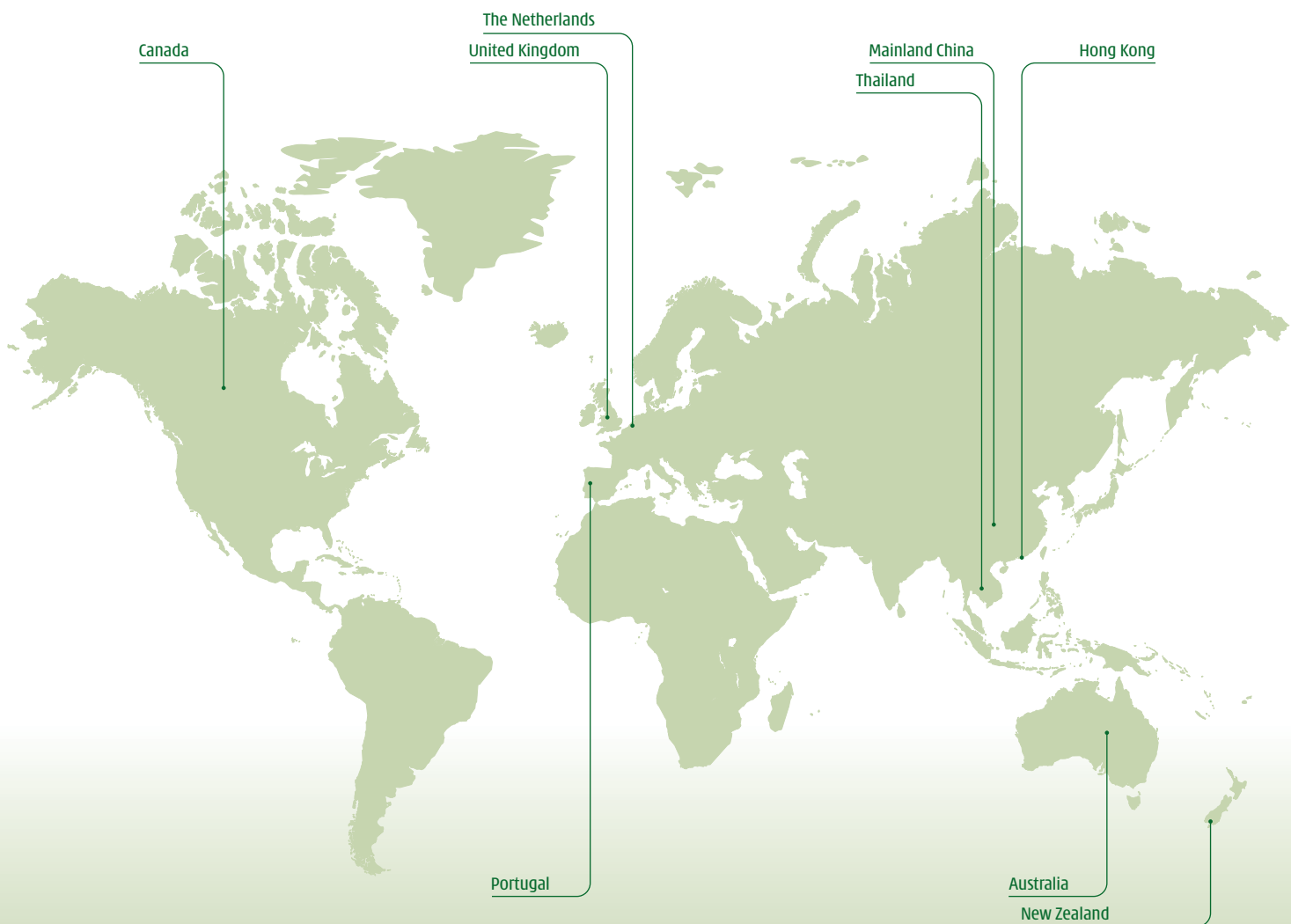
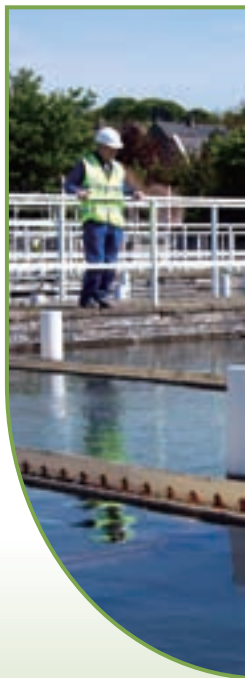




In 2016, Victoria Power Networks, in Australia, achieves network availability of 99.99% for CitiPower and 99.97% for Powercor.

Infrastructure





1. HK Electric receives the go-ahead for its L11 new gas-fired generating unit, scheduled for commission in 2022.
2. Northern Gas Networks runs one of the eight major gas distribution networks in the UK.



3. Dutch Enviro Energy owns AVR, the largest energy-from-waste company in the Netherlands. It operates five waste treatment plants and is one of the largest sustainable district heating producers in the country.
4. Northumbrian Water is the first and only wastewater company in England and Wales to use 100% of sewage sludge to produce renewable energy.
5. UK Rails S.à r.l. enters into an agreement with Arriva Rail North Limited to procure and lease out 281 new vehicles worth £490 million.

The infrastructure division comprises the Group's 75.67%⁽¹⁾ interest in Cheung Kong Infrastructure Holdings Limited ("CKI") and the Group's additional interests in six co-owned infrastructure joint ventures ("JVs").

	2016 ⁽²⁾ HK\$ millions	2015 ⁽³⁾ HK\$ millions	Change	Change in Local Currency
Total Revenue	53,211	55,762	-5%	+3%
EBITDA	31,128	32,291	-4%	+5%
EBIT	22,162	23,477	-6%	+3%

Note 1: In January 2015, CKI completed a share placement and share subscription transaction that resulted in the Group's interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determining the number of shares held by the public, the Group's profit sharing in CKI continues to be 75.67%.

Note 2: The aircraft leasing business was disposed of to Cheung Kong Property in December 2016. During the year of 2016, the operation contributed revenue, EBITDA and EBIT of HK\$1,820 million, HK\$1,705 million and HK\$879 million respectively.

Note 3: 2015 pro forma results assumed that the Reorganisation was effective on 1 January 2015 which include the full year pro forma contributions from the co-owned JVs and the aircraft leasing operations.

CKI

CKI is the largest publicly listed infrastructure company on the SEHK, with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management, waste-to-energy and infrastructure-related businesses, operating in Hong Kong, the Mainland, the UK, the Netherlands, Portugal, Australia, New Zealand and Canada.

CKI announced profit attributable to shareholders of HK\$9,636 million, 14% lower than HK\$11,162 million reported last year. During the year, CKI faced many challenges, including volatile exchange rates, in particular British Pound, and the rising interest rates. Despite these influences, CKI's operations around the world performed well and total profit contribution in Hong Kong Dollars was at a similar level to 2015. The reduction in attributable profit was mainly due to a smaller UK deferred tax credit in 2016 than 2015, and the 2015 reversal of provisions and expenses made earlier relating to non-operational matters.

Power Assets, a company listed on the SEHK and in which CKI holds a 38.87% interest, announced profit attributable to shareholders of HK\$6,417 million, a decrease of 17% compared to last year's profit of HK\$7,732 million.

In March 2016, CKI issued perpetual capital securities with a nominal amount of US\$1,200 million for general corporate funding purposes including the redemption of the existing US\$1,000 million perpetual capital securities.

In July 2016, CKI and Power Assets completed the acquisition of Husky Midstream Limited Partnership, oil pipelines and terminals connecting Lloydminster and Hardisty. CKI and Power Assets own 16.25% and 48.75% interest in Husky Midstream Limited Partnership respectively, with the remaining 35% owned by Husky.

In January 2017, Power Assets declared a special interim dividend for the financial year ended 31 December 2016 of HK\$5 per share.

On 14 March 2017, independent shareholders' approvals were obtained for the consortium comprising CKI, Power Assets and Cheung Kong Property Holdings Limited to acquire 100% interest in DUET Group, owner and operator of energy utility assets in Australia, the United States, the United Kingdom and Europe, which is listed on the Australian Securities Exchange, for an estimated total consideration of approximately AUD7.4 billion. Completion of the acquisition is subject to, among other conditions, approvals from the Foreign Investment Review Board of Australia and shareholders of DUET Group.

Co-owned joint ventures with CKI

The Group's six co-owned JVs with CKI include Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails. The co-owned operations contributed additional revenue, EBITDA and EBIT of HK\$10,038 million, HK\$7,070 million and HK\$4,942 million respectively in the year.