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

2016
Annual Results
Operations Analysis

Disclaimer

Potential investors and shareholders of the Company (the "Potential Investors and Shareholders") are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group for the year ended 31 December 2016, and of certain comparative pro forma financial information of the Group for the year ended 31 December 2015. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2016 Annual Report for the audited results of the Company which are published in accordance with the Listing Rules of the Stock Exchange of Hong Kong Limited.

The performance and the results of operations of the Group contained within this Presentation are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Presentation are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Presentation; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

Performance in 2016

	2016	Change vs 2015 Pro forma (1)	Change in local currency
Total Revenue (2)	**HK$372.7 billion**	*-6%*	*-2%*
Reported EBITDA (2)	**HK$92.0 billion**	-	*+6%*
Reported EBIT (2)	**HK$62.4 billion**	*+1%*	*+7%*
Recurring Earnings (3)	**HK$33.3 billion**	*+4%*	*+11%*
Reported Earnings (4)	**HK$33.0 billion**	*+6%*	
Recurring Earnings per share (3)	**HK$8.63**	*+4%*	
Reported Earnings per share (4)	**HK$8.55**	*+6%*	
Full Year Dividend per share	**HK$2.680**	*+5%*	

Note (1): CKHH Pro forma results for the year ended 31 December 2015 assumed that the Reorganisation was effective as at 1 January 2015.

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

Note (3): Recurring earnings and recurring EPS were calculated based on profit attributable to ordinary shareholders before profits on disposal of investments and others, after tax.

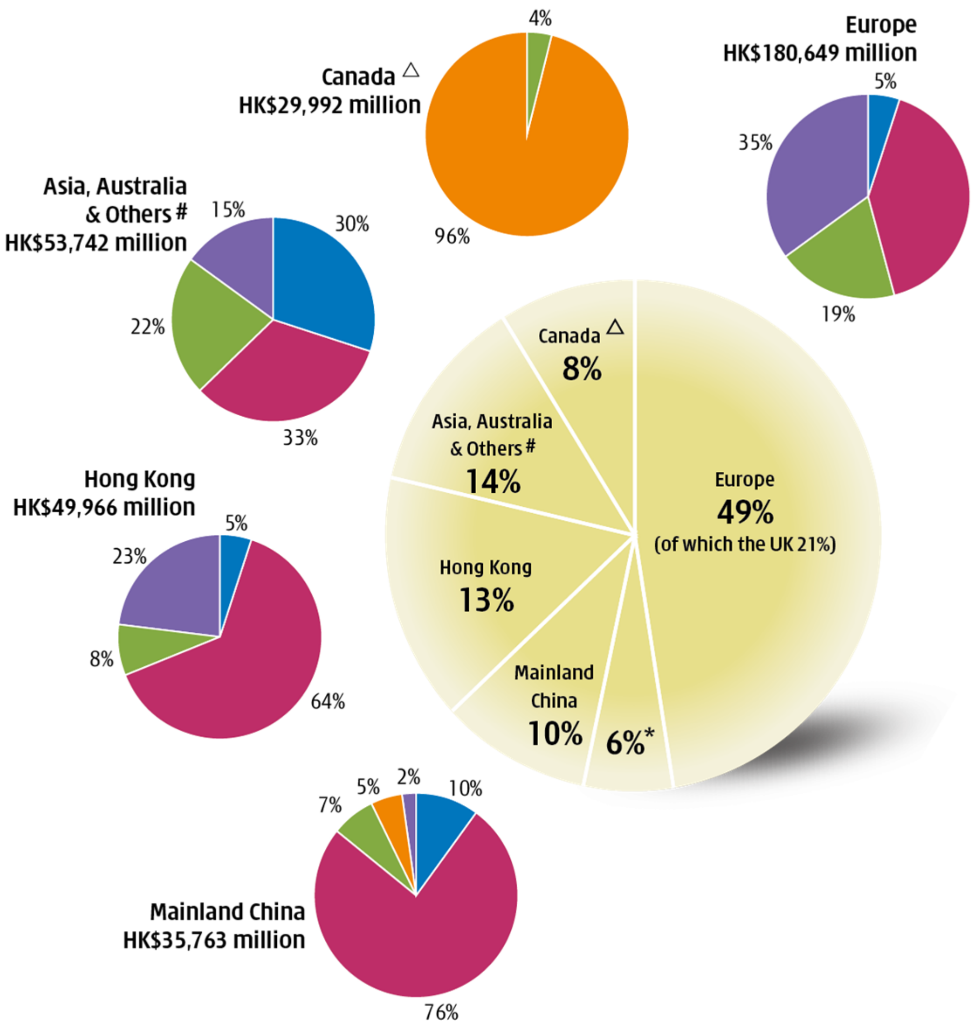
Note (4): Profits on disposal of investments and others, after tax in 2016 was a charge of HK$305 million comprising an impairment charge on certain non-core investments held by the ports operation of HK$577 million and the Group's 50% share of operating losses of Vodafone Hutchison Australia ("VHA") which amounted to HK$326 million, partly offset by a non-cash marked-to-market gain upon acquisition of additional interest in an existing port operation of HK$598 million. This is compared to the HK$960 million charge arising from VHA's losses recorded in 2015.

Business & Geographical Diversification

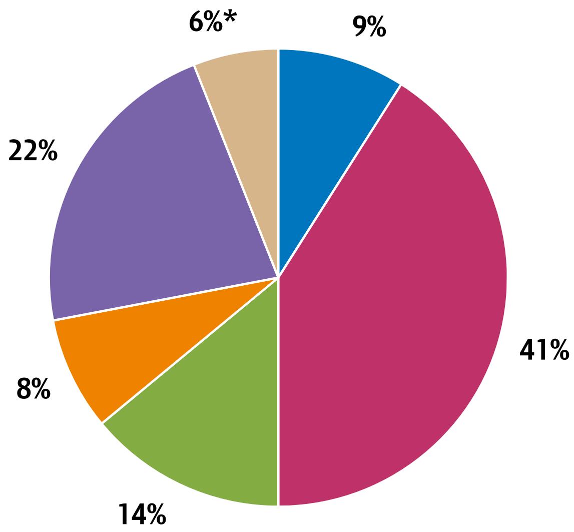
2016 Total Revenue : HK$372,686 million

Decrease 6% in reported currency (Decrease 2% in local currencies)

By Geographical Location



By Division



* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

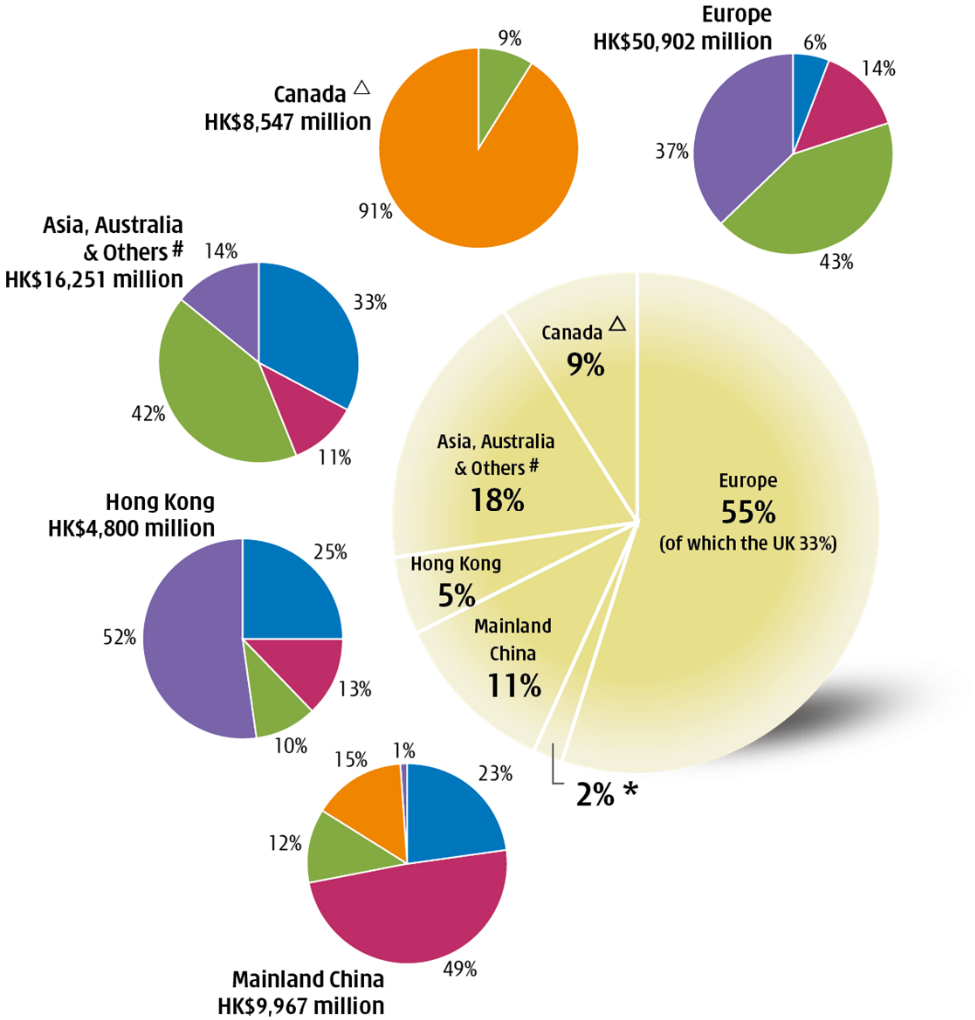
Business & Geographical Diversification

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

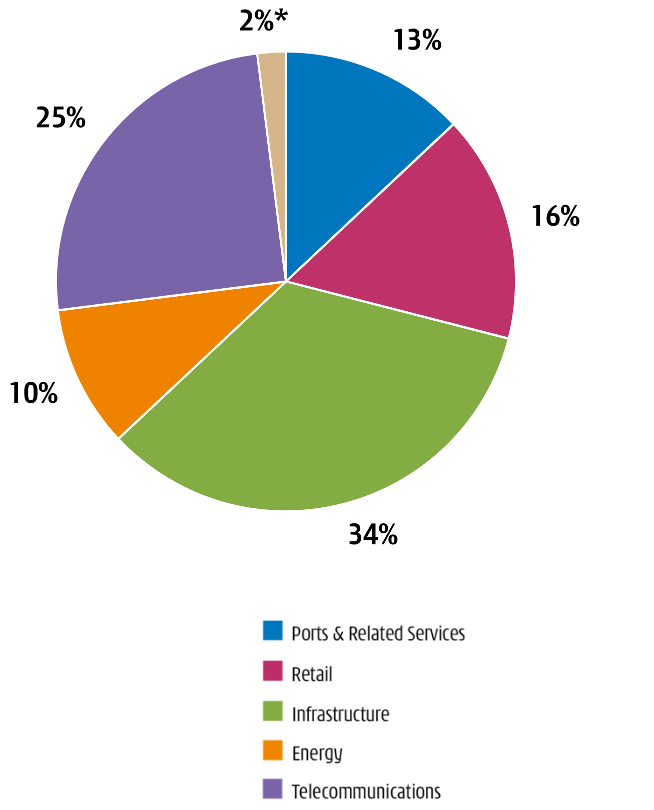
2016 Reported EBITDA: HK$91,980 million

Flat in reported currency (Increase 6% in local currencies)

By Geographical Location



By Division



* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

Reported EBITDA

	Ports & Related Services	Retail	Infrastructure	Husky Energy	3 Group Europe	HTHKH	HAT	F&I and Others	2016
2016	11,639	14,567	31,128	9,284	18,944	2,607	2,298	1,513	91,980
2015	11,964	14,838	32,291	9,375	17,396	2,911	1,176	2,142	92,093
Variance	(325)	(271)	(1,163)	(91)	1,548	(304)	1,122	(629)	(113)
% Change	-3%	-2%	-4%	-1%	9%	-10%	95%	-29%	0%
FX impact	(536)	(745)	(2,778)	(200)	(1,101)	-	(2)	5	(5,357)
Underlying variance	211	474	1,615	109	2,649	(304)	1,124	(634)	5,244
% Change in local currency	2%	3%	5%	1%	15%	-10%	96%	-30%	6%

Note (1): 2015 pro forma results assumed the Reorganisation was effective on 1 January 2015.

Note (2): F&I and Others includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business, CK Life Sciences, and corporate overheads & expenses.

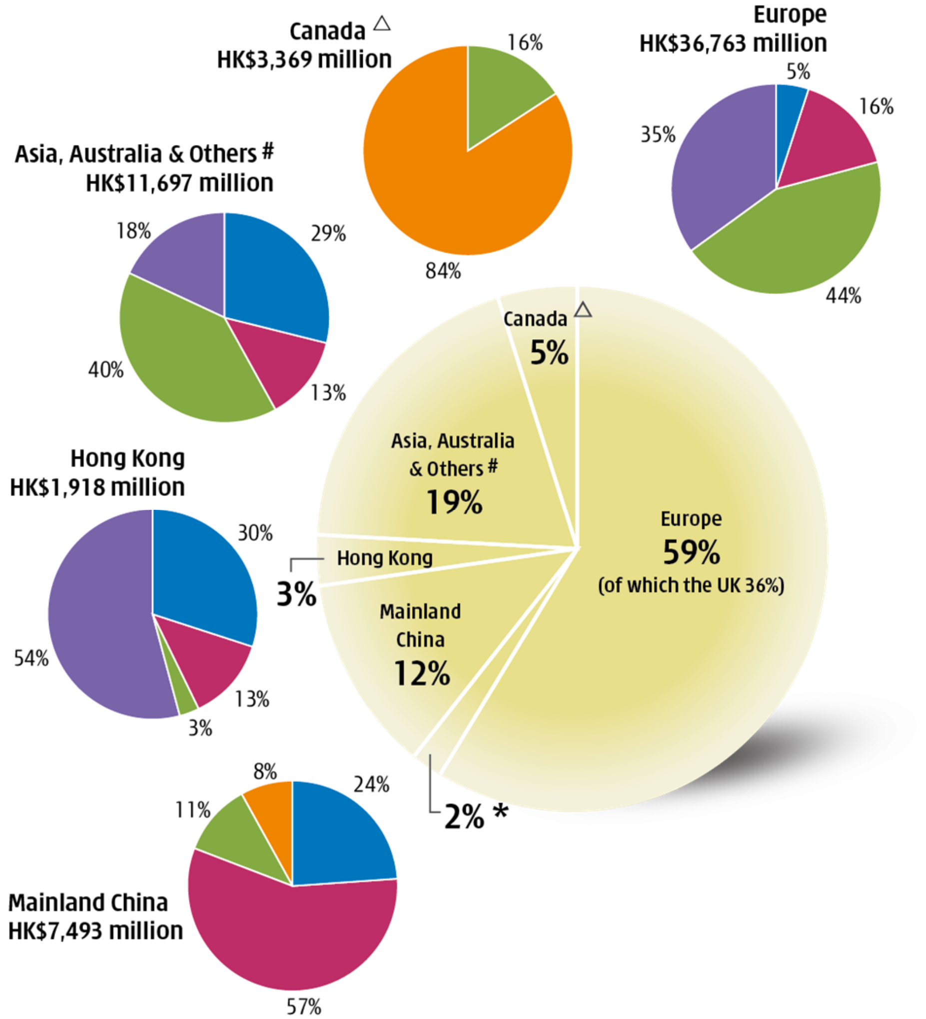
- represents adverse foreign exchange translation impact

Business & Geographical Diversification

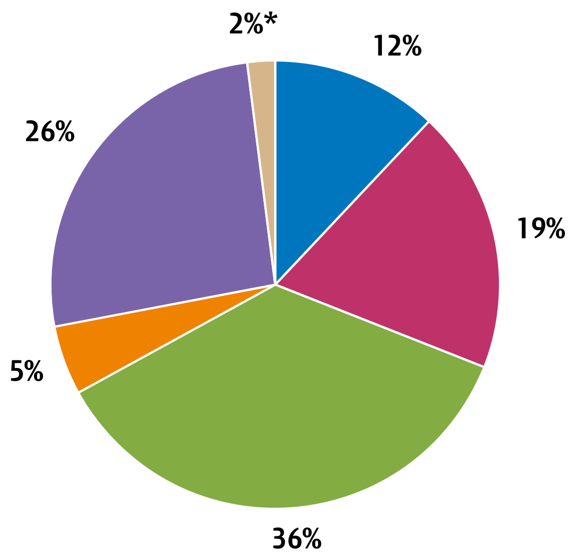
2016 Reported EBIT: HK$62,414 million

Increase 1% in reported currency (Increase 7% in local currencies)

By Geographical Location



By Division

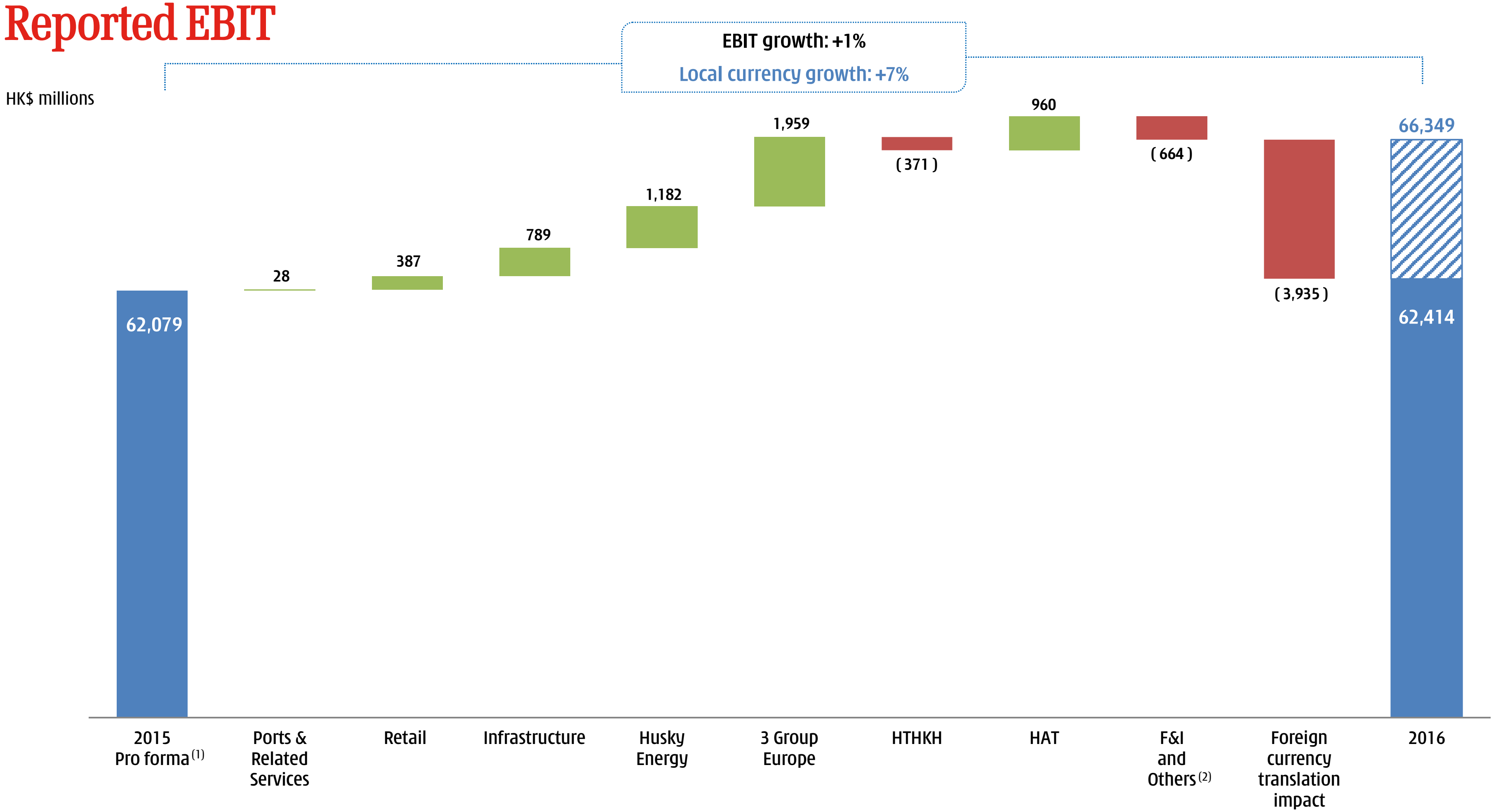


* Represents contributions from Finance & Investments and Others
# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

Reported EBIT



	Ports & Related Services	Retail	Infrastructure	Husky Energy	3 Group Europe	HTHKH	HAT	F&I and Others	Foreign currency translation impact	2016
2016	7,567	12,059	22,162	3,429	12,838	1,055	2,130	1,174		62,414
2015	7,957	12,328	23,477	2,229	11,664	1,426	1,176	1,822		62,079
Variance	(390)	(269)	(1,315)	1,200	1,174	(371)	954	(648)		335
% Change	-5%	-2%	-6%	54%	10%	-26%	81%	-36%		1%
FX impact	(418)	(656)	(2,104)	18	(785)	-	(6)	16		(3,935)
Underlying variance	28	387	789	1,182	1,959	(371)	960	(664)		4,270
% Change in local currency	0%	3%	3%	53%	17%	-26%	82%	-36%		7%

Note (1): 2015 pro forma results assumed the Reorganisation was effective on 1 January 2015.

Note (2): F&I and Others includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business, CK Life Sciences, and corporate overheads & expenses.

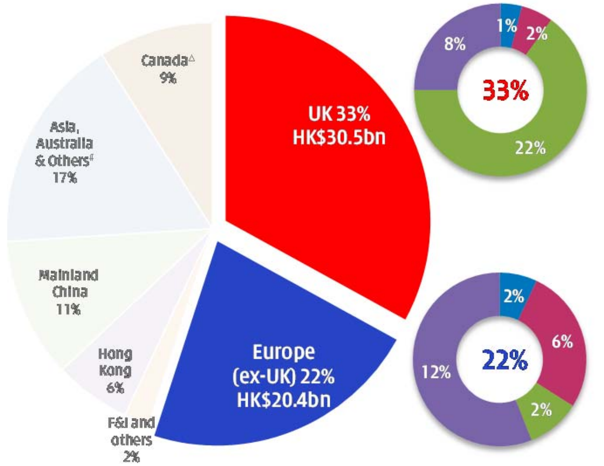
- represents adverse foreign exchange translation impact

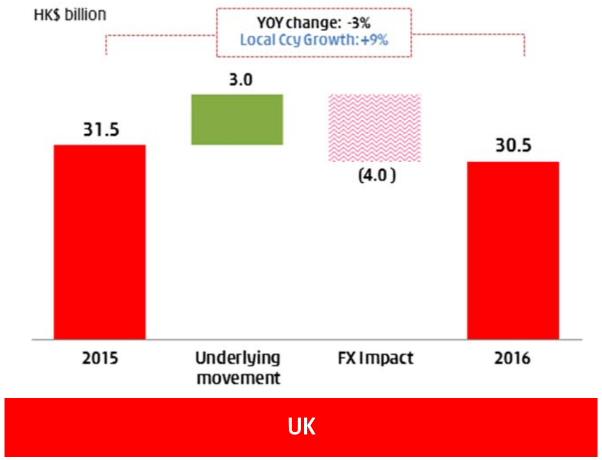
European Contribution

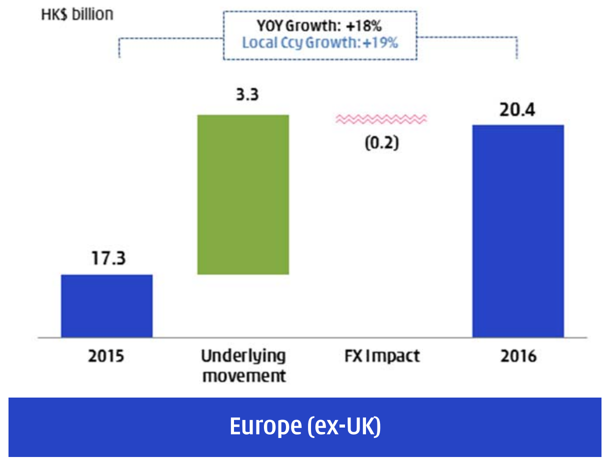
CK Hutchison Holdings Limited 長江和記實業有限公司

EBITDA and EBIT

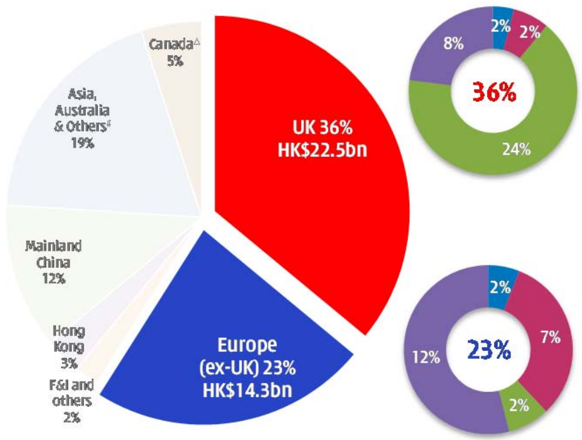
Total EBITDA[(1)]: HK$92.0 billion

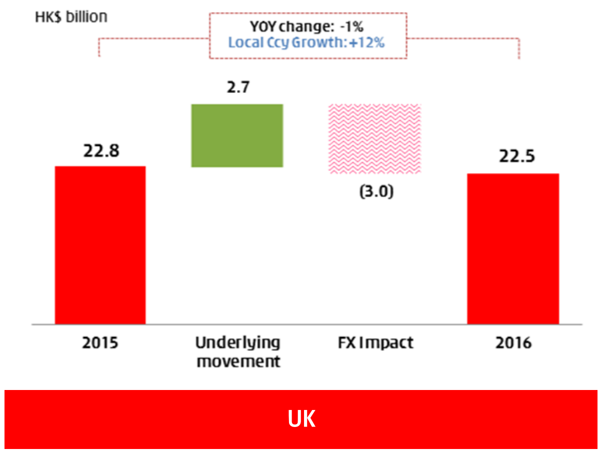


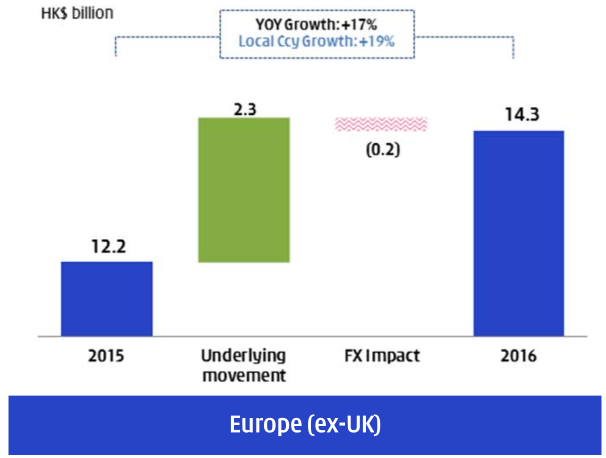




Total EBIT[(1)]: HK$62.4 billion







- Ports & Related Services
- Retail
- Infrastructure
- Telecommunications

\# Includes Panama, Mexico and the Middle East

△ Includes contribution from the USA for Husky Energy

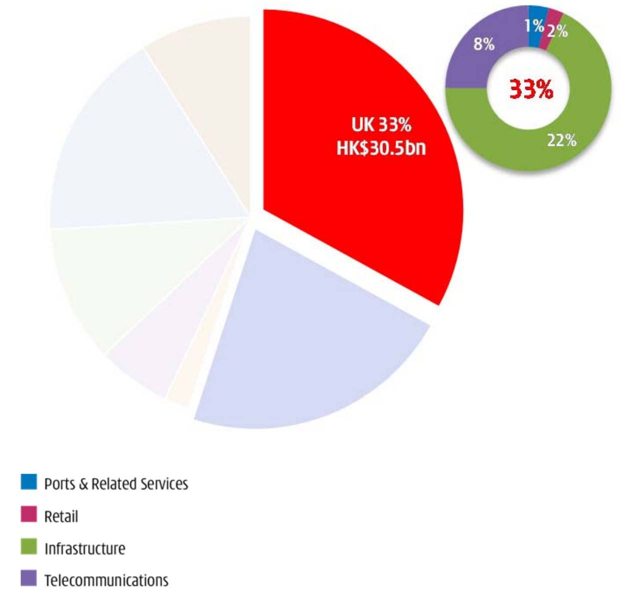
Note (1): EBITDA and EBIT excludes (i) non-controlling interests' share of results of HPH Trust and (ii) profits on disposal of investments & others.

Note (2): All percentages in the pie charts represent % of the Group's total amount.

European Contribution

UK Focus

Total EBITDA(1): HK$92.0 billion



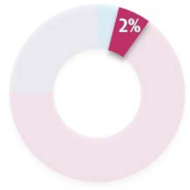
Note (1): EBITDA excludes (i) non-controlling interests' share of results of HPH Trust and (ii) profits on disposal of investments & others.

Note (2): All percentages in the pie charts represent % of the Group's total amount.

Ports

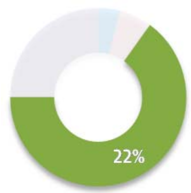
- Over 90% of containerised cargo is gateway traffic
- Approximately 90% of containerised cargo relates to non-European trade
- Currently 14 out of 16 Asia-North Europe loops call at UK port and this trend is expected to continue

Retail



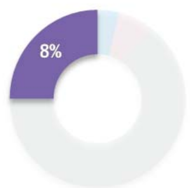
- In 2016, the UK businesses achieved 6.9% comparable store sales growth and 23% EBITDA growth in local currency
- The H&B format proved to be resilient in a challenging market
- Key growth drivers were well-executed store segmentation and strong value propositions to local UK customers

Infrastructure



- Majority of the earnings contribution from regulated utility businesses
- Next tariff resets in 2020
- Defensive business relating to daily utilities consumption in local UK market

Telecommunications

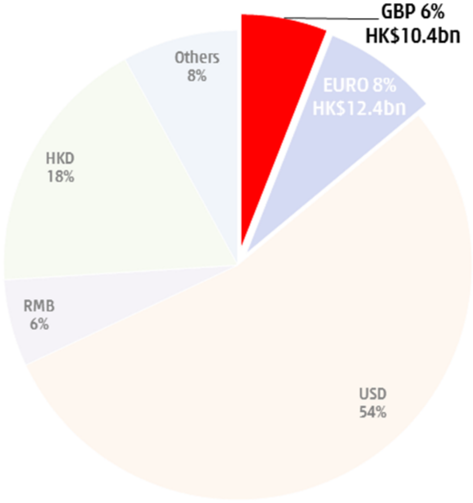


- Competitive propositions in the domestic consumer market
- Consumer segment represents over 99% of 3UK's revenue
- Contract customers represents 69% of total active customers, with an average contract length of 17 months
- Healthy EBITDA margin of 41%

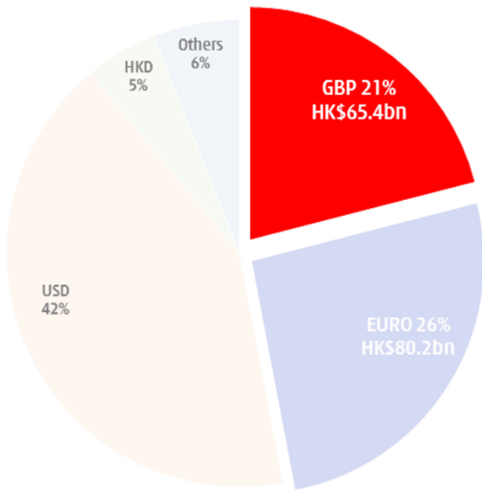
European Contribution

UK Focus

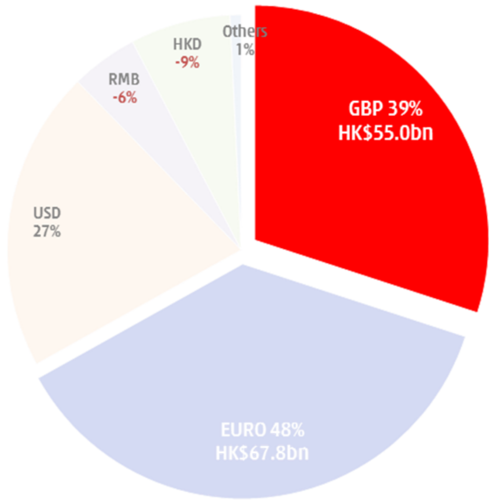
Cash & Cash Equivalent: HK$162.2 billion



Gross Debt: HK$304.0 billion

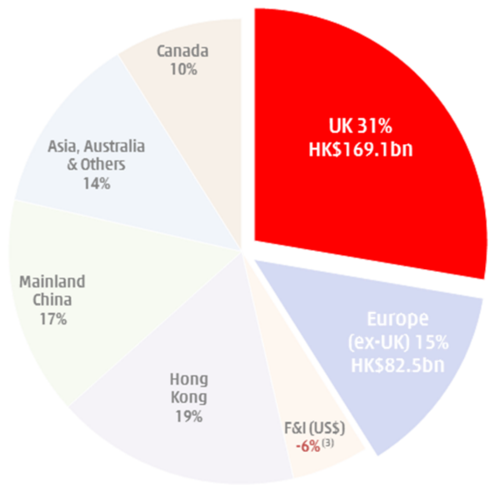


Net Debt: HK$141.8 billion



GBP Currency Sensitivity	10% depreciation against HKD[2]
	HK$ billion
EBITDA	↓ 3.1
Cash & Cash Equivalent	↓ 1.0
Gross Debt	↓ 6.5
Net Debt	↓ 5.5
Net Assets	↓ 11.8
Gross Debt / Annualised EBITDA (times)	Flat
Net Debt Ratio (%-point)	↓ 0.3%

Net Assets: HK$544.2 billion



Note (1): All percentages in the pie charts represent % of the Group's total amount

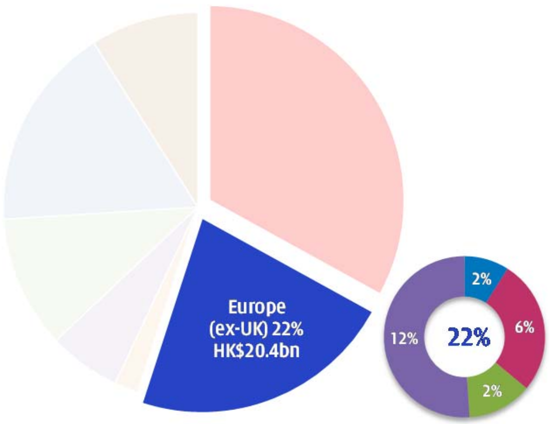
Note (2): Impact on the Group's 2016 results

Note (3): Mainly represents USD debt at corporate level

European Contribution

Europe (ex-UK) Focus

Total EBITDA[(1)]: HK$92.0 billion

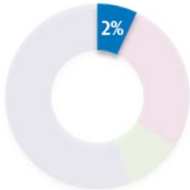


- Ports & Related Services
- Retail
- Infrastructure
- Telecommunications

Note (1): EBITDA excludes (i) non-controlling interests' share of results of HPH Trust and (ii) profits on disposal of investments & others.

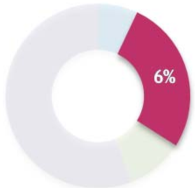
Note (2): All percentages in the pie charts represent % of the Group's total amount.

Ports



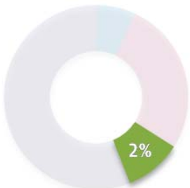
- Rotterdam in Netherlands is the busiest port in Europe and is the 12th busiest port in the world
- Majority of the containerised cargo traffic are gateway traffic with Asia and the Americas
- BEST at Barcelona, a semi-automated port, continues to maintain consistent average quayside crane productivity of 38 moves per hour ("mph"), the highest moves per hour within the division. Together with higher throughput in 2016, the operation achieved an EBITDA growth of 13% in the year
- Despite intensifying competition at Rotterdam, ECT is enhancing productivity and efficiency through reduction in cost per move. The 4 % reduction in cost per move offsets the drop in tariff rates with new competition in 2015

Retail



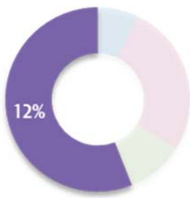
- In 2016, the non-UK European businesses achieved 2.7% comparable store sales growth
- The Kruidvat model, covering the Benelux markets, continued to gain market share and reported local currency EBITDA growth of 4% amid softness in economies
- Rossmann Poland continued to be the market leader in Poland and delivered very healthy double-digit EBITDA growth

Infrastructure



- Non-regulated renewable energy business in Portugal strongly supported by the government
- Largest energy-from-waste company in the Netherlands

Telecommunications

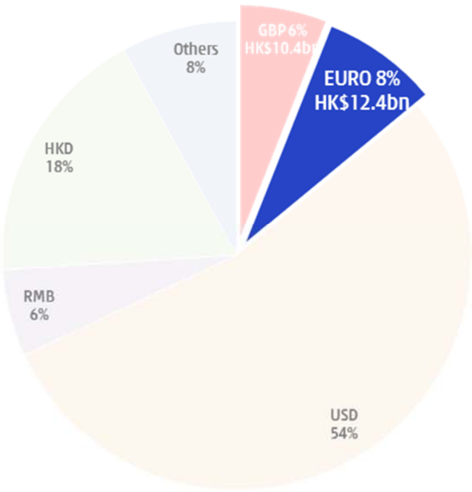


- Wind Tre in Italy will be the major contributor of growth in 2017
- All European operations reported growth in active customers base
- EBITDA margin ranges from 33% to 53%, an impressive profitability indicator

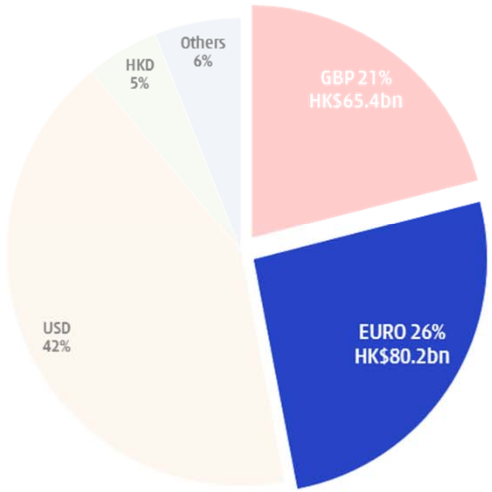
European Contribution

Europe (ex-UK) Focus

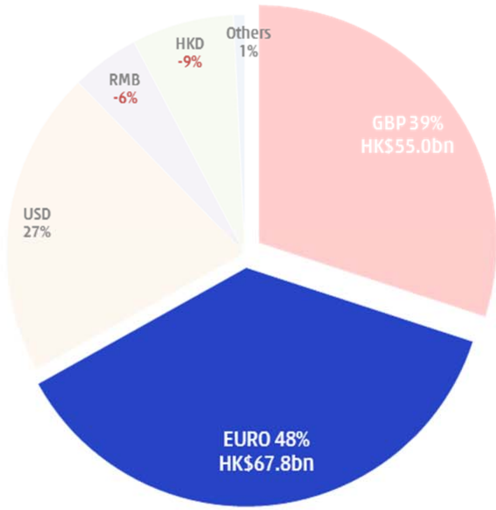
Cash & Cash Equivalent: HK$162.2 billion



Gross Debt: HK$304.0 billion

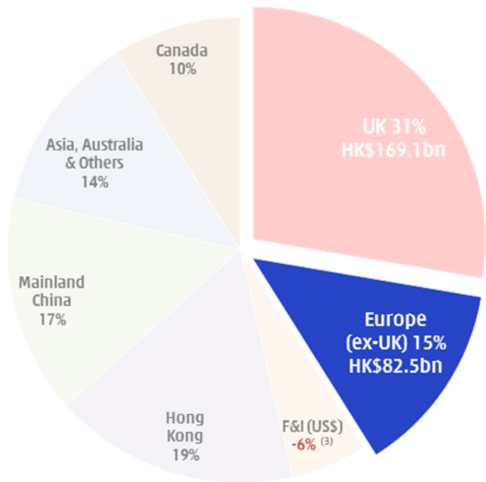


Net Debt: HK$141.8 billion



EURO Currency Sensitivity	10% depreciation against HKD[2]
	HK$ billion
EBITDA	↓ 1.5
Cash & Cash Equivalent	↓ 1.2
Gross Debt	↓ 8.0
Net Debt	↓ 6.8
Net Assets	↓ 2.2
Gross Debt / Annualised EBITDA (times)	Flat
Net Debt Ratio (%-point)	↓ 0.7%

Net Assets: HK$544.2 billion



Note (1): All percentages in the pie charts represent % of the Group's total amount.

Note (2): Impact on the Group's 2016 results

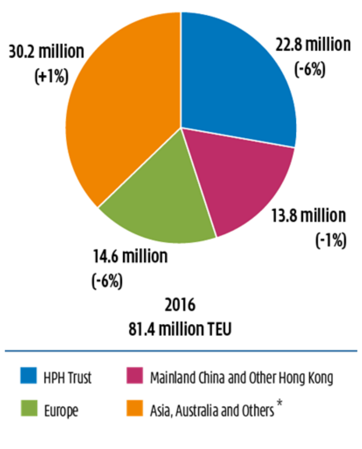
Note (3): Mainly represents USD debt at corporate level

Ports and Related Services

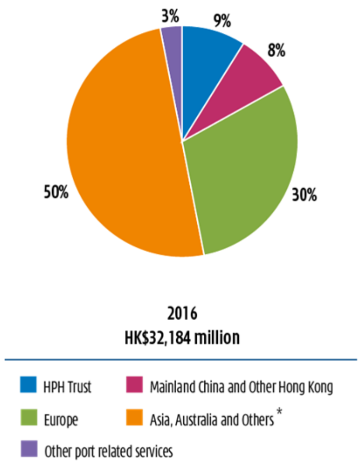
	2016[1] HK$ millions	2015[1] HK$ millions	Change %	Change % in local currency
Total Revenue	32,184	34,009	-5%	-
EBITDA	11,639	11,964	-3%	+2%
EBIT	7,567	7,957	-5%	-
Throughput	**81.4 million TEU**	83.8 million TEU	-3%	NA

- Throughput declined by 3% to 81.4 million TEU in 2016, mainly due to the weak intra-Asia and transhipment cargoes in Hong Kong and competition in Rotterdam, but revenue in local currencies remained flat compared to last year.
- In local currencies, EBITDA increased by 2%, primarily driven by better performances in Alexandria Port in Egypt and the Mexican Ports, and a gain on disposal of the Huizhou ports, partly offset by the deconsolidation impact of the Jakarta operations, which ceased to be a subsidiary and is accounted for as a joint venture following the dilution of interests in 2015; and lower contribution from ECT in Rotterdam and IPS in Dammam due to fierce competition from new competitors. EBIT in local currencies remained flat mainly due to higher amortisation charge on the renewed concession of the Jakarta operations.
- The division had 275 operating berths[2] as at 31 December 2016, representing an increase of 6 berths during 2016, due to new berths commencing operations in Yantian (4), Malaysia (1) and Pakistan (1).

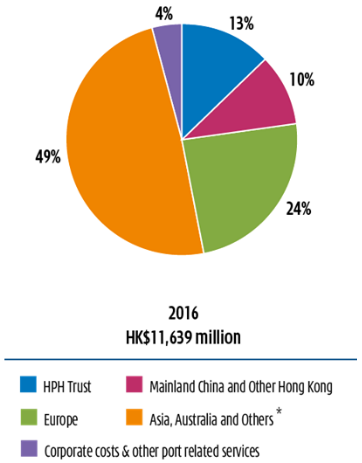
Total Container Throughput (-3%)
by Subdivision



Total Revenue
(-5% in reported currency)
by Subdivision



Total EBITDA
(-3% in reported currency)
by Subdivision



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

Outlook

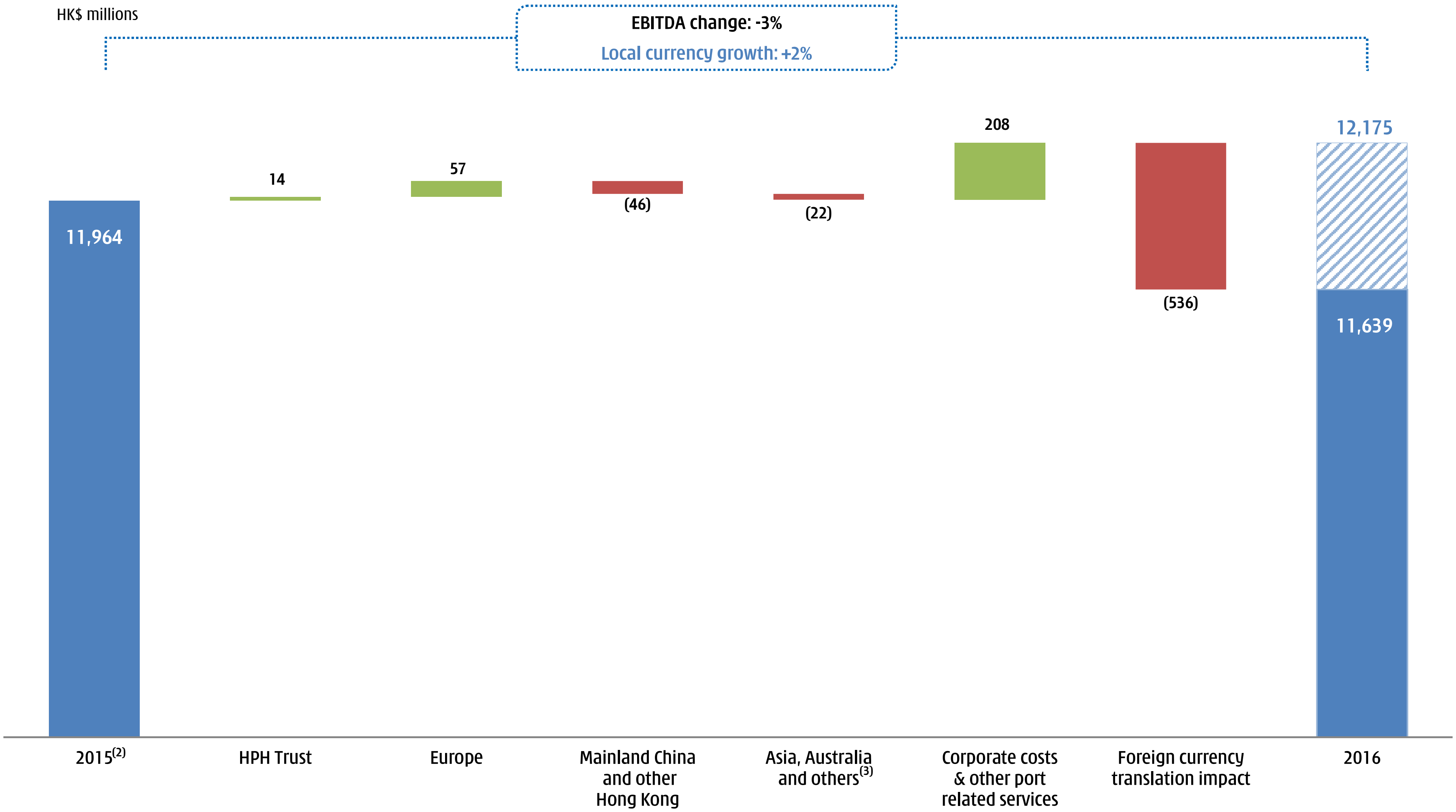
- This division will continue to focus on enhancing service capabilities and efficiencies in order to maintain a stable contribution in 2017. A cautious approach will be maintained along with rigorous cost discipline in light of the uncertain global trade outlook and potential impact on the Group's businesses of structural changes in shipping line alliances.

Note (1): Total Revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust. 2015 pro forma results assumed the Reorganisation was effective on 1 January 2015.

Note (2): Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Ports and Related Services

EBITDA[1] Change



Note (1): EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

Note (2): 2015 pro forma results assumed the Reorganisation was effective 1 January 2015.

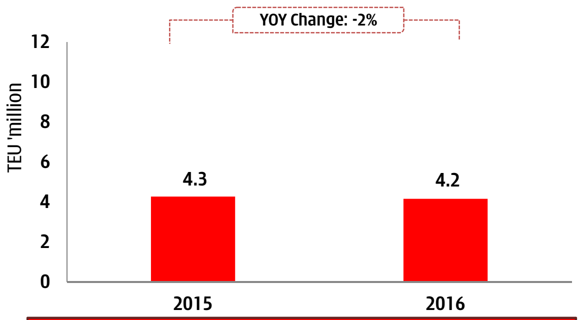
Note (3): Asia, Australia and others includes Panama, Mexico and the Middle East.

- represents adverse foreign exchange translation impact

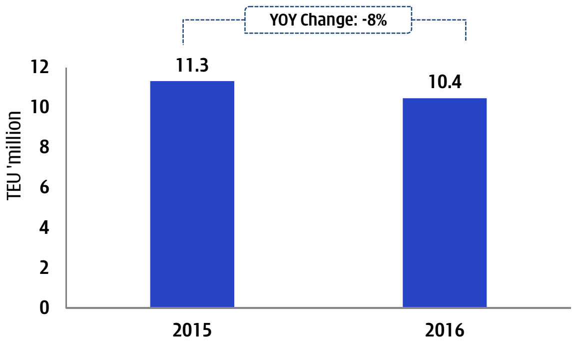
Ports and Related Services

European Operations

Throughput

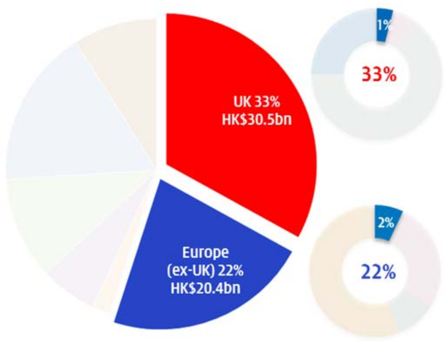


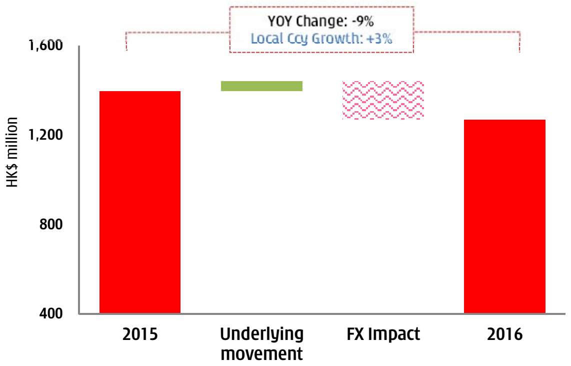
UK



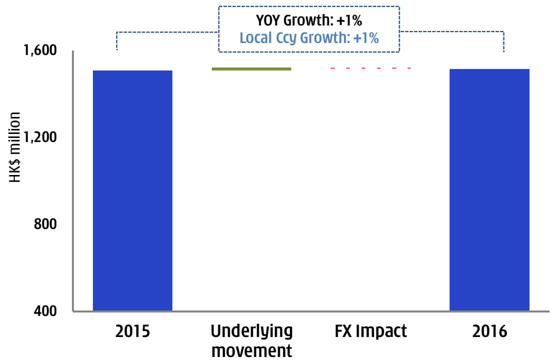
Europe (ex-UK)

EBITDA



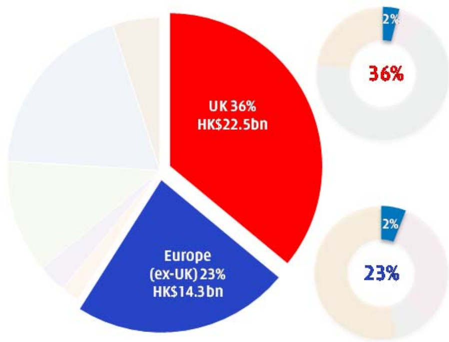


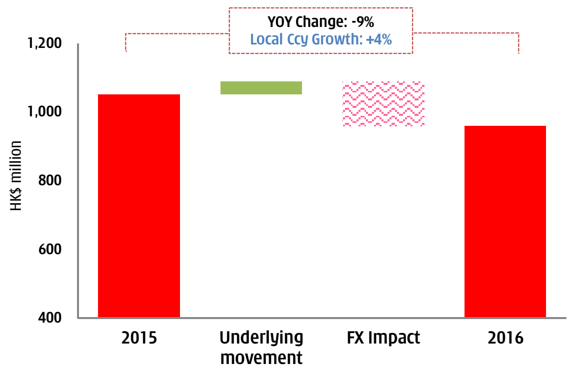
UK



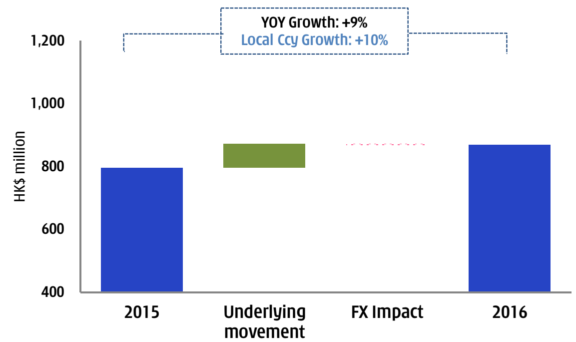
Europe (ex-UK)

EBIT





UK

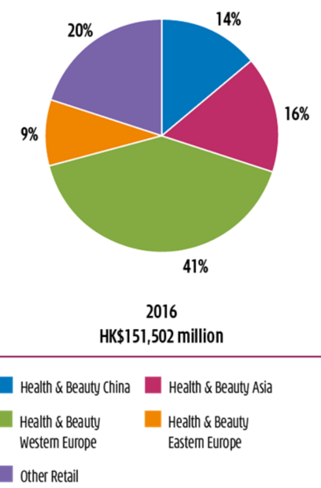


Europe (ex-UK)

Retail

	2016 HK$ millions	2015 HK$ millions	Change %	Change % in local currency
Total Revenue	151,502	151,903	-	+3%
EBITDA	14,567	14,838	-2%	+3%
EBIT	12,059	12,328	-2%	+3%
Store Numbers	13,331	12,400	+8%	NA

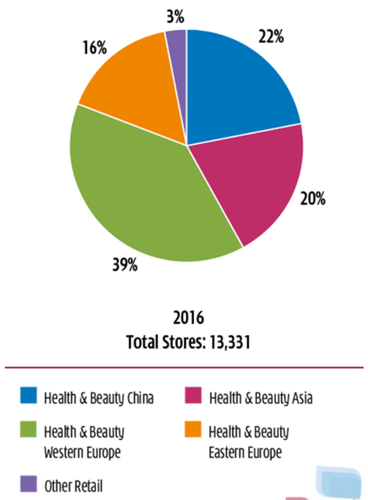
Total Revenue
(Flat in reported currency)
by Subdivision



Total Revenue	2016 HK$ millions	2015 HK$ millions	Change %	Change % in local currency
H&B China	20,914	21,713	-4%	+2%
H&B Asia[1]	23,814	22,014	+8%	+11%
H&B China & Asia Subtotal	44,728	43,727	+2%	+6%
H&B Western Europe	61,584	60,045	+3%	+7%
H&B Eastern Europe[1]	13,076	12,157	+8%	+13%
H&B Europe Subtotal	74,660	72,202	+3%	+8%
H&B Subtotal	119,388	115,929	+3%	+8%
Other Retail[2]	32,114	35,974	-11%	-10%
Total Retail	151,502	151,903	-	+3%

	Store Numbers			Comparable Stores Sales Growth[3] (%)	
	2016 Stores	2015 Stores	Change %	2016	2015
H&B China	2,929	2,483	+18%	-10.1%	-5.1%
H&B Asia[1]	2,603	2,361	+10%	+1.9%	+1.5%
H&B China & Asia Subtotal	5,532	4,844	+14%	-4.0%	-1.7%
H&B Western Europe	5,190	5,056	+3%	+3.7%	+4.0%
H&B Eastern Europe[1]	2,138	2,006	+7%	+4.6%	+5.3%
H&B Europe Subtotal	7,328	7,062	+4%	+3.8%	+4.2%
H&B Subtotal	12,860	11,906	+8%	+1.0%	+2.2%
Other Retail[2]	471	494	-5%	-8.2%	+0.4%
Total Retail	13,331	12,400	+8%	-0.8%	+1.9%

Total Retail Store Numbers (+8%)
by Subdivision



Note (1): Watsons Turkey had been reclassified to H&B Asia from H&B Eastern Europe.

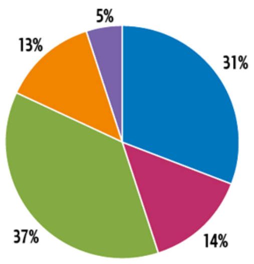
Note (2): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

Note (3): Comparable stores sales growth represents the % 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.

Retail

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

EBITDA
(-2% in reported currency)
by Subdivision



EBITDA	2016 HK$ millions	2016 EBITDA Margin %	2015 HK$ millions	2015 EBITDA Margin %	Change %	Change % in local currency
H&B China	4,556	22%	4,756	22%	-4%	+1%
H&B Asia[1]	2,009	8%	1,936	9%	+4%	+8%
H&B China & Asia Subtotal	6,565	15%	6,692	15%	-2%	+3%
H&B Western Europe	5,372	9%	5,277	9%	+2%	+8%
H&B Eastern Europe[1]	1,869	14%	1,724	14%	+8%	+14%
H&B Europe Subtotal	7,241	10%	7,001	10%	+3%	+9%
H&B Subtotal	13,806	12%	13,693	12%	+1%	+6%
Other Retail[2]	761	2%	1,145	3%	-34%	-34%
Total Retail	14,567	10%	14,838	10%	-2%	+3%

Note (1): Watsons Turkey had been reclassified to H&B Asia from H&B Eastern Europe.

Note (2): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

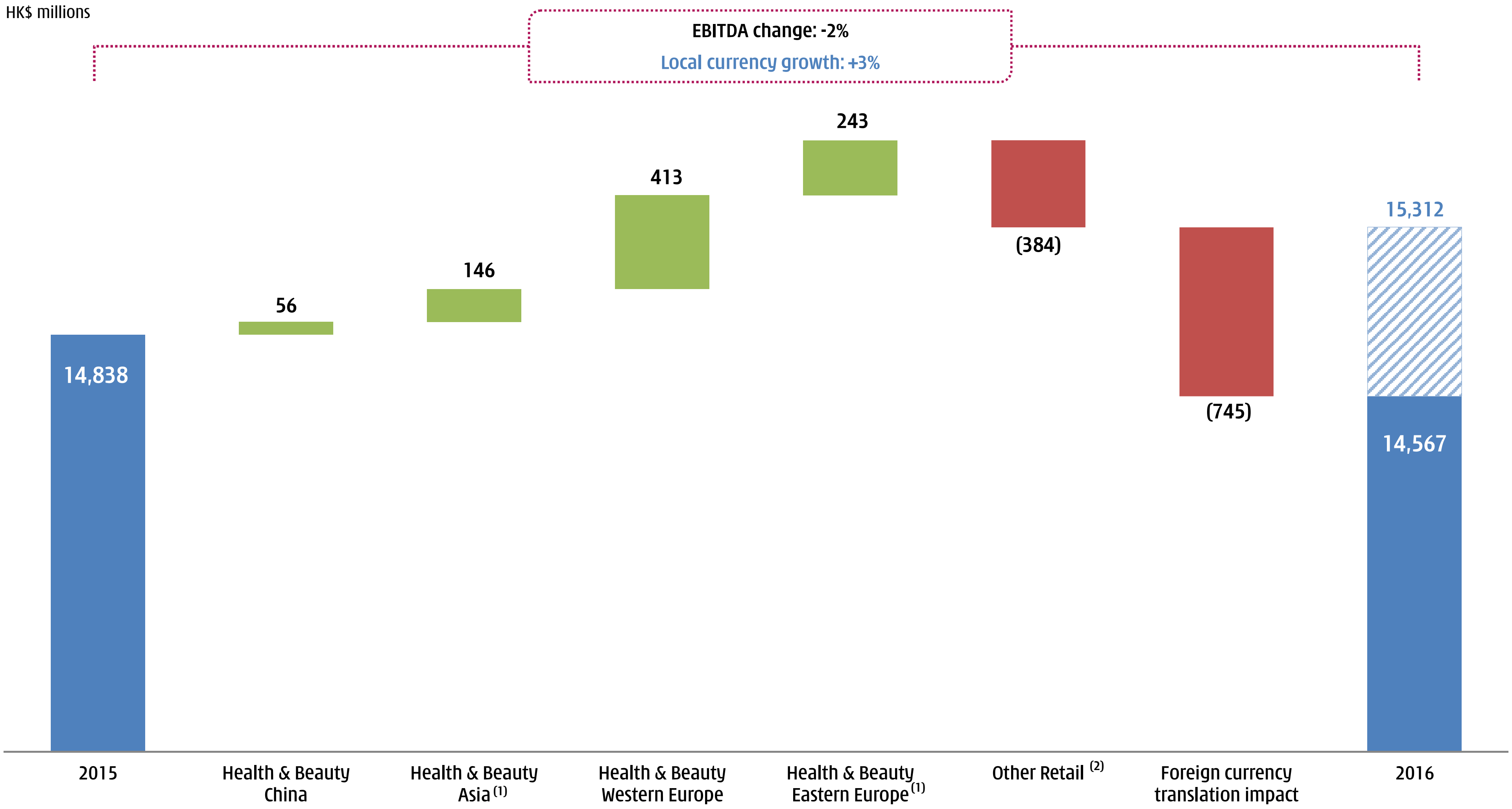
- The Health & Beauty ("H&B") segment, which represents 95% of the division's EBITDA, reported strong growth rates with EBITDA grew 6% in local currencies, driven by an 8% increase in number of stores to 12,860 stores as at 31 December 2016.
- The H&B segment overall had a net opening of 954 new stores in 2016, of which 72% were in the Mainland and certain Asian countries. On average, new store payback was 10 months in 2016.
- In the Mainland & Asia, EBITDA in local currency grew by 3%. Majority of the Health and Beauty operations in Asia have reported encouraging growth rates.
- Watsons China, the largest profit contributor to this division, was negatively impacted by a 5% RMB depreciation in reported currency. In local currency, EBITDA grew 1%, while EBIT remained stable against last year with the expansion of its store portfolio offsetting comparable stores sales declines in mature stores.
- Of the stores with full 12 months' trading at the end of 2016 in Watsons China, the average new store payback was 9 months. Stores in Tiers 2 and 3 cities such as Chengdu, Wuhan, Hangzhou and Zhengzhou have achieved an even shorter payback period. In 2017, Watson China will continue to focus on developing cities in Tiers 2 and 3 as well as implement strategic programs which focus on revitalising the mature stores through renovation, store segmentation and cost control measures. Initial results are positive.
- In Europe, the 9% improvement in EBITDA in local currencies has been an encouraging trading performance against a continuing weak economic environment. In particular the UK reported an impressive comparable store growth rates of 6.9 % for 2016.

Outlook

- Strategically, the retail division plans net openings of over 1,000 stores in 2017, with 65% under the Health and Beauty format in the Mainland and Asia. Operationally, the division will continue to focus on promoting its own brand products, enhancing its customer relationship management activities and developing Big Data and e-commerce capabilities.

Retail

EBITDA Change



Note (1): Watsons Turkey had been reclassified to H&B Asia from H&B Eastern Europe.

Note (2): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

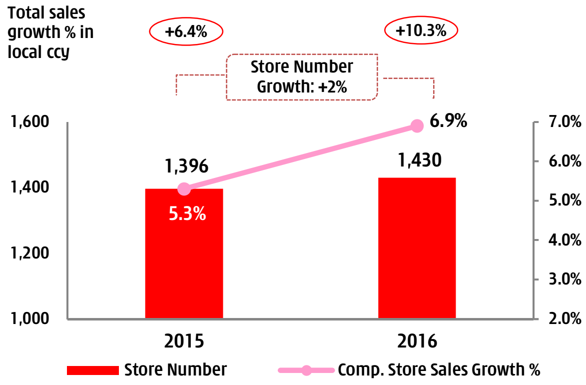
- represents adverse foreign exchange translation impact

Retail

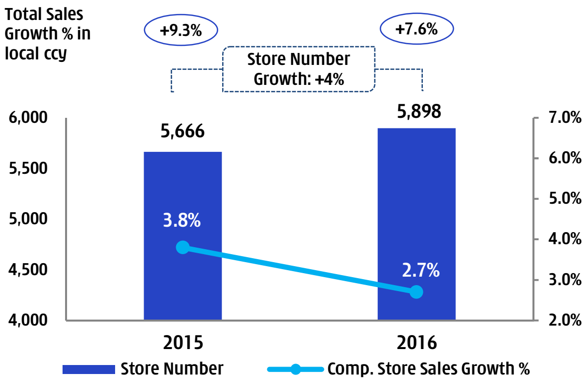
長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

European Operations

Store Numbers, Total Sales Growth % & Comparable Store Sales Growth %

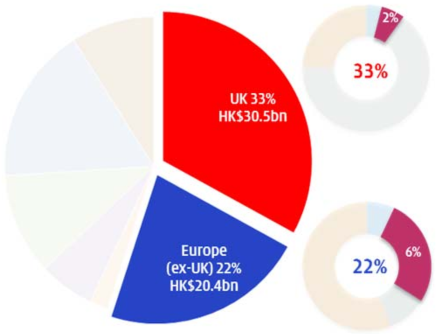


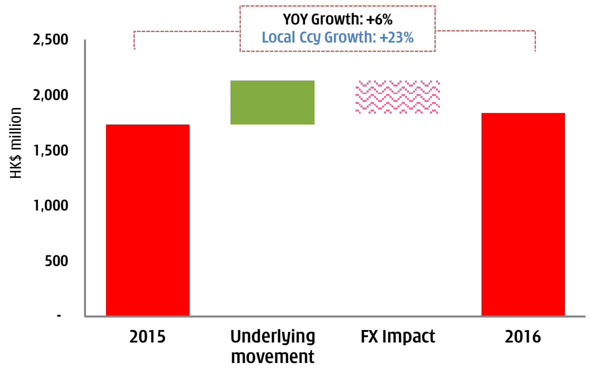
UK



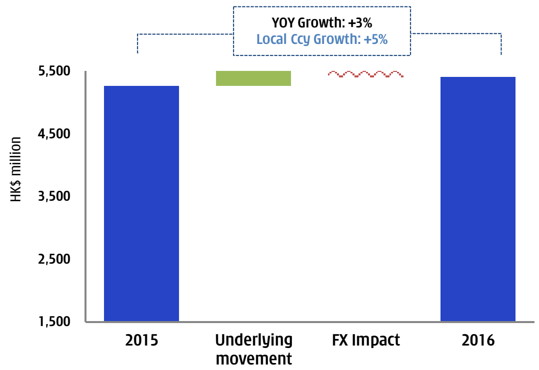
Europe (ex-UK)

EBITDA



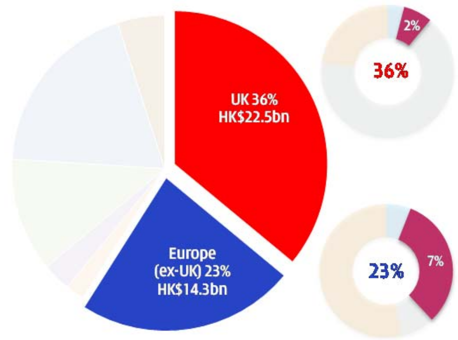


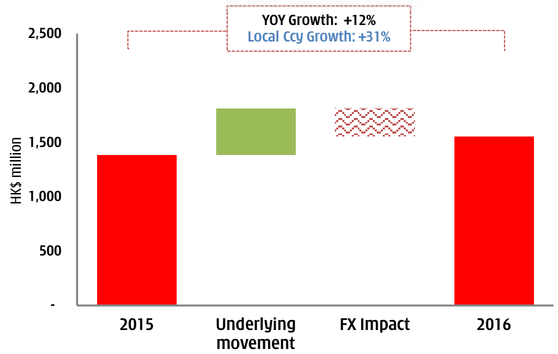
UK



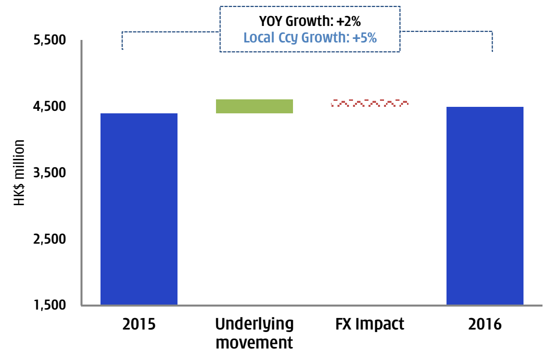
Europe (ex-UK)

EBIT





UK

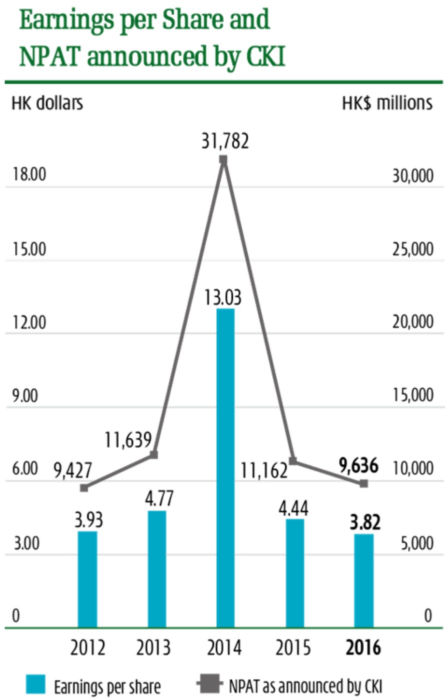


Europe (ex-UK)

Infrastructure

	2016 HK$ millions	2015(1) HK$ millions	Change %	Change % in local currency
Total Revenue	53,211	55,762	-5%	+3%
EBITDA	31,128	32,291	-4%	+5%
EBIT	22,162	23,477	-6%	+3%

Note (1): 2015 pro forma results assumed that the Reorganisation was effective on 1 January 2015.



- CKI announced profit attributable to shareholders of HK$9,636 million, 14% lower than HK$11,162 million reported last year. During the year, CKI faced many challenges, including volatile exchange rates, in particular British Pound, and the rising interest rates. Despite these influences, CKI's operations around the world performed well and total profit contribution in Hong Kong Dollars was at a similar level to 2015. The reduction in attributable profit was mainly due to a smaller UK deferred tax credit in 2016 than 2015, and the 2015 reversal of provisions and expenses made earlier relating to non-operational matters.
- On 14 March 2017, independent shareholders' approval was obtained for the consortium comprising CKI, Power Assets and Cheung Kong Property Holdings Limited to acquire 100% interest in the DUET Group, owner and operator of energy utility assets in Australia, the United States, the United Kingdom and Europe, which is listed on the Australian Securities Exchange, for an estimated total consideration of approximately A$7.4 billion. Completion of the acquisition is subject to, among other conditions, approval from the Foreign Investment Review Board of Australia and shareholders of the DUET Group.
- The aircraft leasing business was disposed of in December 2016.

Outlook

- CKI will continue to maintain its strong financial position and to grow its global infrastructure portfolio and expanding into new industries with similar investment return attributes.

Infrastructure

European Operations

CK HUTCHISON HOLDINGS LIMITED 長江和記實業有限公司

Major Investments

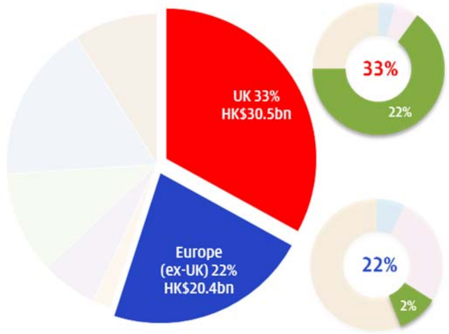
UK

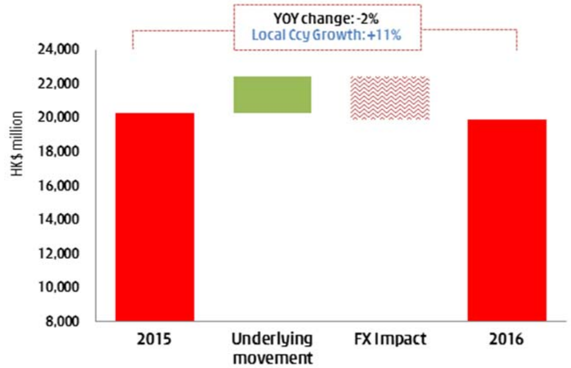
- UK Power Network Holdings *(Regulated)*
- Northumbrian Water Group *(Regulated)*
- Northern Gas Networks *(Regulated)*
- Wales & West Utilities *(Regulated)*
- UK Rails

Europe (ex-UK)

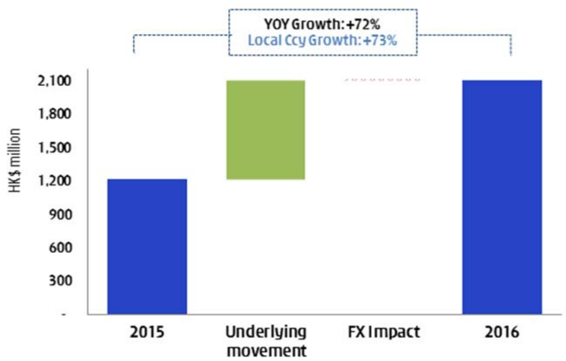
- Dutch Enviro Energy
- Portugal Renewable Energy

EBITDA



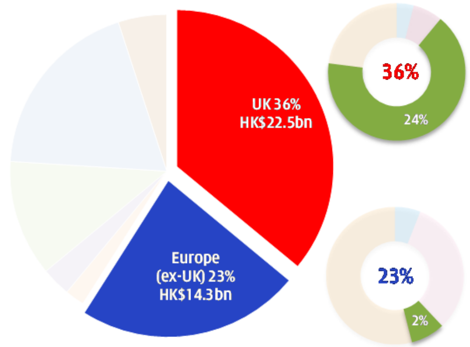


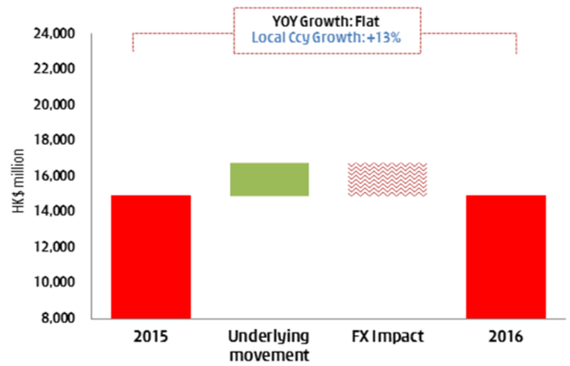
UK



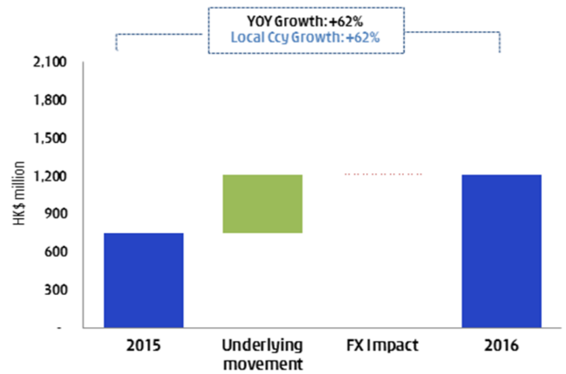
Europe (ex-UK)

EBIT





UK



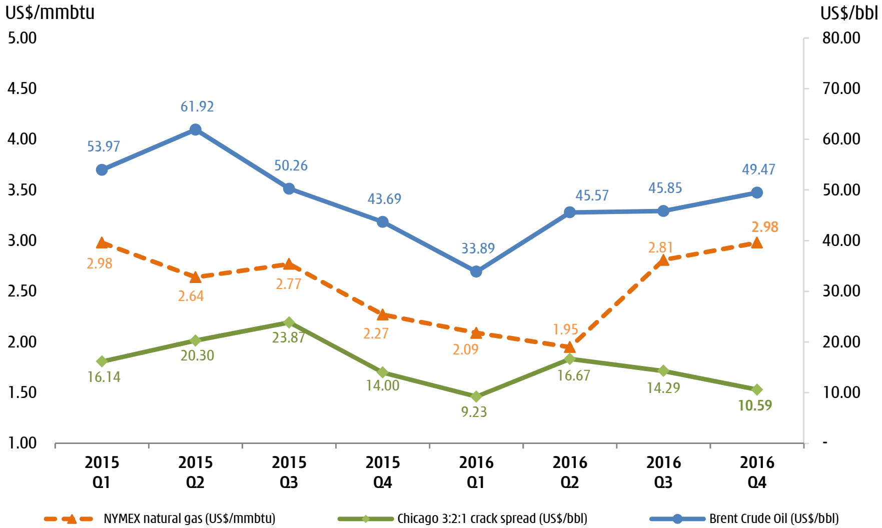
Europe (ex-UK)

Energy

	2016 HK$ millions	2015[1] HK$ millions	Change %	Change % in local currency
Total Revenue	30,467	40,029	-24%	-22%
EBITDA	9,284	9,375	-1%	+1%
EBIT	3,429	2,229	+54%	+53%
Average Production	321.2 mboe/day	345.7 mboe/day	-7%	NA

Note (1): 2015 pro forma results assumed that the Reorganisation was effective on 1 January 2015.

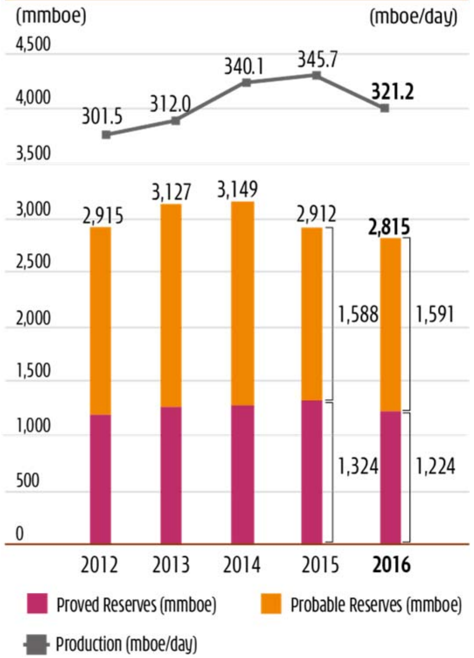
Average Benchmark



- Husky Energy's announced net profit of C$922 million in 2016, a turnaround from a net loss of C$3,850 million in 2015, mainly due to the inclusion in 2015 of an after-tax impairment charge of C$3,824 million, against an after-tax gain in 2016 of C$1,316 million on disposal of 65% ownership interest of the midstream assets in the Lloydminster region of Alberta and Saskatchewan to CKI and Power Assets and the gains on sale of royalty interests and legacy crude oil and natural gas assets in Western Canada during the year. These gains were partly offset by the impact of continued low oil and natural gas prices, and lower contribution from the US refineries.
- As the Group rebased Husky Energy's assets to their fair values in the 2015 Reorganisation, the impairment charge and asset write downs recognised by Husky Energy in 2015 had no impact on the Group's reported results, while the Group's share of after-tax gains on disposals in 2016 were approximately HK$3,646 million.
- After translation into HK dollars and including consolidation adjustments, the Group's share of EBITDA decreased 1% but EBIT increased 54% against 2015, which reflect the aforementioned disposals gains being recognised by the Group in 2016 offset by the adverse impact of the low commodity prices. Furthermore, lower DD&A expenses resulted from the various divestments during the year have led to an improvement in the Group's share of EBIT.

Energy

Proved and Probable Reserves & Production



- Average production decreased 7% to 321.2 mboe/day in 2016, mainly due to lower natural gas and natural gas liquids sales from the Liwan Gas Project and from the Western Canadian dispositions, partly offset by the strong performances from the heavy oil thermal projects and the ramp-up of the Sunrise Energy Project.

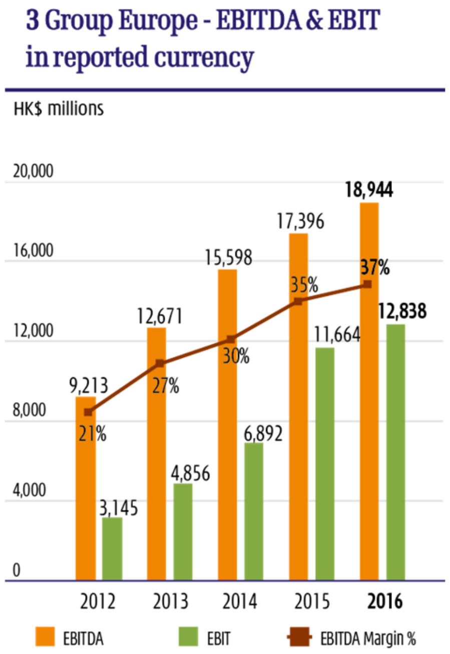
Outlook

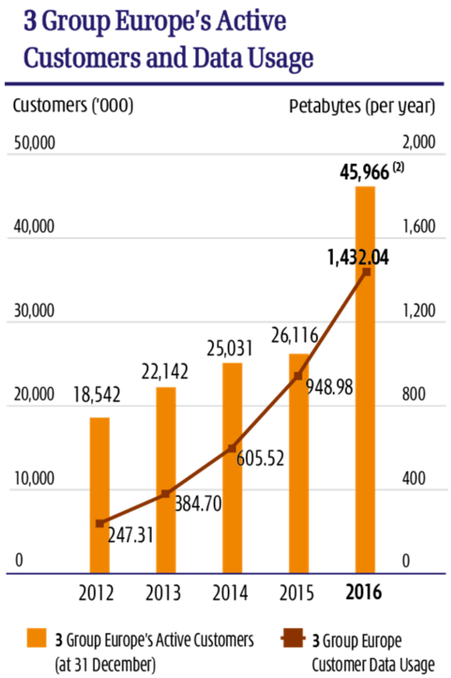
- Husky Energy made significant progress in the transition towards a low investment and sustaining capital business during the year. Looking ahead to 2017, Husky Energy will continue to maintain a healthy balance sheet to provide financial flexibility, and focus on its strategy to transition a greater percentage of production to long-life heavy oil thermal production with higher return.

Telecommunications - 3 Group Europe

长江和記實業有限公司 CK HUTCHISON HOLDINGS LIMITED

	2016 HK$ millions	2015[1] HK$ millions	Change %	Change % in local currency
Total Revenue (incl. handset revenue)	62,415	62,799	-1%	+5%
EBITDA	18,944	17,396	+9%	+15%
EBIT	12,838	11,664	+10%	+17%





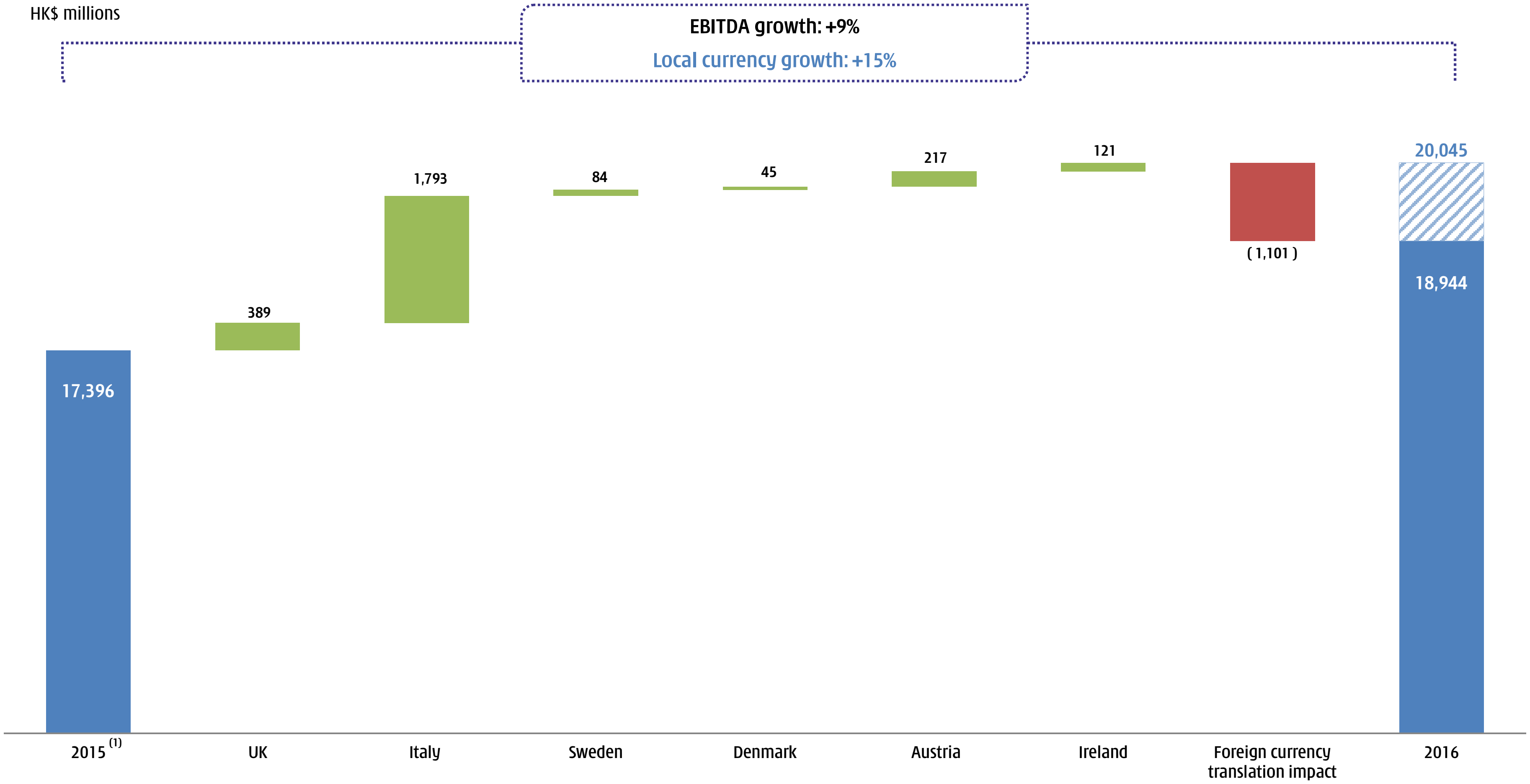
- Following the successful formation of the Italian joint venture, Wind Tre in November 2016, **3** Group Europe's active customers surpassed 45.9 million as at 31 December 2016, an increase of 76%.
- The depreciation of European currencies led to a 1% lower revenue in reported currency when compared to last year, while EBITDA and EBIT in reported currency grew by 9% and 10% respectively. In local currencies, EBITDA and EBIT increased 15% and 17% respectively primarily due to the accretive two months contribution from the Wind Tre joint venture, which is now the largest mobile operator in Italy. All other **3** Group Europe operations also delivered promising results and continued to report underlying operational growth.
- On 6 February 2017, **3** UK entered into an agreement to acquire UK Broadband for a total consideration of £300 million. Completion of the transaction is subject to the fulfillment, or wavier by **3** UK, of a number of conditions precedent specified in the share purchase agreement by 31 July 2017. This acquisition provides **3** UK with additional mobile spectrum, which may be used for a future launch of 5G services, and also allows **3** UK to pursue a new segment opportunity in home broadband.

Note (1): 2015 pro forma results assumed the Reorganisation was effective on 1 January 2015.

Note (2): Includes approximately 18.9 million of active mobile customers added upon the formation of the joint venture, Wind Tre in Italy.

Telecommunications - 3 Group Europe

EBITDA Growth



Note (1): 2015 pro forma results assumed he Reorganisation was effective on 1 January 2015.

- represents adverse foreign exchange translation impact

Telecommunications - 3 Group Europe

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

Results by operations

In millions	UK GBP 2016	UK GBP 2015 (1)	Italy EURO 2016 (Jan-Oct) (2)	Italy EURO 2016 (Nov-Dec) (3)	Italy EURO 2016 Total	Italy EURO 2015 (1)	Sweden SEK 2016	Sweden SEK 2015 (1)	Denmark DKK 2016	Denmark DKK 2015 (1)	Austria EURO 2016	Austria EURO 2015 (1)	Ireland EURO 2016	Ireland EURO 2015 (1)	3 Group Europe HK$ 2016	3 Group Europe HK$ 2015 (1)
Total Revenue	2,276	2,195	1,553	489	2,042	1,825	7,221	7,019	2,127	2,078	772	736	655	689	62,415	62,799
% Improvement (Reduction)	*4%*				*12%*		*3%*		*2%*		*5%*		*-5%*		*-1%*	
														Local currency change %	*5%*	
- Net Customer Service Revenue	1,599	1,573	1,291	451	1,742	1,478	4,854	4,657	1,913	1,802	624	613	504	549	47,877	47,713
% Improvement (Reduction)	*2%*				*18%*		*4%*		*6%*		*2%*		*-8%*		*-*	
														Local currency change %	*5%*	
- Handset Revenue	531	549	231	30	261	297	2,047	2,073	86	178	125	99	81	79	11,446	12,696
- Other Revenue	146	73	31	8	39	50	320	289	128	98	23	24	70	61	3,092	2,390
Net Customer Service Margin (4)	1,399	1,363	1,018	361	1,379	1,153	4,149	3,995	1,591	1,571	529	514	420	448	40,121	39,825
% Improvement (Reduction)	*3%*				*20%*		*4%*		*1%*		*3%*		*-6%*		*1%*	
														Local currency change %	*6%*	
Net Customer Service Margin %	87%	87%	79%	80%	79%	78%	85%	86%	83%	87%	85%	84%	83%	82%	84%	83%
Other margin	35	18	26	7	33	48	139	101	82	52	20	16	44	30	1,632	1,187
TOTAL CACs	(751)	(764)	(442)	(47)	(489)	(560)	(2,790)	(2,806)	(311)	(433)	(166)	(132)	(122)	(127)	(17,354)	(19,169)
Less: Handset Revenue	531	549	231	30	261	297	2,047	2,073	86	178	125	99	81	79	11,446	12,696
Total CACs (net of handset revenue)	(220)	(215)	(211)	(17)	(228)	(263)	(743)	(733)	(225)	(255)	(41)	(33)	(41)	(48)	(5,908)	(6,473)
Operating Expenses	(495)	(480)	(554)	(142)	(696)	(662)	(1,429)	(1,338)	(705)	(664)	(166)	(181)	(235)	(256)	(16,901)	(17,143)
Opex as a % of net customer service margin	35%	35%	54%	39%	51%	57%	34%	33%	44%	42%	31%	35%	56%	57%	42%	43%
EBITDA	719	686	279	209	488	276	2,116	2,025	743	704	342	316	188	174	18,944	17,396
% Improvement (Reduction)	*5%*				*77%*		*5%*		*6%*		*8%*		*8%*		*9%*	
														Local currency change %	*15%*	
EBITDA margin % (5)	41%	42%	21%	46%	27%	18%	41%	41%	36%	37%	53%	50%	33%	29%	37%	35%
Depreciation & Amortisation	(223)	(225)	(125)	(40)	(165)	(119)	(607)	(653)	(283)	(274)	(97)	(64)	(76)	(65)	(6,106)	(5,732)
EBIT	496	461	154	169	323	157	1,509	1,372	460	430	245	252	112	109	12,838	11,664
% Improvement (Reduction)	*8%*				*106%*		*10%*		*7%*		*-3%*		*3%*		*10%*	
														Local currency change %	*17%*	
Capex (excluding licence)	(352)	(358)	(189)			(446)	(796)	(809)	(209)	(161)	(90)	(116)	(103)	(132)		
EBITDA less Capex	367	328	90			(170)	1,320	1,216	534	543	252	200	85	42		
Licence (6)	-	(212)	-			-	(100)	-	(292)	-	-	-	-	-		

Note (1): 2015 pro forma results assumed the Reorganisation was effective on 1 January 2015.

Note (2): Includes 10 months (January to October 2016) of 3 Italy's standalone results.

Note (3): Includes the Group's 50% share of two months (November to December 2016) Wind Tre's results, of which the Group's share of fixed line business revenue was €93.8 million and EBITDA was €38.0 million.

Note (4): Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note (5): EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

Note (6): Licence for Sweden and Denmark represented investment for 2x5 MHz and 2x30 MHz (both in 1800 MHz band) in 2016 respectively.

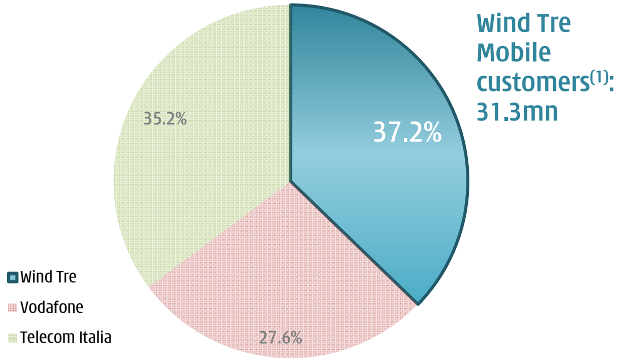
Telecommunications - Wind Tre, Italy

长江和记实业有限公司 CK HUTCHISON HOLDINGS LIMITED

Wind Tre Joint Venture

(Formation on 5 November 2016)

Mobile Customer Market Share (at the end of 2016)



2 months P&L Impact (November & December 2016)

€ millions	Wind Tre combined results (50% share)	CKHH's consolidation adjustments (2)	CKHH's share of Wind Tre
Revenue	596	(107)	489
EBITDA before integration cost	208	1	209
EBITDA after integration cost	178	31	209
EBIT before impairment	71	98	169
EBIT after impairment	(799)	968	169

Cash Generation Targets

NPV of synergies: € 5bn (from network, commercial and G&A cost)

Annual run-rate: € 700mn (90% realised by late-2019)

Remedy taker contract: Operating FCF (5) impact of > € 800mn over next 5 years from:

- > €450mn from divesting 2 x 35 MHz spectrum
- > Sales/Co-location of 8,000 cell sites
- > 5-Year National Roaming Agreement

Distribution to Shareholders

Net Debt / EBITDA (3)	% of FCF (4) payout
< 4.0x	40%
< 3.5x	60%
< 3.0x	80%

Note (1): Wind Tre registered mobile customers as at 31 December 2016.

Note (2): For revenue, the consolidation adjustments mainly represent reclassification of the handset and other revenue arising from customer acquisition and retention activities to conform with the Group's definition of revenue. Upon formation of the joint venture, the accounting standards require the Group to account for the joint venture's assets and liabilities at fair value. Accordingly, provisions for commitments, onerous contracts and guarantees had been made and a lower valuation had been assigned by the Group to the assets of the telecommunications businesses in Italy as a result of the formation of the joint venture. These provisions and lower values are required to be reflected in the Group's consolidated financial statements as a result of the accounting standards applicable to the formation of the joint venture. Consequently, adjustments to EBITDA and EBIT of the telecommunications businesses in Italy have been made when the Group's 50% interest in the joint venture is incorporated into the Group's consolidated results.

Note (3): Wind Tre's net debt / EBITDA as at 31 December 2016 was 4.2x and was calculated based on the joint venture's external net debt of €9,230 million as at 31 December 2016 and EBITDA before integration cost of €2,184 million based on the combined results for FY2016.

Note (4): Represents net cash from operating activities less net cash used in investing activities.

Note (5): Represents EBITDA less capex (excluding licences) including proceeds from spectrum and sites transfer.

Telecommunications - 3 Group Europe

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

	UK	Italy[2]	Sweden	Denmark	Austria	Ireland	3 Group Europe
Customer Base - Registered Customers at 31 December 2016 ('000)							
Contract	6,436	7,085	1,775	787	2,517	1,208	19,808
% Variance (December 2016 vs December 2015)	*4%*	*29%*	*1%*	*4%*	*1%*	*3%*	*11%*
Non-contract	4,973	24,258	293	449	1,277	1,791	33,041
% Variance (December 2016 vs December 2015)	*8%*	*430%*	*15%*	*8%*	*-2%*	*14%*	*160%*
Total	11,409	31,343	2,068	1,236	3,794	2,999	52,849
% Variance (December 2016 vs December 2015)	*6%*	*211%*	*3%*	*5%*	-	*9%*	*73%*

	UK	Italy[2]	Sweden	Denmark	Austria	Ireland	3 Group Europe
Customer Base - Active Customers[1] at 31 December 2016 ('000)							
Contract	6,320	6,752	1,775	787	2,510	1,181	19,325
% Variance (December 2016 vs December 2015)	*4%*	*25%*	*1%*	*4%*	*2%*	*3%*	*10%*
Non-contract	2,859	21,833	213	414	434	888	26,641
% Variance (December 2016 vs December 2015)	*-1%*	*486%*	*31%*	*5%*	*-3%*	*-1%*	*213%*
Total	9,179	28,585	1,988	1,201	2,944	2,069	45,966
% Variance (December 2016 vs December 2015)	*2%*	*213%*	*3%*	*4%*	*1%*	*2%*	*76%*

Note (1): An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note (2): Includes approximately 20.5 million of registered mobile customers and approximately 18.9 million of active mobile customers added upon the formation of the joint venture, Wind Tre, but excludes approximately 2.7 million of fixed line customers.

Telecommunications - 3 Group Europe

Key Business Indicators

	UK	Italy [4]	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
12-month Trailing Average Revenue per Active User ("ARPU")[1] to 31 December 2016							
Contract ARPU[1]	£25.94	€16.92	SEK307.46	DKK169.32	€22.66	€29.21	€25.26
Non-contract ARPU[1]	£5.62	€10.08	SEK128.35	DKK98.03	€9.90	€15.92	€9.85
Blended Total ARPU[1]	£19.24	€13.24	SEK290.22	DKK145.04	€20.72	€23.44	€19.21
% Variance compared to 31 December 2015	*-4%*	*-5%*	*-*	*-1%*	*1%*	*-5%*	*-12%*
12-month Trailing Net Average Revenue per Active User ("Net ARPU")[2] to 31 December 2016							
Contract Net ARPU[2]	£19.00	€16.92	SEK211.85	DKK154.62	€19.34	€24.19	€20.54
Non-contract Net ARPU[2]	£5.62	€10.08	SEK128.35	DKK98.03	€9.90	€15.92	€9.85
Blended Total Net ARPU[2]	£14.59	€13.24	SEK203.81	DKK135.35	€17.90	€20.60	€16.34
% Variance compared to 31 December 2015	*-2%*	*-5%*	*-3%*	*-*	*1%*	*-9%*	*-10%*
12-month Trailing Net Average Margin per Active User ("Net AMPU")[3] to 31 December 2016							
Contract Net AMPU[3]	£16.58	€13.47	SEK181.20	DKK128.25	€16.33	€20.21	€17.30
Non-Contract Net AMPU[3]	£5.00	€8.23	SEK107.71	DKK81.11	€8.83	€13.15	€8.22
Blended Total Net AMPU[3]	£12.76	€10.65	SEK174.13	DKK112.20	€15.19	€17.15	€13.74
% Variance compared to 31 December 2015	*-1%*	*-2%*	*-3%*	*-5%*	*3%*	*-7%*	*-9%*

Note (1): 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 (2): 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 (3): 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 (4): Italy's APRU, Net APRU and Net AMPU were calculated based on 10 months (Jan to Oct 2016) of **3** Italy's standalone figures and two months (Nov to Dec 2016) of Wind Tre's figures.*

Telecommunications - 3 Group Europe

CK HUTCHISON HOLDINGS LIMITED 長江和記實業有限公司

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

2016	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	56%	23%	86%	64%	66%	40%	37%
Contract customers' contribution to the net customer service revenue base (%) (1)	87%	59%	94%	75%	92%	66%	76%
Average monthly churn rate of the total contract registered customer base (%) (1)	1.4%	2.4%	1.7%	2.2%	0.2%	1.5%	1.6%
Active contract customers as a % of the total contract registered customer base	98%	95%	100%	100%	100%	98%	98%
Active customers as a % of the total registered customer base	80%	91%	96%	97%	78%	69%	87%
Full year data usage per active customer (Gigabyte)							51.0

2015	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	57%	55%	87%	65%	66%	43%	58%
Contract customers' contribution to the net customer service revenue base (%)	89%	74%	95%	76%	92%	68%	83%
Average monthly churn rate of the total contract registered customer base (%)	1.5%	2.7%	1.5%	2.8%	0.4%	1.6%	1.8%
Active contract customers as a % of the total contract registered customer base	98%	98%	100%	100%	99%	98%	98%
Active customers as a % of the total registered customer base	83%	90%	96%	98%	77%	74%	85%
Full year data usage per active customer (Gigabyte)							38.1

Note (1): Italy is calculated based on 10 months (Jan to Oct 2016) of 3 Italy's standalone figures and two months (Nov to Dec 2016) of Wind Tre's figures.

Telecommunications - HTHKH & HAT

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

HTHKH

	2016 HK$ millions	2015[1] HK$ millions	Change %
Total Revenue	12,133	22,122	-45%
EBITDA	2,607	2,911	-10%
EBIT	1,055	1,426	-26%

- HTHKH announced profit attributable to shareholders of HK$701 million and earnings per share of 14.55 HK cents, a decrease of 23% compared to last year due to lower hardware sales from lower demand, as well as the reduction in mobile roaming revenue.
- HTHKH's combined active mobile customer base in Hong Kong and Macau increased from approximately 3.0 million as of 31 December 2015 to approximately 3.2 million as of 31 December 2016.
- The mobile business has stablised its contract customer declines from Q2-2016 due to a gradual pick up in higher margin contract customers and has reduced its full year churn from 1.8% in 2015 to 1.3% in 2016. The fixed line business provided stable contribution in 2016 from carrier as well as corporate segments.

HAT

	2016 HK$ millions	2015[1] HK$ millions	Change %	Change % in local currency
Total Revenue	8,200	6,900	+19%	+19%
EBITDA	2,298	1,176	+95%	+96%
EBIT	2,130	1,176	+81%	+82%

- HAT had an active customer base of approximately 77.4 million as of 31 December 2016, with Indonesia representing 88% of the base.
- EBITDA of HK$2,298 million and EBIT of HK$2,130 million in 2016 represent a growth of 95% and 81% over last year respectively, primarily driven by the strong data segment growth of the Indonesia operation, partly offset by higher costs associated with the gradual acceptance of the turnkey network contract in various regions in Indonesia.
- After the conversion of the Vietnam operation into a joint stock company in October 2016, the Company will accelerate its network rollout and increase its penetration into the data market segment, while Indonesia and Sri Lanka will also continue to expand its network coverage through effective and efficient rollout strategies in order to meet accelerating data demands in their local markets.

Note (1): 2015 pro forma results assumed that the Reorganisation was effective on 1 January 2015.

Telecommunications
HTAL, share of VHA

- VHA's customer base increased to approximately 5.6 million (including MVNOs) at 31 December 2016.
- HTAL owns 50% of VHA[1] and announced its attributable share of revenue of A$1,673 million, an 8% decrease over last year, driven entirely by the reduction in regulated mobile termination rate for all carriers from 1 January 2016. However, this has minimal impact to the net customer services margin which improved by 2% against 2015.
- Attributable share of EBITDA of A$456 million represented a 12% increase over last year driven by growth in the customer base and good cost controls, correspondingly with lower D&A, reported an attributable share of loss of A$68 million, a reduction of 64% against 2015.
- The above improvements have also resulted in VHA achieving positive free cash flow for the year.
- Recently, VHA ranked as the network with the best combined voice and data performances in major cities[2].
- During 2017, VHA will launch fixed broadband services via National Broadband Network to complement its mobile network and to meet demand from customers seeking a bundled mobile and fixed broadband solution from VHA.

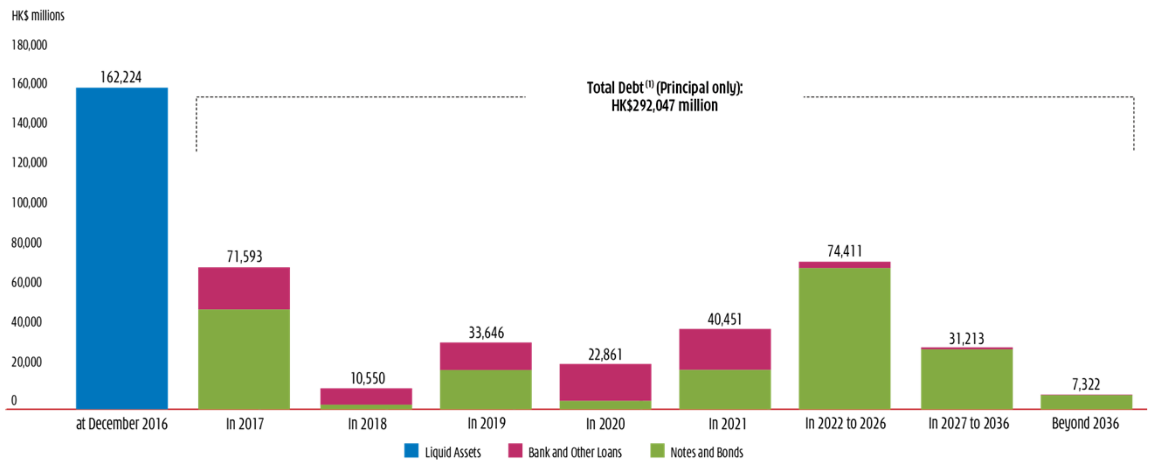
Note (1) : The Group's share of VHA's operating losses continue to be included as a P&L charge under "Others" of the Group's profits on disposal of investments and others line as VHA continues to operate under the leadership of Vodafone under the applicable terms of our shareholders' agreement since 2H 2012.

Note (2) : Cities with population over 100,000

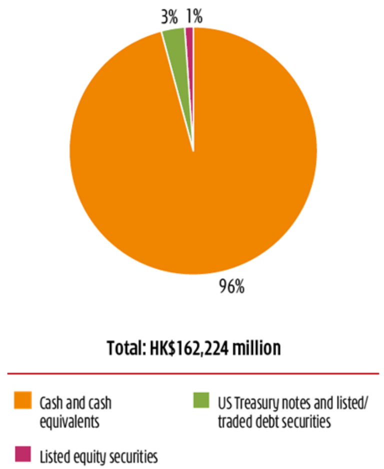
Financial profile

Healthy maturity and liquidity profile

Debt [1] Maturity Profile at 31 December 2016 - Principal only



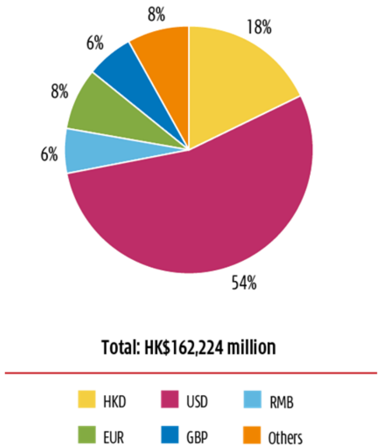
Liquid Assets by Type at 31 December 2016



Net Debt & Credit Ratings as at 31 December 2016

Net Debt	
Net debt [2]	HK$141,806 million
Net debt to net total capital ratio[2]	20.5%
Credit Ratings	
Moody's	A3
S & P	A-
Fitch	A-

Liquid Assets by Currency Denomination at 31 December 2016



Note (1): Excludes unamortised fair value adjustments arising from acquisitions of HK$11,983 million.

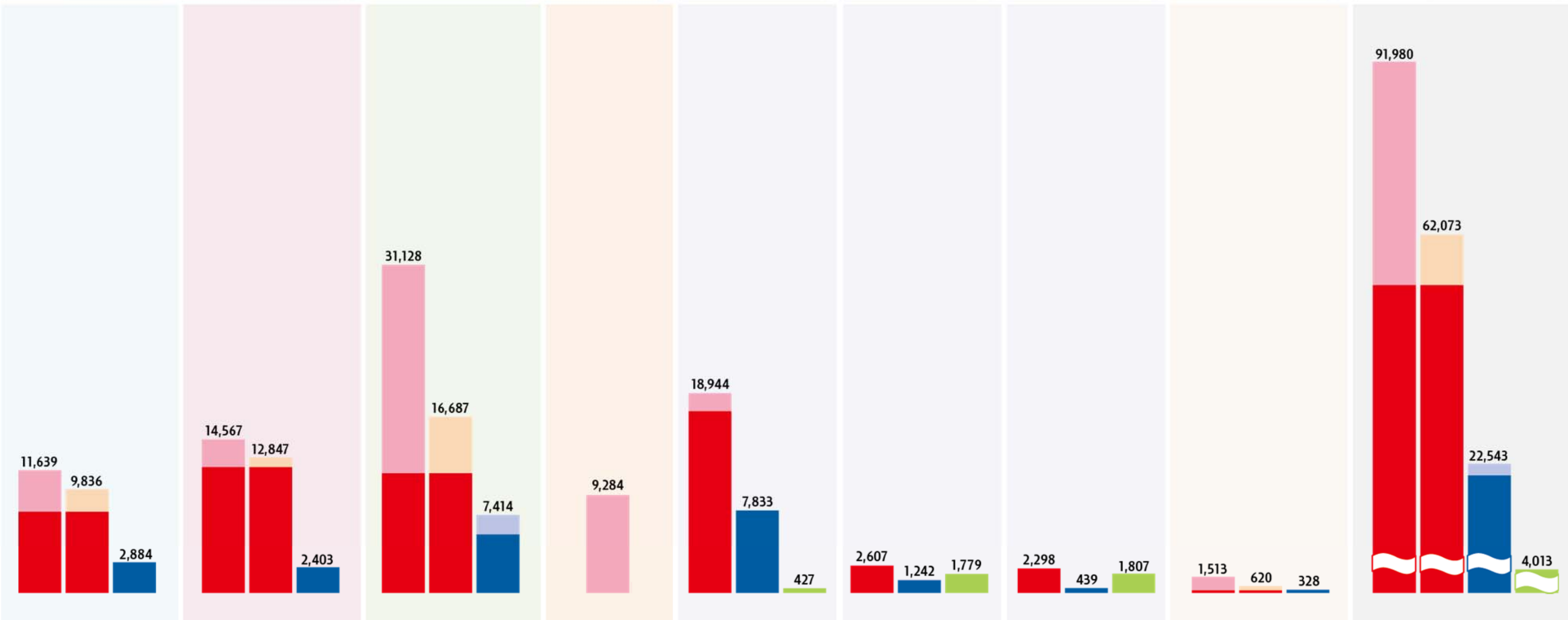
Note (2): Net debt is defined on the Consolidated Statement of Cash Flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

Financial profile

2016 EBITDA, Dividends from Associated Companies & JVs less Capex of Company & Subsidiaries and Investments in Associated Companies & JVs

by division

HK$ millions



	Ports	Retail	Infrastructure	Energy	3 Group Europe	HTHKH	HAT	F&I and Others	Total
EBITDA [(1)] - Co & Subsid	7,705	11,949	11,358	-	17,242	2,543	2,298	231	53,326
EBITDA [(1)] - Asso. & JVs	3,934	2,618	19,770	9,284	1,702	64	-	1,282	38,654
Dividends from Asso. & JVs	2,131	898	5,329	-	-	-	-	389	8,747
Capex	2,884	2,403	5,550	-	7,825	1,171	439	261	20,533
Investment in Asso. & JVs	-	-	1,864	-	8	71	-	67	2,010
Capex - Telecom Licences	-	-	-	-	427	1,779	1,807	-	4,013

Note (1): EBITDA excludes (i) non-controlling interests' share of results of HPH Trust and (ii) profits on disposal of investments & others.