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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)

**OVERSEAS REGULATORY ANNOUNCEMENT  
AND INSIDE INFORMATION ANNOUNCEMENT ON  
THE QUARTERLY TRADING UPDATE FOR  
CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED**

This announcement is made by CK Hutchison Holdings Limited (the “Company”) pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company would like to draw the attention of its shareholders and potential investors to the appended filing attaching the presentation of Q3 2020 quarterly trading update, which contains certain unaudited financial information in relation to the performance of CK Hutchison Group Telecom Holdings Limited (“CKHGT”, an indirect wholly-owned subsidiary of the Company) and its subsidiaries for the nine months and quarter ended 30 September 2020. Such filing has been published by CK Hutchison Group Telecom Finance S.A. (a wholly-owned subsidiary of CKHGT) on the website of the Luxembourg Stock Exchange and has also been made available at the website of CKHGT respectively on 4 November 2020.

**Shareholders and potential investors of the Company are advised that the financial information of CKHGT and its subsidiaries referenced above is unaudited as of the date of this announcement and is included for reference only, they should not place undue reliance on such financial information and should exercise caution when dealing in the securities of the Company.**

By Order of the Board

**Edith Shih**

*Executive Director and Company Secretary*

Hong Kong, 4 November 2020

As at the date of this announcement, the Directors of the Company are:

**Executive Directors:**

Mr LI Tzar Kuoi, Victor (*Chairman and  
Group Co-Managing Director*)  
Mr FOK Kin Ning, Canning  
(*Group Co-Managing Director*)  
Mr Frank John SIXT (*Group Finance Director  
and Deputy Managing Director*)  
Mr IP Tak Chuen, Edmond  
(*Deputy Managing Director*)  
Mr KAM Hing Lam  
(*Deputy Managing Director*)  
Mr LAI Kai Ming, Dominic  
(*Deputy Managing Director*)  
Ms Edith SHIH

**Non-executive Directors:**

Mr CHOW Kun Chee, Roland  
Mrs CHOW WOO Mo Fong, Susan  
Mr LEE Yeh Kwong, Charles  
Mr LEUNG Siu Hon  
Mr George Colin MAGNUS

**Independent Non-executive Directors:**

Mr KWOK Tun-li, Stanley  
Mr CHENG Hoi Chuen, Vincent  
The Hon Sir Michael David KADOORIE  
Ms LEE Wai Mun, Rose  
Mr William Elkin MOCATTA  
(*Alternate to The Hon Sir Michael  
David Kadoorie*)  
Mr WONG Kwai Lam  
Dr WONG Yick-ming, Rosanna



# Trading update

for the quarter ended 30 September 2020



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 Company (the "Potential Investors and Shareholders") are reminded that information contained in this Presentation and subsequent discussion comprises extracts of operational data and financial information of the Group for the nine-month period ended 30 September 2020. 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.

The performance data and the results of operations of the Group contained in this Presentation and 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 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 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.

Active  
Customer <sup>(2)</sup>

42.1 mn

Y-o-Y ↓ 5%

Contract  
Churn <sup>(3)</sup>

1.2%

Y-o-Y ↓ 0.1%-pts

Revenue

€7.6bn

Y-o-Y ↓ 4%

Capex <sup>(4)</sup>

€1.3bn

Y-o-Y ↑ 12%

Total  
Margin

€5.4bn

Y-o-Y ↓ 1%

Net Debt <sup>(5)</sup>

€7.0bn

Y-o-Y ↓ 9%

(1) Unless otherwise specified, the discussion of the Group's operating results in this presentation is on a Pre-IFRS 16 basis.

(2) An active customer is a mobile customer that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

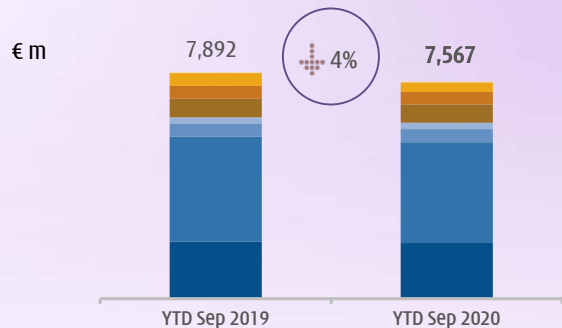
(3) Represents monthly average churn of contract customers.

(4) Capex amount excludes licence costs.

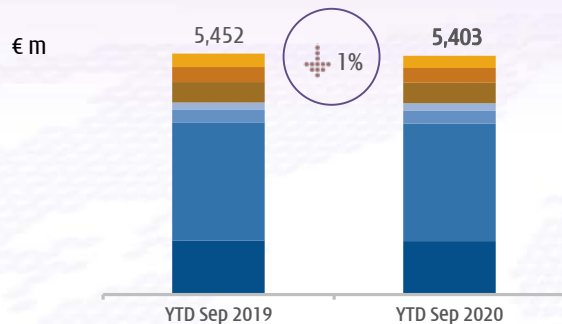
(5) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts. Net debt is defined as total bank and other debts less total cash and cash equivalents.



### Revenue



### Total Margin



- UK
- Italy
- Sweden
- Denmark
- Austria
- Ireland
- Hong Kong
- Corporate & others

### Total Margin

€5,403m

-1%



Total Margin Change % (in local currencies)



Total Margin %<sup>(1)</sup>



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

## Key Financials

## Results Highlights

£ m	YTD Sep 2020	YTD Sep 2019	% Variance
Total Revenue	1,719	1,759	-2%
Total Margin	1,074	1,082	-1%
Total Margin (%) <sup>(1)</sup>	85%	85%	
Capex <sup>(2)</sup>	(395)	(221)	+79%
Net ARPU (£) <sup>(3)</sup>	12.66	13.12	-4%
Net AMPU (£) <sup>(4)</sup>	11.07	11.39	-3%
Active customer ('000) <sup>(5)</sup>	9,909	10,346	-4%
Active contract customer ('000)	7,386	7,078	+4%
Monthly average contract churn (%)	1.4%	1.2%	

- Market landscape remained challenging for most of 2020 with consumer sentiments impacted by the pandemic
- Encouragingly, total margin has been relatively stable year-on-year
- Total margin % remains strong through retention of higher value customers
- The proportion of active contract customers continues to increase (2020: 75%; 2019: 68%), providing stable margin contributions
- Churn % trend increased since Q3 2019 with regulatory change on out-of-contract notifications, which eased mobile porting procedures for consumers.
- Capex increase as 3UK progresses to complete IT transformation and planned acceleration of 5G rollout

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

(2) Capex amount excludes licence costs.

(3) 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 year.

(4) 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 year.

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

## Key Financials

## Results Highlights

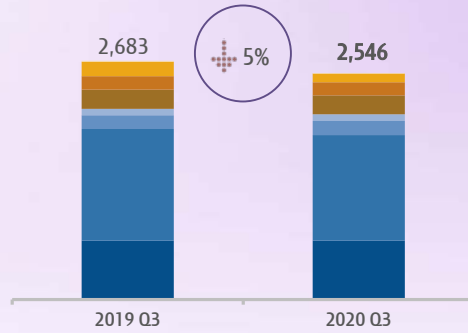
€ m	YTD Sep 2020	YTD Sep 2019	% Variance
Total Revenue	3,513	3,656	-4%
Total Margin	2,653	2,673	-1%
Total Margin (%)	80%	79%	
Capex	(542)	(578)	+6%
Net ARPU (€)	11.01	10.75	+2%
Net AMPU (€)	9.33	8.87	+5%
Active customer ('000)	19,897	22,239	-11%
Active contract customer ('000)	9,775	9,779	-
Monthly average contract churn (%)	1.3%	1.5%	

- Aggressive competition from Iliad and other MVNOs remained high throughout 2020, with a slight reprieve during the lockdown periods
- Revenue declined as a result, but Margin remained relatively stable through effective customer value management
- Margin % remained at a healthy level of approximately 80%
- Positive AMPU trend as a result of customer value management initiatives
- Continuous increase in proportion of active contract customers (2020: 49%; 2019: 44%) in a predominantly prepaid market
- Churn rates gradually stabilised since mid 2019, with reduced churn in 2020 due to long periods of lockdown
- Best network with fastest upload and download speed based on independent surveys, enhancing customer experience and satisfaction
- Reduced capex compared to 2019 as part of cash flow management



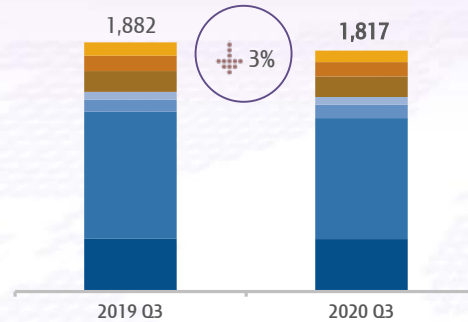
## Revenue

€ m



## Total Margin

€ m

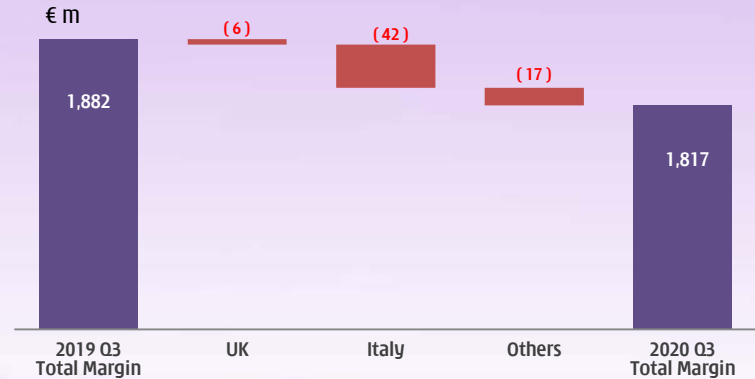


■ UK   
 ■ Italy   
 ■ Sweden   
 ■ Denmark  
■ Austria   
 ■ Ireland   
 ■ Hong Kong   
 ■ Corporate & others

## Total Margin

€1,817m

-3%



Total Margin  
Change %  
(in local currencies)

flat

-4%

UK

Italy

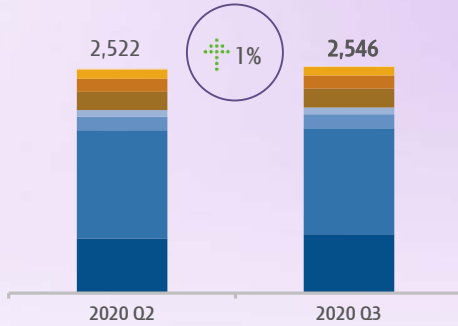
Total Margin %

85%

81%

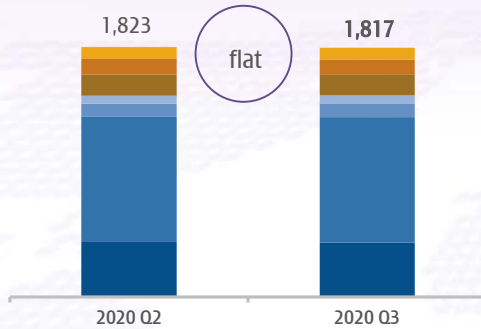
## Revenue

€ m



## Total Margin

€ m



■ UK   
 ■ Italy   
 ■ Sweden   
 ■ Denmark  
■ Austria   
 ■ Ireland   
 ■ Hong Kong   
 ■ Corporate & others

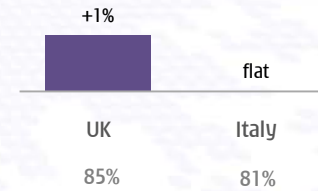
## Total Margin

**€1,817m**

flat



Total Margin  
Change %  
(in local currencies)



Total Margin %

Region	Total Margin %
UK	85%
Italy	81%

## Key Financials

## Results Highlights

£ m	2020 Q3	2019 Q3	% Variance	2020 Q2	% Variance
Total Revenue	603	592	+2%	546	+10%
Total Margin	361	361	-	357	+1%
Total Margin (%)	85%	84%		87%	
Capex	(203)	(66)	† 208%	(94)	† 116%
Net ARPU (£)	12.66	13.12	-4%	12.62	
Net AMPU (£)	11.07	11.39	-3%	10.96	+1%
Active customer ('000)	9,909	10,346	-4%	9,562	+4%
Active contract customer ('000)	7,386	7,078	+4%	7,259	+2%
Monthly average contract churn (%)	1.6%	1.4%		1.2%	

- Volatile market landscape with resurgence of the pandemic towards the end of Q3 2020
- Encouragingly, total margin has been relatively stable year-on-year as well as quarter on quarter
- Total margin % remains strong through retention of higher value customers
- The proportion of active contract customers has improved in 2020, and remained relatively stable despite market competitiveness (Q3 2020: 75%; Q3 2019: 68%; Q2 2020: 76%), providing stable margin contributions
- Churn % demonstrated an increasing trend since Q3 2019 regulatory change on out-of-contract notifications which eased mobile porting procedures for consumers. This negative effect was mostly offset during lockdown in Q2 2020
- Increased capex was relatively stable as 3UK progresses to complete IT transformation and planned acceleration of 5G rollout

## Key Financials

€ m	2020 Q3	2019 Q3	% Variance	2020 Q2	% Variance
Total Revenue	1,189	1,258	-5%	1,214	-2%
Total Margin	913	955	-4%	913	
Total Margin (%)	81%	81%		80%	
Capex	(194)	(226)	↓ 14%	(212)	↓ 8%
Net ARPU (€)	11.01	10.75	+2%	11.00	
Net AMPU (€)	9.33	8.87	+5%	9.26	+1%
Active customer ('000)	19,897	22,239	-11%	20,326	-2%
Active contract customer ('000)	9,775	9,779	-	9,684	+1%
Monthly average contract churn (%)	1.5%	1.5%		1.2%	

## Results Highlights

- Aggressive competition from Iliad and other MVNOs remained high, with a slight reprieve during the lockdown periods
- Revenue and Margin have been impacted by the pandemic against last year but have stabilised during Q3 2020 against the last quarter
- Margin % remained at a healthy level of approximately 80% throughout the periods
- Positive AMPU trend as a result of customer value management initiatives
- Continuous increase in proportion of active contract customers (Q3 2020: 49%; Q3 2019: 44%; Q2 2020: 48%) in a predominantly prepaid market
- Churn rates gradually stabilised since mid 2019 at approximately 1.5%, with the exception of Q2 2020, where churn decreased due to lockdown
- Best network with fastest upload and download speed based on independent survey, a solid platform upon which to commence 5G rollout during 2020 and 2021
- Decreased capex compared to Q2 2020 mainly due to timing of network spending