Strong Growth by **outstanding network performance** & **competitive packages**.



Propositions

- ✓ No Speed Limit
- ✓ No Landlines
- ✓ No Installations
- ✓ All-in-One Package

Mass (targets rural area & villages):

- Deep 5G coverage by the 700 MHz
- Tactical offers for selected areas
- Strategic segment with special team for village

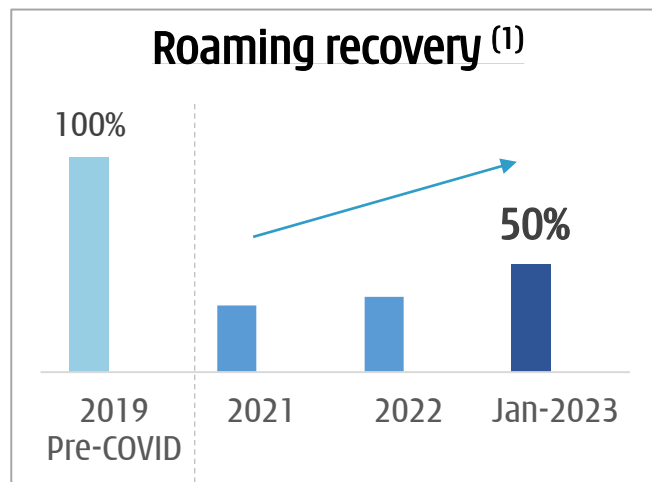


Corporate (targets shopping mall / plaza):

- Special team to reach individual shop
- Instant demonstration of 5G network
- Add-on services (POS / CCTV)

Roaming Recovery

Accelerate roaming business rebound via **comprehensive products**.



- Travel sharing sessions
- Thailand theme event at Retail



Good Recovery Rate⁽²⁾ in major destinations

China	Japan	Macau
>60%	>100%	>100%

- All-round offerings for frequent & non-frequent roamers



- New 5G service plan with seamless connection in Greater Bay Area
- Transform SoSIM as roaming partner



Notes:

- (1) Roaming recovery refers to the average number of monthly postpaid data roaming subscriptions of respective years compared with that of 2019.
- (2) Recovery rate represents the number of postpaid data roaming subscriptions in January 2023 compared with January 2019.

Corporate Solutions

Exhibits **state-of-the-art 5G solutions**, creating unprecedented and future-shaping opportunities for enterprises.

Synergy with CKHH Group Companies



Vertical Segment



Corporate Solutions - 5G Subsidy Scheme

Deployed **5G solutions** to various industries to improve efficiency of operations and quality of service.

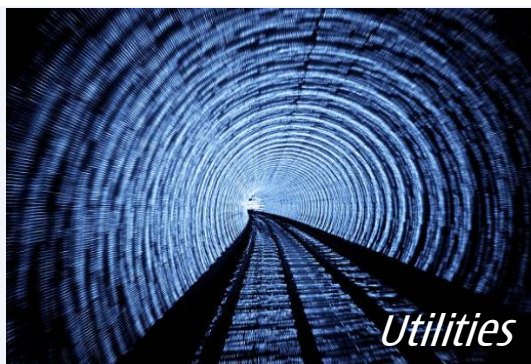


VR / AR Learning

- Content management system
- Moveable 5G network

Patrol Robot in risk locations

- Real-time video streaming
- Sensor for gas detection
- Super Wi-Fi with 5G backhaul



5G Operation & Crane Surveillance

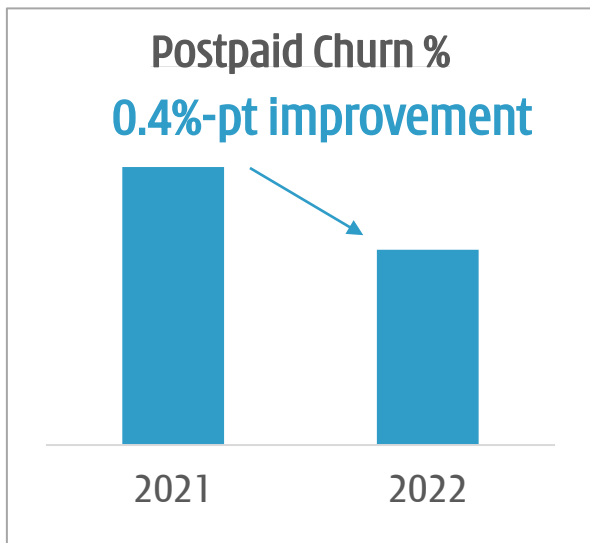
- AI analytic for intrusion detection
- Forming private network via public 5G network

Most Customer Touchpoints

Strong Channels to serve well-defined segments



Gear up Retention by Unique Loyalty Programme



Continuous churn improvement

Unique loyalty program



Leading Operator to introduce Metaverse



Deepening Customer Engagement

Digital Society



Digital Service Ambassador



New Customer Contact Centre



Financial Review

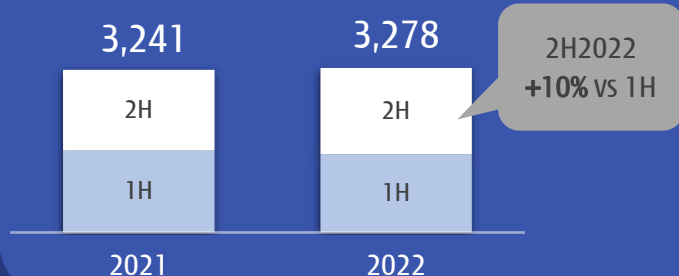


Hutchison Telecom
Hong Kong Holdings

Revenue : Building Growth Momentum

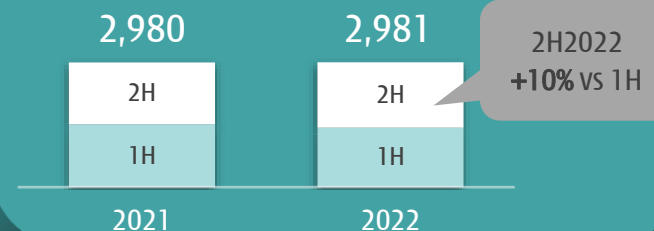
Service Revenue (\$m) **+1%** YoY

due to rebound in roaming service revenue



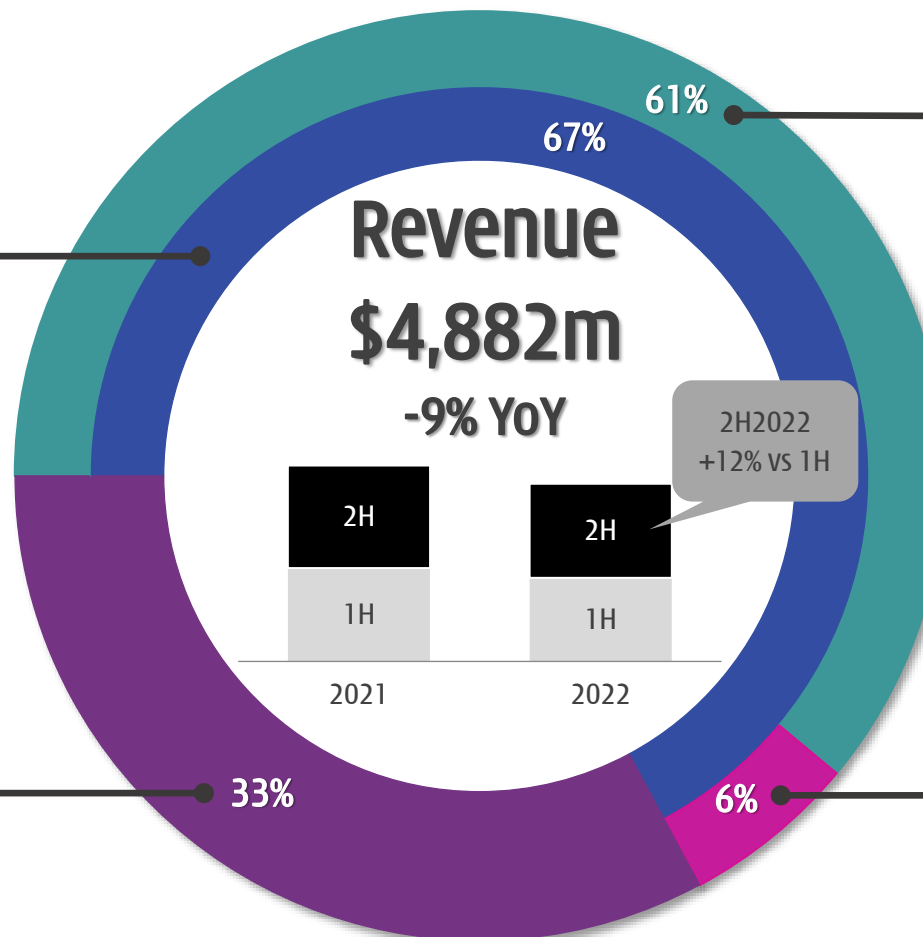
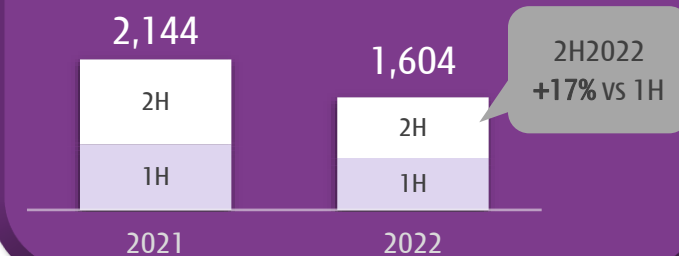
Local Service Revenue (\$m) **Flat** YoY

driven by stabilising market conditions
Represents **91%** of service revenue



Hardware & Other Product Revenue (\$m) **-25%** YoY

due to supply chain constraints



Roaming Service Revenue (\$m) **+14%** YoY

due to gradual easing of travel restrictions
Represents **9%** of service revenue



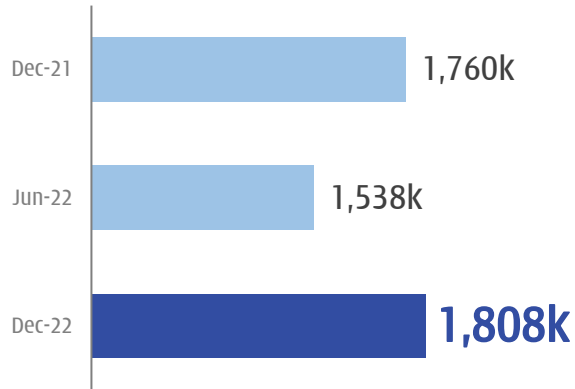
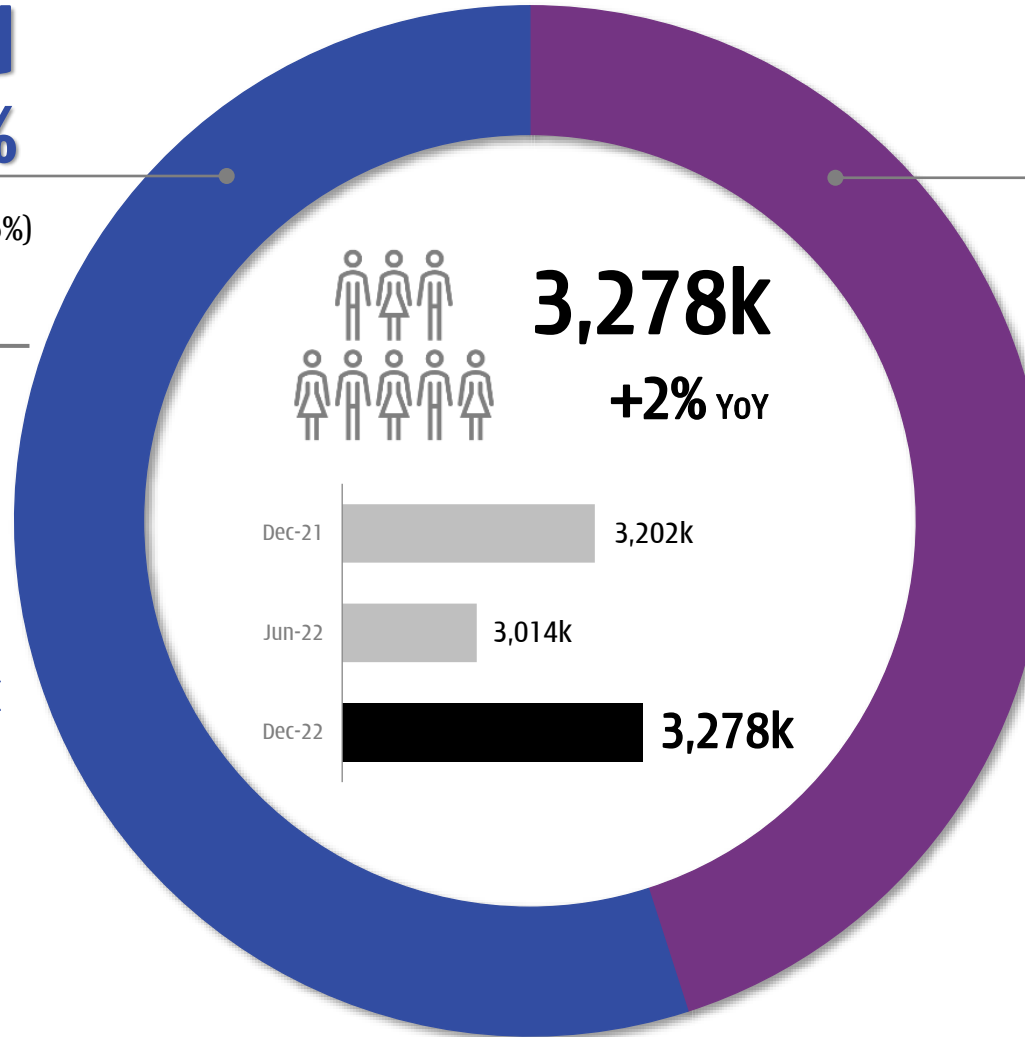
Customers : Solid Customer Base

Prepaid
55%

of total customer base (2021: 55%)
Flat YoY

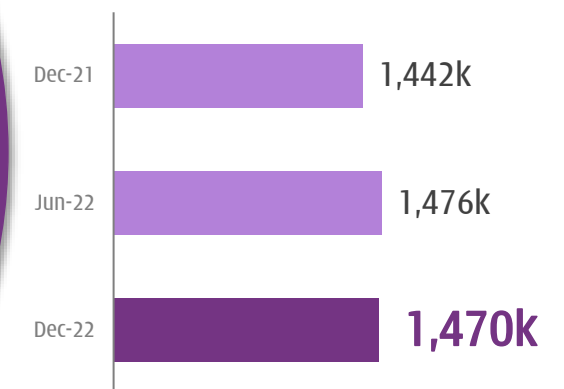
Postpaid
45%

of total customer base (2021: 45%)
Flat YoY



Increased by **3%** YoY
and **18%** vs 1H 2022

Gradual easing of containment measures
and travel restrictions



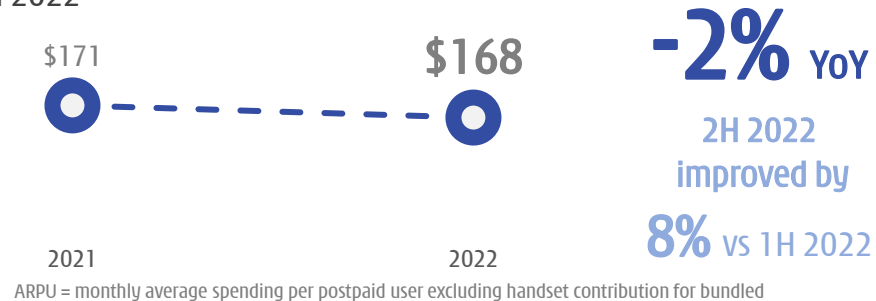
Increased by **2%** YoY
and largely in line vs 1H 2022

Encouraging growth in 5G subscriptions

Customers: Promising Outlook

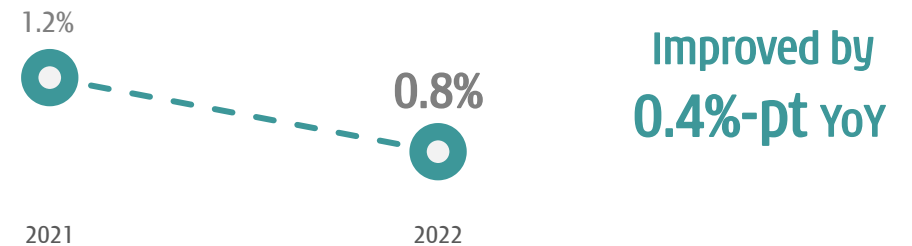
ARPU

- Pressure from competition and unfavourable economic conditions in 1H 2022



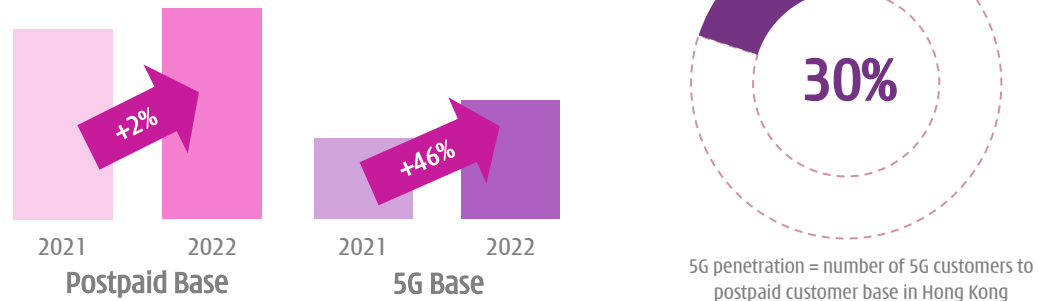
Postpaid Churn

- Improvement in network and effective customer retention strategies, boosting customer engagement and loyalty



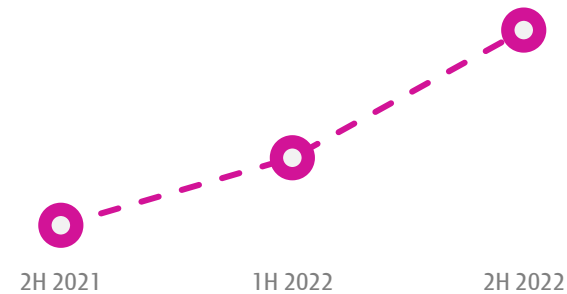
5G Customer Base

- Encouraging uptake



5G Broadband

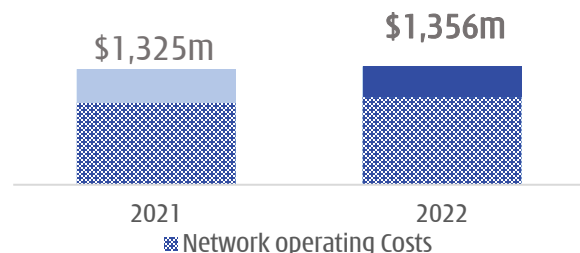
- Strong growth with promising outlook



Vigilant Opex Spending and Healthy Cash Position

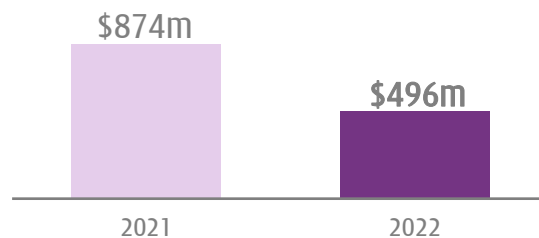
Operating Expenses **-2% YoY**

- Higher network operating costs for 5G network expansion and enhancement



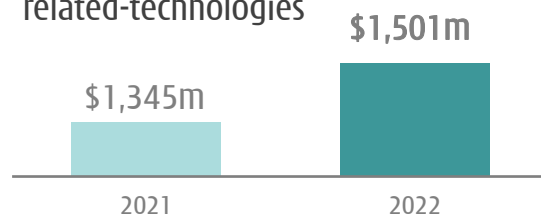
Capital Expenditure **-43% YoY** (excl. telecommunications licences)

- Lower capex as capex on 5G network infrastructure development has peaked



Depreciation & Amortisation **-12% YoY**

- Full year impact for spectrum licence renewed in 2021 with higher SUF⁽¹⁾
- Spectrum activated during 2022
- Investments in network infrastructure and related-technologies



EBITDA less Capex

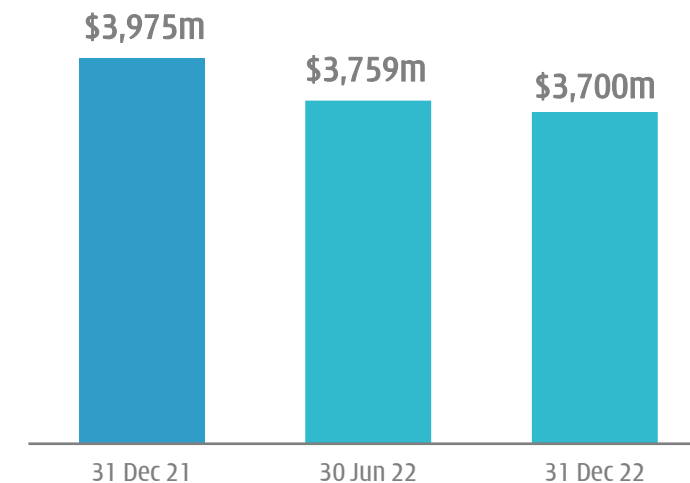
\$924m **+53%**
(2021: \$603m) YoY

CAPEX over Service Revenue

15% **-12%-pts**
(2021: 27%) YoY

Healthy Cash⁽²⁾ Position

- Decreased following the settlement of 2021 final dividend and 2022 interim dividend



Sustainability

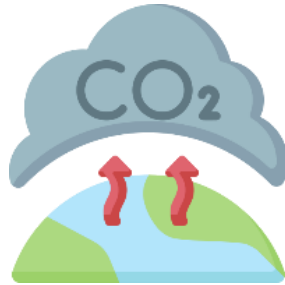


Hutchison Telecom
Hong Kong Holdings

Sustainability: Focusing on what Matters to Stakeholders

Action on Climate Change

↓ >70%
Carbon Emission
Intensity⁽¹⁾ vs 2018



Rigorous Governance

0 Legal cases
regarding corrupt practices



93%

Employees received training on
anti-corruption/ethics and integrity

Creating Great Places to Work

29
Average training hours
per employee⁽²⁾



Rooftop Gardening

Supporting Local Communities



Provided share
mobile network
facility for the
quarantine centres

Notes:

(1) Carbon intensity represents greenhouse gas emissions generated divided by data traffic.

(2) Average training hours represent average hours of training completed by full-time employees.

Outlook



Hutchison Telecom
Hong Kong Holdings

Outlook

- Providing IoT capability in the era of 5G with enhanced network and additional spectrum
- Leveraging customer insight platform to build full understanding of consumer needs to digitally-connect customer experience
- Capturing new opportunities with IoT, 5G and AI in data monetisation
- Accelerating 5G Broadband adoption around all markets including Mass and Corporate Solutions segments

A digital globe with a network overlay and a blue particle trail. The globe is composed of a grid of white lines forming a sphere, with a blue glow emanating from its center. To the right, a trail of blue particles forms a curved path, suggesting data flow or connectivity. The background is a dark, starry space.

Thank You



Hutchison Telecom
Hong Kong Holdings

Appendix



HK\$ million	2022	2021	Change
Revenue	4,882	5,385	-9%
Net customer service revenue	3,278	3,241	+1%
Hardware and other product revenue	1,604	2,144	-25%
Net customer service margin	2,827	2,817	-
<i>Net customer service margin %</i>	<i>86%</i>	<i>87%</i>	<i>-1% pt</i>
Standalone handset and other product sales margin	33	62	-47%
Total margin	2,860	2,879	-1%
CACs	(518)	(529)	+2%
Less: Bundled sales revenue	376	395	-5%
CACs (net of hardware and other product revenue)	(142)	(134)	-6%
Operating expenses	(1,356)	(1,325)	-2%
<i>Opex as a % of net customer service margin</i>	<i>48%</i>	<i>47%</i>	<i>-1% pt</i>
Share of EBITDA of a joint venture	58	57	+2%
EBITDA	1,420	1,477	-4%
Service EBITDA	1,387	1,415	-2%
<i>Service EBITDA margin %</i>	<i>42%</i>	<i>44%</i>	<i>-2% pts</i>
CAPEX (excl. telecommunications licences)	(496)	(874)	+43%
EBITDA less CAPEX	924	603	+53%

HK\$ million	2022	2021	Change
EBITDA	1,420	1,477	-4%
Depreciation and amortisation ^①	(1,501)	(1,345)	-12%
(LBIT)/EBIT	(81)	132	-161%
Service (LBIT)/EBIT	(114)	70	-263%
Net interest and other finance costs ^①	(22)	(40)	+45%
(Loss)/profit before taxation	(103)	92	-212%
Taxation ^①	(55)	(88)	+38%
(Loss)/profit attributable to shareholders	(158)	4	-4050%

^① Depreciation and amortisation, net interest and other finance costs and taxation include the Group's share of joint venture's respective items.