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

2022 Annual Results

Operations Analysis

Disclaimer

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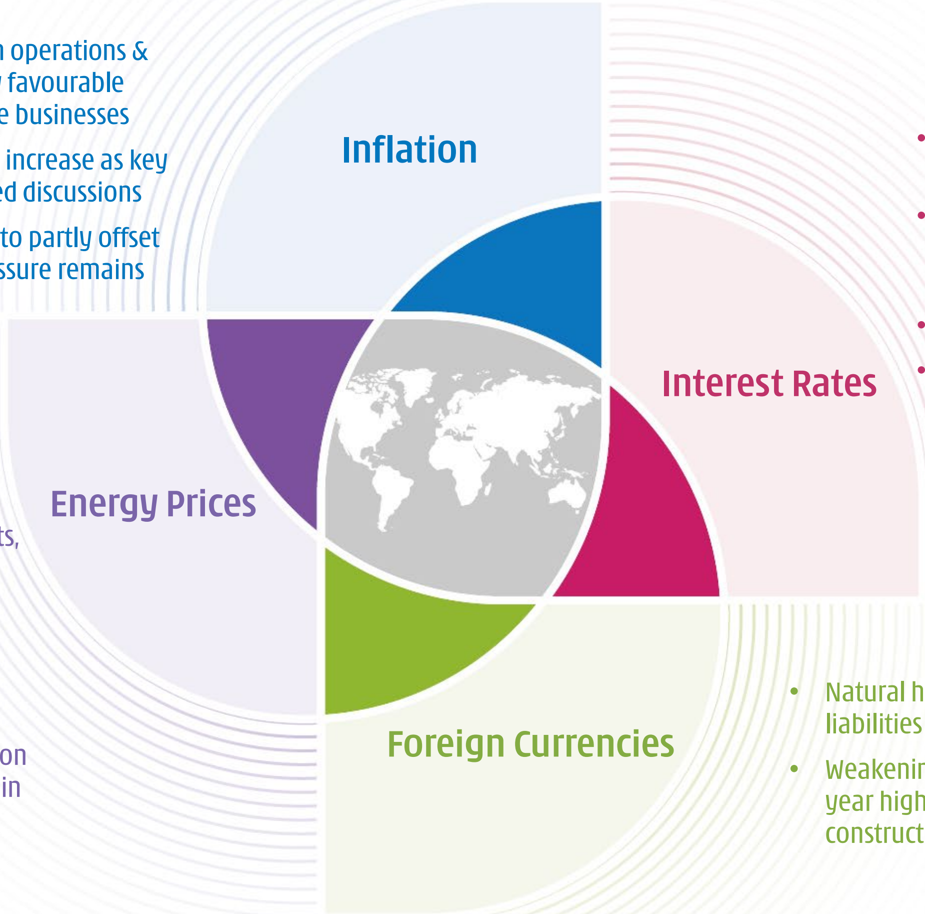
2022 Major Headwinds



- Impact more to the Europe Telecom operations & certain ports, with milder or slightly favourable impact seen in Retail / Infrastructure businesses
- Some level of certainty in 2023 pay increase as key European businesses have concluded discussions
- Pricing strategies are being refined to partly offset the escalating costs but margin pressure remains

- Net debt ratio improved by 3.6% -points to 16.7%
- Average cost of debt remains low at 2.0% in 2022. Average maturity steady at 4.8 years
- 73% of the Group's debt are fixed rate
- $154.2bn of liquid assets provided improved rate of returns in rising interest rate environment

- Certain level of hedges in place for 2022 prior to price hikes across Ports, Retail & Telecom divisions
- Close monitoring of market developments to lock in prices for 2023, but this will remain as a key challenge
- Cenovus Energy earnings contribution will provide "natural hedge" effects in rising price environments

- Natural hedge of EUR denominated liabilities against European assets
- Weakening USD post Q3 2022 from its 20-year high may provide a more constructive outlook for the Group in 2023

Key Strategic Pillars

Creating long term shareholder value

- Progressing & exploring accretive M&A transactions, particularly Telecom in-market consolidation
- Focusing on operational efficiencies and continued digitisation and IT investments to enhance margin under inflationary markets
- Share buybacks continues to be in the pipeline

Maintaining robust financial profile

- Strong balance sheet
- Long debt maturity profile
- Low cost of debt
- Disciplined working capital management & investment decisions
- Strong access to capital markets

Focusing on Sustainability

- Balancing risk & opportunities in creating value for all stakeholders
- Attract and retain the best talent
- Investment in the infrastructure needed along the pursuit of a net-zero pathway

Geographical & Business Diversity

- The Group's solid financial profile supports the unique mix of the diversified asset portfolios
- Defensive business profiles with resilient profitability amidst volatility
- More opportunities to grow organically with existing diverse businesses & geographies
- Diversified geography and industries provide natural hedge amidst volatility

2022

Results Highlights

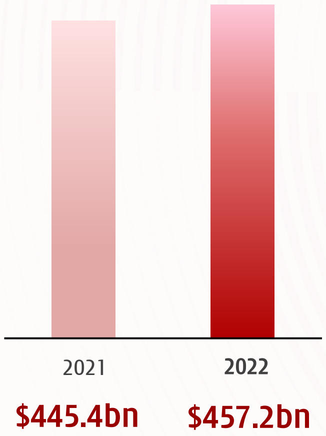
2022 Financial Highlights

10% net earnings and dividend growth

Revenue

+3%

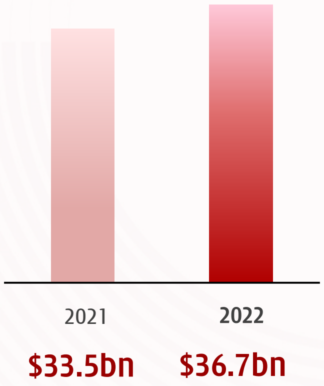
(+10% in local currencies)



Net Earnings (post-IFRS 16) [(1)]

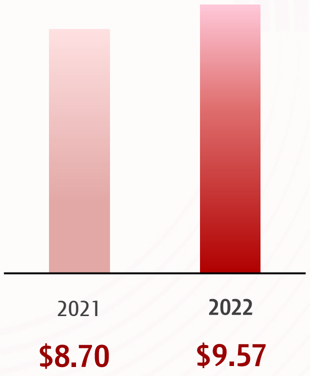
+10%

(+15% in local currencies)



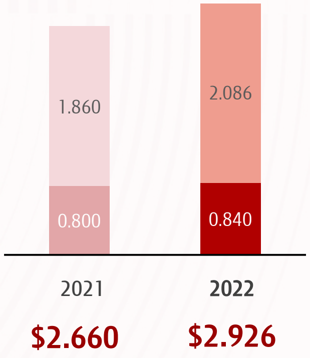
EPS (post-IFRS 16) [(1)]

+10%



DPS

+10%



(1) Net earnings represent profit attributable to ordinary shareholders. FY 2022 EPS is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of share outstanding of 3,834,106,390 for the year.

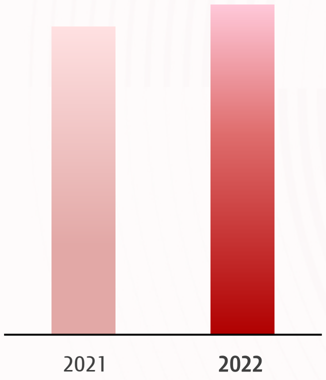
2022 Financial Highlights

Solid operational performances coupled with strong financial profile

EBITDA (pre-IFRS 16) [(1)]

+7%

(+14% in local currencies)

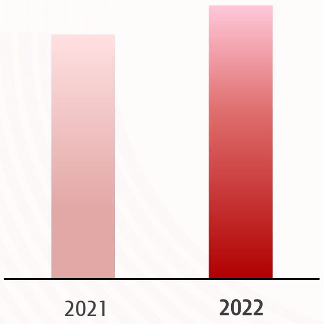


$111.2bn $119.0bn

EBIT (pre-IFRS 16) [(1)]

+13%

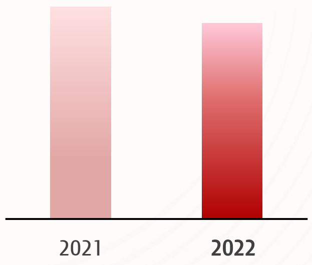
(+19% in local currencies)



$64.7bn $72.9bn

OpFCF (pre-IFRS 16)

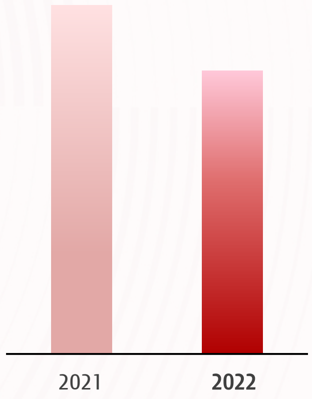
-6%



$35.3bn $33.0bn

Net Debt Ratio (pre-IFRS 16) [(1)]

3.6%-points



20.3% 16.7%

(1) The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 2021 and 2022. Unless otherwise specified, the discussion of the Group's operating results in this presentation is on a Pre-IFRS 16 basis as mentioned above. **Under Post-IFRS 16 basis, EBITDA, EBIT and Net Debt Ratio were HK$142.1 billion, HK$78.3 billion and 16.9% respectively.**

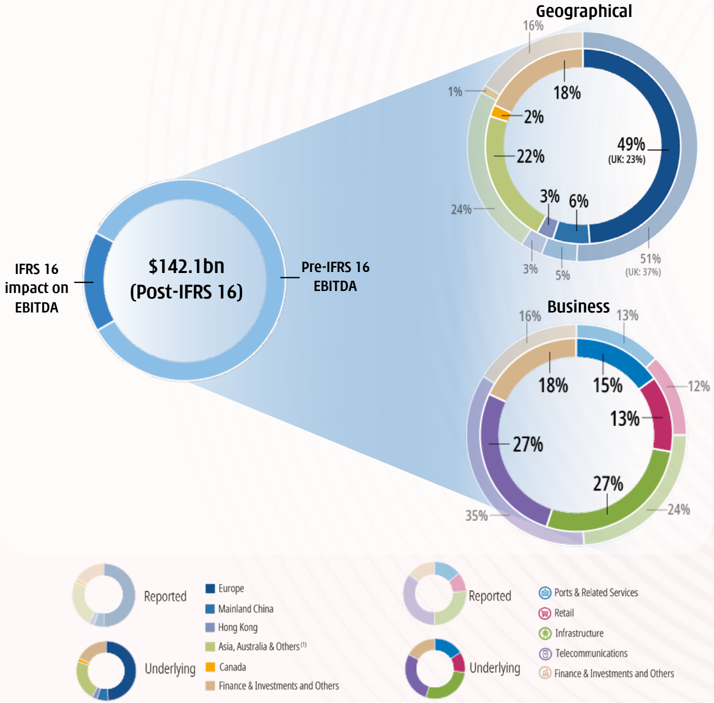
2022 EBITDA

EBITDA (pre-IFRS 16) (4)

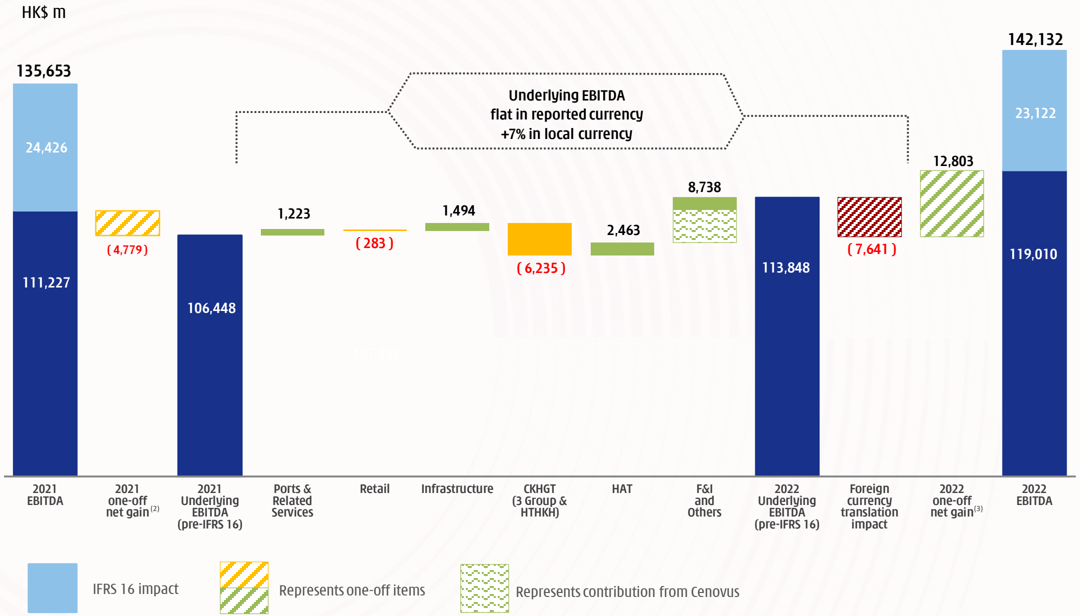
$119.0bn

+7%

(+14% in local currencies)



EBITDA Change by Division



(1) Asia, Australia & Others includes Panama, Mexico and the Middle East.

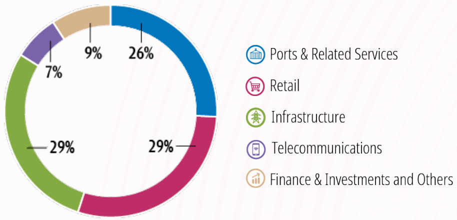
(2) 2021 one-time net gain include gain on disposal of tower assets completed in 2021 of HK$25.3 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$15.5 billion, the share of Cenovus' impairment charge of HK$1.5 billion and a non-cash foreign exchange reserve loss of HK$3.5 billion following the Cenovus-Husky merger.

(3) 2022 one-time net gain include gain on disposal of tower assets completed in 2022 of HK$19.0 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$6.1 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion, non-cash impairment of the Group's Sri Lankan telecommunication business of HK$1.0 billion and the share of Cenovus' impairment charge of HK$0.3 billion.

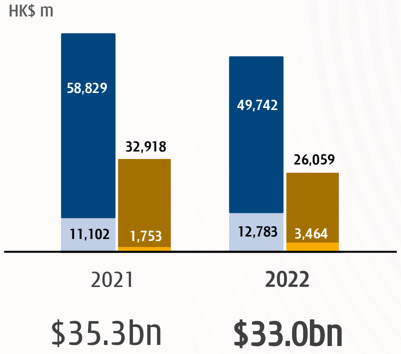
(4) The outer pie chart represents EBITDA %-mix on a reported basis. The inner pie chart represents underlying EBITDA %-mix, which excludes the items mentioned in note (3) above.

2022 Operating FCF

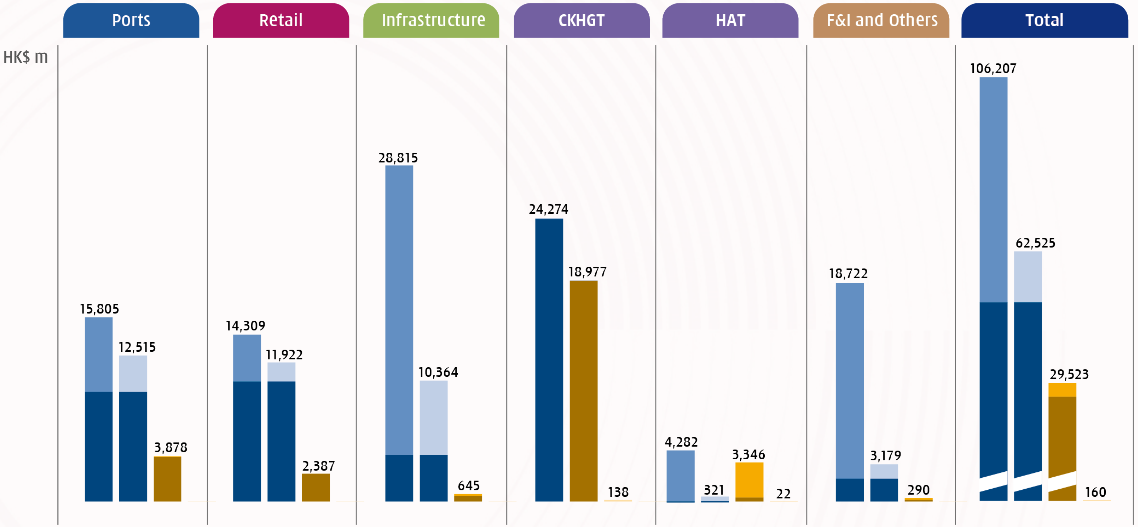
Operating FCF by Core Business



Operating FCF (pre-IFRS 16) (1)



Operating FCF by division



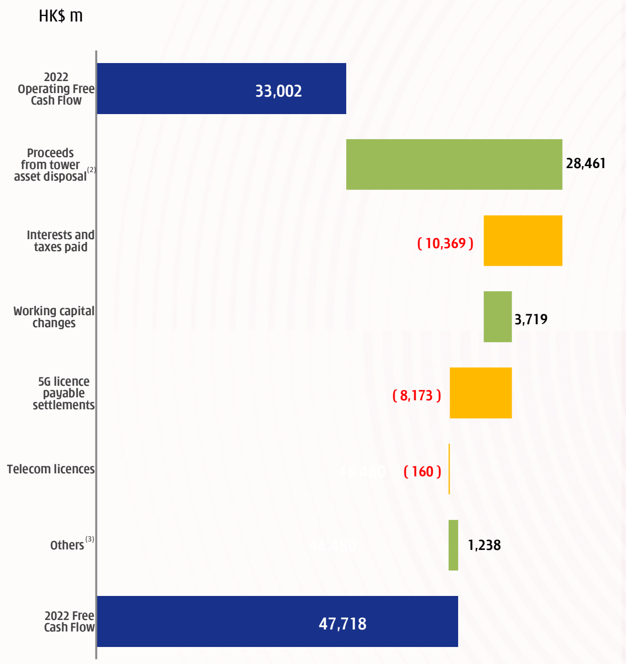
	Ports	Retail	Infrastructure	CKHGT	HAT	F&I and Others	Total
EBITDA - Co & Subsidiaries (2)	9,387	10,287	3,996	24,224	(94)	1,942	49,742
EBITDA - Share of Asso. & JVs (2)	6,418	4,022	24,819	50	4,376	16,780	56,465
Dividends from Asso. & JVs	3,128	1,635	6,368	-	415	1,237	12,783
Capex	3,801	2,387	477	18,931	327	136	26,059
Investments in Asso. & JVs	77	-	168	46	3,019	154	3,464
Capex - Telecom Licences	-	-	-	138	22	-	160

(1) Operating FCF represents EBITDA (Pre-IFRS 16 basis) of Company & subsidiaries and dividends from Asso. & JVs less capex of Company & subsidiaries (excluding Telecom licences) and investments in Asso. & JVs. Operating FCF excludes one-off items described below.

(2) EBITDA of subsidiaries in 2022 and 2021 exclude net gains from non-recurring transactions of HK$13.1 billion and HK$6.3 billion respectively. EBITDA - Share of Asso & JVs in 2022 and 2021 exclude share of impairment and other charges of the Energy business of HK$0.3 billion and HK$1.5 billion respectively. For details, refer to notes (2) and (3) on page 5.

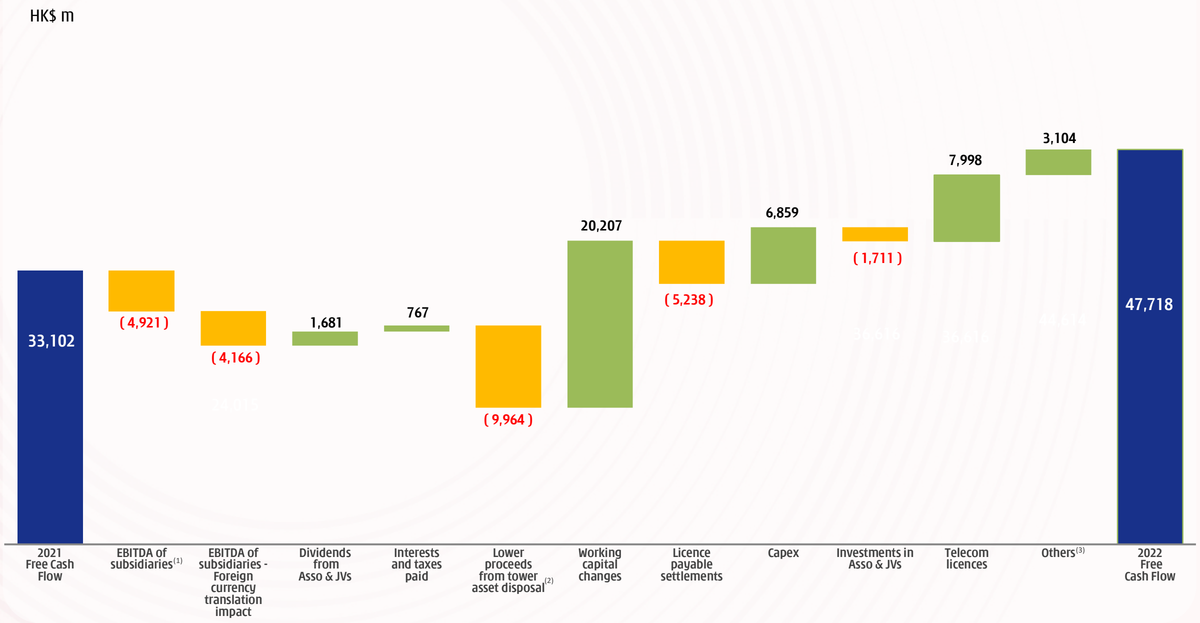
Free Cash Flow

Free Cash Flow



Free Cash Flow Year-on-Year Change

$47.7bn +44%



(1) EBITDA of subsidiaries in 2022 and 2021 exclude net gains from non-recurring transactions of HK$13.1 billion and HK$6.3 billion respectively.

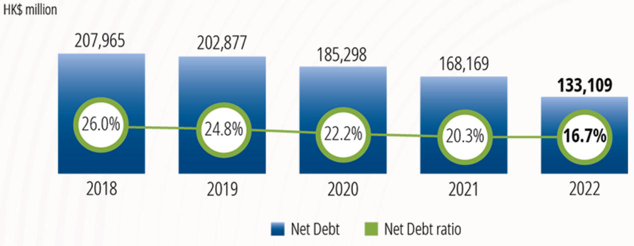
(2) Proceeds from tower asset disposal in 2022 includes Cellnex shares consideration of HK$9.9 billion.

(3) Others include additions and proceeds from disposals of subsidiaries, Asso & JVs and other investments.

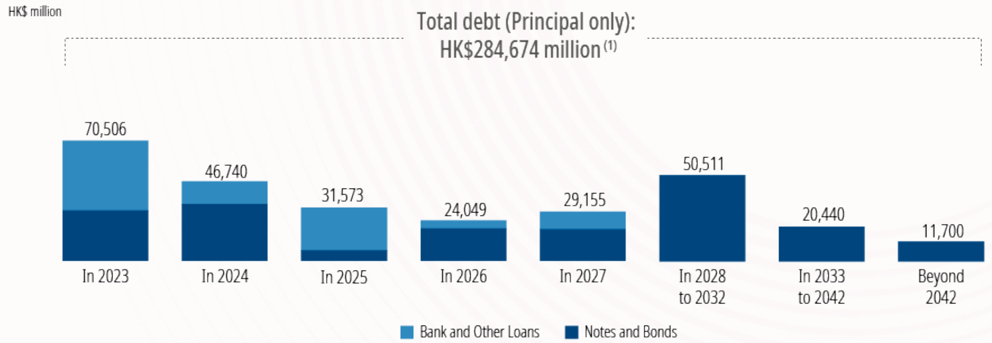
2022 Financial Profile

Continuous net debt reduction and extended maturities

Net Debt Improvement



Debt Maturity Profile



4.8 years
Avg. Maturity
(Dec 2021: 4.8 years)

2.0%
Avg. Cost of Debt
(Dec 2021: 1.6%)

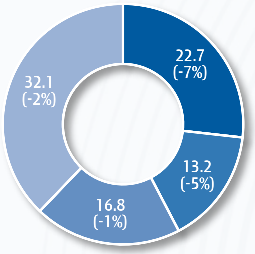
$154.2bn
Liquid Assets
(sufficient to cover all debt maturing prior to Q2 2026)

Moody's	A2
S&P	A
Fitch	A-

(1) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity is 16.9%.

Ports & Related Services

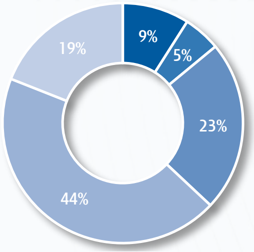
TEUs



84.8m

-4%

EBITDA (1)



$15,805m

+4%

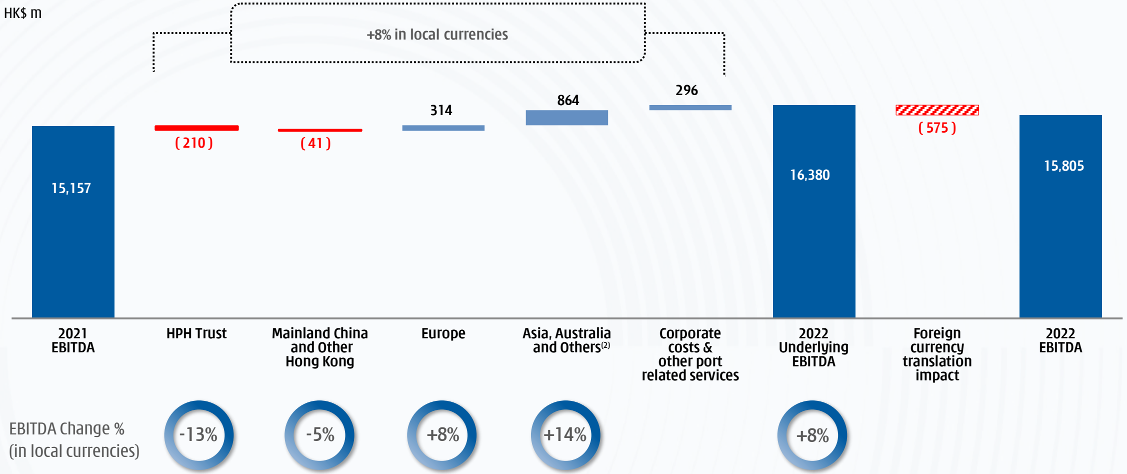
(+8% in local currencies)

- HPH Trust
- Mainland China and Other Hong Kong
- Europe
- Asia, Australia and Others (2)
- Corporate costs & other port related services

(1) Under Post-IFRS 16 basis, EBITDA was HK$19,007 million.

(2) Asia, Australia and Others includes Panama, Mexico and the Middle East.

EBITDA

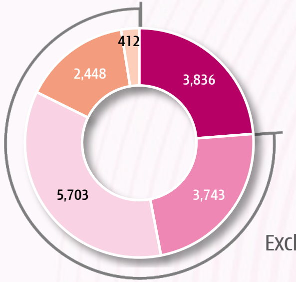


Outlook

- Supply chain disruption and congestion gradually unwind, although we do expect mild growth in throughput mainly in second half of 2023
- Handling capacity in Thailand will be expanded and new facility at Abu Qir, Egypt will be opened
- Continue to explore expansion and collaboration opportunities to enhance business and geographical portfolio

Retail

Store number

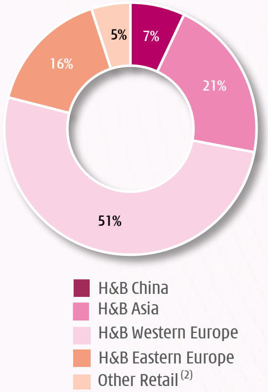


16,142

-2%

Excluding H&B China: 12,306
+1%

EBITDA [1]



$14,309m

-11%

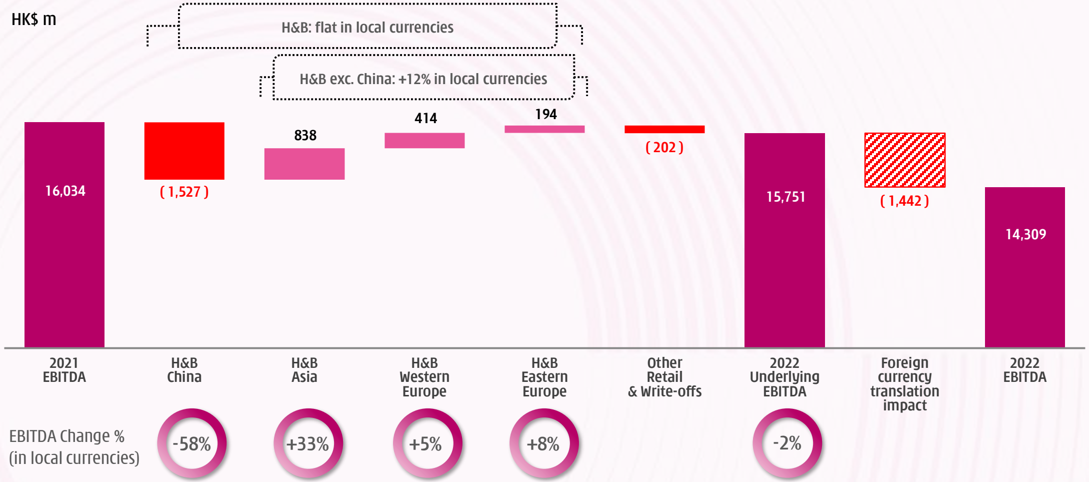
(-2% in local currencies)

Excluding H&B China: -1%
(+9% in local currencies)

(1) Under Post-IFRS 16 basis, EBITDA was HK$23,359 million.

(2) Includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

EBITDA

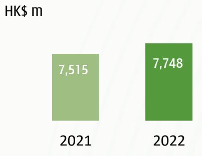


Outlook

- H&B Asia expected to continue showing meaningful growth while H&B China will see strong recovery following the relaxation of the COVID-related restrictions in China
- H&B Europe will continue to deliver robust performances
- Continue to drive our strategic pillars, including GOBE, O+O strategy and CRM to increase customer engagement and lifetime value

Infrastructure

CKI's reported NPAT [1]

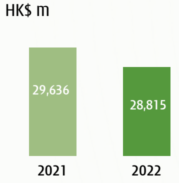


$7,748m

+3%

EBITDA [2]

Infrastructure Division
(incl. six co-owned assets)



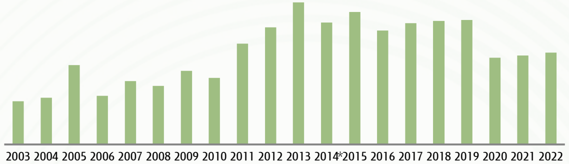
$28,815m

-3%

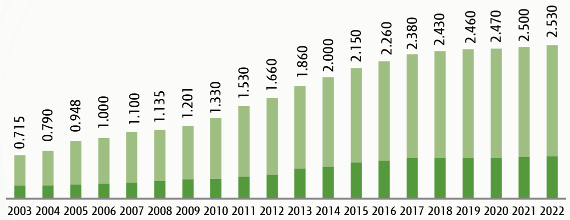
(+5% in local currencies)

(1) Post-IFRS16 basis.
(2) Under Post-IFRS 16 basis, EBITDA was HK$29,109 million.

Stable Earnings & Dividend Growth



Earnings Per Share (HK$)



Dividends Per Share (HK$)

* Excludes share of one-off gains arising from the spin-off of HKE by PAH and privatisation of Envestra

7.3%
Net Debt Ratio
(Dec 2021: 14.7%)

S&P Credit Rating A/Stable

No resets in 2022

Outlook

- High regulatory certainties in next few years as most businesses have completed regulatory resets
- Inflation will benefit the revenue and asset bases of regulated businesses
- Strong cash position, low gearing and solid operating track record will sustain growth

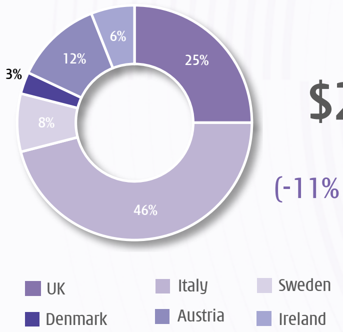
Telecommunications - 3 Group Europe

Total Revenue

$77,925m -10%

(flat in local currencies)

EBITDA (1)

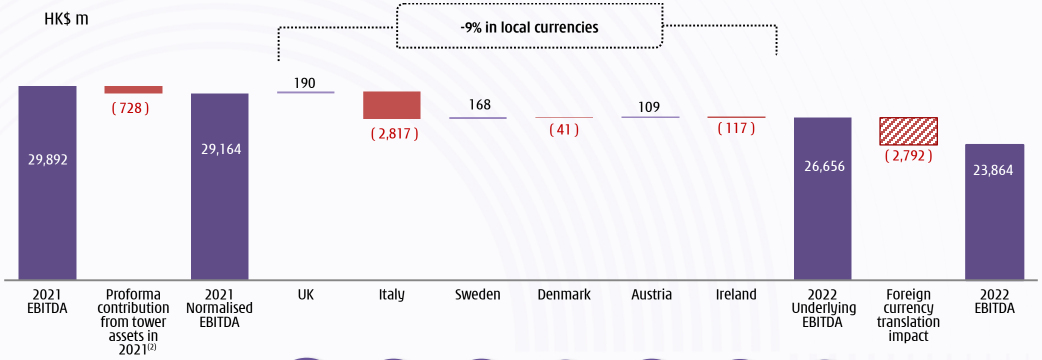


$23,864m

-20%

(-11% in local currencies)

EBITDA (1)



EBITDA Change % (in local currencies)	UK	Italy	Sweden	Denmark	Austria	Ireland	2022 Underlying EBITDA
	+3%	-19%	+9%	-5%	+4%	-7%	-9%

Outlook

- Affected by rising energy costs and inflationary pressure but will be mitigated by continued top line growth through various pricing initiatives
- Maintain cash flow profile by reducing capex spending in 2023
- In-market consolidation and asset-light strategy continue to be the main objectives

(1) Under Post-IFRS 16 basis, EBITDA was HK$30,144 million.

(2) As the disposal of tower assets in Italy was completed in June 2021, the 2021 Italy results were normalised, which exclude the proforma contribution from tower assets for January to June 2021 for comparability purpose. Similarly, as the tower assets in UK was completed in November 2022, the 2021 UK results exclude the proforma contribution from the tower assets for November to December 2021.

Telecommunications - 3 Group Europe

5G Coverage

UK
Ookla fastest 5G network in 2022
Various 5G awards in 2022 by OpenSignal

ITA
95%+ FDD coverage, 65%+ TDD coverage
Highest scores in independent surveys for network speed and 5G coverage

SWE
Extensive 5G coverage in nine of the largest cities with full TDD coverage

DEN
65%+ 5G coverage, with TDD coverage expected to achieve over 60% in 2023

AUT
Ookla fastest 5G network in 2022
Launched first 5G standalone FWA products

IRE
Recognised as Ireland's fastest 5G network with 90% population coverage

Pricing Initiatives

UK
Daily roaming charge in 2022
Inflation-linked pricing embedded in contracts

ITA
Annual increment across 2022
CPI-linked pricing embedded in contracts from 2023

SWE
Price increment on hardware and refining portfolio mix

DEN
Price increment throughout 2022 and 2023 on 3 brand and second brands

AUT
CPI-linked pricing embedded in contracts
Historical indexation since 2015

IRE
Annual price adjustment embedded in contracts from late 2021
CPI-linked pricing embedded in contracts from 2023

Energy Efficiency Initiatives

Deployment of smart network "sleeping mode"
ITA, SWE, DEN, AUT, IRE

Retirement of legacy technologies
UK, ITA, SWE, DEN, AUT

Thermal management
UK, ITA, AUT

Reduction of redundant assets through consolidation or active sharing
ITA, AUT, IRE

Deployment of energy efficient equipment
AUT, IRE

Telecommunications - 3 Group Europe

In million	UK (1) GBP		Italy (1) EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe before one-off (1) (2) HK$			
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021		
														Normalised	Tower assets	Reported
Total Revenue	2,520	2,444	3,947	4,193	7,586	6,902	2,375	2,272	885	866	620	579	77,925	86,972	-	86,972
% change	+3%		-6%		+10%		+5%		+2%		+7%		-10%			
											Local currencies change %		-			
Total margin	1,529	1,445	3,030	3,187	4,753	4,351	1,864	1,764	669	638	460	445	54,933	60,777	-	60,777
% change	+6%		-5%		+9%		+6%		+5%		+3%		-10%			
											Local currencies change %		+1%			
TOTAL CACs	(953)	(968)	(276)	(290)	(1,003)	(1,233)	(229)	(227)	(113)	(115)	(103)	(77)	(14,305)	(16,163)	-	(16,163)
Less: Handset Revenue	759	772	167	203	555	769	78	93	100	101	99	76	10,852	12,549	-	12,549
Total CACs (net of handset revenue)	(194)	(196)	(109)	(87)	(448)	(464)	(151)	(134)	(13)	(14)	(4)	(1)	(3,453)	(3,614)	-	(3,614)
Operating Expenses	(723)	(655)	(1,578)	(1,451)	(1,957)	(1,724)	(1,036)	(920)	(306)	(286)	(281)	(256)	(27,616)	(27,999)	728	(27,271)
Opex as a % of total margin	47%	45%	52%	46%	41%	40%	56%	52%	46%	45%	61%	58%	50%	46%		45%
EBITDA	612	594	1,343	1,649	2,348	2,163	677	710	350	338	175	188	23,864	29,164	728	29,892
% change	+3%		-19%		+9%		-5%		+4%		-7%		-18%			
											Local currencies change %		-9%			
EBITDA margin % (3)	35%	36%	36%	41%	33%	35%	29%	33%	45%	44%	34%	37%	36%	39%		40%
Depreciation & Amortisation	(465)	(442)	(1,155)	(1,044)	(1,728)	(1,272)	(551)	(464)	(154)	(145)	(124)	(125)	(18,300)	(18,520)	(113)	(18,633)
EBIT	147	152	188	605	620	891	126	246	196	193	51	63	5,564	10,644	615	11,259
% change	-3%		-69%		-30%		-49%		+2%		-19%		-48%			
											Local currencies change %		-41%			

	UK FY 2022	UK FY 2021	Italy FY 2022	Italy FY 2021	Sweden FY 2022	Sweden FY 2021	Denmark FY 2022	Denmark FY 2021	Austria FY 2022	Austria FY 2021	Ireland FY 2022	Ireland FY 2021	3 Group Europe FY 2022	3 Group Europe FY 2021
Capex	(743)	(784)	(849)	(1,111)	(1,498)	(1,394)	(792)	(705)	(168)	(153)	(101)	(114)	(18,432)	(23,118)
Reported depreciation & amortisation (4)	407	400	922	792	1,066	671	421	294	106	97	90	87	14,475	14,206
Reported D&A less Capex (4)	(336)	(384)	73	(319)	(432)	(723)	(371)	(411)	(62)	(56)	(11)	(27)	(3,957)	(8,912)
Reported EBITDA less Capex	(131)	(175)	494	599	850	769	(115)	5	182	185	74	74	5,432	6,774

	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
EBITDA per above	612	594	1,343	1,649	2,348	2,163	677	710	350	338	175	188	23,864	29,164
Proforma contribution from Tower assets	-	15	-	61	-	-	-	-	-	-	-	-	-	728
Reported EBITDA	612	609	1,343	1,710	2,348	2,163	677	710	350	338	175	188	23,864	29,892
EBIT per above	147	152	188	605	620	891	126	246	196	193	51	63	5,564	10,644
Proforma contribution from Tower assets	-	9	-	56	-	-	-	-	-	-	-	-	-	615
Reported EBIT	147	161	188	661	620	891	126	246	196	193	51	63	5,564	11,259

(1) As the disposal of tower assets in Italy was completed in June 2021, the 2021 Italy results were normalised, which exclude the proforma contribution from tower assets for January to June 2021 for comparability purpose. Similarly, as the tower assets in UK was completed in November 2022, the 2021 UK results exclude the performa contribution from the tower assets for November to December 2021.

(2) 3 Group Europe results do not include one-off items in 2022 and 2021, which represented gain on disposal of tower assets of HK$19.0 billion (2021: HK$25.3 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion (2021: HK$15.5 billion).

(3) EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

(4) Reported depreciation & amortisation excludes amortisation of licences and amortisation of capitalised CACs.

Other operations

Cenovus Energy

- Delivered solid operating and financial results in the year, through continued reliable operating performance & low cost structure
- Delivered returns to the Group's investment from reducing net debt & continued share buybacks and dividends, including declaring its first variable dividend in Q4 2022
- Expecting strong performance in 2023, despite commodity price volatility

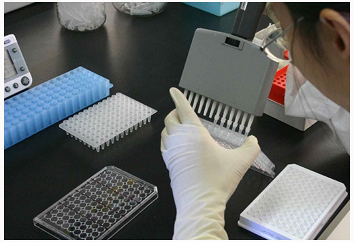
Indosat Ooredoo Hutchison

- Active customer base : 102.2mn, +162% against pre-merger
- Share of IOH EBITDA : HK$4,376mn, +109%, against pre-merger
- Over-delivery of Synergies : 230% of 2022 target
- Solid operating performance driven by data usage demand & network integration is ahead of plan

TPG

- Strong customer growth in both mobile & fixed wireless subscribers
- Share of TPG's post-IFRS 16 EBITDA: HK$2,907mn, +15% against 2021
- Cumulative merger synergies of A$140mn
- Net cash proceeds of approximately A$890mn from the sale of c. 1,237 towers & rooftop assets completed in July 2022

HutchMed



- Fully integrated R&D and commercialisation platform
- Revenue growth in 2022 driven by commercial progress on in-house developed oncology drugs
- Continued expansion of Pharma partnership in order to commercialise drugs globally & to accelerate its path to profitability

Sustainability

Sustainability Progress

Significant progress on action on climate change during 2022

Group commitments: Reduce scope 1 and 2 emissions by 50% by 2035. Committed to the pursuit of net-zero by 2050.

- Committed to both near-term & net-zero targets validated by the Science Based Targets initiative (SBTi)
- Launched net-zero transition plan focusing on new global mandates for electrification, automation, digitisation & use of clean energies
- Calculated scope 3 emissions for the first time

- Near-term scope 1, 2 & 3 targets validated by the SBTi; committed to validation of net-zero target
- Focusing on renewable electricity procurement
- Implementing TCFD recommendations, including undertaking scenario analysis to identify material climate-related risks & opportunities

- Scope 1, 2 & 3 targets validated by the SBTi
- Launched the ASW Greener Stores Global Framework globally
- Ongoing development of rigorous standards & labelling mechanisms for the procurement of sustainable products

- Committed to reduce scope 1 and 2 emissions by 50% by 2035 vs. 2020 and the pursuit of net-zero by 2050
- Continuing to invest in critical energy networks to support the low carbon transition
- Engagement & advocacy to drive cross-industry innovation in sustainability. Joined the Hydrogen Council in June 2022

Other progress updates in 2022

- ✓ First Group Green Bond Report issued
- ✓ First TCFD Report issued
- ✓ MSCI upgrade to BBB in 2022 (2021: B ; 2020: B)
- ✓ Sustainalytics upgrade to 26.5 (Medium risk) ranking 7th of 114 conglomerates globally in 2022 (2021: 38.7 (High risk) ; 2020: 48.5 (Severe risk))

Q & A

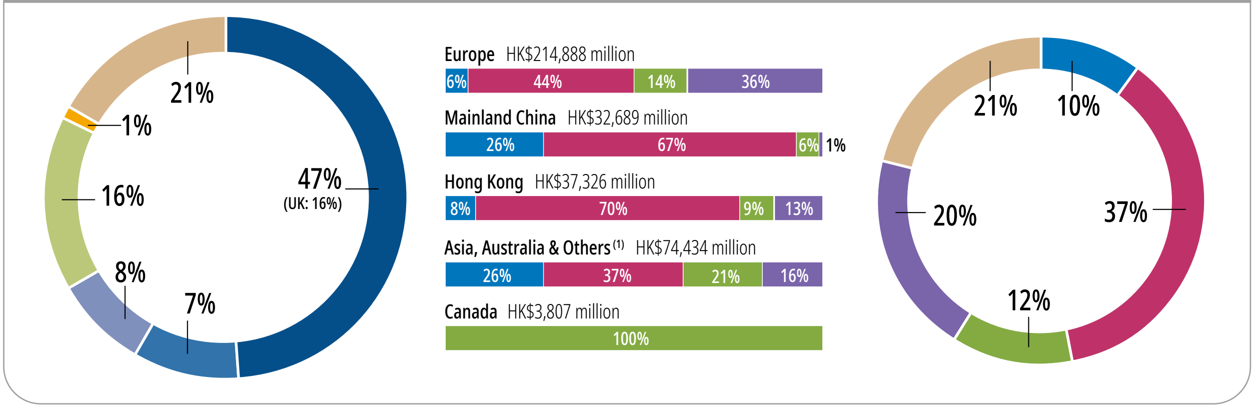
2022 Annual Results

Appendix

Analyses of Core Business Segments by Geographical Location

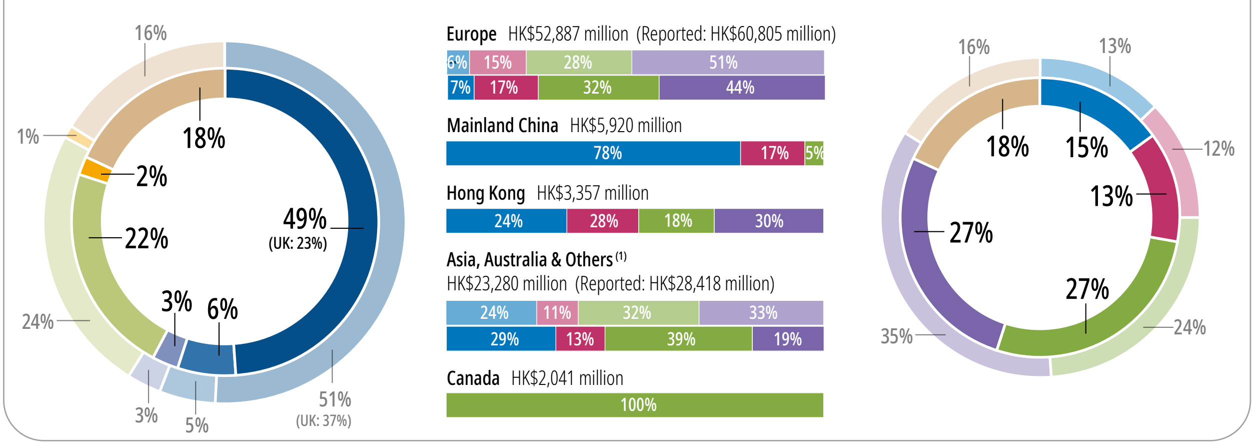
2022 Total Revenue

HK$457,229 million



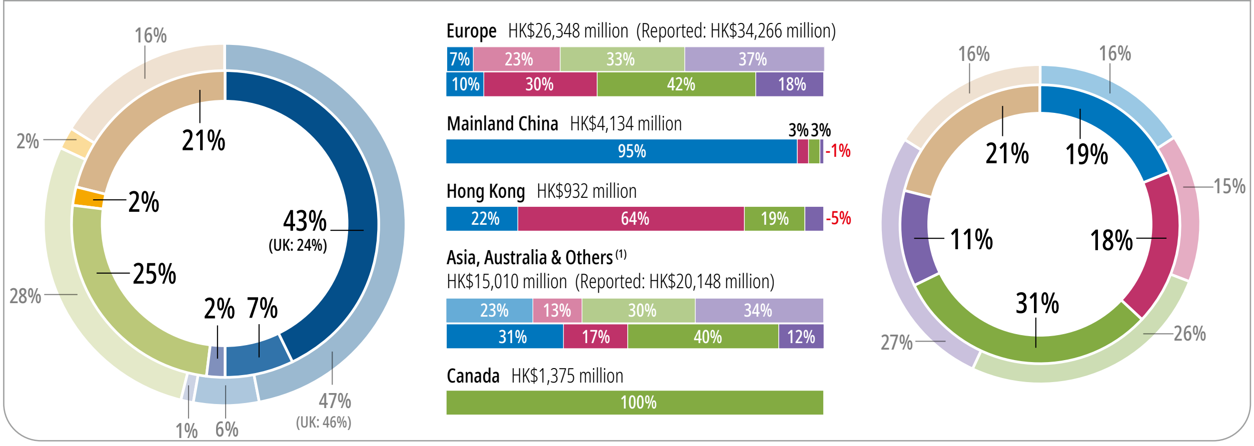
2022 Total EBITDA (2) (3)

Reported: HK$119,010 million
Underlying: HK$106,207 million



2022 Total EBIT (2) (3)

Reported: HK$72,864 million
Underlying: HK$60,061 million



Reported Underlying

- Europe
- Mainland China
- Hong Kong
- Asia, Australia & Others (1)
- Canada
- Finance & Investments and Others

Note 1: Includes Panama, Mexico and the Middle East

Note 2: Prepared under Pre-IFRS 16 basis which is set out in note 1 on page 6

Note 3: The outer pie chart represents EBITDA and EBIT %-mix on a reported basis. The inner pie chart represents underlying EBITDA and EBIT %-mix, which excludes the gain on disposal of tower assets completed in 2022 of HK$19.0 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$6.1 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$(11.0) billion, non-cash impairment of the Group's Sri Lankan telecommunication business of HK$(1.0) billion, the share of Cenovus' impairment charge of HK$(0.3) billion

Note 4: Represents EBITDA and EBIT %-mix for Europe on a reported basis

Note 5: Represents EBITDA and EBIT %-mix for Europe on an underlying basis

Reported Underlying

- Ports & Related Services
- Retail
- Telecommunications
- Infrastructure
- Finance & Investments and Others

Financial Performance Summary

	Post-IFRS 16 [1] 2022 HK$ million	%	Post-IFRS 16 [1] 2021 HK$ million	%	Change %
Revenue [2]					
Ports and Related Services [2]	**44,141**	**10%**	42,285	9%	4%
Retail	**169,645**	**37%**	173,601	39%	-2%
Infrastructure	**54,441**	**12%**	56,100	13%	-3%
CK Hutchison Group Telecom	**83,289**	**18%**	92,575	21%	-10%
Hutchison Asia Telecommunications	**11,628**	**2%**	8,786	2%	32%
Finance & Investments and Others	**94,085**	**21%**	72,036	16%	31%
Total Revenue	**457,229**	**100%**	445,383	100%	3%
EBITDA [2]					
Ports and Related Services [2]	**19,007**	**13%**	18,008	13%	6%
Retail	**23,359**	**16%**	26,119	19%	-11%
Infrastructure	**29,109**	**21%**	29,938	22%	-3%
CK Hutchison Group Telecom	**39,002**	**27%**	50,892	38%	-23%
Hutchison Asia Telecommunications	**12,478**	**9%**	4,232	3%	195%
Finance & Investments and Others	**19,177**	**14%**	6,464	5%	197%
Total EBITDA	**142,132**	**100%**	135,653	100%	5%
EBIT [2]					
Ports and Related Services [2]	**13,024**	**17%**	11,946	17%	9%
Retail	**11,831**	**15%**	13,370	20%	-12%
Infrastructure	**18,872**	**24%**	19,139	28%	-1%
CK Hutchison Group Telecom	**14,216**	**18%**	24,530	36%	-42%
Hutchison Asia Telecommunications	**8,582**	**11%**	979	1%	777%
Finance & Investments and Others	**11,736**	**15%**	(1,146)	-2%	1124%
Total EBIT	**78,261**	**100%**	68,818	100%	14%
Interest Expenses and Other Finance Costs [2]	**(18,398)**		(18,841)		2%
Profit Before Tax	**59,863**		49,977		20%
Tax [2]					
Current tax	**(9,418)**		(7,629)		-23%
Deferred tax	**(6,762)**		(1,932)		-250%
	(16,180)		(9,561)		-69%
Profit after tax	**43,683**		40,416		8%
Non-controlling interests and perpetual capital securities holders' interests	**(7,003)**		(6,932)		-1%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**36,680**		33,484		10%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively.

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.

Financial Performance Summary

	Pre-IFRS 16 (1) 2022 HK$ million	%	Pre-IFRS 16 (1) 2021 HK$ million	%	Change %	Local currencies change %
Revenue (2)						
Ports and Related Services (2)	**44,141**	**10%**	42,285	9%	4%	10%
Retail	**169,645**	**37%**	173,601	39%	-2%	6%
Infrastructure	**54,441**	**12%**	56,100	13%	-3%	4%
CK Hutchison Group Telecom	**83,289**	**18%**	92,575	21%	-10%	–
Hutchison Asia Telecommunications	**11,628**	**2%**	8,786	2%	32%	38%
Finance & Investments and Others	**94,085**	**21%**	72,036	16%	31%	35%
Total Revenue	**457,229**	**100%**	445,383	100%	3%	10%
EBITDA (2)						
Ports and Related Services (2)	**15,805**	**13%**	15,157	13%	4%	8%
Retail	**14,309**	**12%**	16,034	14%	-11%	-2%
Infrastructure	**28,815**	**24%**	29,636	27%	-3%	5%
CK Hutchison Group Telecom	**32,192**	**27%**	43,052	39%	-25%	-19%
Hutchison Asia Telecommunications	**9,420**	**8%**	2,036	2%	363%	373%
Finance & Investments and Others	**18,469**	**16%**	5,312	5%	248%	254%
Total EBITDA	**119,010**	**100%**	111,227	100%	7%	14%
EBIT (2)						
Ports and Related Services (2)	**11,426**	**16%**	10,737	17%	6%	10%
Retail	**11,048**	**15%**	12,460	19%	-11%	-2%
Infrastructure	**18,833**	**26%**	19,095	30%	-1%	6%
CK Hutchison Group Telecom	**12,803**	**18%**	23,462	36%	-45%	-42%
Hutchison Asia Telecommunications	**6,745**	**9%**	209	–	3127%	3189%
Finance & Investments and Others	**12,009**	**16%**	(1,219)	-2%	1085%	1094%
Total EBIT	**72,864**	**100%**	64,744	100%	13%	19%
Interest Expenses and Other Finance Costs (2)	**(14,860)**		(14,659)		-1%	
Profit Before Tax	**58,004**		50,085		16%	
Tax (2)						
Current tax	**(9,421)**		(7,631)		-23%	
Deferred tax	**(6,670)**		(1,947)		-243%	
	(16,091)		(9,578)		-68%	
Profit after tax	**41,913**		40,507		3%	
Non-controlling interests and perpetual capital securities holders' interests	**(7,044)**		(7,007)		-1%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**34,869**		33,500		4%	10%

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 31 December 2021 and 2022. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

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.

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 51 ports comprising 293 operational berths in 25 countries.

Group Performance

The Group operates container terminals in six of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 84.8 million twenty-foot equivalent units ("TEU") in 2022.

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue (1)	**44,141**	42,285	+4%	+10%
EBITDA (1) (2)	**15,805**	15,157	+4%	+8%
EBIT (1) (2)	**11,426**	10,737	+6%	+10%
Throughput (million TEU)	**84.8**	88.0	-4%	
Number of berths (3)	**295**	291	+4 berths	

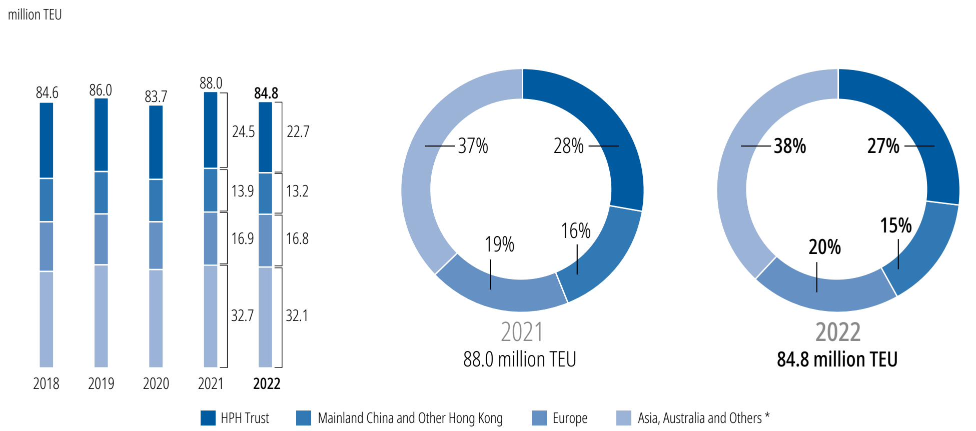
Note 1: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$19,007 million (2021: HK$18,008 million); EBIT was HK$13,024 million (2021: HK$11,946 million).

Note 3: Included 2 berths in Tanzania where the concession ended on 31 December 2022.

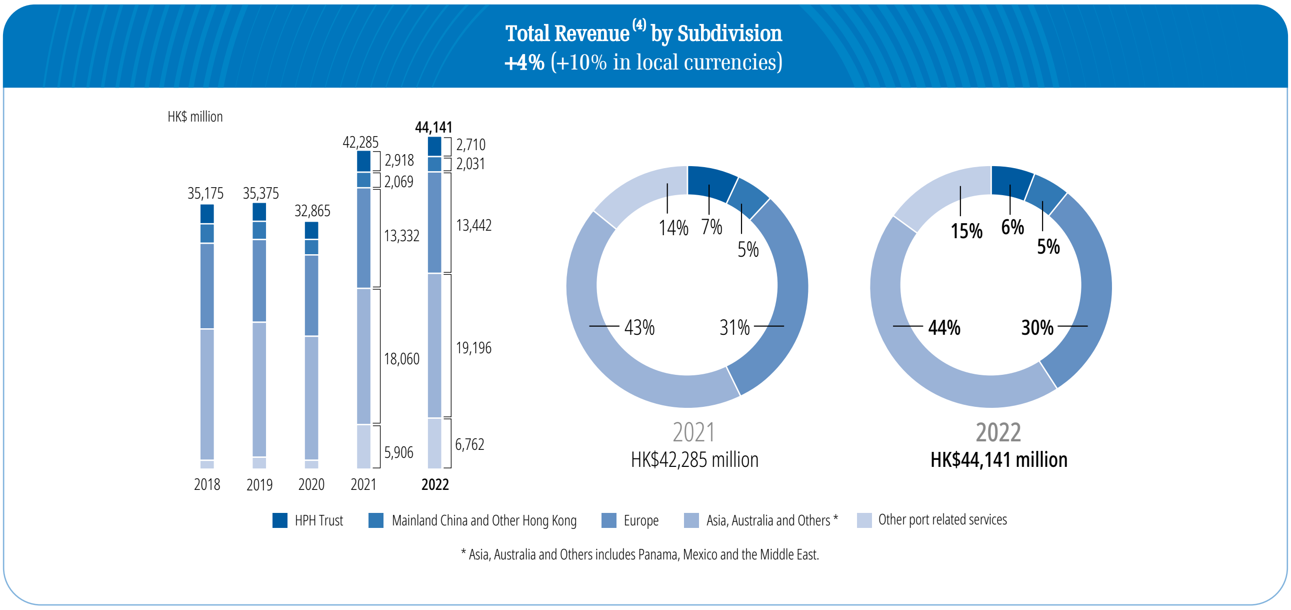
Overall throughput decreased 4% to 84.8 million TEU in 2022, with 65% and 35% local and transhipment volume respectively (2021: 63% and 37% local and transhipment volume respectively), mainly due to volume reduction across all regions but primarily at HPH Trust, driven by a drop in US and Europe export cargoes and prolonged pandemic preventive measures, as well as global supply chain disruptions affecting mainly in the UK, Rotterdam in the Netherlands, Panama and certain Ports in Asia, partly offset by higher throughput in Mexico from new service lines and vessel diversions. The overall throughput in Europe was relatively stable as reduction in throughput of the aforementioned ports was mostly offset by higher volume contribution from the newly acquired Delta II terminal in the Netherlands.

Total Container Throughput by Subdivision
(-4%)



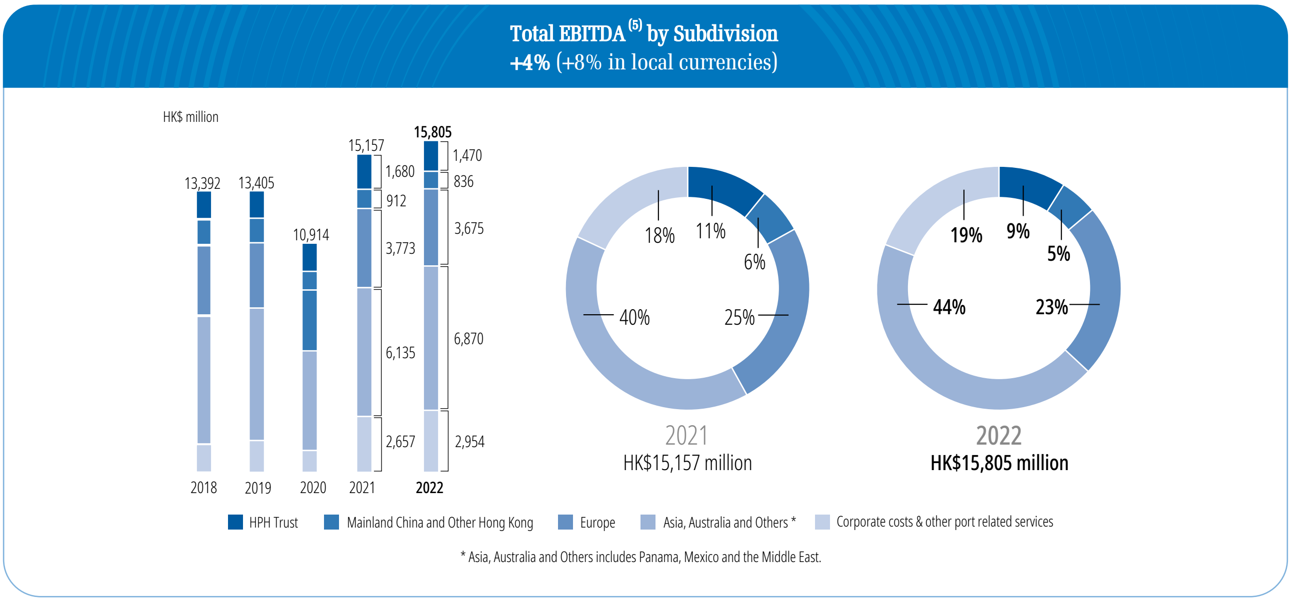
* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Despite lower throughput, total reported revenue of HK$44,141 million increased 4% in reported currency and 10% in local currencies mainly due to strong performances in Mexico from higher throughput and higher storage income, as well as higher storage income primarily in Barcelona in Spain, Rotterdam in the Netherlands, Pakistan, Alexandria in Egypt, higher contribution from the newly acquired Delta II terminal in the Netherlands, and higher share of revenue from an associated company in the container shipping business which benefited from the hike in freight rates during the first half of 2022.



Note 4: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

In reported currency, EBITDA increased 4% to HK$15,805 million and EBIT increased 6% to HK$11,426 million against 2021. In local currencies, EBITDA and EBIT increased 8% and 10% respectively, primarily from the Asia, Australia and Others region where Mexico has delivered exceptional performances as well as improved volume mix in Pakistan; the Europe region with the higher storage income mentioned above, as well as higher contribution from the associated company in the container shipping line business.



Note 5: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

As at 31 December 2022, the division had 295 operating berths [6], four berths more than 2021, with new berths in Huizhou, the Mainland China (+2 berths) and Jazan port in Saudi Arabia (+2 berths). In January 2023, the division's number of berths reduced by 2 berths due to the end of concession in Tanzania, while 2 additional berths are expected to be operational from last quarter in 2023 when the terminal at Abu Qir in Egypt commences operations.

Note 6: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Operations Review – Ports and Related Services

Segment Performance

HPH Trust

	2022 HK$ million	2021 HK$ million	Change
Total Revenue [7]	**2,710**	2,918	-7%
EBITDA [7]	**1,470**	1,680	-13%
EBIT [7]	**778**	975	-20%
Throughput (million TEU)	**22.7**	24.5	-7%
Number of berths	**52**	52	–

Note 7: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

HPH Trust's total revenue, EBITDA and EBIT decreased by 7%, 13% and 20% respectively mainly as a result of 7% drop in overall throughput. Weaker performance was mainly driven by the drop in export cargoes to US and Europe in Yantian as inventories were stocked up during pandemic restriction periods (particularly in the second half of 2022 where throughput decreased by 14% against second half of 2021), together with cross border traffic restrictions which were only lifted towards the end of Q4 2022, partly offset by higher empty cargoes in Yantian.

Mainland China and Other Hong Kong

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**2,031**	2,069	-2%	+1%
EBITDA	**836**	912	-8%	-5%
EBIT	**606**	672	-10%	-6%
Throughput (million TEU)	**13.2**	13.9	-5%	
Number of berths	**44**	42	+2 berths	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT decline was mainly attributable to the 5% drop in throughput especially during Shanghai lockdowns in the first half of 2022, which affected factory productions and truck traffic across port terminals, together with higher costs associated with pandemic preventive measures, partly offset by higher storage income.

Europe

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**13,442**	13,332	+1%	+12%
EBITDA	**3,675**	3,773	-3%	+8%
EBIT	**2,609**	2,623	-1%	+11%
Throughput (million TEU)	**16.8**	16.9	-1%	
Number of berths	**67**	67	–	

Europe segment's total revenue slightly increased by 1%, but EBITDA and EBIT dropped by 3% and 1% respectively mainly attributable to adverse foreign currency translation impact. In local currencies, total revenue, EBITDA and EBIT increased by 12%, 8% and 11% respectively primarily due to higher storage income in most European ports and full year volume contribution from the newly acquired Delta II terminal in the Netherlands in June 2021, partly offset by inflationary impact on energy and other costs.

Comparing second half of 2022 against first half of 2022, throughput, EBITDA and EBIT declined by 5%, 14% and 17% respectively, primarily from the UK and Barcelona due to lower throughput as a result of weak global demand, as well as rising energy cost and the high inflation environment which exacerbated during the second half.

Asia, Australia and Others

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**19,196**	18,060	+6%	+10%
EBITDA	**6,870**	6,135	+12%	+14%
EBIT	**4,906**	4,135	+19%	+20%
Throughput (million TEU)	**32.1**	32.7	-2%	
Number of berths	**132**	130	+2 berths	

Asia, Australia and Others' total revenue, EBITDA and EBIT grew by 6%, 12% and 19% respectively in reported currency and in local currencies an increase of 10%, 14% and 20% respectively, mainly driven by better performances in Mexico, higher storage income from longer container dwelling time across most ports including Mexico, Alexandria in Egypt, Australia, Pakistan, Busan and Gwangyang in South Korea, together with improved volume mix in Pakistan from higher portion of laden container handling, as well as tariff increment in Panama.

Operations Review – Retail

The Retail division consists of the A.S. Watson ("ASW") group of companies, the world's largest international Health and Beauty ("H&B") retailer with a 141 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 16,142 stores in 28 markets worldwide as of 31 December 2022, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. ASW also manufactures and distributes bottled water and other beverages in Hong Kong and the Mainland.

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**169,645**	173,601	-2%	+6%
EBITDA [1]	**14,309**	16,034	-11%	-2%
EBIT [1]	**11,048**	12,460	-11%	-2%
Store Numbers	**16,142**	16,398	-2%	

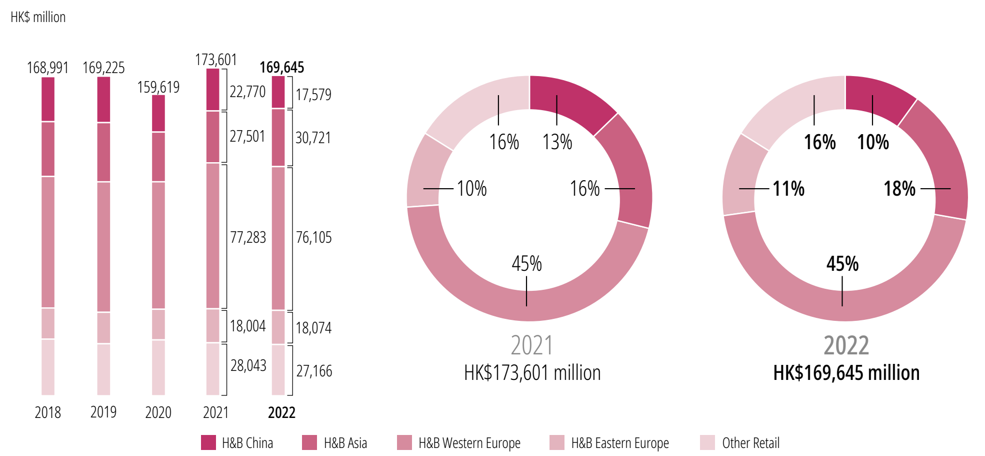
Note 1: Under Post-IFRS 16 basis, EBITDA was HK$23,359 million (2021: HK$26,119 million); EBIT was HK$11,831 million (2021: HK$13,370 million).

Total reported revenue decreased by 2% against last year due to adverse foreign currency translation impact but, in local currencies, increased by 6% against last year. The higher revenue was primarily due to better overall performance in H&B operations in Asia and Europe from increase in store traffic, partly offset by lower contribution from H&B China resulting from various scale of nation-wide community lockdowns for most part of 2022 with intermittent store closures across the country. Excluding H&B China, total revenue increased by 1% and 10% against last year in reported currency and local currencies respectively.

H&B loyalty members' participation & exclusives sales contribution	**2022**	2021
Total loyalty members in H&B segment (million)	**140**	141
Loyalty members' sales participation in H&B segment (%)	**62%**	64%
Exclusives sales contribution to total H&B sales (%)	**36%**	36%

The H&B segment, which represented 84% of the Retail division's revenue in 2022, has 140 million loyalty members. Customer insights from these loyalty members have enabled the businesses to drive assortment, store and marketing strategies.

Total Revenue by Subdivision
-2% (+6% in local currencies)



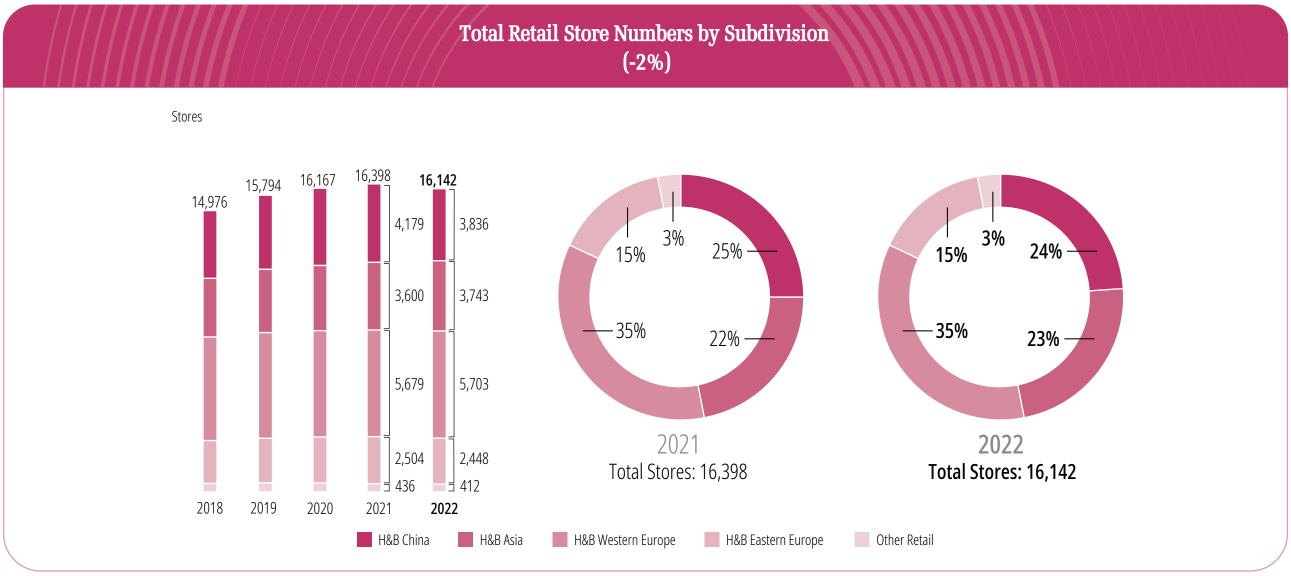
Total Revenue	**2022 HK$ million**	2021 HK$ million	Change	Local currencies change
H&B China	**17,579**	22,770	-23%	-20%
H&B Asia	**30,721**	27,501	+12%	+23%
H&B China & Asia Subtotal	**48,300**	50,271	-4%	+3%
H&B Western Europe	**76,105**	77,283	-2%	+9%
H&B Eastern Europe	**18,074**	18,004	–	+14%
H&B Europe Subtotal	**94,179**	95,287	-1%	+10%
H&B Subtotal	**142,479**	145,558	-2%	+8%
Other Retail [(2)]	**27,166**	28,043	-3%	-3%
Total Retail	**169,645**	173,601	-2%	+6%
Excluding China				
H&B Subtotal	124,900	122,788	+2%	+13%
Total Retail	152,066	150,831	+1%	+10%

Comparable Stores Sales Growth (%) [(3)]	**2022**	2021
H&B China	**-18.3%**	+1.9%
H&B China (adjusted to include loyalty members' sales recovered in proximate new stores)	**-16.6%**	+4.7%
H&B Asia	**+21.3%**	-0.8%
H&B China & Asia Subtotal	**+3.9%**	+0.2%
H&B Western Europe	**+9.5%**	+7.9%
H&B Eastern Europe	**+14.2%**	+4.6%
H&B Europe Subtotal	**+10.3%**	+7.3%
H&B Subtotal	**+8.2%**	+4.8%
Other Retail [(2)]	**+2.7%**	-8.3%
Total Retail	**+7.4%**	+2.6%
Excluding China		
H&B Subtotal	**+12.7%**	+5.4%
Total Retail	**+11.1%**	+2.8%

Note 2: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

Note 3: Comparable stores sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Group Performance (continued)

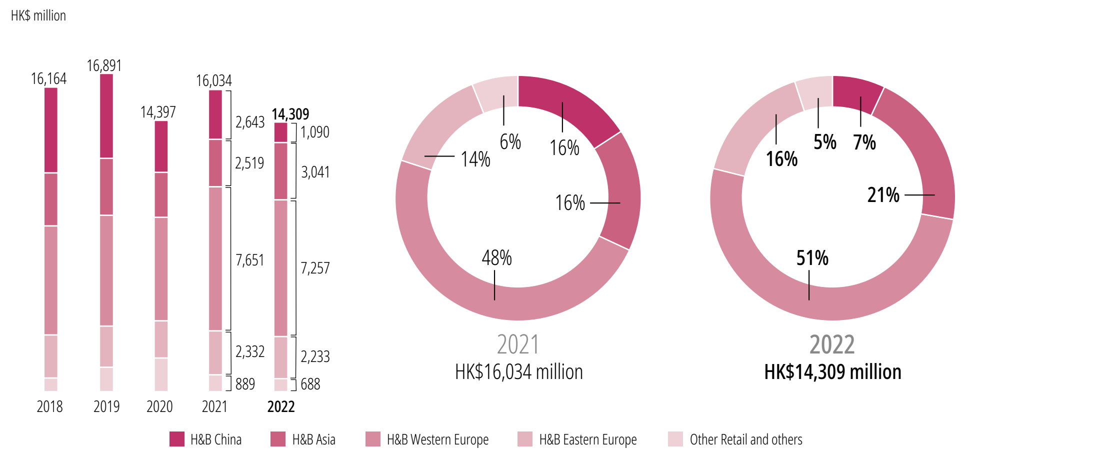


Store Numbers	2022	2021	Change
H&B China	**3,836**	4,179	-8%
H&B Asia	**3,743**	3,600	+4%
H&B China & Asia Subtotal	**7,579**	7,779	-3%
H&B Western Europe	**5,703**	5,679	–
H&B Eastern Europe	**2,448**	2,504	-2%
H&B Europe Subtotal	**8,151**	8,183	–
H&B Subtotal	**15,730**	15,962	-1%
Other Retail [4]	**412**	436	-6%
Total Retail	**16,142**	16,398	-2%
Excluding China			
H&B Subtotal	**11,894**	11,783	+1%
Total Retail	**12,306**	12,219	+1%

Note 4: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

The Retail division's EBITDA and EBIT both decreased by 11% in reported currency and by 2% in local currencies against 2021, primarily due to the lower contribution from H&B China, lower government subsidies in various markets and one-time non-cash write offs. In local currencies and excluding H&B China, the H&B segment reported EBITDA and EBIT growth of 12% and 15% against 2021 respectively, which was attributable to better performances from improved sales momentum across most businesses in Asia, the UK, the luxury retail businesses and the Rossmann joint venture in Poland. The weaker performance in H&B China was mainly attributable to periodic lockdowns and containment measures which heavily impacted footfall. The operation in the Mainland is implementing various initiatives including both in-store and online customer engagements following the reopening of the economy.

EBITDA by Subdivision
-11% (-2% in local currencies)



EBITDA	2022 HK$ million	2021 HK$ million	Change	Local currencies change
H&B China	**1,090**	2,643	-59%	-58%
H&B Asia	**3,041**	2,519	+21%	+33%
H&B China & Asia Subtotal	**4,131**	5,162	-20%	-13%
H&B Western Europe	**7,257**	7,651	-5%	+5%
H&B Eastern Europe	**2,233**	2,332	-4%	+8%
H&B Europe Subtotal	**9,490**	9,983	-5%	+6%
H&B Subtotal	**13,621**	15,145	-10%	–
Other Retail (5)	**688**	889	-23%	-23%
Total Retail	**14,309**	16,034	-11%	-2%
Excluding China				
H&B Subtotal	**12,531**	12,502	–	+12%
Total Retail	**13,219**	13,391	-1%	+9%

Note 5: Other Retail includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.

During 2022, the Retail division opened its first store in Qatar, which is the 28th operating market of the division, as part of the franchise business with Al-Futtaim.

Operations Review – Retail

Segment Performance

Health and Beauty China

	2022 HK$ million	2021 HK$ million	Change	Local currency change
Total Revenue	**17,579**	22,770	-23%	-20%
EBITDA	**1,090**	2,643	-59%	-58%
EBITDA Margin %	***6%***	*12%*		
EBIT	**262**	1,808	-85%	-85%
EBIT Margin %	***1%***	*8%*		
Store Numbers	**3,836**	4,179	-8%	
Comparable Stores Sales Growth (%)	**-18.3%**	+1.9%		
Adjusted Comparable Stores Sales Growth (%) [6]	**-16.6%**	+4.7%		

Note 6: Adjusted to include loyalty members' sales recovered in proximate new stores.

H&B China's performance was hampered by the ongoing pandemic related restriction measures that resulted in temporary store closures, which persisted until the last quarter of 2022, as well as escalating number of COVID cases resulting from country-wide outbreak of new COVID variants upon relaxation of policies towards the end of the year. In 2022, temporary store closures reached 590 in the first half and peaked at over 1,000 in late November, and only fully re-opened by January 2023. As a result EBITDA and EBIT decreased by 58% and 85% in local currency respectively compared to 2021. Despite an 18.3% decline in comparable store sales, the division was able to partly recover the shortfall in store traffic by recovering sales through its digital channels. Online sales participation increased to 40% in 2022 from 27% in 2021.

As part of H&B China's store rationalisation strategy, total store number became around 3,800 stores in over 500 cities in the Mainland as of 31 December 2022.

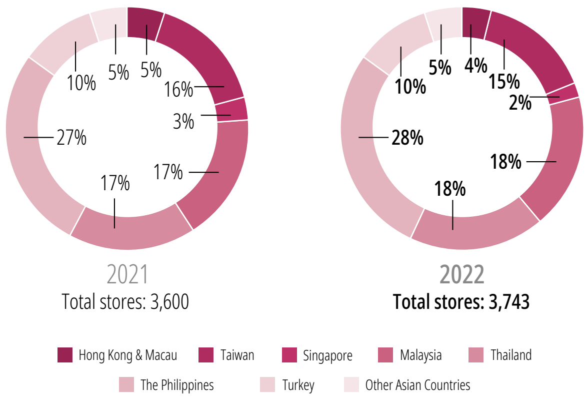
Health and Beauty Asia

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**30,721**	27,501	+12%	+23%
EBITDA	**3,041**	2,519	+21%	+33%
EBITDA Margin %	***10%***	*9%*		
EBIT	**2,487**	1,942	+28%	+42%
EBIT Margin %	***8%***	*7%*		
Store Numbers	**3,743**	3,600	+4%	
Comparable Stores Sales Growth (%)	**+21.3%**	-0.8%		

Watsons is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. H&B Asia sustained its encouraging improvement in performance seen in the first half of 2022, with robust comparable store sales growth of 21.3%, enabling delivery of a strong EBITDA and EBIT growth of 33% and 42% respectively in local currencies for the full year of 2022. The growth in EBITDA and EBIT were primarily attributable to operations in Malaysia, Thailand and Turkey from recovery of store traffic upon gradual lifting of restrictive lockdown measures since the second half of 2021, and incremental margin from continued store portfolio expansion in the Philippines. In addition, improved performance was delivered by the H&B operation in Hong Kong from store rationalisation to cater for local demands.

H&B Asia added net 143 stores during the year and had over 3,700 stores in 13 markets as of 31 December 2022, including the division's franchise business which expanded from 3 stores to 16 stores in UAE, Qatar and Saudi Arabia since market entry into the Middle East in 2020.

H&B Asia - Number of Retail Stores by Market (+4%)



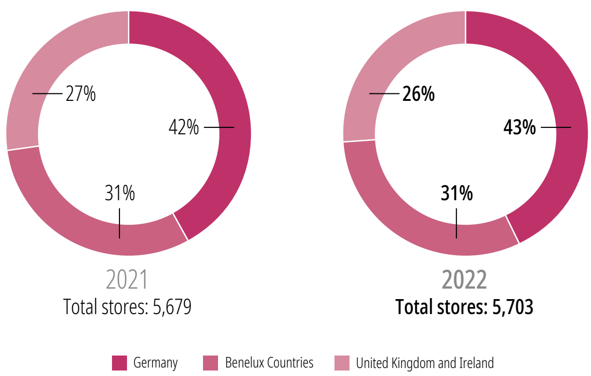
Health and Beauty Western Europe

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**76,105**	77,283	-2%	+9%
EBITDA	**7,257**	7,651	-5%	+5%
EBITDA Margin %	***10%***	*10%*		
EBIT	**6,070**	6,253	-3%	+8%
EBIT Margin %	***8%***	*8%*		
Store Numbers	**5,703**	5,679	–	
Comparable Stores Sales Growth (%)	**+9.5%**	+7.9%		

H&B Western Europe reported EBITDA and EBIT growth of 5% and 8% in local currencies respectively during the year, primarily from the UK and luxury retail businesses with robust comparable stores sales growth from increase in store traffic amidst the rising energy and distribution costs. The Benelux countries, which benefitted from stores remaining open during the lockdown periods in 2021, reported a normalised performance in 2022 with 3% drop in EBITDA and EBIT year-on-year in local currencies, but nonetheless outperformed pre-pandemic trading levels.

H&B Western Europe added net 24 stores during the year and had more than 5,700 stores as of 31 December 2022.

H&B Western Europe - Number of Retail Stores by Market (flat)



Segment Performance (continued)

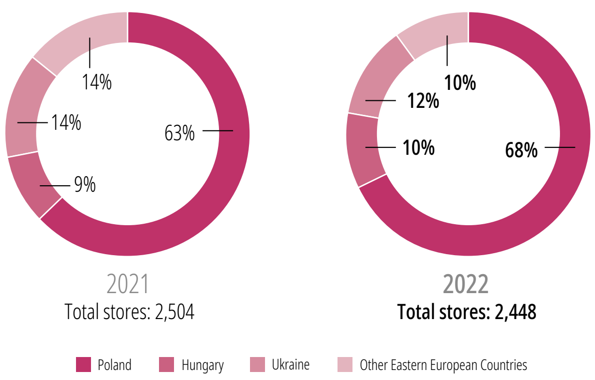
Health and Beauty Eastern Europe

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**18,074**	18,004	–	+14%
EBITDA	**2,233**	2,332	-4%	+8%
EBITDA Margin %	***12%***	*13%*		
EBIT	**1,917**	1,975	-3%	+10%
EBIT Margin %	***11%***	*11%*		
Store Numbers	**2,448**	2,504	-2%	
Comparable Stores Sales Growth (%)	**+14.2%**	+4.6%		

H&B Eastern Europe showed further recovery in the second half of 2022, delivering EBITDA and EBIT growth of 8% and 10% in local currencies respectively, mainly attributable to the Rossmann joint venture in Poland as a result of improved sales and the strong momentum in store openings during the year, together with robust comparable stores sales growth of 14.2% from higher demand.

H&B Eastern Europe had more than 2,400 stores as of 31 December 2022, a drop of 2% primarily due to market exit from Russia and fewer stores in Ukraine, partly offset by new store additions in Poland.

H&B Eastern Europe - Number of Retail Stores by Market
(-2%)

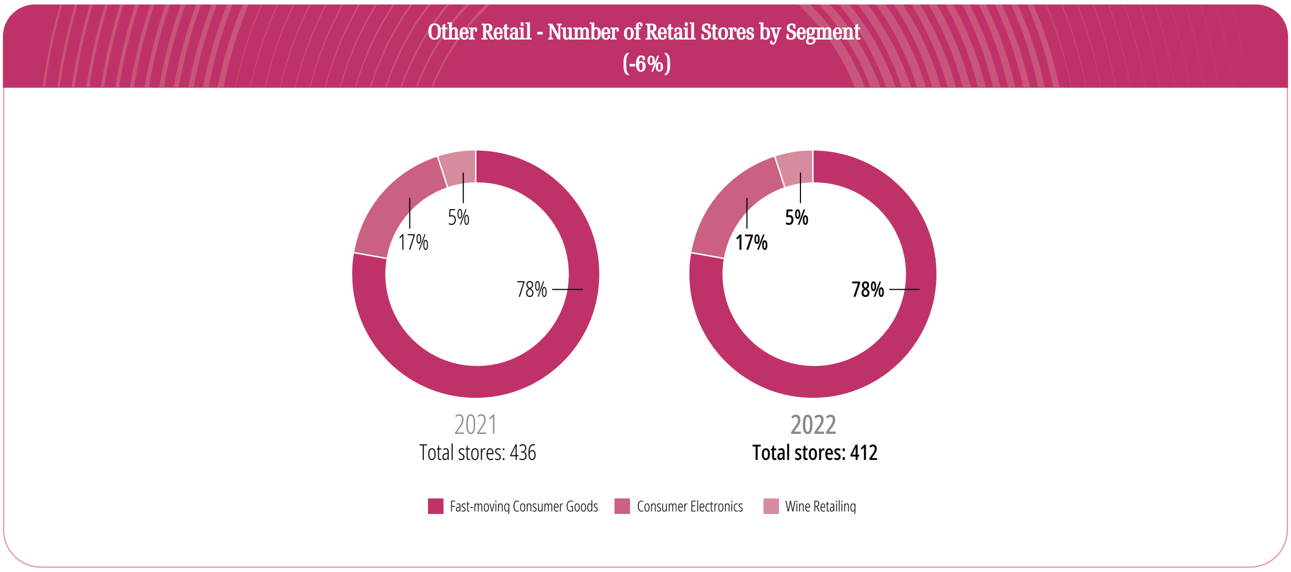


Other Retail

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**27,166**	28,043	-3%	-3%
EBITDA	**688**	889	-23%	-23%
EBITDA Margin %	***3%***	*3%*		
EBIT	**312**	482	-35%	-36%
EBIT Margin %	***1%***	*2%*		
Store Numbers	**412**	436	-6%	
Comparable Stores Sales Growth (%)	**+2.7%**	-8.3%		

Excluding one-time non-cash write offs, the Other Retail segment reported a reduction in EBITDA of 1% in local currencies in 2022, mainly arising from weaker performance of beverages business in the Mainland with lower demand as affected by regional outbreaks, partly offset by improved trading environment of the supermarket business in the Mainland. Full year EBIT excluding one-time non-cash write offs was 5% higher than last year as the EBITDA decline was more than offset by savings in depreciation from lower asset base with less number of stores.

Other Retail had 412 retail stores in 3 markets as of 31 December 2022, as well as manufacturing and distributing bottled water and other beverages in Hong Kong and the Mainland.



Operations Review – Infrastructure

The infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), the largest publicly listed infrastructure company on the SEHK, and 10% of the economic benefits deriving from the Group's direct holdings in six co-owned infrastructure investments with CKI, including Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities and UK Rails.

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**54,441**	56,100	-3%	+4%
EBITDA (1)	**28,815**	29,636	-3%	+5%
EBIT (1)	**18,833**	19,095	-1%	+6%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**7,748**	7,515	+3%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$29,109 million (2021: HK$29,938 million); EBIT was HK$18,872 million (2021: HK$19,139 million).

CKI operates in Hong Kong, the Mainland, the UK, Continental Europe, Australia, New Zealand, Canada and the United States.

CKI announced net profit attributable to shareholders under Post-IFRS 16 basis of HK$7,748 million, 3% higher against last year. The result was significantly impacted by higher finance costs due to rising interest rates and higher index linked finance costs, as well as adverse foreign exchange translation against US dollars. Included in this year's results was a gain on partial disposal of a 13% interest in Northumbrian Water completed in December 2022. Excluding corporate items, CKI's portfolio of quality infrastructure assets showed continued resilience and generated good contributions to the division, with a year-on-year growth of 7% and 16% in reported currency and local currencies respectively.

The division's EBITDA and EBIT of HK$28,815 million and HK$18,833 million were 5% and 6% higher than last year respectively in local currencies, reflecting gain on partial disposal of Northumbrian Water and good operational performance across the global portfolio of infrastructure businesses.

Profit contribution under Post-IFRS 16 basis from Power Assets, a company listed on the SEHK and in which CKI holds a 36.01% interest as of 31 December 2022, was HK$2,033 million as compared to HK$2,208 million in 2021, which was similarly impacted by higher finance costs and adverse foreign exchange translation. Excluding corporate items, profit contribution from the infrastructure portfolio increased by 5% year-on-year in local currencies. Net profit contributed by HK Electric continued to be stable under the Scheme of Control.

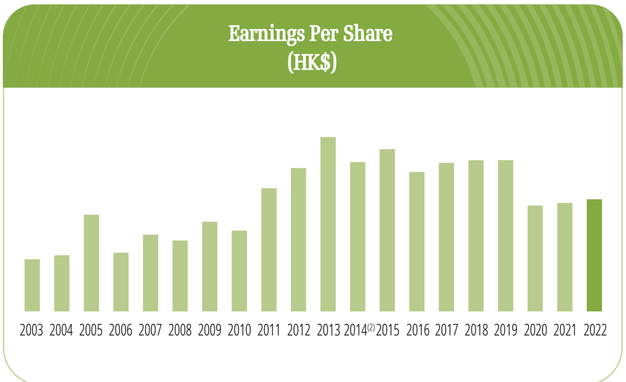
Under Post-IFRS 16 basis, profit contribution from the UK portfolio was HK$3,069 million in 2022, a 29% increase compared to 2021, mainly due to the inclusion of deferred tax charges arising from the revision of the UK corporate tax rates in 2021, as well as the recognition of gain on partial disposal of 13% interest in Northumbrian Water in 2022, partly offset by adverse foreign exchange translation and higher finance costs. Under Post-IFRS 16 basis, profit contribution from Australian portfolio increased by 4% to HK$1,976 million in 2022 in reported currency. In local currency, profit increased by 11% driven by higher contributions from United Energy, Victoria Power Networks and Energy Developments. In Continental Europe, profit contribution under Post-IFRS 16 basis was HK$664 million in 2022, a decrease of 4% in reported currency but an increase of 6% in local currency. In Canada, profit contribution under Post-IFRS 16 basis increased by 30% and 33% in reported currency and local currency respectively to HK$617 million in 2022, primarily due to the robust contributions from Canadian Midstream and Canadian Power. Profit contribution from New Zealand portfolio under Post-IFRS 16 basis decreased by 2% to HK$167 million in 2022 mainly from adverse foreign exchange translation impact. In local currency, profit increased by 9% year-on-year. Contribution from Hong Kong and the Mainland businesses reported a net profit of HK$196 million in 2022 under Post-IFRS 16 basis, 38% lower against 2021, reflecting the adverse performance of the cement business in the Mainland due to the COVID restrictions and lockdowns, as well as the rising fuel costs during the year.

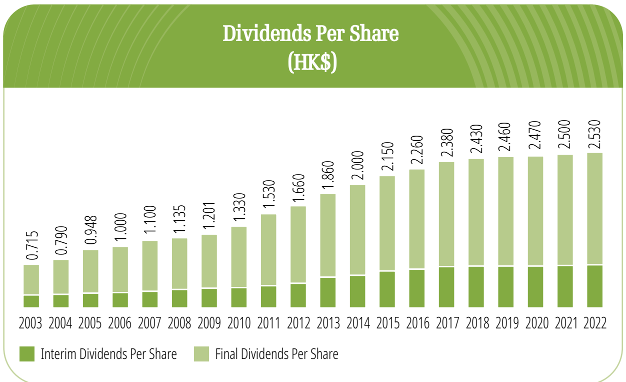
CKI's regulated businesses have received a number of awards and recognitions during 2022. UK Power Networks was rated as number one electricity distribution network operator for 2022 and received close to 30 awards, including being named the best in the UK for customer service according to the UK Customer Satisfaction Index compiled by the Institute of Customer Service. Northumbrian Water captured the first place in the annual UK Water Company Performance Survey conducted by British Water. In Australia, SA Power Networks, Powercor, CitiPower and United Energy ranked first, second, third and fifth spots in productivity respectively according to the Australian Energy Regulator's benchmarking report for 2022.

Unregulated operations have continued to grow their businesses. Beon, the unregulated business of Victoria Power Networks, has been expanding rapidly with new projects for renewable energy connections, with Reliance Home Comfort continued to proceed with acquisitions for expansion, including an HVAC (heating, ventilation and air conditioning) company in Florida, USA, and a rental asset portfolio in the Greater Toronto Area acquired in 2022.

A number of CKI's regulated businesses in the UK and Australia are scheduled to enter new regulatory regime in 2023. UK Power Networks received the Final Determination for the upcoming regulatory period from April 2023 to March 2028, which facilitates revenue predictability for the coming years. Australian Gas Networks and certain regulated business of CK William in Australia have received Draft Determinations for the period from July 2023 to June 2028. The terms of the Draft Determination have reflected majority of the proposed initiatives for the five-year period and are considered as satisfactory. Final Determinations will be released in the first half of 2023.

CKI has always been committed to prudent financial management with the underlying financial position closely monitored. CKI's financial strength continues to be robust, with HK$18 billion cash on hand and a net debt to net total capital ratio being improved from 14.7% as at 31 December 2021 to 7.3% as at 31 December 2022. Credit rating from Standard & Poor's maintained at "A/Stable".





Note 2: Excludes share of one-off gains arising from the spin-off of HK Electric by PAH and privatisation of Envestra.

Operations Review – Telecommunications

The Group's telecommunications division consists of CK Hutchison Group Telecom ("CKHGT") which consolidates the **3** Group businesses in Europe ("**3** Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK, as well as Hutchison Asia Telecommunications ("HAT"). **3** Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka.

CK Hutchison Group Telecom

CKHGT completed the disposal of tower assets in the UK in November 2022 and recognised a disposal gain before tax of HK$18,957 million, as compared to HK$25,259 million recognised in 2021 on the sale of tower assets in Sweden and Italy where the transactions were completed in January and June 2021 respectively. Apart from the disposal gain, CKHGT recognised a non-cash impairment of goodwill on the Group's Italian telecommunication business of HK$11,039 million and HK$15,472 million in 2022 and 2021 respectively.

In million	**2022 HK$**	2021 HK$	Change	Local currencies change	**2022 EURO**	2021 EURO
Total Revenue	**83,289**	92,575	-10%	–	**10,084**	10,083
Total Margin	**58,124**	63,789	-9%	+1%	**7,037**	6,946
Total CACs	**(14,852)**	(16,725)	+11%		**(1,799)**	(1,823)
Less: Handset revenue	**11,228**	12,944	-13%		**1,361**	1,411
Total CACs (net of handset revenue)	**(3,624)**	(3,781)	+4%		**(438)**	(412)
Operating Expenses	**(30,226)**	(26,743)	-13%		**(3,654)**	(2,904)
Gain from disposal of tower assets	**18,957**	25,259	-25%		**2,371**	2,620
Impairment of goodwill	**(11,039)**	(15,472)	+29%		**(1,330)**	(1,669)
EBITDA [(1)]	**32,192**	43,052	-25%	-19%	**3,986**	4,581
Depreciation & Amortisation	**(19,389)**	(19,590)	+1%		**(2,346)**	(2,135)
EBIT [(1)]	**12,803**	23,462	-45%	-42%	**1,640**	2,446

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$39,002 million (2021: HK$50,892 million); EBIT was HK$14,216 million (2021: HK$24,530 million).

3 Group Europe [2]

In million	2022 HK$	2021[3] HK$	Change	Local currencies change
Total Revenue	**77,925**	86,972	-10%	–
Total Margin	**54,933**	60,777	-10%	+1%
Total CACs	**(14,305)**	(16,163)	+11%	
Less: Handset revenue	**10,852**	12,549	-14%	
Total CACs (net of handset revenue)	**(3,453)**	(3,614)	+4%	
Operating Expenses	**(27,616)**	(27,999)	+1%	
Opex as a % of total margin	***50%***	*46%*		
EBITDA	**23,864**	29,164	-18%	-9%
EBITDA Margin % [4]	***36%***	*39%*		
Depreciation & Amortisation	**(18,300)**	(18,520)	+1%	
EBIT	**5,564**	10,644	-48%	-41%
EBITDA per above	**23,864**	29,164	-18%	-9%
Proforma contribution from tower assets	**–**	728		
Reported EBITDA [5]	**23,864**	29,892	-20%	-11%
EBIT per above	**5,564**	10,644	-48%	-41%
Proforma contribution from tower assets	**–**	615		
Reported EBIT [5]	**5,564**	11,259	-51%	-44%

Note 2: **3** Group Europe result above is before one-off items in 2022 and 2021, which represented gain on disposal of tower assets (before tax) of HK$19.0 billion (2021: HK$25.3 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion (2021: HK$15.5 billion).

Note 3: Due to the completion of disposals of tower assets in 2022 and 2021 as mentioned, the 2021 results were normalised, which exclude the proforma contribution from the tower assets in the UK for November to December 2021 and in Italy for first half of 2021 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2021 numbers.

Note 4: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 5: Under Post-IFRS 16 basis, EBITDA was HK$30,144 million (2021: HK$37,267 million) ; EBIT was HK$6,859 million (2021: HK$12,256 million).

3 Group Europe 's total revenue of HK$77,925 million is flat against last year in local currencies, whereas total margin of HK$54,933 million was 1% higher, primarily driven by growth in net customer service margin due to an increase in the customer base coupled with higher roaming income across all operations following travel resumption in Europe, partly offset by lower wholesale contribution in Italy. Active customer base as at 31 December 2022 of 39.7 million is 3% higher against 2021, mainly due to the UK, where the total active customer base increased 6% year-on-year, with better or relatively stable active customer base reported by all the other operations. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2021: 1.2%).

3 Group Europe's net ARPU and net AMPU decreased by 2% and 1% to €12.87 and €11.47 respectively as compared to 2021, primarily due to tariff mix in Italy, resulted from an increased contribution from second brand customers which have a lower net ARPU and net AMPU.

All of **3** Group Europe's operations reported growth in net customer service margin, with the UK, Sweden and Ireland increasing their total active customer base through various initiatives including focus on business segment, network enhancement and attractive bundle propositions. On the other hand, Denmark and Austria improved margin through second brand and pricing adjustments respectively. Italy delivered a modest growth in net customer service margin despite market competition via customer value management. Other margin decreased year-on-year driven by Italy's wholesale margin decline, which was partly offset by wholesale margin growth across the remaining countries, as the operations look to extend their revenue streams besides traditional customer service. Overall, these led to the aforementioned 1% increment in total margin.

3 Group Europe's 2022 results were impacted by the full year incremental tower service fees of around HK$0.6 billion in Italy and the two months impact of over HK$0.1 billion in the UK after completion of the UK tower asset disposal in early November 2022. On a normalised basis[3], EBITDA and EBIT were still 9% and 41% lower year-on-year respectively in local currencies, as the improvements in overall total margin mentioned above was more than offset by increased operating expenses due to higher energy and other inflationary impact, certain dispute settlement proceeds recognised by Italy in 2021 that did not recur this year, as well as higher network costs and depreciation and amortisation compared to last year from the continued investments in network expansion, 5G rollout and digitalisation.

In response to the rising energy cost, all of the operations have introduced various energy saving initiatives, including deployment of smart network "sleeping mode" and energy efficient equipment, retirement of legacy technologies, reduction of redundant assets through consolidation or active sharing, as well as thermal management. Majority of the operations have inflation-linked pricing or annual price increment embedded in customer contracts, which is expected to partly mitigate the inflationary impact on energy cost and operating expenses in the coming year.

CKHGT - Results by operations

In million

	UK [7] GBP 2022	UK [7] GBP 2021	Italy [6] [7] EURO 2022	Italy [6] [7] EURO 2021	Sweden SEK 2022	Sweden SEK 2021	Denmark DKK 2022	Denmark DKK 2021	Austria EURO 2022	Austria EURO 2021
Total Revenue	**2,520**	2,444	**3,947**	4,193	**7,586**	6,902	**2,375**	2,272	**885**	866
% change	***+3%***		***-6%***		***+10%***		***+5%***		***+2%***	
Total margin	**1,529**	1,445	**3,030**	3,187	**4,753**	4,351	**1,864**	1,764	**669**	638
% change	***+6%***		***-5%***		***+9%***		***+6%***		***+5%***	
Total CACs	**(953)**	(968)	**(276)**	(290)	**(1,003)**	(1,233)	**(229)**	(227)	**(113)**	(115)
Less: Handset Revenue	**759**	772	**167**	203	**555**	769	**78**	93	**100**	101
Total CACs (net of handset revenue)	**(194)**	(196)	**(109)**	(87)	**(448)**	(464)	**(151)**	(134)	**(13)**	(14)
Operating Expenses	**(723)**	(655)	**(1,578)**	(1,451)	**(1,957)**	(1,724)	**(1,036)**	(920)	**(306)**	(286)
Opex as a % of total margin	***47%***	*45%*	***52%***	*46%*	***41%***	*40%*	***56%***	*52%*	***46%***	*45%*
Gain on disposal of tower assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Impairment of goodwill	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
EBITDA	**612**	594	**1,343**	1,649	**2,348**	2,163	**677**	710	**350**	338
% change	***+3%***		***-19%***		***+9%***		***-5%***		***+4%***	
EBITDA margin % [9]	***35%***	*36%*	***36%***	*41%*	***33%***	*35%*	***29%***	*33%*	***45%***	*44%*
Depreciation & Amortisation	**(465)**	(442)	**(1,155)**	(1,044)	**(1,728)**	(1,272)	**(551)**	(464)	**(154)**	(145)
EBIT	**147**	152	**188**	605	**620**	891	**126**	246	**196**	193
% change	***-3%***		***-69%***		***-30%***		***-49%***		***+2%***	
EBITDA per above	**612**	594	**1,343**	1,649	**2,348**	2,163	**677**	710	**350**	338
Proforma contribution from tower assets	**–**	15	**–**	61	**–**	–	**–**	–	**–**	–
Reported EBITDA	**612**	609	**1,343**	1,710	**2,348**	2,163	**677**	710	**350**	338
% change	**–**		***-21%***		***+9%***		***-5%***		***+4%***	
EBIT per above	**147**	152	**188**	605	**620**	891	**126**	246	**196**	193
Proforma contribution from tower assets	**–**	9	**–**	56	**–**	–	**–**	–	**–**	–
Reported EBIT	**147**	161	**188**	661	**620**	891	**126**	246	**196**	193
% change	***-9%***		***-72%***		***-30%***		***-49%***		***+2%***	
Capex (excluding licence)	**(743)**	(784)	**(849)**	(1,111)	**(1,498)**	(1,394)	**(792)**	(705)	**(168)**	(153)
Reported Depreciation & Amortisation [10]	**407**	400	**922**	792	**1,066**	671	**421**	294	**106**	97
Reported Depreciation & Amortisation [10] less Capex	**(336)**	(384)	**73**	(319)	**(432)**	(723)	**(371)**	(411)	**(62)**	(56)
Reported EBITDA less Capex	**(131)**	(175)	**494**	599	**850**	769	**(115)**	5	**182**	185
Licence [11]	**–**	(280)	**–**	–	**–**	(492)	**–**	(544)	**–**	–
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:										
EBITDA-pre IFRS 16 basis (HK$)	***5,868***	*6,504*	***11,087***	*15,729*	***1,822***	*1,957*	***752***	*877*	***2,894***	*3,106*
EBITDA-post IFRS 16 basis (HK$)	***6,840***	*7,615*	***15,586***	*21,117*	***2,035***	*2,214*	***858***	*986*	***3,100***	*3,323*
EBIT-pre IFRS 16 basis (HK$)	***1,356***	*1,712*	***1,534***	*6,087*	***488***	*809*	***140***	*307*	***1,625***	*1,767*
EBIT-post IFRS 16 basis (HK$)	***1,523***	*1,899*	***2,519***	*6,763*	***507***	*831*	***148***	*314*	***1,668***	*1,813*

	Ireland EURO 2022	Ireland EURO 2021	3 Group Europe before one-off [7] [8] HK$ 2022	3 Group Europe before one-off [7] [8] HK$ 2021 Normalised	2021 Tower Assets	2021 Reported	HTHKH HK$ 2022	HTHKH HK$ 2021	Corporate and Others and one-off [8] HK$ 2022	Corporate and Others and one-off [8] HK$ 2021	CKHGT HK$ 2022	CKHGT HK$ 2021	CKHGT EURO 2022	CKHGT EURO 2021
Total Revenue	**620**	579	**77,925**	86,972	–	86,972	**4,882**	5,385	**482**	218	**83,289**	92,575	**10,084**	10,083
% change	***+7%***		***-10%***				***-9%***		***+121%***		***-10%***		**–**	
Local currencies change %			**–**								**–**			
Total margin	**460**	445	**54,933**	60,777	–	60,777	**3,001**	2,974	**190**	38	**58,124**	63,789	**7,037**	6,946
% change	***+3%***		***-10%***				***+1%***		***+400%***		***-9%***		***+1%***	
Local currencies change %			***+1%***								***+1%***			
Total CACs	**(103)**	(77)	**(14,305)**	(16,163)	–	(16,163)	**(547)**	(562)	**–**	–	**(14,852)**	(16,725)	**(1,799)**	(1,823)
Less: Handset Revenue	**99**	76	**10,852**	12,549	–	12,549	**376**	395	**–**	–	**11,228**	12,944	**1,361**	1,411
Total CACs (net of handset revenue)	**(4)**	(1)	**(3,453)**	(3,614)	–	(3,614)	**(171)**	(167)	**–**	–	**(3,624)**	(3,781)	**(438)**	(412)
Operating Expenses	**(281)**	(256)	**(27,616)**	(27,999)	728	(27,271)	**(1,772)**	(1,714)	**(838)**	2,242	**(30,226)**	(26,743)	**(3,654)**	(2,904)
Opex as a % of total margin	***61%***	*58%*	***50%***	*46%*		*45%*	***59%***	*58%*	***N/A***	*N/A*	***52%***	*42%*	***52%***	*42%*
Gain on disposal of tower assets	**–**	–	**–**	–	–	–	**–**	–	**18,957**	25,259	**18,957**	25,259	**2,371**	2,620
Impairment of goodwill	**–**	–	**–**	–	–	–	**–**	–	**(11,039)**	(15,472)	**(11,039)**	(15,472)	**(1,330)**	(1,669)
EBITDA	**175**	188	**23,864**	29,164	728	29,892	**1,058**	1,093	**7,270**	12,067	**32,192**	43,052	**3,986**	4,581
% change	***-7%***		***-18%***				***-3%***		***-40%***		***-25%***		***-13%***	
Local currencies change %			***-9%***								***-19%***			
EBITDA margin % [9]	***34%***	*37%*	***36%***	*39%*		*40%*	***23%***	*22%*			***45%***	*54%*	***46%***	*53%*
Depreciation & Amortisation	**(124)**	(125)	**(18,300)**	(18,520)	(113)	(18,633)	**(1,088)**	(951)	**(1)**	(6)	**(19,389)**	(19,590)	**(2,346)**	(2,135)
EBIT	**51**	63	**5,564**	10,644	615	11,259	**(30)**	142	**7,269**	12,061	**12,803**	23,462	**1,640**	2,446
% change	***-19%***		***-48%***				***-121%***		***-40%***		***-45%***		***-33%***	
Local currencies change %			***-41%***								***-42%***			
EBITDA per above	**175**	188	**23,864**	29,164										
Proforma contribution from tower assets	**–**	–	**–**	728										
Reported EBITDA	**175**	188	**23,864**	29,892										
% change	***-7%***		***-20%***											
Local currencies change %			***-11%***											
EBIT per above	**51**	63	**5,564**	10,644										
Proforma contribution from tower assets	**–**	–	**–**	615										
Reported EBIT	**51**	63	**5,564**	11,259										
% change	***-19%***		***-51%***											
Local currencies change %			***-44%***											
Capex (excluding licence)	**(101)**	(114)	**(18,432)**	(23,118)			**(496)**	(874)	**(3)**	(20)	**(18,931)**	(24,012)	**(2,297)**	(2,623)
Reported Depreciation & Amortisation [10]	**90**	87	**14,475**	14,206			**515**	447	**1**	6	**14,991**	14,659	**1,814**	1,598
Reported Depreciation & Amortisation [10] less Capex	**(11)**	(27)	**(3,957)**	(8,912)			**19**	(427)	**(2)**	(14)	**(3,940)**	(9,353)	**(483)**	(1,025)
Reported EBITDA less Capex	**74**	74	**5,432**	6,774			**562**	219	**7,267**	12,047	**13,261**	19,040	**1,689**	1,958
Licence [11]	**–**	–	**–**	(4,237)			**(138)**	(2,040)	**–**	–	**(138)**	(6,277)	**(17)**	(669)
EBITDA-pre IFRS 16 basis (HK$)	***1,441***	*1,719*	***23,864***	*29,892*			***1,058***	*1,093*	***7,270***	12,067	***32,192***	*43,052*	***€3,986***	*€4,581*
EBITDA-post IFRS 16 basis (HK$)	***1,725***	*2,012*	***30,144***	*37,267*			***1,485***	*1,501*	***7,373***	12,124	***39,002***	*50,892*	***€4,808***	*€5,432*
EBIT-pre IFRS 16 basis (HK$)	***421***	*577*	***5,564***	*11,259*			***(30)***	*142*	***7,269***	12,061	***12,803***	*23,462*	***€1,640***	*€2,446*
EBIT-post IFRS 16 basis (HK$)	***494***	*636*	***6,859***	*12,256*			***(15)***	*156*	***7,372***	12,118	***14,216***	*24,530*	***€1,812***	*€2,562*

	UK 2022	UK 2021	Italy [12] 2022	Italy [12] 2021	Sweden 2022	Sweden 2021	Denmark 2022	Denmark 2021	Austria 2022	Austria 2021	Ireland 2022	Ireland 2021	3 Group Europe 2022	3 Group Europe 2021	HTHKH 2022	HTHKH 2021
Total registered customer base (million)	**13.1**	13.1	**20.1**	20.7	**2.5**	2.4	**1.5**	1.5	**3.2**	3.3	**3.8**	3.1	**44.2**	44.1	**3.8**	4.0
Total active customer base (million)	**10.3**	9.7	**18.8**	19.0	**2.4**	2.3	**1.5**	1.5	**2.9**	2.9	**3.8**	3.1	**39.7**	38.5	**3.3**	3.2
Contract customers as a % of the total registered customer base	**66%**	62%	**48%**	48%	**69%**	69%	**56%**	57%	**77%**	75%	**77%**	73%	**59%**	57%	**39%**	36%
Average monthly churn rate of the total contract registered customer base (%)	**1.4%**	1.3%	**1.3%**	1.4%	**1.3%**	1.2%	**1.8%**	1.6%	**0.4%**	0.2%	**0.5%**	0.7%	**1.2%**	1.2%	**0.8%**	1.2%
Active contract customers as a % of the total contract registered customer base	**98%**	99%	**96%**	95%	**100%**	100%	**100%**	100%	**100%**	100%	**100%**	100%	**98%**	98%	**100%**	100%
Active customers as a % of the total registered customer base	**79%**	74%	**93%**	92%	**100%**	98%	**100%**	100%	**90%**	87%	**100%**	100%	**90%**	87%	**86%**	80%
LTE coverage by population (%)	**96%**	94%	**100%**	100%	**97%**	95%	**100%**	100%	**97%**	97%	**99%**	99%	**–**	–	**99%**	90%
Full year data usage per active customer (Gigabyte)													**235.0**	192.7	**119.9**	85.7

Note 6: Wind Tre's results include fixed line business revenue of €959 million (2021: €973 million) and EBITDA of €177 million (2021: €211 million).

Note 7: As the disposals of tower assets in Italy was completed in June 2021, the 2021 Italy results were normalised, which exclude the proforma contribution from the tower assets for January to June 2021 for comparability purpose. Similarly, as the tower assets disposal in the UK was completed in November 2022, the 2021 UK results exclude the proforma contribution from the tower assets for November to December 2021. The % changes in EBITDA and EBIT are compared against the normalised 2021 numbers.

Note 8: **3** Group Europe results do not include one-off items in 2022 and 2021, which represented gain on disposal of tower assets of HK$19.0 billion (2021: HK$25.3 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion (2021: HK$15.5 billion).

Note 9: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 10: Reported Depreciation & Amortisation excludes amortisation of licences and amortisation of capitalised CACs.

Note 11: 2021 licence cost for UK represents investment for 20 MHz of 700 MHz spectrum acquired in May 2021, the licence cost for Sweden represents 100 MHz of 3500 MHz spectrum acquired in January 2021, the licence cost for Denmark represents 2x20 MHz of 2100 MHz spectrum, 120 MHz in 3500 MHz spectrum and 1000 MHz in 26 GHz spectrum acquired in April 2021, and the licence cost for Hong Kong represents investment for 10 MHz of 900 MHz spectrum renewed for 15 years from January 2021 and investment for 30 MHz of 1800 MHz spectrum renewed for 15 years from September 2021. 2022 licence cost for for Hong Kong represents investment for 20 MHz of 700 MHz spectrum acquired for 15 years from June 2022.

Note 12: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 31 December 2022 ('000)			Registered Customer Growth (%) from 30 June 2022 to 31 December 2022			Registered Customer Growth (%) from 31 December 2021 to 31 December 2022		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	4,460	8,623	**13,083**	-13%	+3%	**-3%**	-10%	+5%	–
Italy [13]	10,484	9,676	**20,160**	-2%	–	**-1%**	-3%	-2%	**-2%**
Sweden	760	1,704	**2,464**	+4%	+4%	**+4%**	+4%	+6%	**+5%**
Denmark	673	867	**1,540**	+3%	–	**+1%**	+4%	+2%	**+3%**
Austria	723	2,446	**3,169**	-4%	-1%	**-2%**	-11%	-2%	**-4%**
Ireland	860	2,926	**3,786**	+1%	+13%	**+10%**	+3%	+27%	**+20%**
3 Group Europe Total	17,960	26,242	**44,202**	-5%	+3%	**–**	-4%	+4%	**–**
HTHKH	2,341	1,470	**3,811**	+11%	–	**+7%**	-8%	+2%	**-4%**

	Active [14] Customer Base								
	Active Customers at 31 December 2022 ('000)			Active Customer Growth (%) from 30 June 2022 to 31 December 2022			Active Customer Growth (%) from 31 December 2021 to 31 December 2022		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	1,823	8,481	**10,304**	+10%	+3%	**+4%**	+13%	+5%	**+6%**
Italy [13] [15]	9,560	9,257	**18,817**	-3%	–	**-2%**	-1%	-1%	**-1%**
Sweden	750	1,704	**2,454**	+4%	+4%	**+4%**	+10%	+6%	**+7%**
Denmark	669	867	**1,536**	+3%	–	**+1%**	+4%	+2%	**+3%**
Austria	403	2,437	**2,840**	+4%	-1%	–	+8%	-2%	**-1%**
Ireland	860	2,926	**3,786**	+1%	+13%	**+10%**	+3%	+27%	**+20%**
3 Group Europe Total	14,065	25,672	**39,737**	-1%	+3%	**+1%**	+2%	+4%	**+3%**
HTHKH	1,808	1,470	**3,278**	+18%	–	**+9%**	+3%	+2%	**+2%**

Note 13: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 14: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 15: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

12-month Trailing Average Revenue per Active User (16) ("ARPU") to 31 December 2022

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2021
United Kingdom	£6.15	£21.46	**£18.83**	+1%
Italy (19)	€9.80	€12.19	**€10.97**	-4%
Sweden	SEK114.92	SEK265.85	**SEK219.77**	-11%
Denmark	DKK92.46	DKK146.43	**DKK123.15**	+1%
Austria	€10.13	€23.09	**€21.32**	–
Ireland	€14.63	€11.62	**€12.36**	-16%
3 Group Europe Average	€9.96	€18.56	**€15.47**	-3%
HTHKH	HK$11.15	HK$185.10	**HK$94.21**	+3%

12-month Trailing Net Average Revenue per Active User (17) ("Net ARPU") to 31 December 2022

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2021
United Kingdom	£6.15	£14.45	**£13.02**	–
Italy (19)	€9.80	€11.19	**€10.48**	-3%
Sweden	SEK114.92	SEK211.02	**SEK181.68**	–
Denmark	DKK92.46	DKK137.24	**DKK117.92**	+2%
Austria	€10.13	€19.85	**€18.52**	+2%
Ireland	€14.63	€8.93	**€10.33**	-16%
3 Group Europe Average	€9.96	€14.51	**€12.87**	-2%
HTHKH	HK$11.15	HK$167.57	**HK$85.85**	+5%

12-month Trailing Net Average Margin per Active User (18) ("Net AMPU") to 31 December 2022

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2021
United Kingdom	£5.63	£12.91	**£11.66**	+1%
Italy (19)	€8.73	€9.97	**€9.33**	–
Sweden	SEK97.92	SEK185.58	**SEK158.82**	–
Denmark	DKK78.13	DKK112.91	**DKK97.91**	+2%
Austria	€9.04	€17.98	**€16.75**	+4%
Ireland	€13.49	€8.17	**€9.48**	-17%
3 Group Europe Average	€8.87	€12.93	**€11.47**	-1%
HTHKH	HK$8.32	HK$145.46	**HK$73.81**	+4%

Note 16: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 17: 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.

Note 18: 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.

Note 19: Wind Tre's 2022 KBI included an adjustment for aligning the definition of active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite effect on Wind Tre's net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's total revenue and total margin.

Operations Review – Telecommunications

United Kingdom

On a normalised basis[20] and in local currency, UK's EBITDA increased by 3% compared to last year mainly driven by strong growth in net customer service margin from 6% increase in customer base, partly offset by higher network spending from increased 5G coverage and increase in annual licence fee. However, EBIT decreased by 3% in local currency compared to last year, mainly due to increased depreciation from higher asset base driven by IT investments and accelerated 5G network rollout. As a result of the network investments, **3** UK was awarded the fastest 5G network in UK by various independent surveys during the year.

Italy

On a normalised basis[20] and in local currency, Italy's EBITDA decreased by 19%, mainly due to decline in wholesale volume which led to 6% reduction in revenue, higher operating costs from network development and approximately 13% energy cost inflation, as well as certain dispute settlement proceeds in 2021. Wind Tre has implemented strategic transitions with progressive improvements in net customer service margin for each of the last four half-years since the beginning of 2021. Furthermore, the decline in wholesale margin has narrowed through extending the scope of existing wholesale arrangements. EBIT decreased by 69% due to higher depreciation and amortisation from an enlarged asset base as 5G rollout continues. Such investments have seen Wind Tre reach over 95% and 65% FDD and TDD coverage respectively, with various research awarding Wind Tre's network as the highest 5G speed and coverage for consecutive periods.

In January 2023, Wind Tre entered into a joint venture arrangement to rollout network in rural areas, which will create synergies and reduce the costs of developing and maintaining the network assets in these regions.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 9% in local currency compared to last year, primarily driven by 9% increase in total margin from 7% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base and increased handset receivables sales costs. During the second half of 2022, the operation recognised accelerated depreciation charges from the ongoing network asset swap, resulting in 30% lower EBIT compared to last year. Sweden's 5G network now covers nine of the country's largest cities with full TDD coverage.

Denmark

The Denmark operation, where the Group has 60% interest, reported decrease in EBITDA by 5% in local currency mainly driven by higher operating costs from the enlarged network base and increase in energy cost by over 180% mainly due to inflation, which more than offsets the total margin growth of 6%. As the network assets swap continued and more than half of the swap was carried out in 2022, Denmark's EBIT decreased by 49% when compared to last year. Denmark has reached over 65% 5G coverage and aims to achieve over 60% TDD coverage in 2023.

Austria

Austria's EBITDA and EBIT in local currency increased by 4% and 2% respectively compared to 2021, primarily driven by 5% total margin growth from 4% increase in net AMPU and strong MVNO performance, partly offset by higher operating costs from increased data traffic and enlarged network base, as well as 28% energy cost inflation. During 2022, Austria was ranked the fastest 5G network and has launched the country's first 5G standalone Fixed Wireless Access products.

Ireland

EBITDA and EBIT in local currency decreased by 7% and 19% respectively compared to 2021 driven by higher operating expenses due to network expansion, 46% energy cost inflation and increased marketing and sponsorship following the ease of lockdown restrictions. The adverse impact is partly offset by 3% higher total margin mainly due to the base growth, which more than offsets the lower net AMPU from the dilutive impact of higher mix of low value Internet of Things (IoT) customers. In 2022, Ireland was awarded the fastest 5G network with 90% population coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,882 million was 9% lower compared to last year, primarily driven by lower hardware sales as a result of supply chain constraints. EBITDA of HK$1,058 million was 3% lower compared to last year, mainly due to lower margin from lower hardware sales as well as higher network costs driven by the investments in 5G technology and network infrastructure expansion, partly offset by the improved net customer service margin driven by the rebound in roaming service revenue. LBIT of HK$30 million for 2022 compared to an EBIT of HK$142 million reported last year, mainly due to higher depreciation and amortisation from the full year impact of the renewal of spectrum in 2021, the activation of new spectrum in 2022 and the enlarged asset base from 5G network infrastructure expansion.

Note 20: Due to the completion of disposals of tower assets in 2022 and 2021 as mentioned, the 2021 results were normalised, which exclude the proforma contribution from the tower assets in the UK for November to December 2021 and in Italy for first half of 2021 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2021 numbers.

Hutchison Asia Telecommunications

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**11,628**	8,786	+32%	+38%
EBITDA (21)	**9,420**	2,036	+363%	+373%
EBIT (21)	**6,745**	209	+3127%	+3189%
Total active customer base (million)	**123.1**	56.2	+119%	
- Indonesia	**102.2**	39.1	+162%	
- Vietnam	**16.9**	13.2	+27%	
- Sri Lanka	**4.0**	3.9	+3%	

Note 21: Under Post-IFRS 16 basis, EBITDA was HK$12,478 million (2021: HK$4,232 million); EBIT was HK$8,582 million (2021: HK$979 million).

In January 2022, the merger transaction between the Group's Indonesia telecommunication business, Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat") was completed. The newly merged company, Indosat Ooredoo Hutchison ("IOH"), remains listed on the Indonesia Stock Exchange and becomes the second largest telecommunication operator in Indonesia. As of 31 December 2022, Hutchison Asia Telecommunications ("HAT") had approximately 123.1 million active customer accounts, whereby Indonesia represented 83% of the total following the merger.

HAT's results at EBITDA and EBIT levels in 2022 included a gain of HK$6,100 million from the completion of the merger of the Indonesian telecommunication business, partly offset by a non-cash impairment in the telecommunication business in Sri Lanka of HK$962 million amidst the challenging market condition following the outbreak of the political and economic crisis in the country in the first half.

Excluding the above one-off items, EBITDA and EBIT in 2022 of HK$4,282 million and HK$1,607 million increased by 110% and 669% respectively due to the increased contribution from the Group's share of IOH's results since the merger. IOH's solid performance in 2022 reflected the continued good growth momentum with the enlarged customer base following the merger, which has resulted in a strong data traffic growth. In addition, IOH's network size has also increased with 4G base transceiver stations rising to above 137,000, enabling it to handle the strong increase in traffic. In September 2022, IOH distributed a dividend of IDR2 trillion (approximately US$133 million) to its shareholders, the first dividend received from the Indonesian telecommunication operation since the Group entered into the market.

The finance & investments and others segment includes returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited ("HWCL"), listed associate TOM Group ("TOM"), the Marionnaud businesses, listed associate CK Life Sciences Group ("CKLS") and listed subsidiary, Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% interest in TPG Telecom Limited ("TPG"). Following the merger of the Group's energy business with Cenovus Energy in January 2021, the Group's 16.6% interest in Cenovus Energy is included under Finance Investments and Others segment.

	2022 HK$ million	2021 HK$ million	Change	Local currencies change
Total Revenue	**94,085**	72,036	+31%	+35%
EBITDA [1]	**18,469**	5,312	+248%	+254%
- Underlying	**18,722**	10,320	+81%	+85%
- One-off items	**(253)**	(5,008)	+95%	+95%
EBIT [1]	**12,009**	(1,219)	+1085%	+1094%
- Underlying	**12,262**	3,789	+224%	+226%
- One-off items	**(253)**	(5,008)	+95%	+95%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$19,177 million (2021: HK$6,464 million); EBIT was HK$11,736 million (2021: HK$(1,146) million).

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$154,188 million as at 31 December 2022. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2022 annual results announcement.

In 2022, EBITDA and EBIT in this segment included a one-off net loss of HK$0.3 billion, which represented the Group's share of non-cash pre-tax impairment on the energy business' US refinery assets. This is compared to the one-off net loss of HK$5.0 billion in last year, which comprised a non-cash foreign exchange reserve loss following the energy business merger of HK$3.5 billion and the Group's share of non-cash pre-tax impairment on the energy business' US refinery assets of HK$1.5 billion.

Excluding the one-off items, underlying EBITDA and EBIT grew 81% and 224% respectively from 2021 primarily due to the higher contribution from the energy business' underlying operations with constructive commodity prices driving improvement in results.

Other Operations

Hutchison Whampoa (China) Limited

HWCL operates various manufacturing, service and distribution joint ventures in the Mainland, Hong Kong and the United Kingdom, and also has 38.45% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM market of the London Stock Exchange in the UK and the Nasdaq Global Select Market in the US. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialisation of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

Cenovus Energy

Cenovus Energy is a Canadian-based integrated energy company with shares listed on the Toronto and New York stock exchanges. It operates in Canada, the United States and Asia Pacific region, and is the third largest Canadian oil and natural gas producer, as well as the second largest Canadian-based refiner and upgrader. As at 31 December 2022, the Group held 16.6% interest in Cenovus Energy, together with warrants representing a further 1.1% to 17.7% (2).

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$13,751 million, HK$9,424 million and HK$6,333 million, an increase of 111%, 308% and 1,073% compared to last year respectively.

TOM Group

TOM, a 36.1% associate, is a technology and media company listed on SEHK. TOM has technology operations in e-commerce, social network, mobile internet, and investments in fintech and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments.

Marionnaud

Marionnaud had over 750 stores in 9 European markets as of 31 December 2022, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

The Group has an approximate 45.32% interest in CKLS, a company listed on SEHK. CKLS is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in, products and assets which are nutraceuticals, pharmaceuticals and agriculture-related.

HTAL, share of TPG Telecom Limited

HTAL, an 87.87% owned subsidiary listed on the Australian Securities Exchange ("ASX"), has 25.05% interest of TPG Telecom Limited (also listed on the ASX).

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK$14,860 million, increased by 1% when compared to last year. The Group's weighted average cost of debt for 2022 was 2.0% (2021: 1.6%).

The Group recorded current and deferred tax charges of HK$16,091 million in 2022, an increase from HK$9,578 million in 2021, primarily reflecting the adverse variance arising from the disposal of tower assets, higher profit before tax in 2022, as well as the adverse net impact from the revaluation of deferred tax assets and liabilities following the revision of the UK corporate tax rates in 2021.

Note 2: On a partially-diluted basis assuming the exercise of the Cenovus Energy common share purchase warrants held by the Group.