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

2021 Annual Results

Operations Analysis

Disclaimer

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The performance data and the results of operations of the Group contained in this Presentation and subsequent discussion are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained in this Presentation and subsequent discussion are based on current plans, beliefs, expectations, estimates and projections at the date the statements are made, and therefore involve risks and uncertainties. There can be no assurance that any of the matters set out in such forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. Actual results may differ materially from those stated, implied and/or reflected in such forward-looking statements and opinions. The Group, the Directors, officers, employees and agents of the Group assume (a) no obligation to correct, update or supplement the forward-looking statements or opinions contained in this Presentation and subsequent discussion; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

2021 Results Highlights

2021 Financial Highlights

Revenue [(1)]	$445.4bn	+10%	(+7% in local currencies)
EBITDA [(1)]	$111.2bn	+ 15%	(+10% in local currencies)
EBIT [(1)]	$64.7bn	+20%	(+16% in local currencies)
Net Earnings [(1)(2)]	$33.5bn	+16%	(+12% in local currencies)
EPS [(2)] (Post-IFRS 16)	$8.70	+15%	
DPS	$2.66	+15%	
Net Debt Ratio [(1)]	20.3%	1.9% -pts	

(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 2020 and 2021. 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, Revenue, EBITDA, EBIT, Net Earnings and Net Debt Ratio were HK$445.4 billion, HK$135.7 billion, HK$68.8 billion, HK$33.5 billion and 20.5% respectively.**

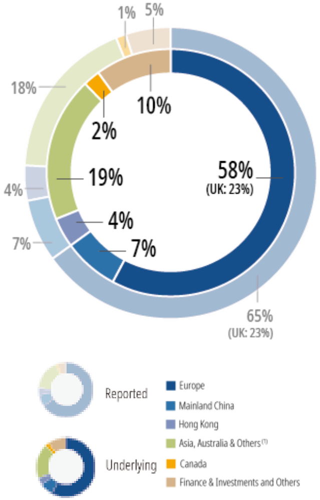
(2) Net earnings represent profit attributable to ordinary shareholders. FY 2021 EPS is calculated based on profit attribtable to ordinary shareholders and CKHH's weighted average number of share outstanding of 3,847,582,641 for the year.

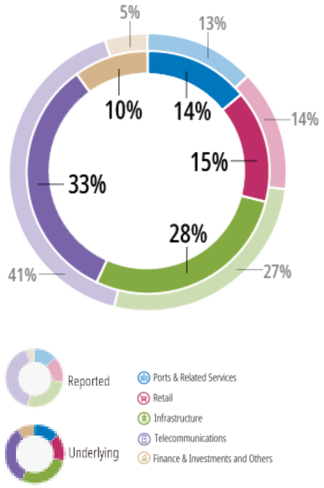
EBITDA (4)

$111.2bn

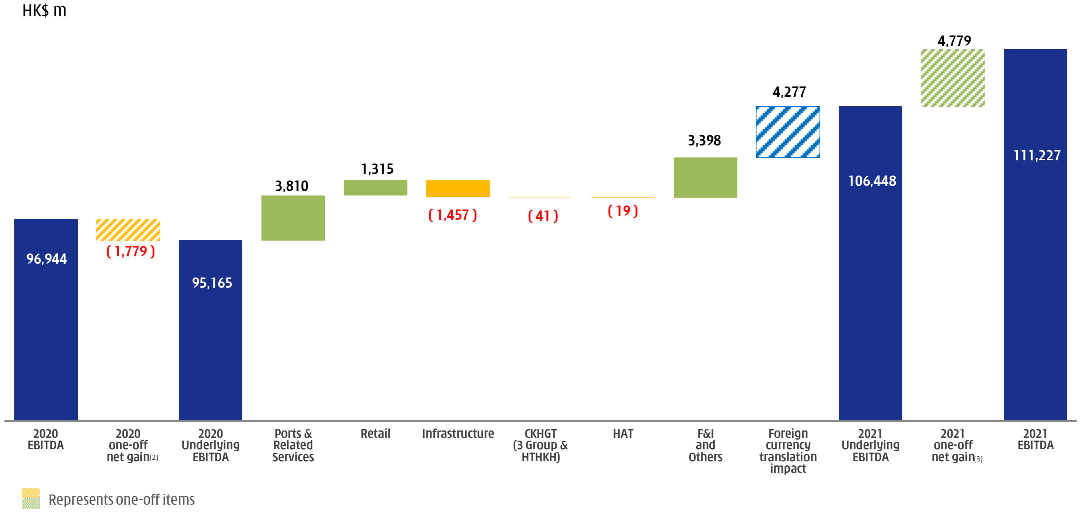
+15%

(+10% in local currencies)





EBITDA Change by Division



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

(2) 2020 one- time income include gain on disposal of tower assets completed in 2020 of HK$16.6 billion and dilution gain from the TPG-VHA merger of HK$10.1 billion, partly offset by the share of Husky's impairment and other charges of HK$24.9 billion.

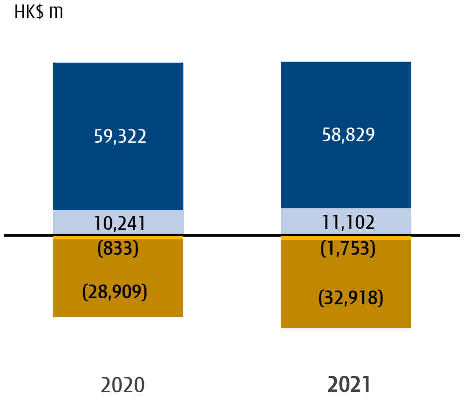
(3) 2021 one- time income include gain on disposal of tower assets completed in 2021 of HK$25.3 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$15.5 billion, the share of Cenovus' impairment charge of HK$1.5 billion and a non-cash foreign exchange reserve loss of HK$3.5 billion following the Cenovus-Husky merger.

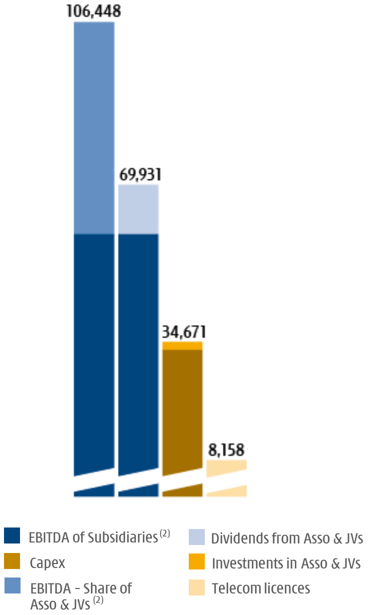
(4) The outer pie chart represents EBITDA %-mix on a reported basis. The inner pie chart represents underlying EBITDA %-mix, which excludes the items mentioned in note (3) above.

Operating FCF

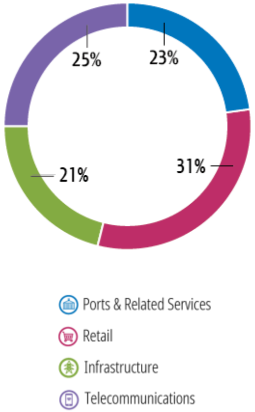
$35.3bn

(2020: $39.8bn)





Operating FCF by Core Business

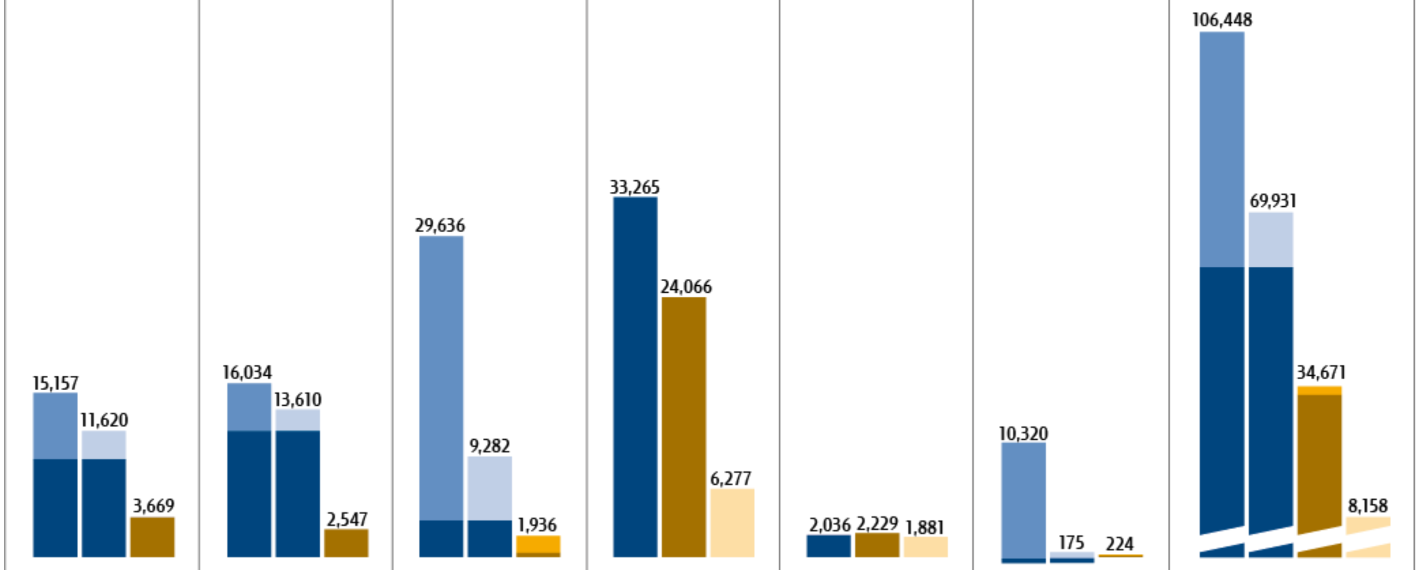


(1) Operating FCF represents EBITDA (Pre-IFRS 16 basis) of Company & subsidiaries and dividends from Asso. & JVs less capex of Company & subsidiaries (excluding Telecom licences) and investments in Asso. & JVs. Operating FCF excludes one-off items described below.

(2) EBITDA of subsidiaries in 2021 and 2020 exclude net gains from non-recurring transactions of HK$6.3 billion and HK$26.7 billion respectively. EBITDA - Share of Asso & JVs in 2021 and 2020 exclude share of impairment and other charges of the Energy business of HK$1.5 billion and HK$24.9 billion respectively. For details, refer to notes (2) and (3) on page 5.

Operating FCF by division

HK$ mn

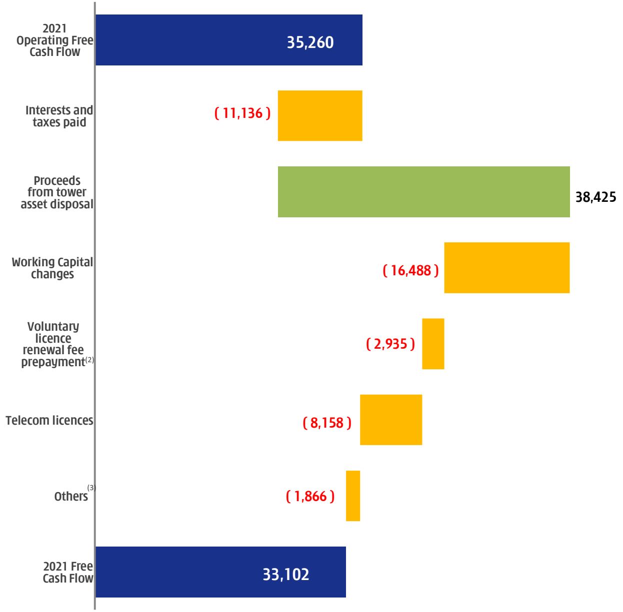


	Ports	Retail	Infrastructure	CKHGT	HAT	F&I and Others	Total
EBITDA - Co & Subsidiaries[2]	9,021	11,633	3,345	33,208	2,036	(414)	58,829
EBITDA - Share of Asso. & JVs[2]	6,136	4,401	26,291	57	-	10,734	47,619
Dividends from Asso. & JVs	2,599	1,977	5,937	-	-	589	11,102
Capex	3,630	2,525	367	24,012	2,229	155	32,918
Investments in Asso. & JVs	39	22	1,569	54	-	69	1,753
Capex - Telecom Licences	-	-	-	6,277	1,881	-	8,158

(1) Operating FCF (Operating Free Cash Flow) 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 2021 excludes net gains from non-recurring transactions of HK$6.3 billion. EBITDA - Share of Asso & JVs in 2021 excludes share of non-cash impairment charge of the Energy business of HK$1.5 billion. For details, refer to note (3) on page 5.

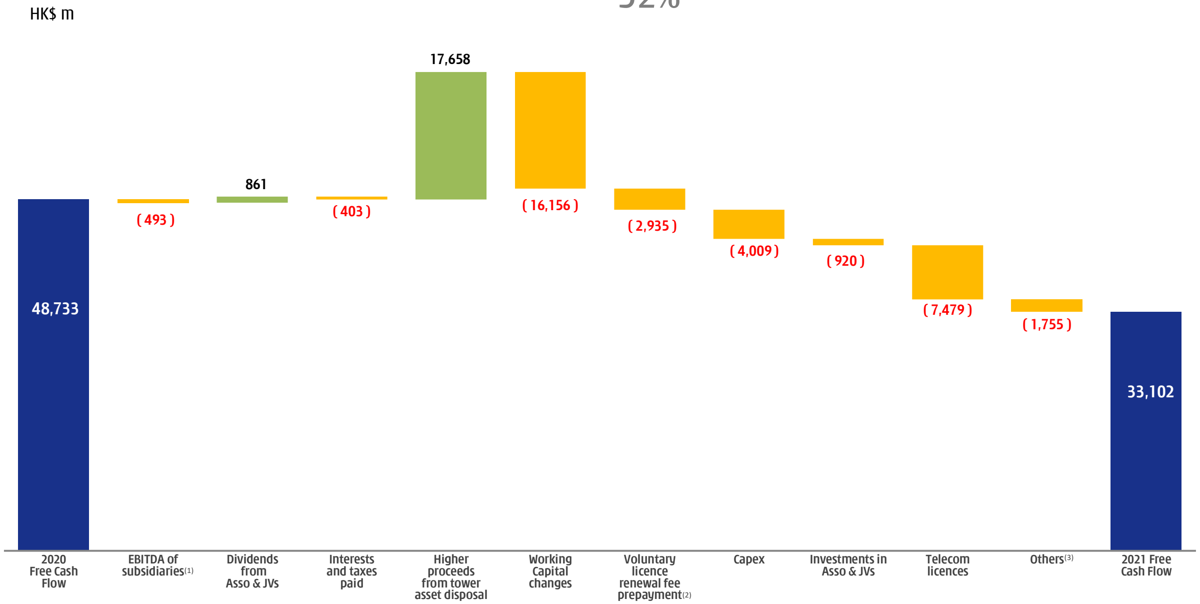
Free Cash Flow



Free Cash Flow Year-on-Year Change

$33.1bn

-32%

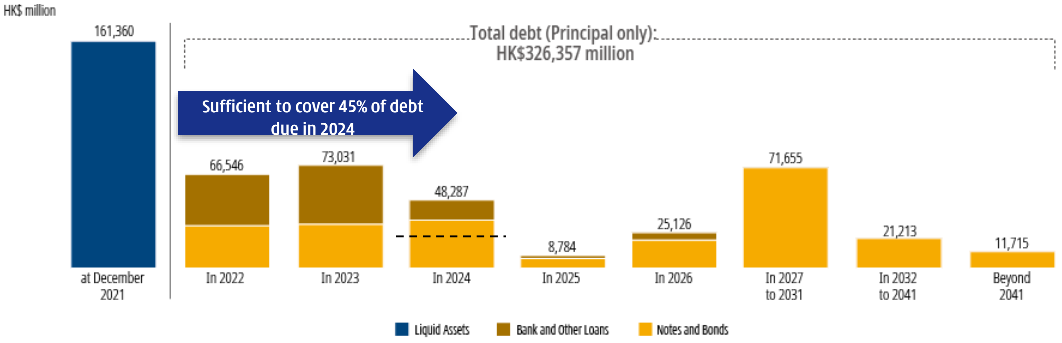


(1) EBITDA of subsidiaries in 2021 and 2020 exclude net gains from non-recurring transactions of HK$6.3 billion and HK$26.7 billion respectively.

(2) 2021 working capital changes include a voluntary telecom licence renewal fee prepayment of HK$2.9 billion by the Group's telecommunication operations.

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

Debt Maturity Profile



Net Debt

	Dec 2021	Jun 2021	Dec 2020
Net debt (1)	**$168.2bn**	$164.3bn	$185.3bn
Net debt to net total capital ratio (1)	**20.3%**	19.9%	22.2%

Credit Ratings

	31 Dec 2021	31 Dec 2020
Moody's	**A2 (Stable)**	A2 (Stable)
S & P	**A (Stable)**	A (Stable)
Fitch	**A- (Stable)**	A- (Stable)

Weighted Average Maturity

4.8 years

Average Cost of Debt

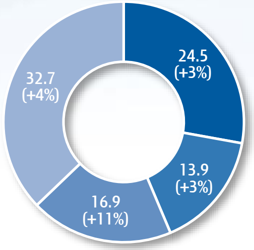
1.6% ↓0.1%-pts

(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 20.5%.

Ports & Related Services

- Assets: US$12.6bn [3]
- 291 Berths
  52 Ports
  26 Countries
- 88.0m TEUs handled in 2021

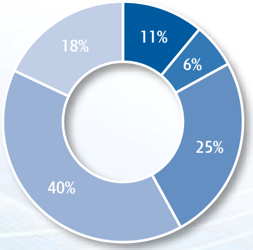
TEUs



88.0m

+5%

EBITDA [1]



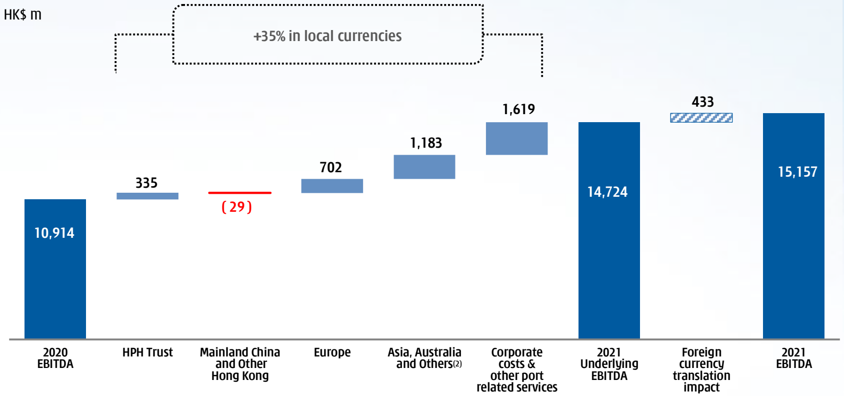
$15,157m

+39%

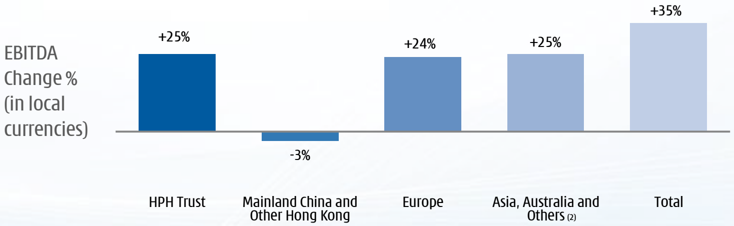
(+35% in local currencies)

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

EBITDA Growth



EBITDA Change



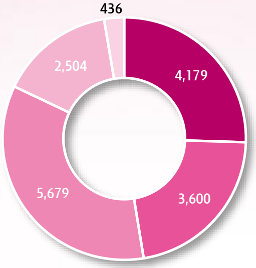
(1) Under Post-IFRS 16 basis, EBITDA was HK$18,008 million.

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

(3) Under Post-IFRS 16 basis, total asset value was US$14.7 billion.

- Assets: US$27.9bn [3]
- World's largest international H&B retailer
- Operating in 28 markets with 12 retail brands
- 142m loyalty members worldwide
- 36% exclusives sales participation
- O+O strategic focus to increase customer lifetime value and sales growth

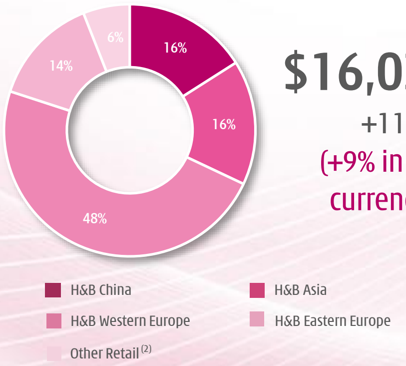
Store number



16,398

+1%

EBITDA (1)

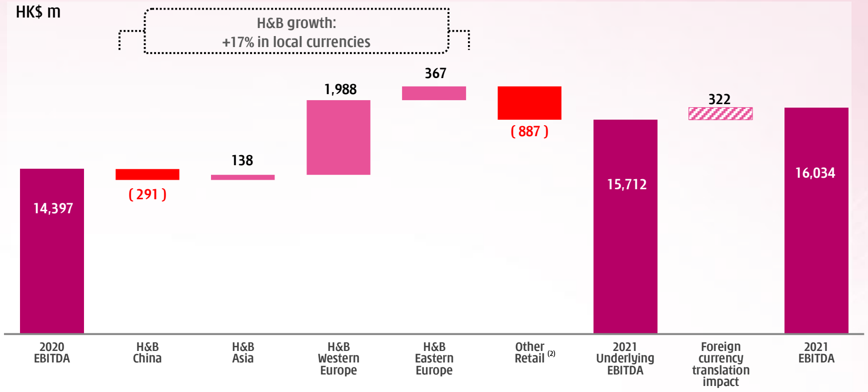


$16,034m

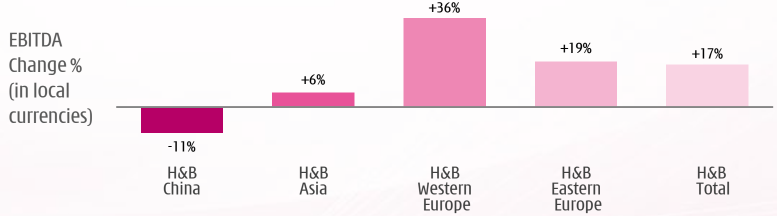
+11%

(+9% in local currencies)

EBITDA Growth



H&B EBITDA Change



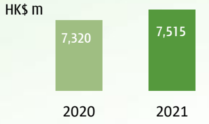
	H&B China	H&B Asia	H&B Western Europe	H&B Eastern Europe	H&B Total
EBITDA Margin %	12%	9%	10%	13%	10%

(1) Under Post-IFRS 16 basis, EBITDA was HK$26,119 million.
(2) Includes PARKnSHOP, PARKnSHOP Yonghui, Fortress, Watson's Wine and the manufacturing operations.
(3) Under Post-IFRS 16 basis, total asset value was US$30.7 billion.

Infrastructure

- Assets: US$29.2bn [(3)]
- Largest publicly listed infrastructure company on SEHK
- Diversified operations in 30 countries

CKI's reported NPAT [(1)]



$7,515m

+3%

"Excluding the non-cash deferred tax impact for both years, as well as the disposal gain from the sale of Portugal Renewable Energy in 2020, the adjusted net profit increased 22%"

CKI's Net Debt Ratio	S&P Credit Rating
14.7%	A/Stable

EBITDA [(2)]

Infrastructure Division
(incl. six co-owned assets)

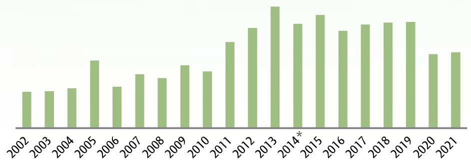
$29,636m

+2%

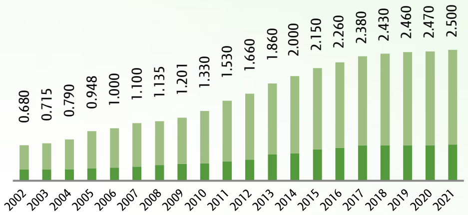
(-5% in local currencies)

(1) Post-IFRS16 basis.
(2) Under Post-IFRS 16 basis, EBITDA was HK$29,938 million.
(3) Under Post-IFRS 16 basis, total asset value was US$29.3 billion.

Stable Earnings & Dividend Growth



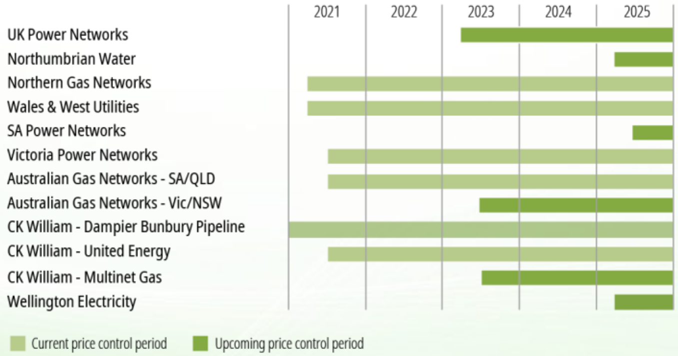
Earnings Per Share
(HK$)



Dividends Per Share
(HK$)

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

Regulatory Resets Timetable



Total Revenue

$86,972m +1%

(-4% in local currencies)

KPI

Active mobile customers
38.5m flat

Net AMPU [1]
€11.53 +2%

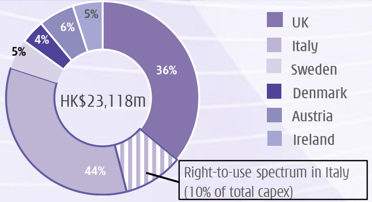
Data Usage
7,014 pb/ yr +28%

Sufficient 5G spectrum

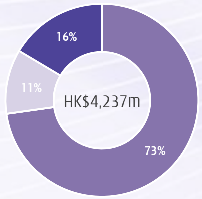
No longer constraint by network quality as sufficient 5G spectrum acquired & continue to enhance indoor coverage with continue network & site rollouts across all operations

- **ITA**: Over 95% population FDD coverage and over 50% TDD coverage
- **SE**: Launched 5G in three major cities, with full Gothenburg coverage in 2021
- **UK**: Recognition as UK's fastest 5G network with enhanced customer experience
- **IRE**: Recognised as Ireland's fastest 5G network with 79% population coverage
- **DK**: Achieved ›90% population coverage in 2021 and target for over 99% population coverage by end of 2022
- **AT**: Started the country's first 5G standalone trial and received Austria's fastest 5G network award

Capex



Licence

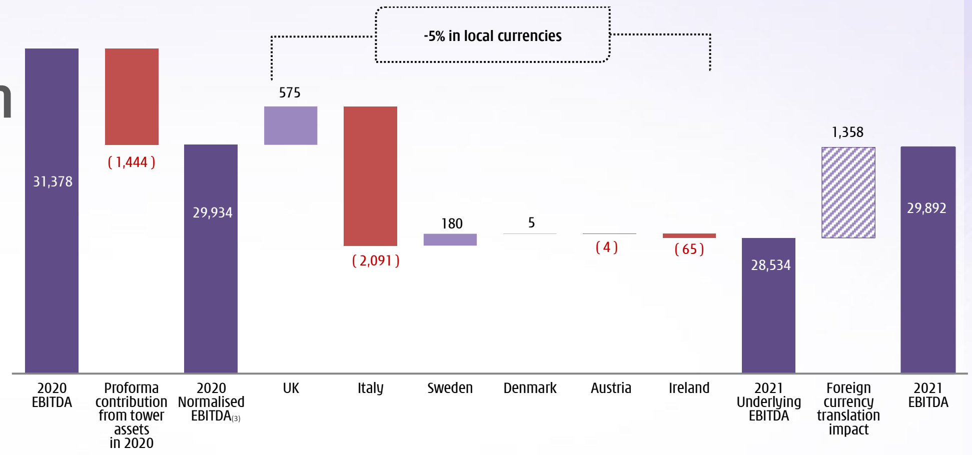


EBITDA (2)

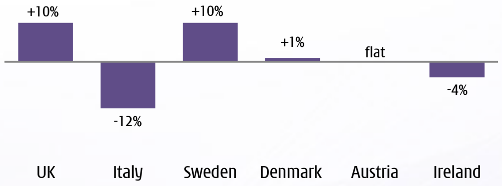
$29,892m

flat

(-5% in local currencies)



EBITDA Change % (in local currencies)[3]



	UK	Italy	Sweden	Denmark	Austria	Ireland
EBITDA Margin %	36%	43%	35%	33%	44%	37%

(1) 12-months trailing basis

(2) Under Post-IFRS 16 basis, EBITDA was HK$37,267 million.

(3) As the disposals of tower assets in Denmark, Austria and Ireland were completed in December 2020 and in Sweden was completed in January 2021, the 2020 results were normalised, which exclude the proforma contribution from the tower assets for full year 2020 for comparability purpose. Similarly, as the tower assets disposal in Italy was completed in June 2021, the 2020 Italy results exclude the proforma contribution from the tower assets for July to December 2020.

In million	UK GBP		Italy [1] EURO		Sweden [1] SEK		Denmark [1] DKK		Austria [1] EURO		Ireland [1] EURO		3 Group Europe before one-off [1] [2] HK$			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
														Normalised	Tower assets	Reported
Total Revenue	**2,444**	2,355	**4,193**	4,654	**6,902**	6,734	**2,272**	2,254	**866**	850	**579**	593	**86,972**	85,786	13	85,799
% change	*+4%*		*-10%*		*+2%*		*+1%*		*+2%*		*-2%*		*+1%*			
												Local currencies change %	*-4%*			
Total margin	**1,445**	1,436	**3,187**	3,522	**4,351**	4,076	**1,764**	1,737	**638**	618	**445**	448	**60,777**	60,358	13	60,371
% change	*+1%*		*-10%*		*+7%*		*+2%*		*+3%*		*-1%*		*+1%*			
												Local currencies change %	*-4%*			
TOTAL CACs	(968)	(891)	(290)	(348)	(1,233)	(2,422)	(227)	(245)	(115)	(116)	(77)	(89)	(16,163)	(16,155)	-	(16,155)
Less: Handset Revenue	772	682	203	268	769	1,954	93	106	101	104	76	87	12,549	12,683	-	12,683
Total CACs (net of handset revenue)	**(196)**	(209)	**(87)**	(80)	**(464)**	(468)	**(134)**	(139)	**(14)**	(12)	**(1)**	(2)	**(3,614)**	(3,472)	-	(3,472)
Operating Expenses	**(640)**	(674)	**(1,390)**	(1,501)	**(1,724)**	(1,647)	**(920)**	(893)	**(286)**	(267)	**(256)**	(250)	**(27,271)**	(26,952)	1,431	(25,521)
Opex as a % of total margin	44%	47%	44%	43%	40%	40%	52%	51%	45%	43%	58%	56%	45%	45%		42%
EBITDA	**609**	553	**1,710**	1,941	**2,163**	1,961	**710**	705	**338**	339	**188**	196	**29,892**	29,934	1,444	31,378
% change	*+10%*		*-12%*		*+10%*		*+1%*		-		*-4%*		-			
												Local currencies change %	*-5%*			
EBITDA margin % [3]	36%	33%	43%	44%	35%	41%	33%	33%	44%	45%	37%	39%	40%	41%		43%
Depreciation & Amortisation	**(448)**	(358)	**(1,049)**	(856)	**(1,272)**	(1,084)	**(464)**	(394)	**(145)**	(145)	**(125)**	(122)	**(18,633)**	(14,934)	(174)	(15,108)
EBIT	**161**	195	**661**	1,085	**891**	877	**246**	311	**193**	194	**63**	74	**11,259**	15,000	1,270	16,270
% change	*-17%*		*-39%*		*+2%*		*-21%*		*-1%*		*-15%*		*-25%*			
												Local currencies change %	*-28%*			
Reported EBITDA less Capex	**(175)**	(211)	**599**	1,010	**769**	1,137	**5**	612	**185**	250	**74**	85	**6,774**	11,123		

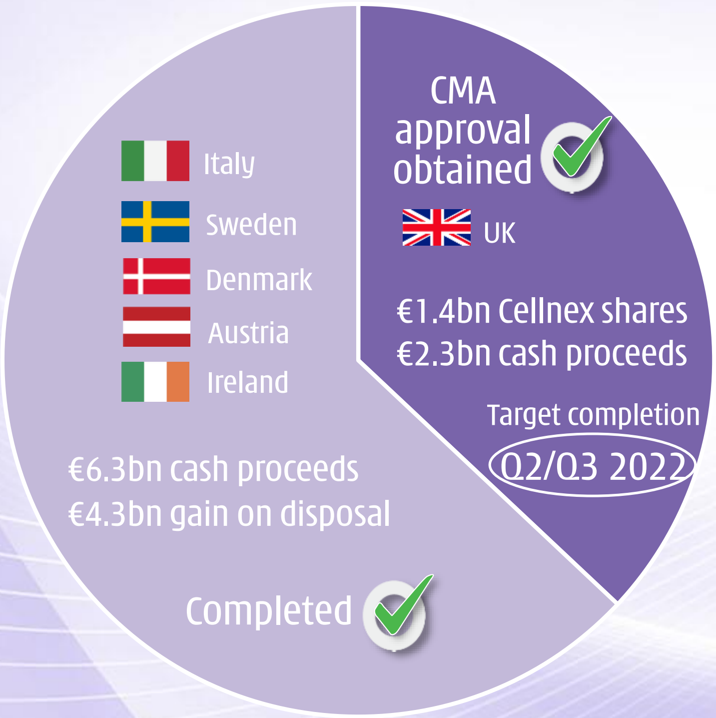
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
EBITDA per above	609	553	1,710	1,941	2,163	1,961	710	705	338	339	188	196	29,892	29,934
Proforma contribution from Tower assets	-	-	-	59	-	288	-	116	-	39	-	21	-	1,444
Reported EBITDA	609	553	1,710	2,000	2,163	2,249	710	821	338	378	188	217	29,892	31,378
EBIT per above	161	195	661	1,085	891	877	246	311	193	194	63	74	11,259	15,000
Proforma contribution from Tower assets	-	-	-	53	-	249	-	104	-	32	-	19	-	1,270
Reported EBIT	161	195	661	1,138	891	1,126	246	415	193	226	63	93	11,259	16,270

(1) As the disposals of tower assets in Denmark, Austria and Ireland were completed in December 2020 and in Sweden was completed in January 2021, the 2020 results were normailsed, which exclude the proforma contribution from the tower assets for full year 2020 for comparability purpose. Similarly, as the tower assets disposal in Italy was completed in June 2021, the 2020 Italy results exclude the proforma contribution from the tower assets for July to December 2020. The % changes in EBITDA and EBIT are compared against the normalised 2020 numbers.

(2) 3 Group Europe results do not include one-off items in 2021 and 2020, which represented gain on disposal of tower assets of HK$25.3 billion (2020: HK$16.6 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$15.5 billion (2020: nil).

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

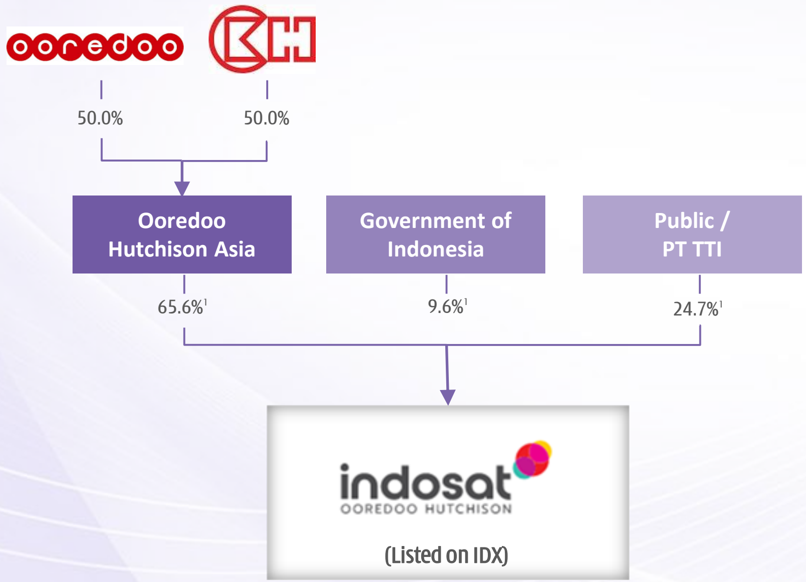
€10 billion proceeds



Use of proceeds

- €4.3bn debt reduction at CKHGT
  - CKHGT net debt ratio: 15.2% ↓ 1.4%-pts
  - Interest savings: €20mn in 2021
- US$1.5bn notes reduction at CKHH
- HK$1.2bn (€135mn) on-market CKHH share buyback program during 2021
- Accelerate payment where appropriate, such as voluntary licence prepayment in Italy, which yields accretive benefits to the Group

Shareholding structure



[1] Numbers may not add up to 100% due to rounding

Strong #2 operator in Indonesia

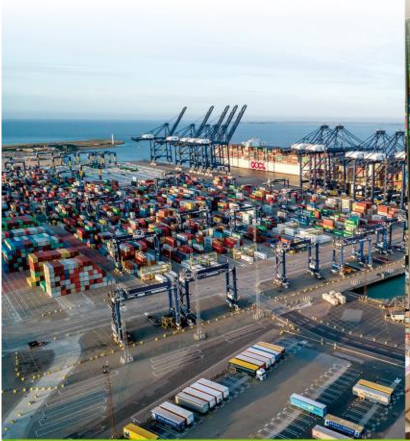
- Proforma combined Annual Revenue US$3 billion
- Implied Enterprise Value US$6 billion
- Investment Grade Rating
  - Fitch: BBB- (stable outlook)
  - PEFINDO: idAAA (stable outlook)
- Scale, financial strength and expertise to drive innovation and accelerate value creation to the shareholders

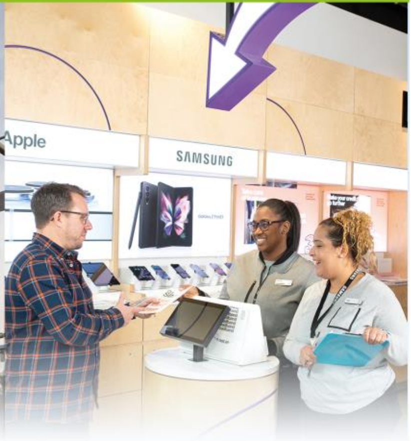
Synergies

Annual run rate pre-tax synergies

US$300 - 400 million

Over 3 - 5 years





Sustainability

Accelerating action on climate change

Considerable progress has been made on setting various standards expected of the Group's core businesses.

	Ports	Retail	Infrastructure	Telecoms
Set near-term science based targets	◌	◌	◌	✓
Develop net-zero transition pathways	◌	◌	◌	✓
Develop scope 3 footprints	◌	✓	◌	✓
Group to report on progress using the TCFD Framework in the upcoming Sustainability Report				

✓ Completed, to be reported in the 2021 Sustainability Report

◌ Work in progress, to be reported in the 2022 Sustainability Report

CK Infrastructure is at the forefront of the hydrogen transition in gas networks in both the UK and Australia

The Group is growing business lines in distributed solar-powered systems; remote and renewable energy generation solutions; landfill and renewable natural gas; carbon, capture, use and storage; and smart city solutions

Hutchison Ports is helping to position Freeport East in the UK as a world-leading green hydrogen hub and centre for excellence in sustainability

A.S. Watson is aiming to achieve its science-based targets through renewable electricity procurement, green fleet programmes and engagement with its supply chain

The Group's role in the 5G rollout is facilitating technology-enabled rapid reductions across industries

2022 Outlook

2022 Outlook

- Achieve **balanced growth** across core businesses, supported by economic reopening and increasing global trade
- Continue **share buybacks** with strong conviction in the Group's outlook and maintain strong credit ratings
- Telecom **in-market consolidation** will be the main focus in 2022

- Sizable hub ports to benefit from strong trade growth & should be relatively insulated from supply chain disruption from corresponding increase in landside income (e.g. storage income). Expecting higher throughput & container handling tariff
- Expand current handling capacity in Australia, Thailand & Indonesia, and to open new facility at Jazan, Saudi Arabia

- H&B, particularly in Europe, expected to perform well despite the Omicron outbreak; Further recovery expected in China & Asia
- Continue with the O+O platform strategy to increase customer lifetime value, and achieve high double-digit O+O sales growth
- Increase exclusive sales participation by 1%-pt to over 37%

- Steady regulatory environment with no regulatory reset in 2022
- High inflation would lead to higher regulatory revenues & asset bases
- Continue to explore bolt-on acquisition opportunities at project level

- Resumption of EBIT growth for **3** UK; Net customer service margin growth for Wind Tre's mobile business
- Higher roaming income as travel resumes in Europe
- Sufficient 5G spectrum and continued rollout allow operations to compete effectively

In the medium term:

- **Solid recurring NPAT**, supported by robust and resilient growth
- **Increase FCF**, by targeting to maintain capex spending within the envelope of depreciation
- **Increase shareholder return** while maintaining strong financial position

Q & A

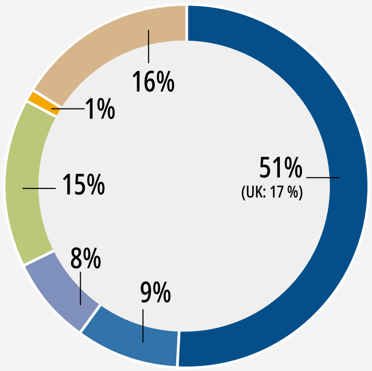
2021 Annual Results

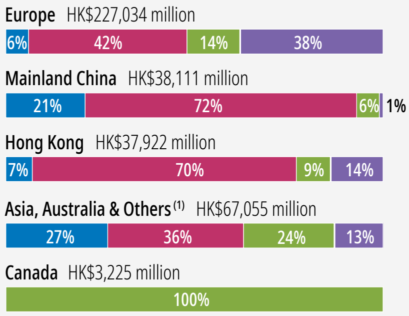
Appendix

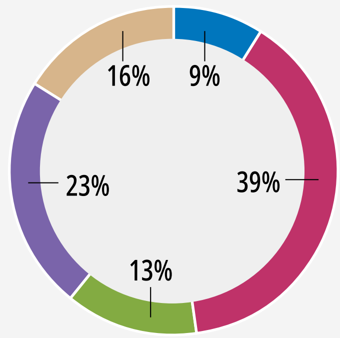
Analyses of Core Business Segments by Geographical Location

2021 Total Revenue

HK$445,383 million



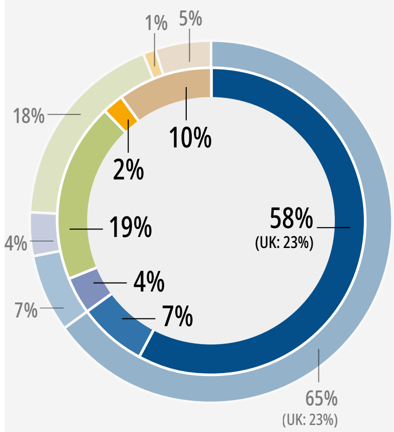


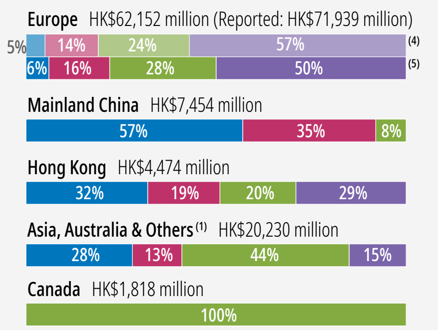


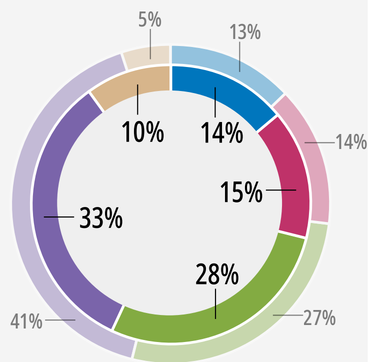
2021 Total EBITDA (2) (3)

Reported: HK$111,227 million

Underlying: HK$106,448 million



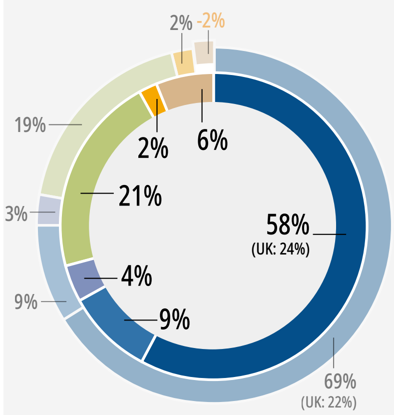


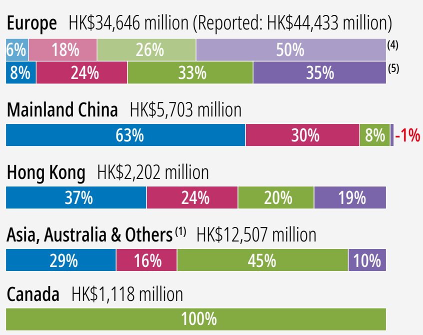


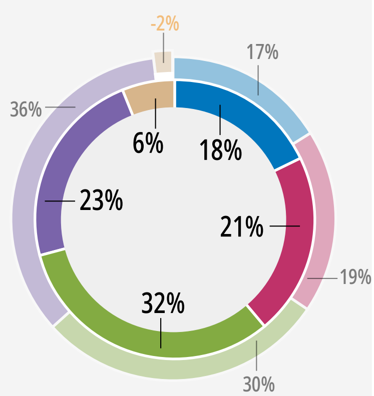
2021 Total EBIT (2) (3)

Reported: HK$64,744 million

Underlying: HK$59,965 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

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 2021 of HK$25.3 billion, non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$(15.5) billion, impairment charge of Cenovus of HK$(1.5) billion and a non-cash foreign exchange reserve loss of HK$(3.5) billion following the Cenovus-Husky merger

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
- Infrastructure
- Telecommunications
- Finance & Investments and Others

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 52 ports comprising 291 operational berths in 26 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 88.0 million twenty-foot equivalent units ("TEU") in 2021.

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue (1)	**42,285**	32,865	+29%	+26%
EBITDA (1) (2)	**15,157**	10,914	+39%	+35%
EBIT (1) (2)	**10,737**	6,717	+60%	+55%
Throughput (million TEU)	**88.0**	83.7	+5%	
Number of berths	**291**	283	+8 berths	

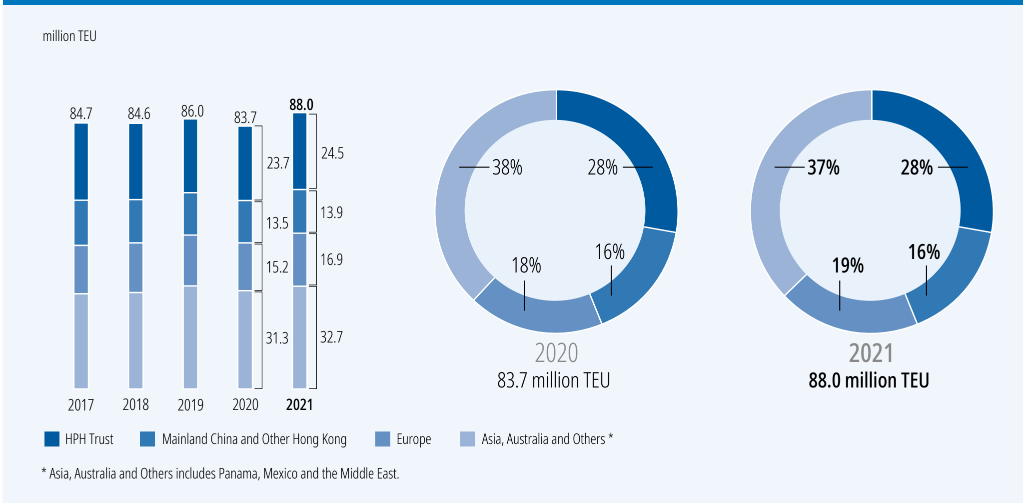
Note 1: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$18,008 million (2020: HK$13,748 million); EBIT was HK$11,946 million (2020: HK$8,055 million).

Overall throughput increased 5% to 88.0 million TEU in 2021, primarily due to strong global consumer demand recoveries across all regions of this division, with growth in HPH Trust, major ports in Europe (mainly in the UK, Barcelona in Spain and Rotterdam in the Netherlands), and Asia, Australia and Others (mainly Laem Chabang in Thailand, Jakarta in Indonesia, Mexico, Freeport in Bahamas and Panama), partly offset by the loss of throughput contribution from Dammam in Saudi Arabia as the concession expired at the end of September 2020.

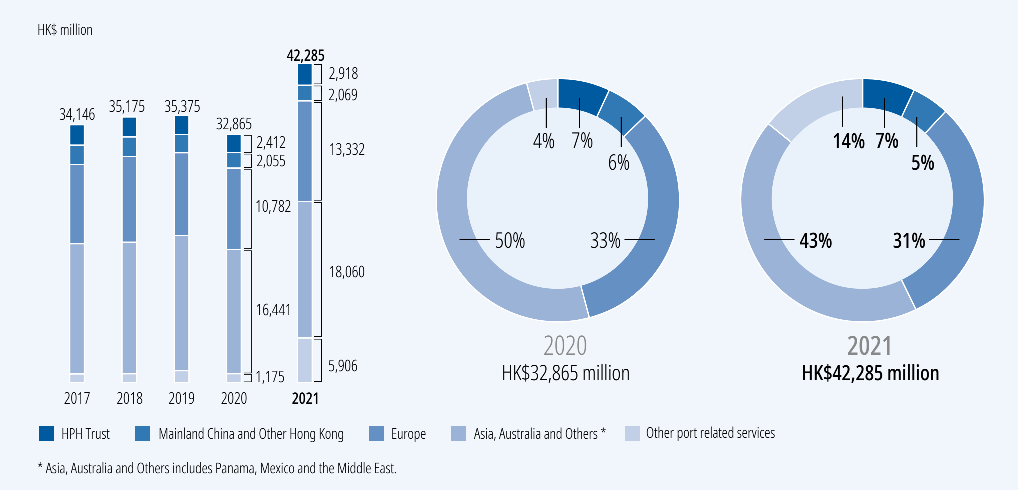
The division's throughput in 2021 increased 2% against pre-pandemic levels in 2019. Throughput volumes have exceeded or on par with pre-pandemic levels across majority of the ports operations due to strong recoveries in global trade volumes.

Total Container Throughput by Subdivision (+5%)



Total reported revenue increased 29% to HK$42,285 million in 2021 mainly due to throughput growth, higher storage income in the UK, Rotterdam in the Netherlands and Mexico, strong performance of an associated company in the container shipping business, as well as contribution from the newly acquired Delta II terminal in the Netherlands. The favourable revenue growth was partly offset by lower contribution from Shanghai following the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals in 2020 and loss of contribution from Dammam in Saudi Arabia as mentioned above.

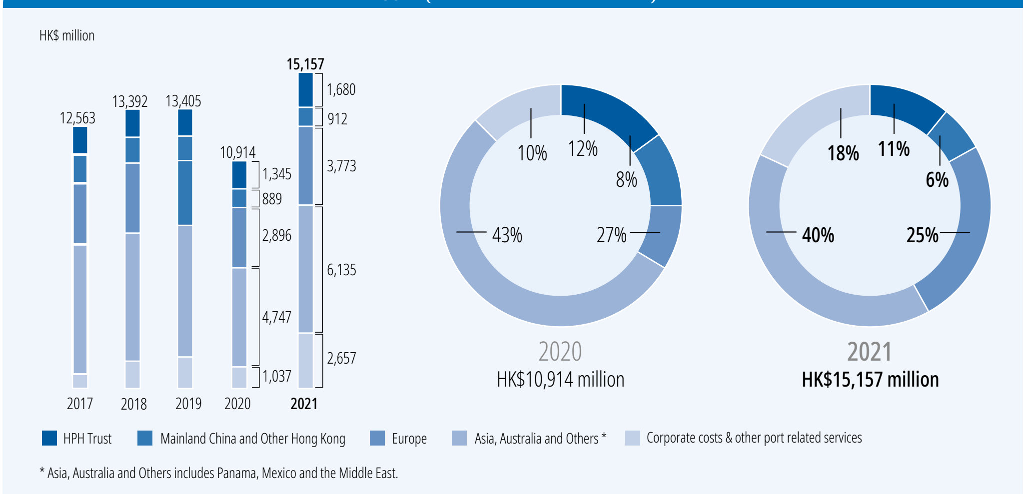
Total Revenue (3) by Subdivision
+29% (+26% in local currencies)



Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

In reported currency, EBITDA increased 39% to HK$15,157 million and EBIT increased 60% to HK$10,737 million against 2020, mainly due to higher revenue as mentioned above, improved margins and continued efforts on overall cost containment across all the regions.

Total EBITDA (4) by Subdivision
+39% (+35% in local currencies)



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

As at 31 December 2021, the division had 291 operating berths (5), eight berths more than 2020, with new berths in Rotterdam (+5 berths at Delta II terminal) and Pakistan (+3 berths).

Note 5: 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

	2021 HK$ million	2020 HK$ million	Change
Total Revenue (6)	**2,918**	2,412	+21%
EBITDA (6)	**1,680**	1,345	+25%
EBIT (6)	**975**	638	+53%
Throughput (million TEU)	**24.5**	23.7	+3%
Number of berths	**52**	52	–

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Although overall throughput increased 3%, HPH Trust's total revenue, EBITDA and EBIT increased by 21%, 25% and 53% respectively. Favourable performance was attributable to higher storage income in Hong Kong and Yantian, overall throughput growth of 3% as a result of increase in US, European and empty cargoes in Yantian, as well as higher average revenue per TEU for Yantian and Hong Kong. Despite throughput growth was 13% in first half of 2021, this growth momentum eased in the second half of 2021 as a result of high yard density and pandemic preventive measures in place in Hong Kong and the Mainland.

During the year, a joint venture agreement was signed with Shenzhen Yantian Port Group Company Limited to develop Yantian East Port Phase I with an approximate size of 120 hectares.

Mainland China and Other Hong Kong

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**2,069**	2,055	+1%	-5%
EBITDA	**912**	889	+3%	-3%
EBIT	**672**	646	+4%	-2%
Throughput (million TEU)	**13.9**	13.5	+3%	
Number of berths	**42**	42	–	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT growth was mainly attributable to favourable currency translation. In local currencies, total revenue, EBITDA and EBIT declined by 5%, 3% and 2% respectively mainly attributable to the lower contribution from Shanghai due to the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals in 2020, partly offset by throughput growth and favourable margin mix. Excluding the impact of shareholding change, the growth in total revenue, EBITDA and EBIT corresponds with throughput growth.

Europe

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**13,332**	10,782	+24%	+18%
EBITDA	**3,773**	2,896	+30%	+24%
EBIT	**2,623**	1,874	+40%	+33%
Throughput (million TEU)	**16.9**	15.2	+11%	
Number of berths	**67**	62	+5 berths	

Favourable performance in the Europe segment during the year was mainly attributable to higher throughput from strong trade growth primarily in the UK, Barcelona in Spain, Rotterdam and Amsterdam in the Netherlands and Gdynia in Poland, higher storage income, as well as favourable contribution from the newly acquired Delta II terminal in the Netherlands in June 2021.

Asia, Australia and Others

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**18,060**	16,441	+10%	+9%
EBITDA	**6,135**	4,747	+29%	+25%
EBIT	**4,135**	2,690	+54%	+47%
Throughput (million TEU)	**32.7**	31.3	+4%	
Number of berths	**130**	127	+3 berths	

Asia, Australia and Others' total revenue, EBITDA and EBIT grew by 10%, 29% and 54% respectively mainly driven by higher throughput in Laem Chabang in Thailand, Jakarta in Indonesia, Mexico, Freeport in Bahamas and Panama, as well as favourable variance attributable to impairment provision on certain non-performing ports recognised last year. The favourable performance is partly offset by loss of contribution as a result of concession expiry at Dammam in Saudi Arabia last year.

This division has signed an agreement to invest and operate multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia in February 2021. In September 2021, the division has signed an agreement to manage and operate the dry port and bonded logistics zone in the King Salman Energy Park in Saudi Arabia.

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 142 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 16,398 stores in 28 markets worldwide as of 31 December 2021, 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. Since the start of the pandemic, ASW has transformed part of its water factory to produce face masks in Hong Kong.

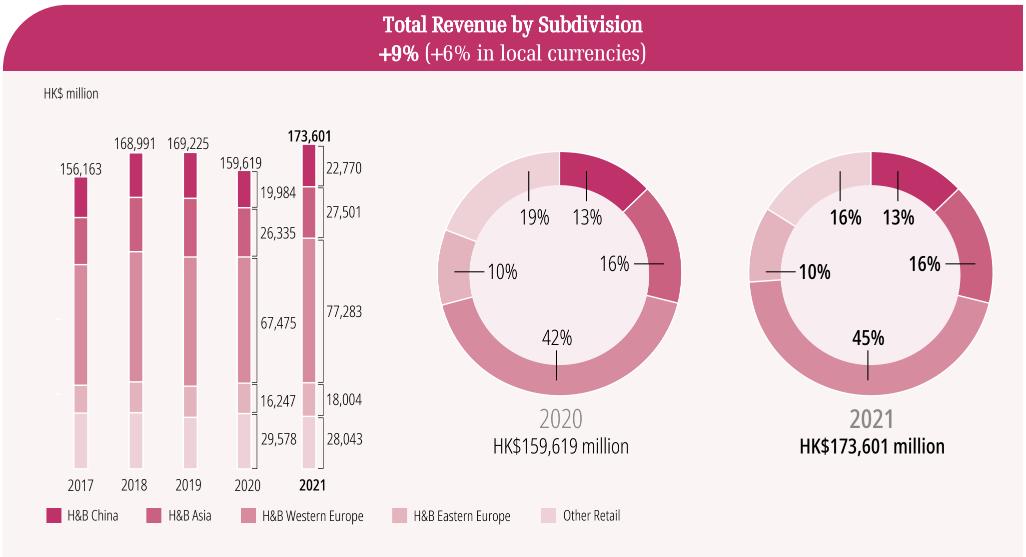
	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**173,601**	159,619	+9%	+6%
EBITDA [(1)]	**16,034**	14,397	+11%	+9%
EBIT [(1)]	**12,460**	10,933	+14%	+12%
Store Numbers	**16,398**	16,167	+1%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$26,119 million (2020: HK$24,557 million); EBIT was HK$13,370 million (2020: HK$11,889 million).

Following the gradual easing of restrictive lockdowns and the significant reduction in temporary store closures in 2021, as well as favourable foreign exchange translation effect, total reported revenue increased by 9% against last year, mainly attributable to the H&B segment, partly offset by the reduced contribution from the supermarket operation in Hong Kong as the pandemic concerns eased during 2021. In local currencies, total revenue increased by 6% against last year.

H&B loyalty members' participation & exclusives sales contribution	**2021**	2020
Total loyalty members in H&B segment (million)	**141**	138
Loyalty members' sales participation in H&B segment (%)	**64%**	63%
Exclusives sales contribution to total H&B sales (%)	**36%**	35%

The H&B segment, which represented 84% of the Retail division's revenue in 2021, has 141 million loyalty members. Customer insights from these loyalty members have enabled the businesses to drive assortment, store and marketing strategies. Together with the "O + O" end-to-end media touchpoints, this will generate higher returns on investments and increase brand equity.



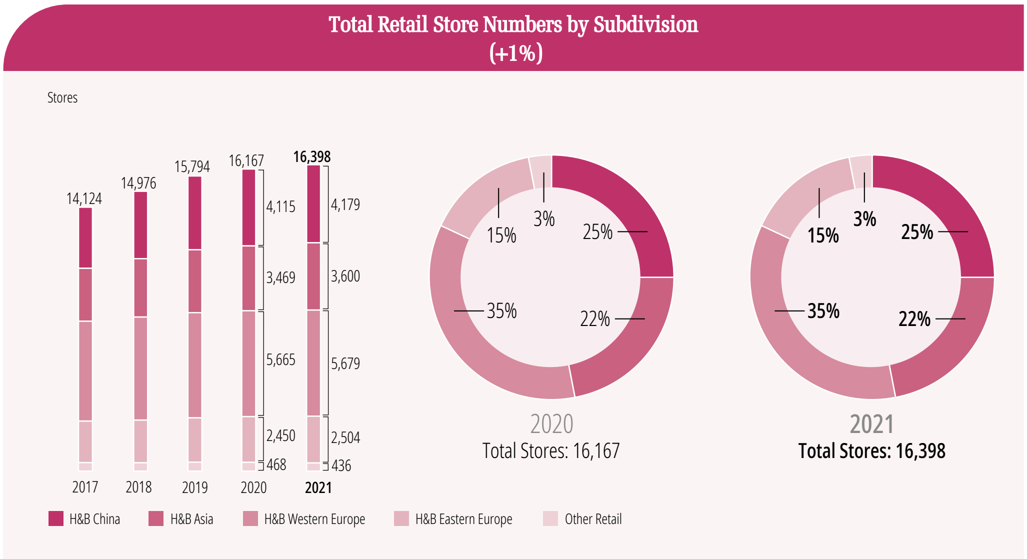
Total Revenue	2021 HK$ million	2020 HK$ million	Change	Local currencies change
H&B China	**22,770**	19,984	+14%	+7%
H&B Asia	**27,501**	26,335	+4%	+5%
H&B China & Asia Subtotal	**50,271**	46,319	+9%	+5%
H&B Western Europe	**77,283**	67,475	+15%	+10%
H&B Eastern Europe	**18,004**	16,247	+11%	+10%
H&B Europe Subtotal	**95,287**	83,722	+14%	+10%
H&B Subtotal	**145,558**	130,041	+12%	+8%
Other Retail (2)	**28,043**	29,578	-5%	-6%
Total Retail	**173,601**	159,619	+9%	+6%

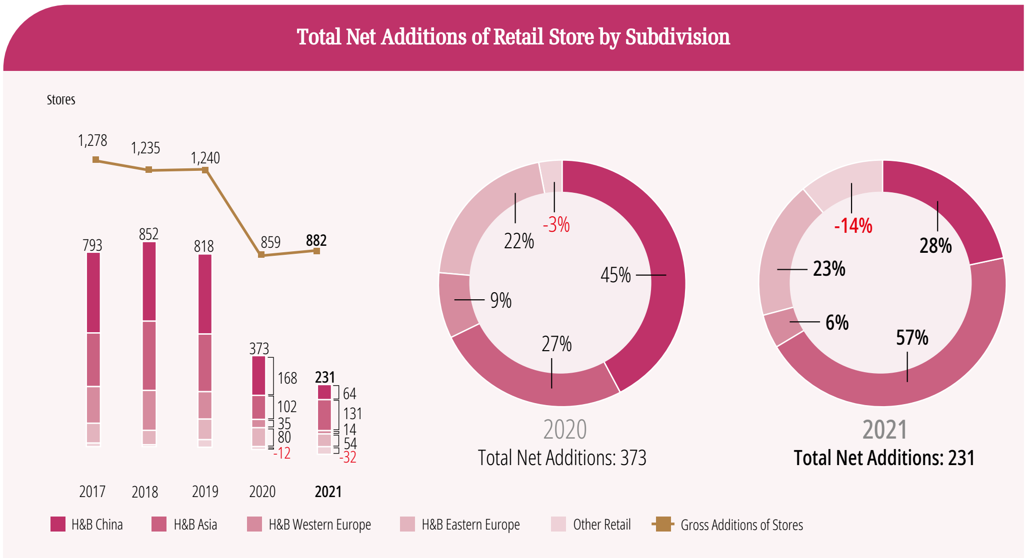
Comparable Stores Sales Growth (%) (3)	2021	2020
H&B China	**+1.9%**	-21.8%
H&B China (adjusted to include loyalty members' sales recovered in proximate new stores)	**+4.7%**	-20.0%
H&B Asia	**-0.8%**	-17.0%
H&B China & Asia Subtotal	**+0.2%**	-19.2%
H&B Western Europe	**+7.9%**	-3.8%
H&B Eastern Europe	**+4.6%**	-4.1%
H&B Europe Subtotal	**+7.3%**	-3.8%
H&B Subtotal	**+4.8%**	-9.7%
Other Retail (2)	**-8.3%**	+12.2%
Total Retail	**+2.6%**	-6.8%

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)

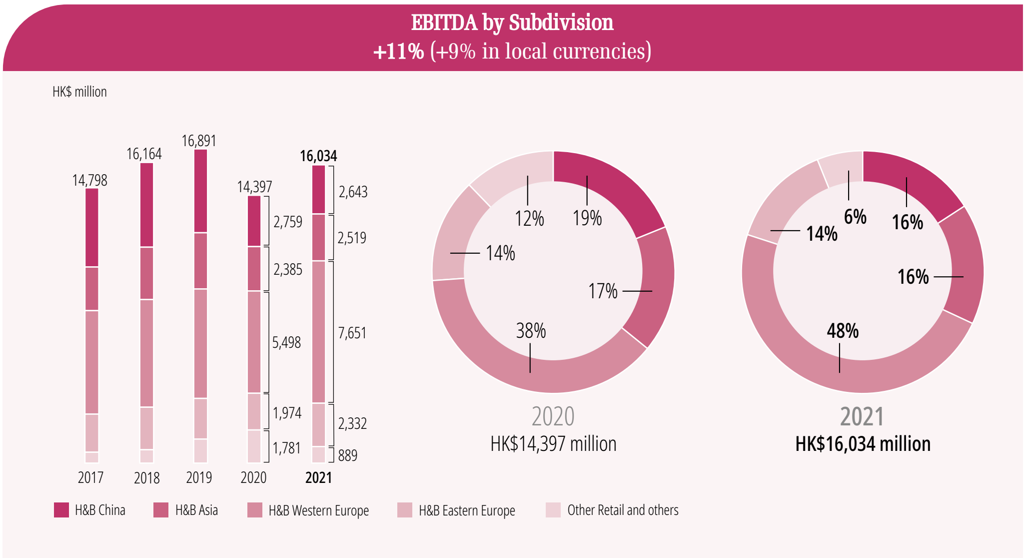




Store Numbers	2021	2020	Change
H&B China	**4,179**	4,115	+2%
H&B Asia	**3,600**	3,469	+4%
H&B China & Asia Subtotal	**7,779**	7,584	+3%
H&B Western Europe	**5,679**	5,665	–
H&B Eastern Europe	**2,504**	2,450	+2%
H&B Europe Subtotal	**8,183**	8,115	+1%
H&B Subtotal	**15,962**	15,699	+2%
Other Retail (4)	**436**	468	-7%
Total Retail	**16,398**	16,167	+1%

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

The Retail division's EBITDA and EBIT increased by 11% and 14% respectively in reported currency against 2020. In local currencies, EBITDA and EBIT increased by 9% and 12% respectively, primarily driven by the growth in revenue as a result of the strong recoveries from the pandemic. The H&B segment reported EBITDA and EBIT improvement of 17% and 23% respectively in local currencies, which was attributable to the exceeding pre-pandemic performances in Europe as well as the solid performance in Asia despite severe pandemic-related disruptions. These favourable results were partly offset by lower government subsidies received across various markets in 2021, poorer performance in the Mainland in the second half of 2021 due to community lockdowns, as well as the Other Retail segment which reported a normalised performance in the supermarket operation in Hong Kong in 2021 as the performance in 2020 was favourably affected from panic buying by customers. In 2021, the division sees the opportunities in expanding its beverage business in the Mainland and has invested more than HK$100 million during 2021 in marketing and additional sales force capabilities with the aim to accelerate business growth.



EBITDA	2021 HK$ million	2020 HK$ million	Change	Local currencies change
H&B China	**2,643**	2,759	-4%	-11%
H&B Asia	**2,519**	2,385	+6%	+6%
H&B China & Asia Subtotal	**5,162**	5,144	–	-3%
H&B Western Europe	**7,651**	5,498	+39%	+36%
H&B Eastern Europe	**2,332**	1,974	+18%	+19%
H&B Europe Subtotal	**9,983**	7,472	+34%	+32%
H&B Subtotal	**15,145**	12,616	+20%	+17%
Other Retail (5)	**889**	1,781	-50%	-50%
Total Retail	**16,034**	14,397	+11%	+9%

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

During 2021, the Retail division opened its first store in Saudi Arabia, 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

	2021 HK$ million	2020 HK$ million	Change	Local currency change
Total Revenue	**22,770**	19,984	+14%	+7%
EBITDA	**2,643**	2,759	-4%	-11%
EBITDA Margin %	***12%***	*14%*		
EBIT	**1,808**	1,952	-7%	-14%
EBIT Margin %	***8%***	*10%*		
Store Numbers	**4,179**	4,115	+2%	
Comparable Stores Sales Growth (%)	**+1.9%**	-21.8%		
Adjusted Comparable Stores Sales Growth (%) [6]	**+4.7%**	-20.0%		

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

H&B China delivered an encouraging performance in the first half of 2021 with year-on-year growth in EBITDA of 53% in local currency when the pandemic conditions were relatively stable. In the second half of 2021, the business was significantly affected by regional outbreaks and tighter public health measures nationwide which negatively affected footfall, and as a result EBITDA and EBIT for the full year of 2021 decreased by 11% and 14% in local currency respectively compared to 2020. Despite the challenging trading environment, the business took positive actions to cope with the change in customer shopping behaviour by recovering sales through the division's digital channels under the "O + O" platform strategy to partly recover the shortfall in stores. The "O + O" platform strategy drives customer lifetime value through building "O + O" sales participation with ASW's largest network of physical stores and fulfillment hubs. H&B China will be able to engage with its 62 million loyalty members and over 80 million social media followers digitally through the 18,000 beauty advisors from its physical store network and 28 online stores. Online sales growth remained strong at 94% in 2021 (2020: 123%).

H&B China added net 64 stores during the year and had more than 4,100 stores in over 500 cities in the Mainland as of 31 December 2021.

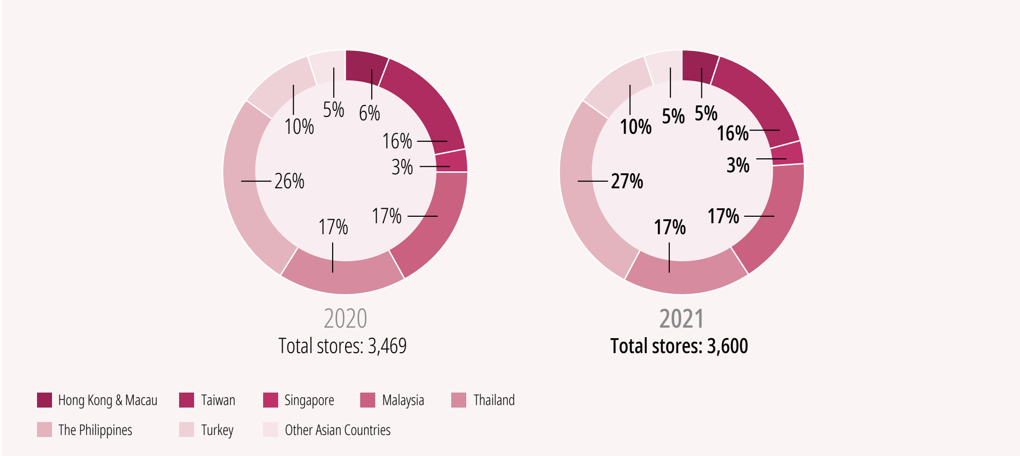
Health and Beauty Asia

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**27,501**	26,335	+4%	+5%
EBITDA	**2,519**	2,385	+6%	+6%
EBITDA Margin %	***9%***	*9%*		
EBIT	**1,942**	1,824	+6%	+7%
EBIT Margin %	***7%***	*7%*		
Store Numbers	**3,600**	3,469	+4%	
Comparable Stores Sales Growth (%)	**-0.8%**	-17.0%		

Watsons is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. Despite a 0.8% comparable stores sales decline as a result of various restrictive measures following the rising number of infected cases in the region, H&B Asia delivered steady growth in EBITDA and EBIT, primarily in Malaysia and the Philippines, of 6% and 7% in local currencies respectively from continued store portfolio expansion and enhanced operational efficiencies. In addition, the H&B operation in Hong Kong reduced its losses significantly in 2021 despite the continued border entry restrictions imposed which limited inbound tourists.

H&B Asia added net 131 stores during the year and had 3,600 stores in 12 markets as of 31 December 2021.

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



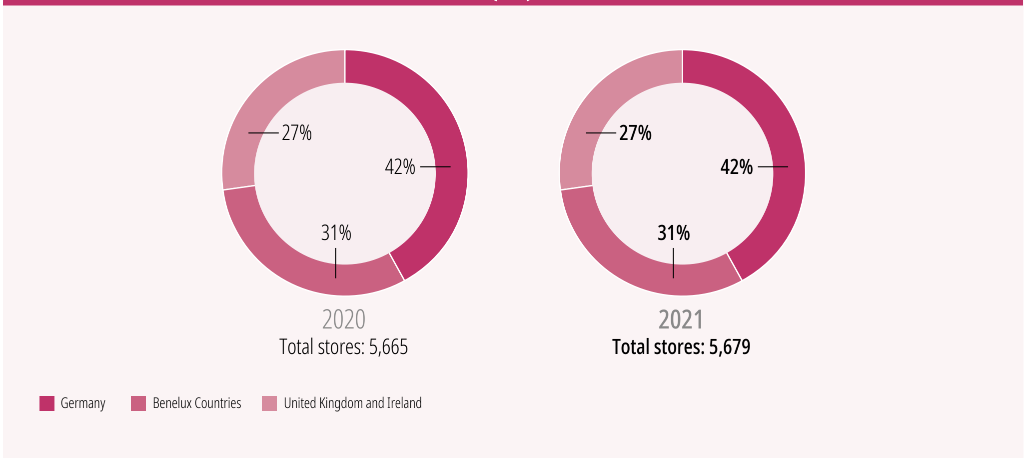
Health and Beauty Western Europe

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**77,283**	67,475	+15%	+10%
EBITDA	**7,651**	5,498	+39%	+36%
EBITDA Margin %	***10%***	*8%*		
EBIT	**6,253**	4,194	+49%	+47%
EBIT Margin %	***8%***	*6%*		
Store Numbers	**5,679**	5,665	–	
Comparable Stores Sales Growth (%)	**+7.9%**	-3.8%		

H&B Western Europe reported a strong EBITDA and EBIT growth of 36% and 47% in local currencies respectively during the year, arising from a robust comparable stores sales growth rate of 7.9%, primarily from the Benelux countries and Germany, where stores remained open during the lockdown periods. Sales were particularly strong for stores located in or near residential areas which were able to cater for the heightened demand from local consumers during lockdowns.

H&B Western Europe added net 14 stores during the year and had more than 5,600 stores as of 31 December 2021.

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



Operations Review – Retail

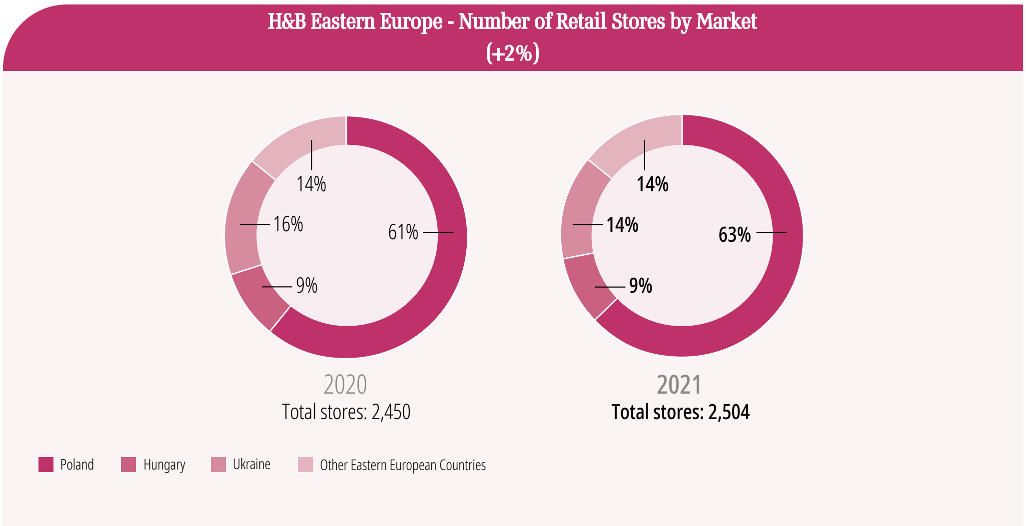
Segment Performance (continued)

Health and Beauty Eastern Europe

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**18,004**	16,247	+11%	+10%
EBITDA	**2,332**	1,974	+18%	+19%
EBITDA Margin %	***13%***	*12%*		
EBIT	**1,975**	1,626	+21%	+22%
EBIT Margin %	***11%***	*10%*		
Store Numbers	**2,504**	2,450	+2%	
Comparable Stores Sales Growth (%)	**+4.6%**	-4.1%		

H&B Eastern Europe continued to contribute to the recovery of the division with growth in EBITDA and EBIT of 19% and 22% in local currencies respectively, mainly attributable to the Rossmann joint venture in Poland as a result of the strong momentum in store openings during the year, together with strong recovery in comparable stores sales growth of 4.6%, partly offset by the introduction of retail sales tax in Poland from the start of 2021.

H&B Eastern Europe added net 54 stores during the year and had more than 2,500 stores as of 31 December 2021.

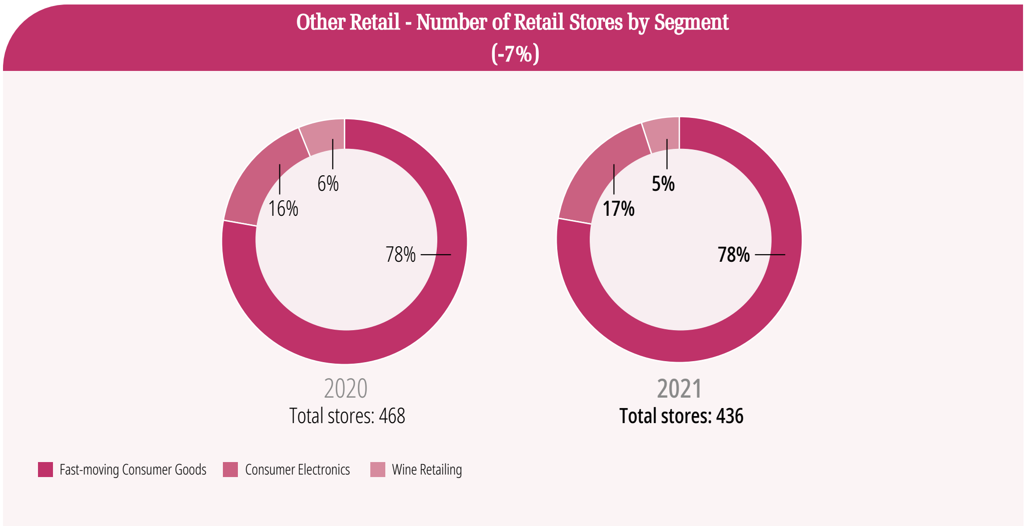


Other Retail

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**28,043**	29,578	-5%	-6%
EBITDA	**889**	1,781	-50%	-50%
EBITDA Margin %	***3%***	*6%*		
EBIT	**482**	1,337	-64%	-63%
EBIT Margin %	***2%***	*5%*		
Store Numbers	**436**	468	-7%	
Comparable Stores Sales Growth (%)	**-8.3%**	+12.2%		

The Other Retail segment reported a reduction in total revenue of 6% in local currencies in 2021, mainly arising from the normalised performance in the supermarket operation in Hong Kong in 2021 as the performance in 2020 was favourably affected from panic buying by customers, as well as the increase in investments to accelerate business growth in the beverage business in the Mainland.

Other Retail had 436 retail stores in 3 markets as of 31 December 2021, 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% [(1)] interest in CK Infrastructure Holdings Limited ("CKI") 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.

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**56,100**	52,792	+6%	-
EBITDA [(2)]	**29,636**	29,066	+2%	-5%
EBIT [(2)]	**19,095**	18,488	+3%	-4%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**7,515**	7,320	+3%	

Note 1: On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities and the Group's interest in CKI reduced from 75.67% to 71.93%. As these new shares were disregarded for the purpose of determining the number of shares held by the public, the Group's profit sharing in CKI remained at 75.67%. After the redemption of the above-mentioned perpetual capital securities by CKI in March 2021 and the cancellation of the related shares in December 2021, the Group's interest in CKI returns to 75.67%.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$29,938 million (2020: HK$29,367 million); EBIT was HK$19,139 million (2020: HK$18,537 million).

CKI is the largest publicly listed infrastructure company on the SEHK, with diversified investments in energy, transportation and water infrastructure, waste management, waste-to-energy, household infrastructure and infrastructure-related businesses. 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$7,515 million, 3% higher against last year. Both 2021 and 2020 included deferred tax charges from the revision of the UK corporate tax rates. Excluding the non-cash deferred tax impact for both years, as well as the disposal gain from the sale of Portugal Renewable Energy in 2020, the adjusted net profit increased 22% in 2021 compared to 2020, reflecting good operational performance across its global portfolio of infrastructure businesses.

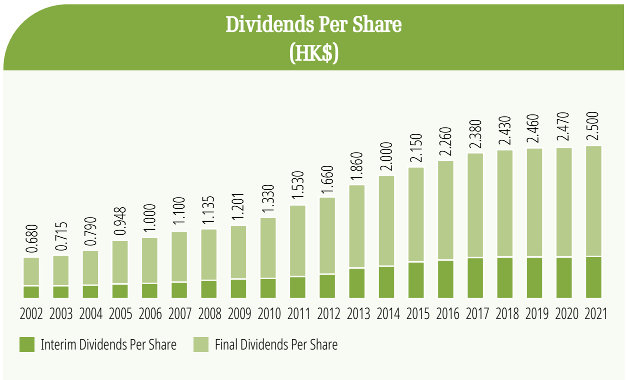
The division's EBITDA and EBIT of HK$29,636 million and HK$19,095 million were 2% and 3% higher than last year respectively in reported currency, reflecting favourable foreign currency translation impacts and good operational performance as mentioned, partly offset by gain on disposal of Portugal Renewable Energy recognised in 2020.

Profit contribution from Power Assets, a company listed on the SEHK and in which CKI holds a 35.96% interest as of 31 December 2021, was HK$2,210 million, flat as compared to HK$2,208 million in 2020. Excluding the share of non-cash deferred tax impact and disposal gain on Portugal Renewable Energy, the adjusted profit contribution from Power Assets increased by 10% as compared to last year.

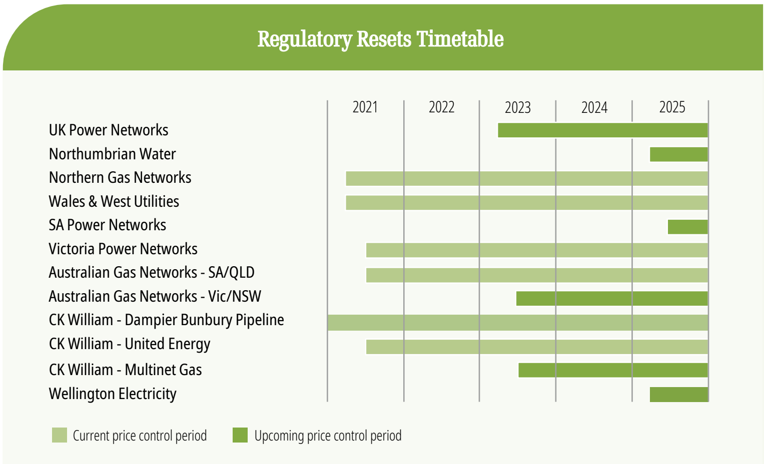
In 2021, a number of CKI's regulated businesses in the UK and Australia have entered new regulatory regimes and these resulted in lower revenues and allowable returns. Appeals were made to the Competition and Markets Authority in respect of the regulatory resets by Northern Gas Networks and Wales & West Gas Networks. Upon completion of the appeal processes, improvements were achieved in a number of areas. This will benefit the revenue and asset bases of these businesses in the remaining years of the current regulatory periods. The secure business models of CKI will continue to contribute solid revenue streams and returns.

During 2021, CKI's businesses have carried out a number of acquisition activities, including ista completing four bolt-on acquisitions which expanded its market penetration in Germany, France and Czech Republic; Reliance Home Comfort completing two acquisitions during the year, adding about 25,000 new rental assets primarily in Ontario and further strengthening its market position in the region; as well as Canadian Power acquiring two wind farms in the Okanagan region of British Columbia. In addition, Dutch Enviro Energy was successfully named preferential bidder for AEB, a waste-to-energy business in the Netherlands.

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$8.1 billion cash on hand and a net debt to net total capital ratio of 14.7% as at 31 December 2021. Credit rating from Standard & Poor's maintained at "A/Stable". CKI has redeemed US$1.2 billion perpetual capital securities in March 2021 with subsequent issuance of US$300 million securities in each of June and July 2021, which is expected to generate meaningful savings in distributions to securities holders going forward.



Note 3: 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 is a pioneer of mobile data communication technologies and an operator and innovator of converged telecommunication and digital services with businesses 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 Sweden and Italy in 2021 and recognised a disposal gain of HK$25,259 million, as compared to HK$16,583 million recognised in 2020 on the sale of tower assets in Denmark, Austria and Ireland where the transactions were completed in December 2020. On 3 March 2022, the Group obtained conditional regulatory approval of the tower asset transaction in the UK. Subject to the satisfactory conclusions to the conditions, the transaction is expected to complete in the second half of 2022. Apart from the disposal gain, CKHGT recognised a non-cash impairment of goodwill on the Group's Italian telecommunication business of HK$15,472 million in 2021.

In million	**2021 HK$**	2020 HK$	Change	Local currencies change	**2021 EURO**	2020 EURO
Total Revenue	**92,575**	90,663	+2%	-3%	**10,083**	10,231
Total Margin	**63,789**	63,563	–	-4%	**6,946**	7,182
Total CACs	**(16,725)**	(16,681)	–		**(1,823)**	(1,875)
Less: Handset revenue	**12,944**	13,028	-1%		**1,411**	1,462
Total CACs (net of handset revenue)	**(3,781)**	(3,653)	-4%		**(412)**	(413)
Operating Expenses	**(26,743)**	(27,953)	+4%		**(2,904)**	(3,162)
Gain from disposal of tower assets	**25,259**	16,583	+52%		**2,620**	1,702
Impairment of goodwill	**(15,472)**	–	-100%		**(1,669)**	–
EBITDA (1)	**43,052**	48,540	-11%	-14%	**4,581**	5,309
Depreciation & Amortisation	**(19,590)**	(15,959)	-23%		**(2,135)**	(1,797)
EBIT (1)	**23,462**	32,581	-28%	-30%	**2,446**	3,512

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$50,892 million (2020: HK$56,706 million); EBIT was HK$24,530 million (2020: HK$33,484 million).

3 Group Europe [2]

In million	2021 HK$	2020 [3] HK$	Change	Local currencies change
Total Revenue	**86,972**	85,786	+1%	-4%
Total Margin	**60,777**	60,358	+1%	-4%
Total CACs	**(16,163)**	(16,155)	–	
Less: Handset revenue	**12,549**	12,683	-1%	
Total CACs (net of handset revenue)	**(3,614)**	(3,472)	-4%	
Operating Expenses	**(27,271)**	(26,952)	-1%	
Opex as a % of total margin	***45%***	*45%*		
EBITDA	**29,892**	29,934	–	-5%
EBITDA Margin % [4]	***40%***	*41%*		
Depreciation & Amortisation	**(18,633)**	(14,934)	-25%	
EBIT	**11,259**	15,000	-25%	-28%

EBITDA per above	**29,892**	29,934	–	-5%
Proforma contribution from tower assets	**–**	1,444		
Reported EBITDA [5]	**29,892**	31,378	-5%	-9%
EBIT per above	**11,259**	15,000	-25%	-28%
Proforma contribution from tower assets	**–**	1,270		
Reported EBIT [5]	**11,259**	16,270	-31%	-34%

Note 2: **3** Group Europe result above is before one-off items in 2021 and 2020, which represented gain on disposal of tower assets of HK$25.3 billion (2020: HK$16.6 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$15.5 billion (2020: nil).

Note 3: Due to the completion of disposals of tower assets in 2020 and 2021 as mentioned, the 2020 results were normalised, which exclude the proforma contribution from the tower assets in Sweden, Denmark, Austria and Ireland for full year 2020 and in Italy for July to December 2020 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2020 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$37,267 million (2020: HK$38,929 million) ; EBIT was HK$12,256 million (2020: HK$16,982 million).

3 Group Europe 's total revenue and margin of HK$86,972 million and HK$60,777 million were both 4% lower against last year in local currencies, primarily due to Italy which remains an intensely competitive market. All the other **3** Group Europe operations reported better or stable total margin. Active customer base as at 31 December 2021 of 38.5 million is flat against 2020 mainly due to lower customer bases in both Italy and the UK where gross additions were impacted, to a certain extent, by the pandemic-related lockdowns, fully offset by net additions in other operations. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base improved from 1.3% for 2020 to 1.2% for the year.

3 Group Europe's net ARPU and net AMPU improved by 1% and 2% to €13.15 and €11.53 respectively compared to 2020, primarily due to better tariff mix and higher value propositions.

Total data usage increased 28% compared to last year to approximately 7,014 petabytes in 2021. Data usage per active customer was approximately 192.7 gigabytes per user in 2021 compared to 147.7 gigabytes per user in 2020.

3 Group Europe's 2021 results were impacted by the incremental tower service fees. On a normalised basis, EBITDA and EBIT were 5% and 28% lower year-on-year respectively in local currencies, primarily driven by lower total margin as mentioned, partly offset by disciplined spending on operating expenses. **3** Group Europe reported a stable EBITDA margin of 40%, 1%-point lower compared to 2020. Higher depreciation and amortisation against last year was due to continued investments in IT and 5G rollouts, particularly in the UK, as well as spectrum licence spending in the UK and Scandinavia operations, resulted in lower EBIT performance as compared to 2020.

CKHGT - Results by operations

In million	UK GBP 2021	UK GBP 2020	Italy [6][7] EURO 2021	Italy [6][7] EURO 2020	Sweden [7] SEK 2021	Sweden [7] SEK 2020	Denmark [7] DKK 2021	Denmark [7] DKK 2020	Austria [7] EURO 2021	Austria [7] EURO 2020
Total Revenue	**2,444**	2,355	**4,193**	4,654	**6,902**	6,734	**2,272**	2,254	**866**	850
% change	*+4%*		*-10%*		*+2%*		*+1%*		*+2%*	
Total margin	**1,445**	1,436	**3,187**	3,522	**4,351**	4,076	**1,764**	1,737	**638**	618
% change	*+1%*		*-10%*		*+7%*		*+2%*		*+3%*	
Total CACs	**(968)**	(891)	**(290)**	(348)	**(1,233)**	(2,422)	**(227)**	(245)	**(115)**	(116)
Less: Handset Revenue	**772**	682	**203**	268	**769**	1,954	**93**	106	**101**	104
Total CACs (net of handset revenue)	**(196)**	(209)	**(87)**	(80)	**(464)**	(468)	**(134)**	(139)	**(14)**	(12)
Operating Expenses	**(640)**	(674)	**(1,390)**	(1,501)	**(1,724)**	(1,647)	**(920)**	(893)	**(286)**	(267)
Opex as a % of total margin	*44%*	*47%*	*44%*	*43%*	*40%*	*40%*	*52%*	*51%*	*45%*	*43%*
Gain on disposal of tower assets	–	–	–	–	–	–	–	–	–	–
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–
EBITDA	**609**	553	**1,710**	1,941	**2,163**	1,961	**710**	705	**338**	339
% change	*+10%*		*-12%*		*+10%*		*+1%*		–	
EBITDA margin % [9]	*36%*	*33%*	*43%*	*44%*	*35%*	*41%*	*33%*	*33%*	*44%*	*45%*
Depreciation & Amortisation	**(448)**	(358)	**(1,049)**	(856)	**(1,272)**	(1,084)	**(464)**	(394)	**(145)**	(145)
EBIT	**161**	195	**661**	1,085	**891**	877	**246**	311	**193**	194
% change	*-17%*		*-39%*		*+2%*		*-21%*		*-1%*	
EBITDA per above	**609**	553	**1,710**	1,941	**2,163**	1,961	**710**	705	**338**	339
Proforma contribution from tower assets	–	–	–	59	–	288	–	116	–	39
Reported EBITDA	**609**	553	**1,710**	2,000	**2,163**	2,249	**710**	821	**338**	378
% change	*+10%*		*-15%*		*-4%*		*-14%*		*-11%*	
EBIT per above	**161**	195	**661**	1,085	**891**	877	**246**	311	**193**	194
Proforma contribution from tower assets	–	–	–	53	–	249	–	104	–	32
Reported EBIT	**161**	195	**661**	1,138	**891**	1,126	**246**	415	**193**	226
% change	*-17%*		*-42%*		*-21%*		*-41%*		*-15%*	
Capex (excluding licence)	**(784)**	(764)	**(1,111)**	(990)	**(1,394)**	(1,112)	**(705)**	(209)	**(153)**	(128)
Reported EBITDA less Capex	**(175)**	(211)	**599**	1,010	**769**	1,137	**5**	612	**185**	250
Licence [10]	**(280)**	–	–	–	**(492)**	–	**(544)**	–	–	(49)
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:										
EBITDA-pre IFRS 16 basis (HK$)	***6,504***	*5,497*	***15,729***	*17,742*	***1,957***	*1,901*	***877***	*977*	***3,106***	*3,343*
EBITDA-post IFRS 16 basis (HK$)	***7,615***	*6,573*	***21,117***	*22,893*	***2,214***	*2,201*	***986***	*1,156*	***3,323***	*3,779*
EBIT-pre IFRS 16 basis (HK$)	***1,712***	*1,934*	***6,087***	*10,067*	***809***	*950*	***307***	*494*	***1,767***	*1,999*
EBIT-post IFRS 16 basis (HK$)	***1,899***	*2,139*	***6,763***	*10,341*	***831***	*978*	***314***	*510*	***1,813***	*2,084*

In million	Ireland [7] EURO 2021	Ireland [7] EURO 2020	3 Group Europe before one-off [7][8] HK$ 2021	3 Group Europe 2020 Normalised	3 Group Europe 2020 Tower Assets	3 Group Europe 2020 Reported	HTHKH HK$ 2021	HTHKH HK$ 2020	Corporate and Others and one-off [8] HK$ 2021	Corporate and Others and one-off [8] HK$ 2020	CKHGT HK$ 2021	CKHGT HK$ 2020	CKHGT EURO 2021	CKHGT EURO 2020
Total Revenue	**579**	593	**86,972**	85,786	13	85,799	**5,385**	4,545	**218**	319	**92,575**	90,663	**10,083**	10,231
% change	*-2%*		*+1%*				*+18%*		*-32%*		*+2%*		*-1%*	
Local currencies change %			*-4%*								*-3%*			
Total margin	**445**	448	**60,777**	60,358	13	60,371	**2,974**	3,151	**38**	41	**63,789**	63,563	**6,946**	7,182
% change	*-1%*		*+1%*				*-6%*		*-7%*		–		*-3%*	
Local currencies change %			*-4%*								*-4%*			
Total CACs	**(77)**	(89)	**(16,163)**	(16,155)	–	(16,155)	**(562)**	(526)	–	–	**(16,725)**	(16,681)	**(1,823)**	(1,875)
Less: Handset Revenue	**76**	87	**12,549**	12,683	–	12,683	**395**	345	–	–	**12,944**	13,028	**1,411**	1,462
Total CACs (net of handset revenue)	**(1)**	(2)	**(3,614)**	(3,472)	–	(3,472)	**(167)**	(181)	–	–	**(3,781)**	(3,653)	**(412)**	(413)
Operating Expenses	**(256)**	(250)	**(27,271)**	(26,952)	1,431	(25,521)	**(1,714)**	(1,629)	**2,242**	(803)	**(26,743)**	(27,953)	**(2,904)**	(3,162)
Opex as a % of total margin	*58%*	*56%*	*45%*	*45%*		*42%*	*58%*	*52%*	*N/A*	*N/A*	*42%*	*44%*	*42%*	*44%*
Gain on disposal of tower assets	–	–	–	–	–	–	–	–	**25,259**	16,583	**25,259**	16,583	**2,620**	1,702
Impairment of goodwill	–	–	–	–	–	–	–	–	**(15,472)**	–	**(15,472)**	–	**(1,669)**	–
EBITDA	**188**	196	**29,892**	29,934	1,444	31,378	**1,093**	1,341	**12,067**	15,821	**43,052**	48,540	**4,581**	5,309
% change	*-4%*		–				*-18%*		*-24%*		*-11%*		*-14%*	
Local currencies change %			*-5%*								*-14%*			
EBITDA margin % [9]	*37%*	*39%*	*40%*	*41%*		*43%*	*22%*	*32%*			*54%*	*63%*	*53%*	*61%*
Depreciation & Amortisation	**(125)**	(122)	**(18,633)**	(14,934)	(174)	(15,108)	**(951)**	(845)	**(6)**	(6)	**(19,590)**	(15,959)	**(2,135)**	(1,797)
EBIT	**63**	74	**11,259**	15,000	1,270	16,270	**142**	496	**12,061**	15,815	**23,462**	32,581	**2,446**	3,512
% change	*-15%*		*-25%*				*-71%*		*-24%*		*-28%*		*-30%*	
Local currencies change %			*-28%*								*-30%*			
EBITDA per above	**188**	196	**29,892**	29,934										
Proforma contribution from tower assets	–	21	–	1,444										
Reported EBITDA	**188**	217	**29,892**	31,378										
% change	*-13%*		*-5%*											
Local currencies change %			*-9%*											
EBIT per above	**63**	74	**11,259**	15,000										
Proforma contribution from tower assets	–	19	–	1,270										
Reported EBIT	**63**	93	**11,259**	16,270										
% change	*-32%*		*-31%*											
Local currencies change %			*-34%*											
Capex (excluding licence)	**(114)**	(132)	**(23,118)**	(20,255)			**(874)**	(593)	**(20)**	(15)	**(24,012)**	(20,863)	**(2,623)**	(2,296)
Reported EBITDA less Capex	**74**	85	**6,774**	11,123			**219**	748	**12,047**	15,806	**19,040**	27,677	**1,958**	3,013
Licence [10]	–	(1)	**(4,237)**	(477)			**(2,040)**	(202)	–	–	**(6,277)**	(679)	**(669)**	(74)
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:														
EBITDA-pre IFRS 16 basis (HK$)	***1,719***	*1,918*	***29,892***	*31,378*			***1,093***	*1,341*	***12,067***	*15,821*	***43,052***	*48,540*	***€4,581***	*€5,309*
EBITDA-post IFRS 16 basis (HK$)	***2,012***	*2,327*	***37,267***	*38,929*			***1,501***	*1,776*	***12,124***	*16,001*	***50,892***	*56,706*	***€5,432***	*€6,229*
EBIT-pre IFRS 16 basis (HK$)	***577***	*826*	***11,259***	*16,270*			***142***	*496*	***12,061***	*15,815*	***23,462***	*32,581*	***€2,446***	*€3,512*
EBIT-post IFRS 16 basis (HK$)	***636***	*930*	***12,256***	*16,982*			***156***	*507*	***12,118***	*15,995*	***24,530***	*33,484*	***€2,562***	*€3,612*

	UK 2021	UK 2020	Italy 2021	Italy 2020	Sweden 2021	Sweden 2020	Denmark 2021	Denmark 2020	Austria 2021	Austria 2020	Ireland 2021	Ireland 2020	3 Group Europe 2021	3 Group Europe 2020	HTHKH 2021	HTHKH 2020
Total registered customer base (million)	**13.1**	13.1	**20.7**	21.5	**2.4**	2.2	**1.5**	1.5	**3.3**	3.6	**3.1**	2.6	**44.1**	44.5	**4.0**	3.8
Total active customer base (million)	**9.7**	9.7	**19.0**	19.6	**2.3**	2.2	**1.5**	1.4	**2.9**	3.0	**3.1**	2.6	**38.5**	38.5	**3.2**	3.3
Contract customers as a % of the total registered customer base	**62%**	58%	**48%**	48%	**69%**	69%	**57%**	58%	**75%**	74%	**73%**	68%	**57%**	56%	**36%**	37%
Average monthly churn rate of the total contract registered customer base (%)	**1.3%**	1.4%	**1.4%**	1.4%	**1.2%**	1.4%	**1.6%**	1.7%	**0.2%**	0.2%	**0.7%**	1.0%	**1.2%**	1.3%	**1.2%**	1.1%
Active contract customers as a % of the total contract registered customer base	**99%**	99%	**95%**	94%	**100%**	100%	**100%**	100%	**100%**	100%	**100%**	100%	**98%**	97%	**100%**	100%
Active customers as a % of the total registered customer base	**74%**	74%	**92%**	91%	**98%**	97%	**100%**	100%	**87%**	83%	**100%**	100%	**87%**	87%	**80%**	86%
LTE coverage by population (%)	**94%**	94%	**100%**	100%	**95%**	92%	**100%**	100%	**97%**	96%	**99%**	99%	–	–	**90%**	90%
Full year data usage per active customer (Gigabyte)													**192.7**	147.7	**85.7**	74.0

Note 6: Wind Tre's results include fixed line business revenue of €973 million (2020: €1,004 million) and EBITDA of €211 million (2020: €236 million).

Note 7: As the disposals of tower assets in Denmark, Austria and Ireland were completed in December 2020 and in Sweden was completed in January 2021, the 2020 results were normalised, which exclude the proforma contribution from the tower assets for full year 2020 for comparability purpose. Similarly, as the tower assets disposal in Italy was completed in June 2021, the 2020 Italy results exclude the proforma contribution from the tower assets for July to December 2020. The % changes in EBITDA and EBIT are compared against the normalised 2020 numbers.

Note 8: 3 Group Europe results do not include one-off items in 2021 and 2020, which represented gain on disposal of tower assets of HK$25.3 billion (2020: HK$16.6 billion) and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$15.5 billion (2020: nil).

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

Note 10: 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. 2020 licence cost for Austria represents investment for 20 MHz of 700 MHz spectrum, 30 MHz of 1500 MHz spectrum and 40 MHz of 2100 MHz spectrum acquired in October 2020, and the licence cost for Hong Kong represents investment for 40 MHz of 3500 MHz spectrum acquired in October 2019 for 15 years from April 2020.

Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2021 ('000)			Registered Customer Growth (%) from 30 June 2021 to 31 December 2021			Registered Customer Growth (%) from 31 December 2020 to 31 December 2021		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	4,955	8,192	**13,147**	-2%	+5%	**+2%**	-10%	+8%	**–**
Italy (12)	10,808	9,866	**20,674**	-1%	-2%	**-2%**	-3%	-4%	**-4%**
Sweden	729	1,608	**2,337**	+3%	+3%	**+3%**	+7%	+5%	**+6%**
Denmark	646	850	**1,496**	+1%	+1%	**+1%**	+5%	–	**+2%**
Austria	813	2,498	**3,311**	-7%	–	**-2%**	-13%	-4%	**-7%**
Ireland	835	2,312	**3,147**	+3%	+18%	**+13%**	+1%	+29%	**+20%**
3 Group Europe Total	18,786	25,326	**44,112**	-1%	+2%	**+1%**	-5%	+2%	**-1%**
HTHKH	2,539	1,442	**3,981**	+4%	+1%	**+3%**	+6%	+1%	**+4%**

Active (11) Customer Base

	Active Customers at 31 December 2021 ('000)			Active Customer Growth (%) from 30 June 2021 to 31 December 2021			Active Customer Growth (%) from 31 December 2020 to 31 December 2021		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	1,614	8,076	**9,690**	-6%	+4%	**+3%**	-26%	+7%	**–**
Italy (12)	9,678	9,359	**19,037**	-1%	-1%	**-1%**	-3%	-3%	**-3%**
Sweden	680	1,608	**2,288**	+4%	+3%	**+3%**	+9%	+5%	**+6%**
Denmark	641	850	**1,491**	+1%	+1%	**+1%**	+5%	–	**+2%**
Austria	373	2,493	**2,866**	+5%	–	**+1%**	+9%	-4%	**-3%**
Ireland	835	2,312	**3,147**	+3%	+18%	**+13%**	+1%	+29%	**+20%**
3 Group Europe Total	13,821	24,698	**38,519**	-1%	+3%	**+1%**	-5%	+3%	**–**
HTHKH	1,760	1,442	**3,202**	-3%	+1%	**-1%**	-5%	+1%	**-2%**

Note 11: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 12: In addition to the above, Wind Tre has 2.9 million fixed line customers.

12-month Trailing Average Revenue per Active User (13) ("ARPU") to 31 December 2021

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2020
United Kingdom	£6.02	£21.54	**£18.69**	+4%
Italy	€10.36	€12.54	**€11.44**	-3%
Sweden	SEK117.92	SEK302.71	**SEK248.24**	-6%
Denmark	DKK89.28	DKK146.84	**DKK122.26**	–
Austria	€11.38	€22.74	**€21.32**	+4%
Ireland	€14.60	€14.77	**€14.72**	-15%
3 Group Europe Average	€10.35	€19.18	**€15.95**	+1%
HTHKH	HK$9.49	HK$192.27	**HK$91.08**	+3%

12-month Trailing Net Average Revenue per Active User (14) ("Net ARPU") to 31 December 2021

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2020
United Kingdom	£6.02	£14.58	**£13.00**	+2%
Italy	€10.36	€11.26	**€10.81**	-2%
Sweden	SEK117.92	SEK207.78	**SEK181.29**	-2%
Denmark	DKK89.28	DKK136.19	**DKK116.16**	-1%
Austria	€11.38	€19.15	**€18.18**	+6%
Ireland	€14.60	€11.43	**€12.35**	-16%
3 Group Europe Average	€10.35	€14.77	**€13.15**	+1%
HTHKH	HK$9.49	HK$170.60	**HK$81.41**	+4%

12-month Trailing Net Average Margin per Active User (15) ("Net AMPU") to 31 December 2021

	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2020
United Kingdom	£5.44	£12.90	**£11.53**	+4%
Italy	€9.01	€9.72	**€9.36**	–
Sweden	SEK101.78	SEK181.61	**SEK158.08**	-1%
Denmark	DKK74.68	DKK112.32	**DKK96.25**	–
Austria	€9.84	€17.00	**€16.11**	+6%
Ireland	€13.52	€10.48	**€11.36**	-15%
3 Group Europe Average	€9.06	€12.96	**€11.53**	+2%
HTHKH	HK$8.13	HK$148.34	**HK$70.72**	+4%

Note 13: 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 14: 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 15: 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.

Operations Review – Telecommunications

United Kingdom

3 UK's EBITDA increased by 10% in local currency compared to last year mainly driven by improvements in other margins from MVNOs and stable net customer service margin, together with lower costs associated to acquisition and retention activities due to various lockdowns in the first half of 2021 and other cost efficiency savings, partly offset by increased marketing spend in second half following increased social mobility as restrictions lifted in the UK. EBIT decreased by 17% 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.

Italy

On a normalised basis and in local currency, Italy's EBITDA decreased by 12%, mainly due to intense competition resulting in revenue decline by 10%. Wind Tre has implemented various cost savings initiatives, including reduction in customer servicing and sales and distribution expenses, to partially mitigate margin shortfall. Furthermore, during the second half of 2021, net customer service margin has progressively improved compared to the first half. EBIT decreased by 39% due to higher depreciation and amortisation from an enlarged asset base as 5G rollout continues.

Sweden

Sweden, where the Group has 60% interest, on a normalised basis and in local currency, reported full year EBITDA growth of 10% compared to last year, primarily driven by the 7% total margin growth from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base. Full year EBIT was 2% higher than last year as the EBITDA improvement was partly offset by higher depreciation from the ongoing network rollout, as well as higher amortisation from the new spectrum licence acquired in early 2021.

Denmark

Despite the lockdown impact during first half of 2021, the Denmark operation, where the Group has a 60% interest, reported local currency total margin growth of 2% when compared to last year. On a normalised basis, full year EBITDA was 1% higher than last year, primarily driven by total margin growth, partly offset by higher operating costs from the enlarged network base. During the second half of 2021, the operation recognised accelerated depreciation charges from the ongoing network assets swap, resulting in 21% decrease in full year EBIT when compared to last year.

Austria

On a normalised basis and in local currency, Austria's EBITDA is flat and EBIT decreased by 1% compared to 2020, mainly due to higher operating costs from increased data traffic and enlarged network base, as well as certain non-recurring provision release last year, partly offset by 3% total margin growth from 6% increase in net AMPU, higher roaming contribution due to ease of travel restrictions, as well as favourable contribution from MVNO.

Ireland

On a normalised basis and in local currency, EBITDA and EBIT decreased by 4% and 15% respectively compared to 2020 driven by 1% lower total margin mainly due to lower net AMPU from reduced out of bundle spend and the dilutive impact of higher mix of low value Internet of Things (IoT) customers, which more than offsets the base growth, coupled with higher operating costs from the network expansion. EBIT also reflected the higher depreciation and amortisation from an enlarged asset base.

Hutchison Telecommunications Hong Kong Holdings

HTHKH announced its 2021 Post-IFRS 16 profit attributable to shareholders of HK$4 million. On Pre-IFRS 16 basis, EBITDA and EBIT of HK$1,093 million and HK$142 million were 18% and 71% lower respectively when compared with last year. The decrease was mainly due to lower net customer service margin from decline in roaming revenue which reflected full year impact of prolonged travel restrictions, increased network costs associated with investment in advanced 5G technology and its network coverage expansion, and lower interest income from lower deposit rates and cash balances following the distribution of a special interim dividend in September 2021. EBIT also reflected the higher depreciation and amortisation from an enlarged asset base as the operation continues its 5G rollout.

Hutchison Asia Telecommunications

	2021 HK$ million	2020 HK$ million	Change	Local currencies change
Total Revenue	**8,786**	9,147	-4%	-5%
- Indonesia	**7,610**	7,964	-4%	-6%
- Vietnam	**753**	761	-1%	-2%
- Sri Lanka	**423**	422	–	+7%
EBITDA (16)	**2,036**	2,034	–	-1%
- Indonesia	**2,094**	2,051	+2%	+1%
- Vietnam	**19**	29	-34%	-34%
- Sri Lanka	**75**	48	+56%	+67%
- Corporate costs	**(152)**	(94)	-62%	-62%
EBIT (16)	**209**	544	-62%	-63%
- Indonesia	**739**	1,015	-27%	-28%
- Vietnam	**(301)**	(259)	-16%	-15%
- Sri Lanka	**(77)**	(118)	+35%	+31%
- Corporate costs	**(152)**	(94)	-62%	-62%
Total active customer base ('000)	**56,187**	57,018	-1%	
- Indonesia	**39,056**	39,832	-2%	
- Vietnam	**13,240**	12,990	+2%	
- Sri Lanka	**3,891**	4,196	-7%	

Note 16: Under Post-IFRS 16 basis, EBITDA was HK$4,232 million (2020: HK$4,362 million); EBIT was HK$979 million (2020: HK$1,480 million).

As of 31 December 2021, HAT had approximately 56.2 million active customer accounts, 1% lower than 2020.

Indonesia operation's 4G network of approximately 32,000 base transceiver stations ("BTS") covered over 37,000 villages as at 31 December 2021. During 2021, market conditions in Indonesia were severely impacted due to the pandemic. Revenue was 6% below 2020 in local currency, primarily driven by declines in both ARPU and active customer accounts. Despite lower revenue, EBITDA was 1% higher than 2020 in local currency, primarily due to certain one-time foreign currency exchange gains recognised in the year, as well as disciplined cost controls and savings initiatives adopted during the pandemic period more than offset the revenue shortfall. EBIT was 28% lower than 2020 in local currency, primarily due to higher depreciation from continued network investments.

In Vietnam, the operation was also under challenge due to severe pandemic situation, particularly in the second half of 2021 with full lockdown imposed. Reported revenue was 2% lower than 2020 in local currency, reflecting the declining ARPU, partly offset by 2% customer base growth. EBITDA and EBIT for 2021 were 34% and 15% below 2020 respectively in local currency, primarily driven by certain foreign exchange gains included in 2020 results, as well as higher depreciation from network expansion projects completed in 2020 and 2021.

For 2021, the Sri Lanka operation reported 7%, 67% and 31% growth in revenue, EBITDA and EBIT respectively in local currency when compared to 2020, reflecting the margin improvement and cost controls.

In January 2022, the Group announced the completion of merger between Hutchison 3 Indonesia ("H3I") and PT Indosat Tbk ("Indosat"). The merged company, Indosat Ooredoo Hutchison ("IOH"), remains listed on the Indonesian Stock Exchange and becomes the second largest telecommunication operator in Indonesia with estimated proforma combined annual revenue of approximately US$3 billion for 2021. The merger is expected to realise annual run rate pre-tax synergies of approximately US$300 - 400 million over the next 3 to 5 years. With the synergies realisation, enhanced scale, financial strength and capabilities needed to accelerate Indonesia's economic growth and transformation into a digital society, the merger will deliver cost efficiencies and facilitate innovation and network enhancement, and to create additional value to all shareholders, customers and for Indonesia. Following the completion of merger on 4 January 2022, H3I was de-consolidated and the Group holds 50% interest in Ooredoo Hutchison Asia Pte. Ltd, which in turn holds 65.6% in IOH.

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 15.8% interest in Cenovus Energy is included under Finance Investments and Others segment. The share of Husky's results for 2020 were also reclassified to this segment to conform with the 2021 presentation.

	2021 (1) **HK$ million**	2020 (1) HK$ million	Change	Local currencies change
Total Revenue	**72,036**	58,760	+23%	+20%
EBITDA (2)	**5,312**	(8,007)	+166%	+165%
– Underlying	**10,320**	6,797	+52%	+52%
– One-off items	**(5,008)**	(14,804)	+66%	+66%
EBIT (2)	**(1,219)**	(15,409)	+92%	+92%
– Underlying	**3,789**	(605)	+726%	+732%
– One-off items	**(5,008)**	(14,804)	+66%	+66%

Note 1: The share of Husky's results for 2020 were reclassified from Energy division to Finance & Investments and Others segment to conform with 2021 presentation, which included the Group's share of Cenovus Energy Post-IFRS 16 results.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK$6,464 million (2020: HK$(6,392) million); EBIT was HK$(1,146) million (2020: HK$(15,141) million).

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$161,360 million at 31 December 2021. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2021 annual results announcement.

In 2021, EBITDA and EBIT in this segment included a one-off net loss of HK$5.0 billion, 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. This is compared to the one-off net loss of HK$14.8 billion in last year, which comprised the share of impairment and write-downs of the energy business, partly offset by a net dilution gain of HK$10.1 billion arising from the merger of the Australian Telecommunication businesses.

Excluding the one-off items, underlying EBITDA and EBIT grew 52% and 726% respectively from 2020 primarily due to the turnaround contribution from the energy business' underlying operations.

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 38.46% 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. HUTCHMED raised additional equity through a private placement in April 2021 and HK IPO listing in June 2021. Correspondingly, CKHH's shareholding was further diluted to 38.46%.

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. Following the completion of the merger of Cenovus Energy and Husky Energy in January 2021, Cenovus Energy becomes an associated company of the Group. As at 31 December 2021, the Group held 15.8% interest in Cenovus Energy, together with warrants representing a further 1.1% to 16.9% (1).

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 780 stores in 9 European markets as of 31 December 2021, 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 (formerly known as Vodafone Hutchison Australia or "VHA"), a 50-50 joint venture with Vodafone Group Plc before its merger with TPG Corporation Limited (formerly named TPG Telecom Limited) which became effective on 26 June 2020. Post-merger, TPG Telecom Limited was listed on the ASX on 30 June 2020 and is held 25.05% by HTAL, 25.05% by Vodafone Group Plc and 49.9% by other shareholders.

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$14,659 million, decreased by 3% when compared to last year. The Group's weighted average cost of debt for 2021 was 1.6% (2020: 1.7%).

The Group recorded current and deferred tax charges of HK$9,578 million in 2021, an increase from HK$1,470 million in 2020, primarily reflecting the adverse variance arising from the significant deferred tax credit arising from impairment and other charges of Husky recognised in 2020, as well as higher profit before tax for 2021, partly offset by the favourable net impact from the revaluation of deferred tax assets and liabilities following the revision of the UK corporate tax rates in 2021.

Note 1: On a partially-diluted basis assuming the exercise of the Cenovus Energy common share purchase warrants held by the Group.