

Results Highlights for the year ended 31 December 2016

	2016 HK\$ millions	Pro forma results 2015 ⁽¹⁾		Local currency change
		HK\$ millions	Change	
Total Revenue ⁽²⁾	372,686	396,087	-6%	-2%
Total EBITDA ⁽²⁾	91,980	92,093	—	+6%
Total EBIT ⁽²⁾	62,414	62,079	+1%	+7%
Profit attributable to ordinary shareholders before profits on disposal of investments & others	33,313	32,128	+4%	+11%
Profits on disposal of investments & others	(305)	(960)	+68%	
Profit attributable to ordinary shareholders	33,008	31,168	+6%	
Recurring earnings per share ⁽³⁾	HK\$8.63	HK\$8.32	+4%	
Earnings per share ⁽⁴⁾	HK\$8.55	HK\$8.08	+6%	
Final dividend per share	HK\$1.945	HK\$1.850	+5%	
Full year dividend per share	HK\$2.680	HK\$2.550	+5%	

The Group reported total revenue, including the Group's share of associated companies' and joint ventures' revenue, of HK\$372,686 million, a decrease of 6% compared to 2015. EBITDA was flat compared to last year while EBIT showed a modest 1% increase. However, if major currency fluctuations are removed, EBITDA and EBIT grew 6% and 7% respectively against last year in local currencies, reflecting accretive contributions from the Wind Tre merger in Italy, acquisitions made by the Infrastructure division in late 2015, strong performances in the UK and Indonesian telecommunications operations and gains from the strategic disposal of Husky Energy's pipeline assets.

Recurring profit attributable to ordinary shareholders in 2016 before profits on disposal of investments and others was HK\$33,313 million, a 4% increase in reported currency and 11% increase in local currencies. Recurring earnings per share were HK\$8.63 for the full year 2016.

Profits on disposal of investments and others after tax in 2016 was a charge of HK\$305 million comprising a non-cash mark-to-market gain of HK\$598 million on the acquisition of an additional interest in an existing port operation offset by a non-cash impairment charge of HK\$577 million on certain non-core investments held by the ports division and the Group's 50% share of operating losses⁽⁵⁾ of Vodafone Hutchison Australia ("VHA") of HK\$326 million. The Group's share of VHA's losses in 2016 represented a substantial improvement over the HK\$960 million loss recorded in 2015.

Profit attributable to ordinary shareholders for the year ended 31 December 2016 increased 6% to HK\$33,008 million from HK\$31,168 million for 2015.

Note 1: CKHH Pro forma results for the year ended 31 December 2015 assume that the Reorganisation was effective as at 1 January 2015. Pro forma revenue, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") by operating segments for the year ended 31 December 2015 have been reclassified to include the respective additional contributions as a result of the Reorganisation to enable a like-for-like comparison with CKHH actual results for the year ended 31 December 2016. The CKHH statutory results for the year ended 31 December 2015 reflect the impact of Reorganisation that occurred on 3 June 2015 and the total revenue and profit attributable to ordinary shareholders for the year ended 31 December 2015 reported on that basis was HK\$316,318 million and HK\$118,570 million respectively. See the Consolidated Income Statement included in this Annual Report and CKHH 2015 Annual Report for Reconciliation from CKHH Statutory Results to CKHH Pro forma Results for the year ended 31 December 2015.

Note 2: Total revenue, EBITDA and EBIT include the Group's proportionate share of associated companies and joint ventures' respective items.

Note 3: Recurring earnings per share is calculated based on profit attributable to ordinary shareholders before profits on disposal of investments and others, after tax. For the year ended 31 December 2016, the recurring earnings per share is calculated based on CKHH's weighted average number of shares outstanding during the year of 3,859,441,388. For the year ended 31 December 2015, recurring earnings per share on a pro forma basis was calculated based on profit attributable to ordinary shareholders before exceptional items of HK\$32,128 million and on CKHH's issued shares outstanding as at 31 December 2015 of 3,859,678,500.

Note 4: Earnings per share is calculated based on profit attributable to ordinary shareholders. For the year ended 31 December 2016, the earnings per share is calculated based on CKHH's weighted average number of shares outstanding during the year of 3,859,441,388. For the year ended 31 December 2015, earnings per share on a pro forma basis was calculated based on profit attributable to ordinary shareholders of HK\$31,168 million and on CKHH's issued shares outstanding as at 31 December 2015 of 3,859,678,500 and the earnings per share on a statutory basis of HK\$36.91 as at 31 December 2015 was calculated based on the profit attributable to ordinary shareholders of HK\$118,570 million and on CKHH's weighted average number of shares outstanding during the year ended 31 December 2015 of 3,212,671,194.

Note 5: The Group's 50% share of VHA's operating losses continued to be included as a P&L charge under "Others" of the Group's profits on disposal of investments and others line as VHA continues to operate under the leadership of Vodafone under the applicable terms of our shareholders' agreement since the second half of 2012.

Financial Performance Summary

	2016		Pro forma ⁽¹⁾ 2015		% Change %
	HK\$ millions	%	HK\$ millions	%	
Revenue⁽²⁾					
Ports and Related Services ⁽²⁾	32,184	9%	34,009	9%	-5%
Retail	151,502	41%	151,903	38%	-
Infrastructure	53,211	14%	55,762	14%	-5%
Husky Energy	30,467	8%	40,029	10%	-24%
3 Group Europe	62,415	17%	62,799	16%	-1%
Hutchison Telecommunications Hong Kong Holdings	12,133	3%	22,122	5%	-45%
Hutchison Asia Telecommunications	8,200	2%	6,900	2%	19%
Finance & Investments and Others	22,574	6%	22,563	6%	-
Total Revenue	372,686	100%	396,087	100%	-6%
EBITDA⁽²⁾					
Ports and Related Services ⁽²⁾	11,639	13%	11,964	13%	-3%
Retail	14,567	16%	14,838	16%	-2%
Infrastructure	31,128	34%	32,291	35%	-4%
Husky Energy	9,284	10%	9,375	10%	-1%
3 Group Europe	18,944	20%	17,396	19%	9%
Hutchison Telecommunications Hong Kong Holdings	2,607	3%	2,911	3%	-10%
Hutchison Asia Telecommunications	2,298	2%	1,176	2%	95%
Finance & Investments and Others	1,513	2%	2,142	2%	-29%
Total EBITDA before profits on disposal of investments & others	91,980	100%	92,093	100%	-
EBIT⁽²⁾					
Ports and Related Services ⁽²⁾	7,567	12%	7,957	13%	-5%
Retail	12,059	19%	12,328	20%	-2%
Infrastructure	22,162	36%	23,477	38%	-6%
Husky Energy	3,429	5%	2,229	3%	54%
3 Group Europe	12,838	21%	11,664	19%	10%
Hutchison Telecommunications Hong Kong Holdings	1,055	2%	1,426	2%	-26%
Hutchison Asia Telecommunications	2,130	3%	1,176	2%	81%
Finance & Investments and Others	1,174	2%	1,822	3%	-36%
Total EBIT before profits on disposal of investments & others	62,414	100%	62,079	100%	1%
Interest expenses and other finance costs ⁽²⁾	(12,229)		(12,581)		3%
Profit Before Tax	50,185		49,498		1%
Tax⁽²⁾					
Current tax	(6,247)		(6,734)		7%
Deferred tax	(1,769)		(463)		-282%
	(8,016)		(7,197)		-11%
Profit after tax	42,169		42,301		-
Non-controlling interests and perpetual capital securities holders' interests	(8,856)		(10,173)		13%
Profit attributable to ordinary shareholders before profits on disposal of investments & others ("Recurring NPAT")	33,313		32,128		4%
Profits on disposal of investments & others, after tax ⁽³⁾	(305)		(960)		68%
Profit attributable to ordinary shareholders ("NPAT")	33,008		31,168		6%

Note 1: CKHH Pro forma results for the year ended 31 December 2015 assume that the Reorganisation was effective as at 1 January 2015. Pro forma revenue, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") by operating segments for the year ended 31 December 2015 have been reclassified to include the respective additional contributions as a result of the Reorganisation as shown in the table below, to enable a like-for-like comparison with CKHH actual results for the year ended 31 December 2016. The CKHH statutory results for the year ended 31 December 2015 reflect the impact of Reorganisation that occurred on 3 June 2015 and the total revenue and profit attributable to ordinary shareholders for the year ended 31 December 2015 reported on that basis was HK\$316,318 million and HK\$118,570 million respectively. See the Consolidated Income Statement included in this Annual Report and CKHH 2015 Annual Report for Reconciliation from CKHH Statutory Results to CKHH Pro forma Results for the year ended 31 December 2015.

	Revenue	EBITDA	EBIT	Recurring NPAT
Ports and Related Services	242	124	70	43
Infrastructure	11,918	8,144	5,376	3,320
Energy	6,205	1,453	345	211
Telecommunications	80	20	(22)	(21)
Finance & Investments and Others	2,895	356	282	(789)
Total Additional Contributions for the year ended 31 December 2015	21,340	10,097	6,051	2,764

Note 2: Total revenue, EBITDA, EBIT, interest expenses and other finance costs and tax include the Group's proportionate share of associated companies and joint ventures' respective items. Total revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 3: Profits on disposal of investments and others, after tax in 2016 was a charge of HK\$305 million comprising an impairment charge on certain non-core investments held by the ports operation of HK\$577 million and the Group's 50% share of operating losses of Vodafone Hutchison Australia ("VHA") which amounted to HK\$326 million, partly offset by a non-cash mark-to-market gain upon acquisition of additional interest in an existing port operation of HK\$598 million. This is compared to the HK\$960 million charge arising from VHA's losses recorded in 2015.