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

2023 Annual Results

Operations Analysis

Disclaimer

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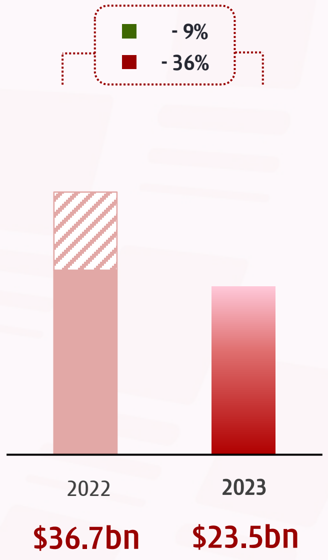
Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

2023 Results Highlights

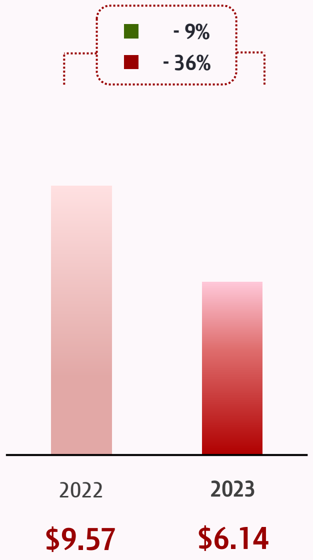
2023 Financial Highlights

Revenue

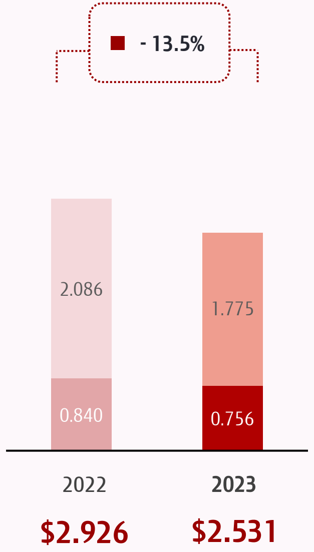
Net Earnings (post-IFRS 16) (1)



EPS (post-IFRS 16) (1)



DPS



Represents one-off items   Underlying Change[2] in Reported Currency   Change in Reported Currency

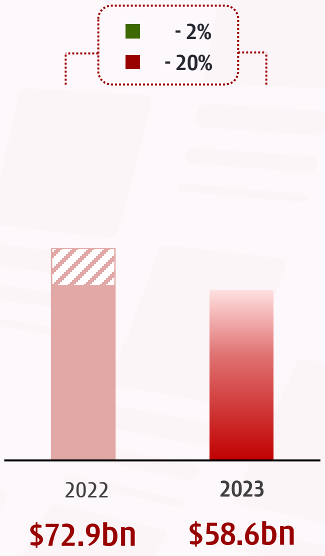
(1) Net earnings represent profit attributable to ordinary shareholders. 2023 EPS is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of share outstanding of 3,830,044,500 for the year.

(2) Underlying net earnings for 2022 exclude one-time net gain of HK$10.9 billion, comprising gain on disposal of tower assets completed in 2022 of HK$15.9 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$7.2 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion, non-cash impairment of the Group's Sri Lankan telecommunication business of HK$1.0 billion and the share of Cenovus' impairment charge of HK$0.2 billion.

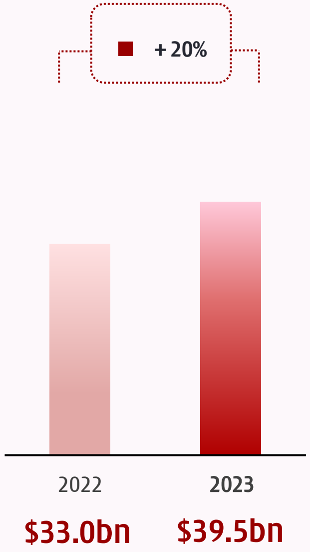
2023 Financial Highlights

EBITDA (pre-IFRS 16)[1]

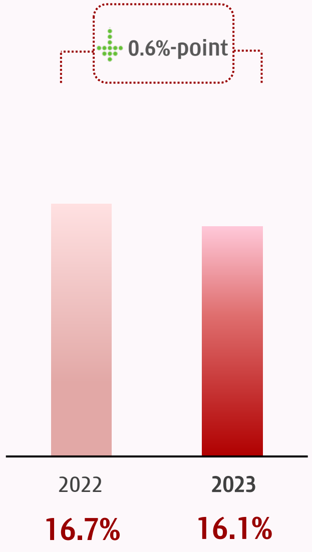
EBIT (pre-IFRS 16)[1]



OpFCF (pre-IFRS 16)[3]



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



Represents one-off items | Underlying Change[2] in Reported Currency | Change in Reported Currency

(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. Unless otherwise specified, the discussion of the Group's operating results in this presentation is on a Pre-IFRS 16 basis as mentioned above. **Under Post-IFRS 16 basis, EBITDA, EBIT and Net Debt Ratio were HK$127.3 billion, HK$62.8 billion and 16.2% respectively.**

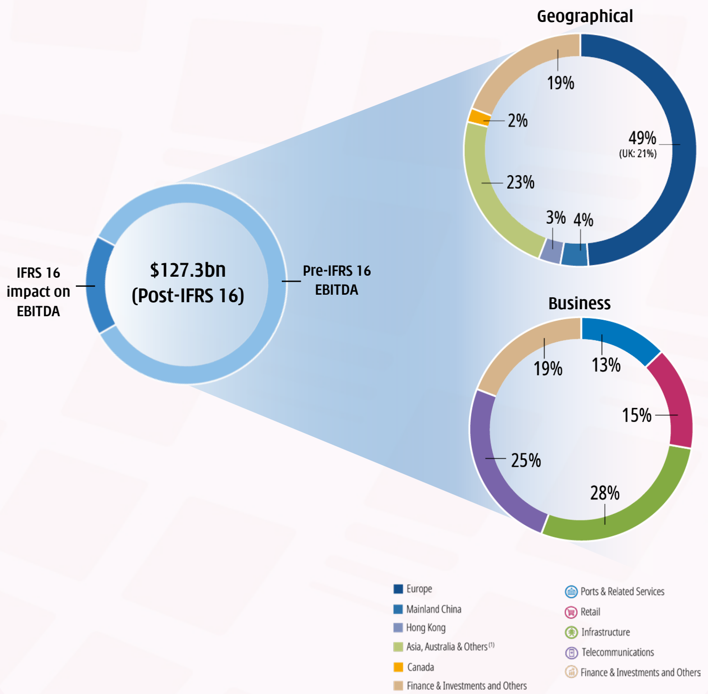
(2) Underlying EBITDA and EBIT for 2022 exclude one-time net gain of HK$12.8 billion, comprising gain on disposal of tower assets completed in 2022 of HK$19.0 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$6.1 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion, non-cash impairment of the Group's Sri Lankan telecommunication business of HK$1.0 billion and the share of Cenovus' impairment charge of HK$0.3 billion.

(3) OpFCF in 2022 excludes one-time net gain aforementioned in note (2).

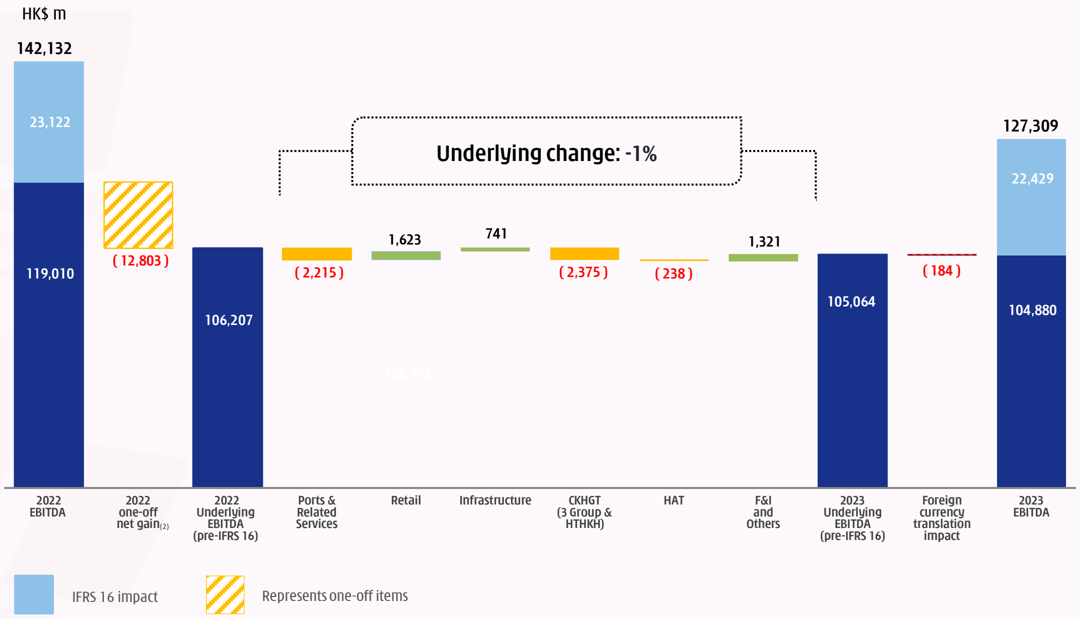
2023 EBITDA

EBITDA (pre-IFRS 16)

$104.9bn



EBITDA Change by Division

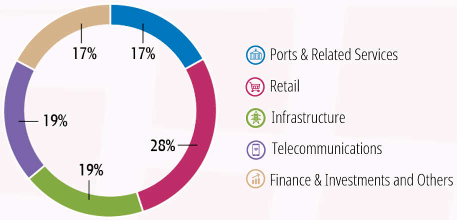


(1) Asia, Australia & Others includes Panama, Mexico and the Middle East.

(2) 2022 one-time net gain include gain on disposal of UK tower assets completed in 2022 of HK$19.0 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$6.1 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion, non-cash impairment of the Group's Sri Lankan telecommunication business of HK$1.0 billion and the share of Cenovus' impairment charge of HK$0.3 billion.

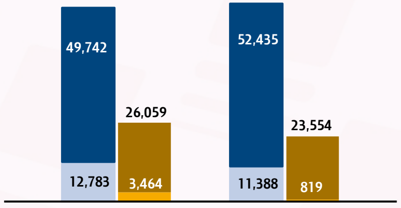
2023 Operating FCF

Operating FCF by Core Business



Operating FCF (pre-IFRS 16) [(1)(2)]

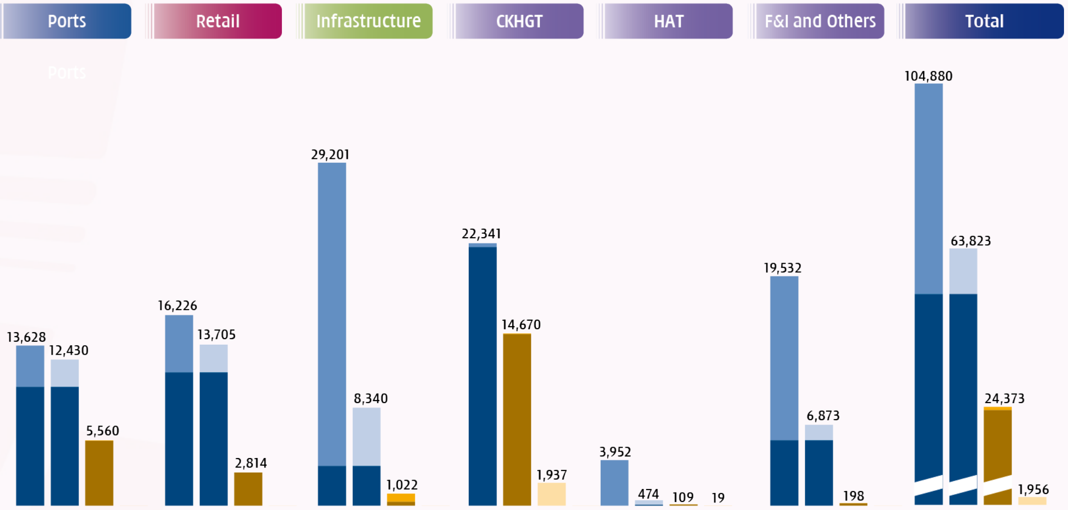
HK$ m



2022	2023
$33.0bn	$39.5bn

Operating FCF by division

HK$ m



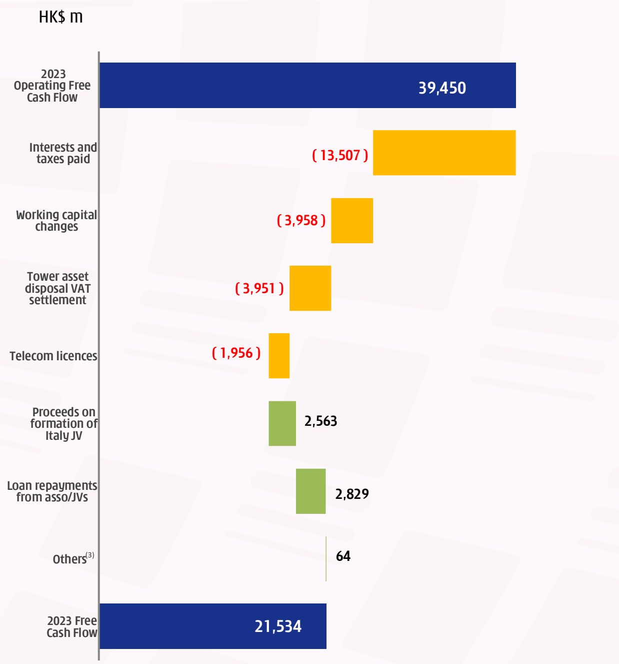
	Ports	Retail	Infrastructure	CKHGT	HAT	F&I and Others	Total
EBITDA – Co & Subsidiaries	10,104	11,335	3,364	22,001	70	5,561	52,435
EBITDA – Share of Asso. & JVs	3,524	4,891	25,837	340	3,882	13,971	52,445
Dividends from Asso. & JVs	2,326	2,370	4,976	-	404	1,312	11,388
Capex	5,521	2,814	322	14,596	109	192	23,554
Investments in Asso. & JVs	39	-	700	74	-	6	819
Capex - Telecom Licences	-	-	-	1,937	19	-	1,956

(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.

(2) 2022 operating FCF excludes net gain comprising the disposal of UK tower assets completed in 2022 of HK$19.0 billion and disposal gain from the Group's Indonesia telecommunication business merger of HK$6.1 billion, partly offset by non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion and non-cash impairment of the Group's Sri Lankan telecommunication business of HK$1.0 billion.

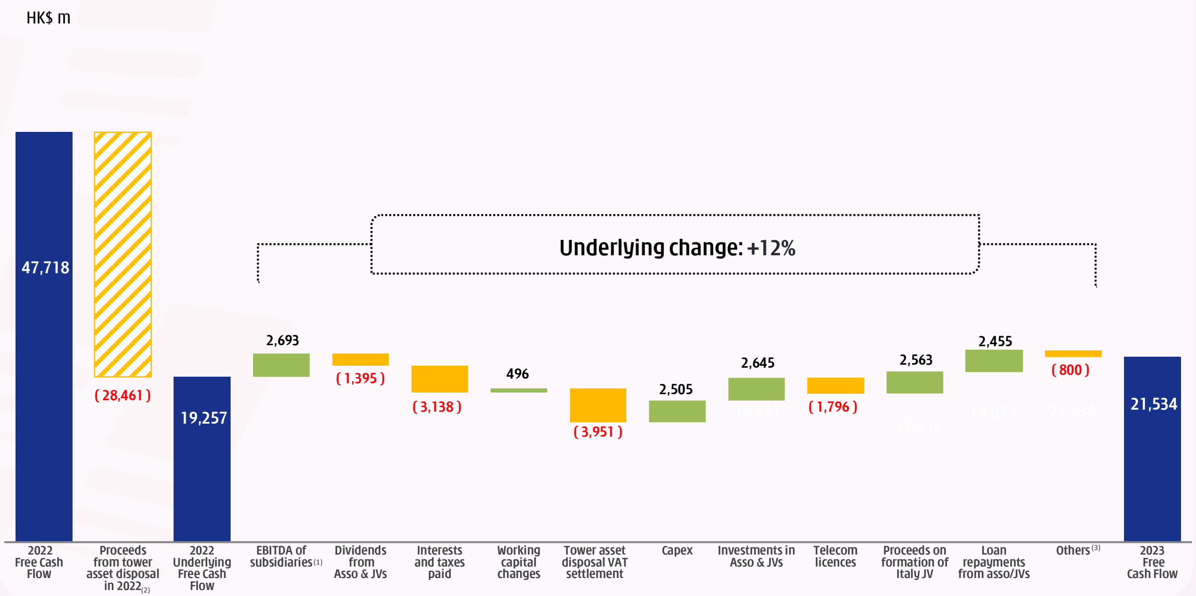
Free Cash Flow

Free Cash Flow



Free Cash Flow Year-on-Year Change

$21.5bn



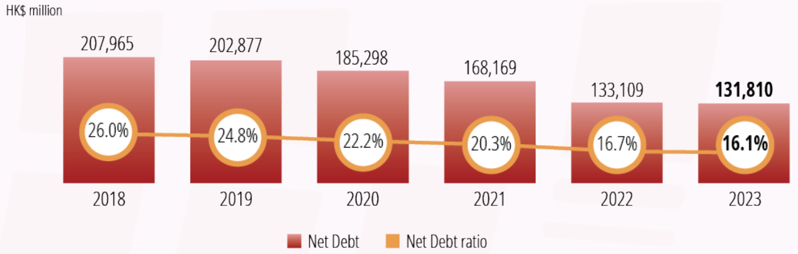
(1) EBITDA of subsidiaries in 2022 exclude net gains from non-recurring transactions of HK$12.8 billion.

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

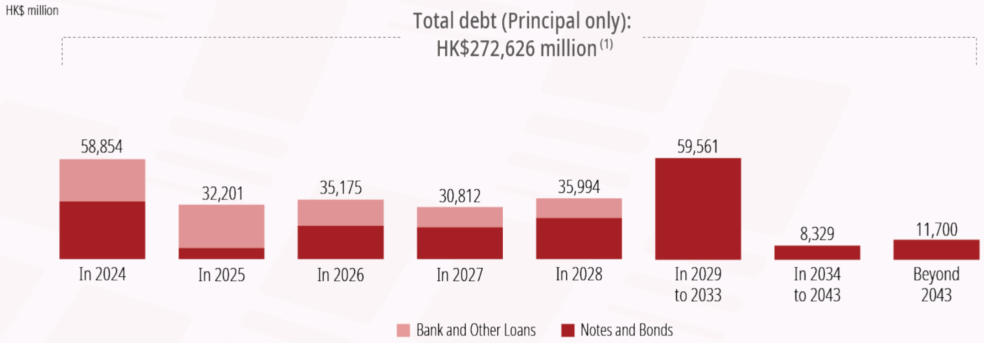
(3) Others include additions and proceeds from disposals of subsidiaries, Asso & JVs and other investments.

2023 Financial Profile

Net Debt Improvement



Debt Maturity Profile



5.0 years
Avg. Maturity
(Dec 2022: 4.8 years)

3.2%
Avg. Cost of Debt
(Dec 2022: 2.0%)

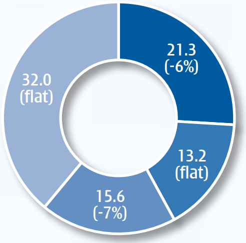
$143.1bn
Liquid Assets
(sufficient to cover all debt maturing prior to Q2 2027)

Moody's	A2
S&P	A
Fitch	A-

(1) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net debt is defined as total bank and other debts less total cash, liquid funds and other listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity is 16.2%.

Ports & Related Services

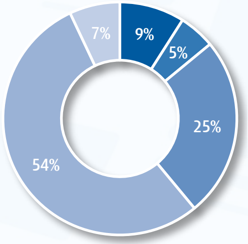
TEUs



82.1m

-3%

EBITDA[1]



$13,628m

-14%

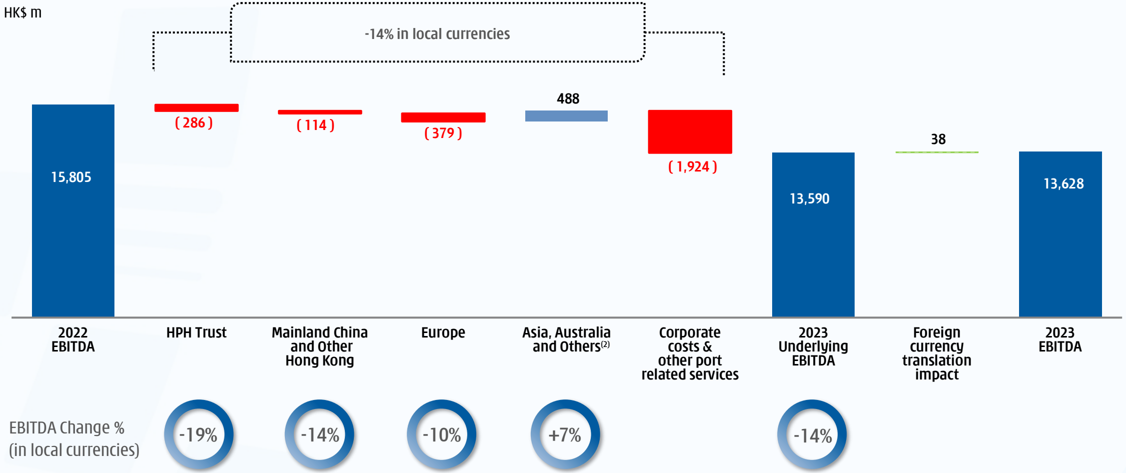
(-14% in local currencies)

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

(1) Under Post-IFRS 16 basis, EBITDA was HK$16,415 million.

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

EBITDA

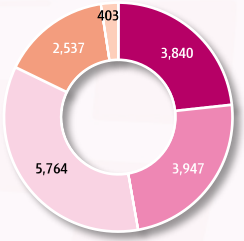


Outlook

- Signs of cautious optimism for growth in demand observed through US Retailers sufficiently de-stocked to start planning for a purchase orders ramp up in 2024
- Positive outlook on general market demands in other regions such as India, Middle East, Africa and South America
- With the new major container facility at Abu Qir in Egypt commencing operation in the first quarter of 2024, the division expects moderate growth in volume and earnings going into 2024

Retail

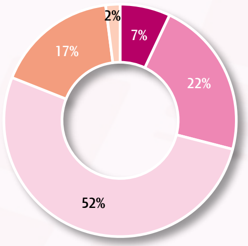
Store number



16,491

+2%

EBITDA[1]



$16,226m

+13%

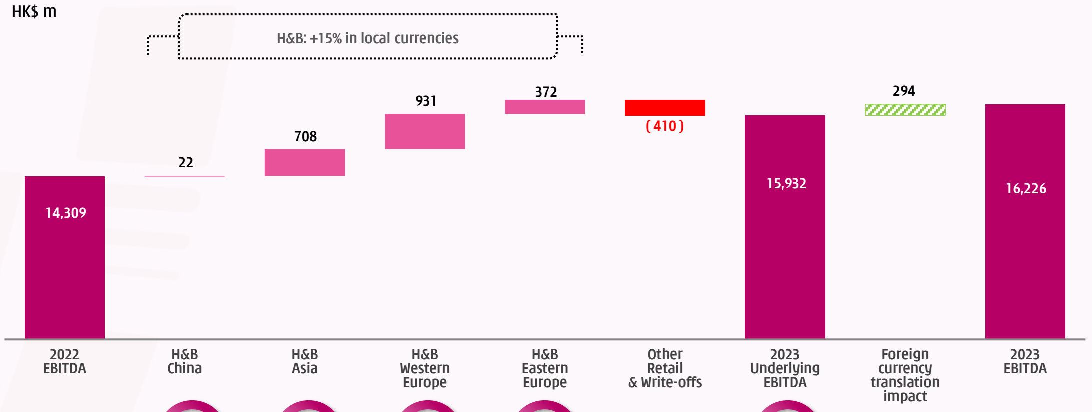
(+11% in local currencies)

- H&B China
- H&B Asia
- H&B Western Europe
- H&B Eastern Europe
- Other Retail[2]

(1) Under Post-IFRS 16 basis, EBITDA was HK$25,507 million.

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

EBITDA



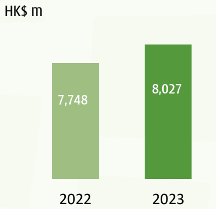
EBITDA Change % (in local currencies)	H&B China	H&B Asia	H&B Western Europe	H&B Eastern Europe	2023 Underlying EBITDA
	+2%	+23%	+13%	+17%	+11%

Outlook

- H&B Europe should continue to deliver solid performance
- H&B Asia is expected to continue to show strong growth, while H&B China and Hong Kong should continue to deliver improved performance through store network optimisation and various initiatives
- Continue to enhance customer engagement and lifetime value, prioritising store quality over quantity and maintaining a short payback on store opening

Infrastructure

CKI's reported NPAT (1)

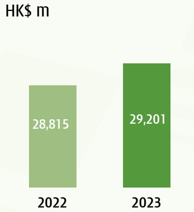


$8,027m

+4%

EBITDA (2)

Infrastructure Division
(incl. six co-owned assets)



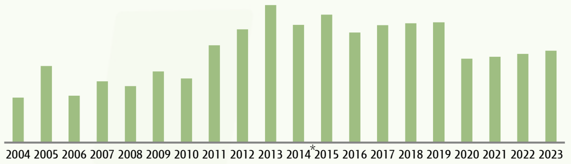
$29,201m

+1%

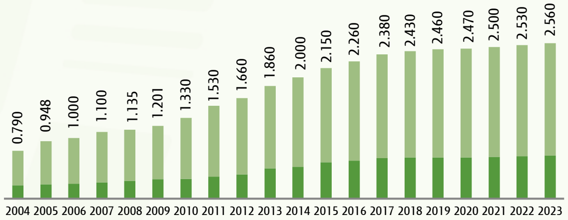
(+3% in local currencies)

(1) Post-IFRS16 basis.
(2) Under Post-IFRS 16 basis, EBITDA was HK$29,526 million.

Stable Earnings & Dividend Growth



Earnings Per Share (HK$)



Dividends Per Share (HK$)

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

7.7%
Net Debt Ratio
(Dec 2022: 7.3%)

S&P Credit Rating A/Stable

No resets in 2024

Outlook

- The regulated businesses in the infrastructure portfolio are expected to deliver steady and recurring incomes
- The non-regulated businesses will generate good contributions with solid growth prospects
- With its strong financial position, CKI has an edge in capturing new opportunities in volatile economic conditions

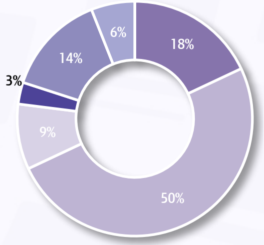
Telecommunications - 3 Group Europe

Total Revenue

$80,231m +3%

(+1% in local currencies)

EBITDA (1)

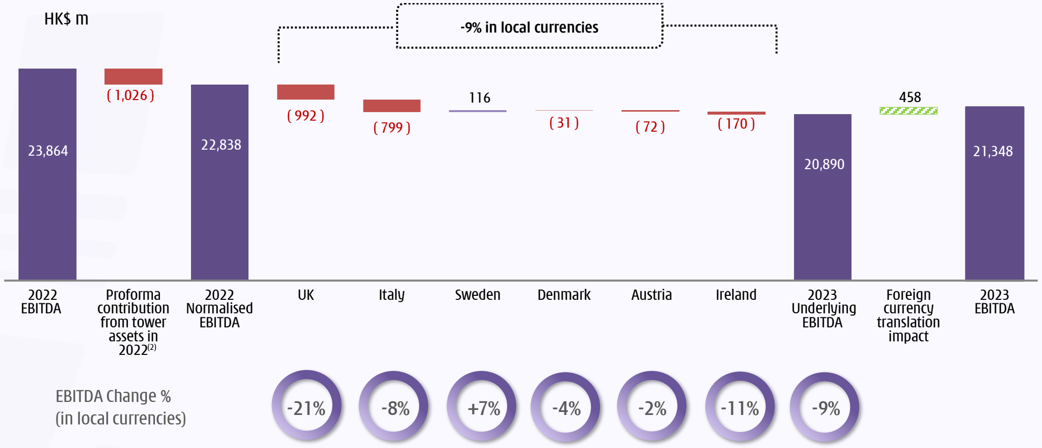


$21,348m

-11%

(-12% in local currencies)

EBITDA



Outlook

- With inflation ebbing, expected to deliver performance improvement from continuing revenue initiatives, cost discipline and stabilising depreciation from decrease in capital spending
- Satisfactory progress on UK merger which entered Phase 1 review by competition authorities. Continue to facilitate review process towards completion

(1) Under Post-IFRS 16 basis, EBITDA was HK$27,675 million.

(2) As the disposal of tower assets in the UK was completed in November 2022, the 2022 UK results were normalised, which exclude the proforma contribution from tower assets for January to October 2022 for comparability purpose

Telecommunications - 3 Group Europe

In million	UK (1) GBP		Italy EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe before one-off (1) (2) HK$			
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022		
														Normalised (1)	Tower assets	Reported
Total Revenue	**2,588**	2,520	**3,838**	3,947	**7,984**	7,586	**2,438**	2,375	**976**	885	**615**	620	**80,231**	77,925	-	77,925
% change	*+3%*		*-3%*		*+5%*		*+3%*		*+10%*		*-1%*		*+3%*			
											Local currencies change %		*+1%*			
Total margin	**1,671**	1,529	**2,958**	3,030	**5,213**	4,753	**1,990**	1,864	**704**	669	**462**	460	**57,589**	54,933	-	54,933
% change	*+9%*		*-2%*		*+10%*		*+7%*		*+5%*		-		*+5%*			
											Local currencies change %		*+3%*			
TOTAL CACs	(964)	(953)	(279)	(276)	(945)	(1,003)	(257)	(229)	(168)	(113)	(88)	(103)	(14,961)	(14,305)	-	(14,305)
Less: Handset Revenue	715	759	190	167	538	555	80	78	151	100	83	99	11,091	10,852	-	10,852
Total CACs (net of handset revenue)	**(249)**	(194)	**(89)**	(109)	**(407)**	(448)	**(177)**	(151)	**(17)**	(13)	**(5)**	(4)	**(3,870)**	(3,453)	-	(3,453)
Operating Expenses	**(1,020)**	(828)	**(1,627)**	(1,578)	**(2,305)**	(1,957)	**(1,160)**	(1,036)	**(345)**	(306)	**(302)**	(281)	**(32,371)**	(28,642)	1,026	(27,616)
Opex as a % of total margin	61%	54%	55%	52%	44%	41%	58%	56%	49%	46%	65%	61%	56%	52%		50%
EBITDA	**402**	507	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350	**155**	175	**21,348**	22,838	1,026	23,864
% change	*-21%*		*-8%*		*+7%*		*-4%*		*-2%*		*-11%*		*-7%*			
											Local currencies change %		*-9%*			
EBITDA margin % (3)	21%	29%	34%	36%	34%	33%	28%	29%	41%	45%	29%	34%	31%	34%		36%
Depreciation & Amortisation	**(519)**	(430)	**(1,100)**	(1,155)	**(1,620)**	(1,728)	**(657)**	(551)	**(166)**	(154)	**(134)**	(124)	**(18,948)**	(17,955)	(345)	(18,300)
EBIT	**(117)**	77	**142**	188	**881**	620	**(4)**	126	**176**	196	**21**	51	**2,400**	4,883	681	5,564
% change	*-252%*		*-24%*		*+42%*		*-103%*		*-10%*		*-59%*		*-51%*			
											Local currencies change %		*-54%*			

	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
EBITDA per above	402	507	1,242	1,343	2,501	2,348	653	677	342	350	155	175	21,348	22,838
Proforma contribution from Tower assets	-	105	-	-	-	-	-	-	-	-	-	-	-	1,026
Reported EBITDA	402	612	1,242	1,343	2,501	2,348	653	677	342	350	155	175	21,348	23,864
EBIT per above	(117)	77	142	188	881	620	(4)	126	176	196	21	51	2,400	4,883
Proforma contribution from Tower assets	-	70	-	-	-	-	-	-	-	-	-	-	-	681
Reported EBIT	(117)	147	142	188	881	620	(4)	126	176	196	21	51	2,400	5,564
Capex	**(454)**	(743)	**(682)**	(849)	**(1,455)**	(1,498)	**(395)**	(792)	**(175)**	(168)	**(95)**	(101)	**(14,113)**	(18,432)
Comparable depreciation & amortisation (4)	**(448)**	(407)	**(827)**	(950)	**(873)**	(1,066)	**(523)**	(421)	**(115)**	(102)	**(93)**	(79)	**(14,436)**	(14,582)
Comparable D&A less Capex (4)	**(6)**	(336)	**145**	101	**(582)**	(432)	**128**	(371)	**(60)**	(66)	**(2)**	(22)	**323**	(3,850)
Reported EBITDA less Capex	**(52)**	(131)	**560**	494	**1,046**	850	**258**	(115)	**167**	182	**60**	74	**7,235**	5,432

(1) As the disposal of tower assets in the UK was completed in November 2022, the 2022 UK results were normalised, which exclude the proforma contribution from tower assets for January to October 2022 for comparability purpose.

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

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

(4) Comparable depreciation & amortisation excludes Wind Tre's share of JV's D&A, amortisation of customer relationship intangibles, amortisation of licences and amortisation of capitalised CACs. The comparatives were restated to conform with the 2023 definition.

Other operations

Cenovus Energy

- Disciplined capital investment balancing growth and meaningful increases in shareholder return
- Annual base dividend of C$0.525 per share, 50% higher than 2022
- Credit rating upgrade to BBB from Fitch in 2023
- Cost structure and margin optimisation, progress towards C$4 billion net debt target in 2024

Indosat Ooredoo Hutchison

- Strong financial performance: growth in underlying EBITDA[1] by 21% and underlying net profit[1] increased by 144%
- Expanded network footprint to enhance coverage and customer experience, added 42k 4G BTS to 179k to drive data growth all self-funded
- Net debt improved 18.6%
- Share price increased by over 80%[2] since merger.

(1) Under Post-IFRS 16 basis & excluding net gains from disposal of non-core assets
(2) Share price as of 15 March 2024

TPG

- Mobile subscriber base grew 3.3% to 5.46 million
- Although TPG reported a 90% decrease to its statutory NPAT[3] primarily due to one-off gain on tower sales in 2022, but FY 2023 dividend distribution remained the same.
- Further 1,000 TPG sites converted to 5G in 2023, bringing total 5G-enabled sites to 3,000+ at the end of 2023 and over half of the TPG mobile network upgraded to 5G

(3) Under Post-IFRS 16 basis

HutchMed

- US$400mn upfront cash proceeds from exclusive licence agreement with Takeda closed in March 2023
- Revenue growth in 2023 driven by licensing income and oncology business in China
- Earlier than expected milestone achieved as fruquintinib received HutchMed's first U.S. FDA approval in November 2023 for the treatment of colorectal cancer
- New flagship manufacturing facility in Shanghai completed construction and commenced operations in 2023

Sustainability

Highlights

GHG Reduction Targets & 2023 Investments

- **Group commitments:**
  - **Reduce scope 1 + 2 emissions by 50% by 2035 vs. 2020**
  - **Commitment to the pursuit of net-zero by 2050.**
- Enhanced tracking mechanisms for monitoring green capital and operating expenditure
- During 2023, the Group's Subsidiaries and Associates spent over USD**1.8** billion in green spend. Details of spendings are the followings

Project Category	2023 (USD, million)
Renewable and Other Clean Energy	546.92
Energy Efficiency	920.52
Sustainable Transport	156.90
Circular Economy and Design	56.47
Biodiversity Protection	46.58
Sustainable Water Management	113.77
Sustainable Supply Chain	0.07

2023 Business Highlights

- Renewable and other clean energy generation
  - Solar panel installation projects were installed at Hutchison Ports MITT in Myanmar and Hutchison Ports KICT in Karachi Pakistan, aiming to reduce the dependency on fossil fuel
  - Northumbrian Water is the first water company in England to convert 100% of its sewage sludge into biogas as a renewable energy source
- Clean Transportation
  - AS Watson is rolling-out across multiple markets more EVs and PHEVs for goods deliveries (a) between warehouses and stores, as well as (b) for last mile delivery to customers
- Energy Efficiency and Smart City Solutions
  - CKDelta has built expertise in understanding how all elements of the electric vehicle ecosystem interact, helping market participants and thereby acting as an enabler of the transition to electric vehicles
  - WINDTRE continued to expand its program of partnerships with over 25 Italian cities, to integrate digital for smart cities. The program supports a green transition, leveraging 5G-connected innovation to drive energy efficiency and smart mobility

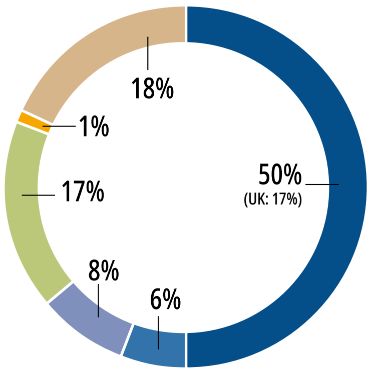
Q & A

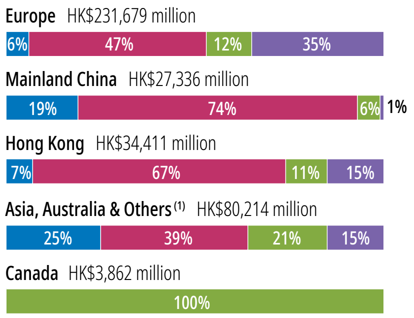
2023 Annual Results

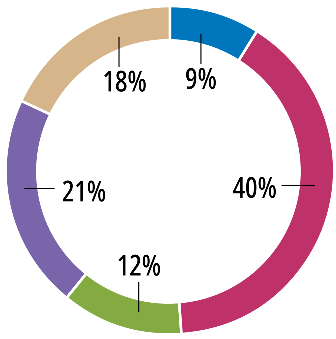
Appendix

Analyses of Core Business Segments by Geographical Location

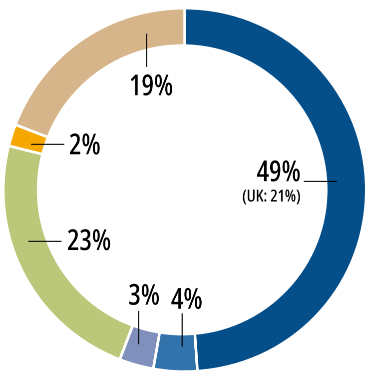
2023 Total Revenue HK$461,558 million

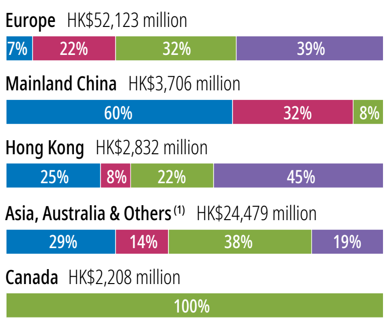


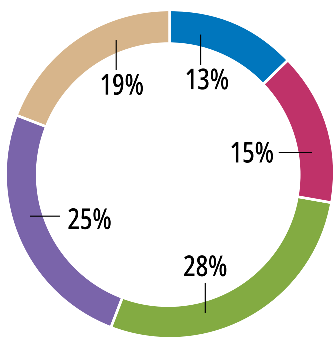




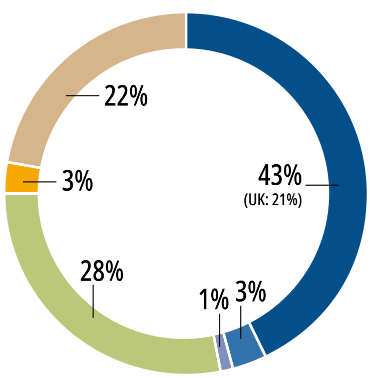
2023 Total EBITDA [2] HK$104,880 million

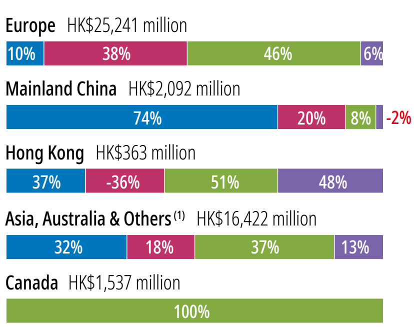


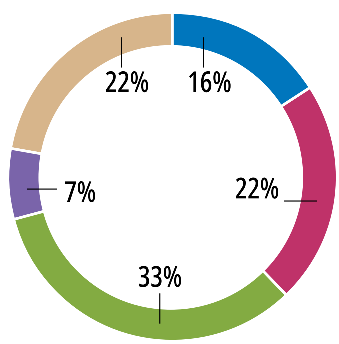




2023 Total EBIT [2] HK$58,568 million







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

Note 1: Includes Panama, Mexico and the Middle East

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

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

Financial Performance Summary

	Post-IFRS 16 (1) 2023 HK$ million	%	Post-IFRS 16 (1) 2022 HK$ million	%	Change %
Revenue (2)					
Ports and Related Services (2)	**40,851**	**9%**	44,141	10%	-7%
Retail	**183,344**	**40%**	169,645	37%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%
Total Revenue	**461,558**	**100%**	457,229	100%	1%
EBITDA (2)					
Ports and Related Services (2)	**16,415**	**13%**	19,007	13%	-14%
Retail	**25,507**	**20%**	23,359	16%	9%
Infrastructure	**29,526**	**23%**	29,109	21%	1%
CK Hutchison Group Telecom	**29,081**	**23%**	39,002	27%	-25%
Hutchison Asia Telecommunications	**6,011**	**5%**	12,478	9%	-52%
Finance & Investments and Others	**20,769**	**16%**	19,177	14%	8%
Total EBITDA	**127,309**	**100%**	142,132	100%	-10%
- Underlying	**127,309**		128,119		-1%
- One-off items (3)	**–**		14,013		
EBIT (2)					
Ports and Related Services (2)	**10,583**	**17%**	13,024	17%	-19%
Retail	**13,849**	**22%**	11,831	15%	17%
Infrastructure	**19,616**	**31%**	18,872	24%	4%
CK Hutchison Group Telecom	**3,191**	**5%**	14,216	18%	-78%
Hutchison Asia Telecommunications	**2,388**	**4%**	8,582	11%	-72%
Finance & Investments and Others	**13,143**	**21%**	11,736	15%	12%
Total EBIT	**62,770**	**100%**	78,261	100%	-20%
- Underlying	**62,770**		64,248		-2%
- One-off items (3)	**–**		14,013		
Interest Expenses and Other Finance Costs (2)	**(24,200)**		(18,398)		-32%
Profit Before Tax	**38,570**		59,863		-36%
Tax (2)					
Current tax	**(7,701)**		(9,418)		18%
Deferred tax	**(690)**		(6,762)		90%
	(8,391)		(16,180)		48%
Profit after tax	**30,179**		43,683		-31%
Non-controlling interests and perpetual capital securities holders' interests	**(6,679)**		(7,003)		5%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,500**		36,680		-36%
- Underlying	**23,500**		25,741		-9%
- One-off items (3)	**–**		10,939		

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

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

Note 3: Comprise HK$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,926 million) and Indonesian telecommunication business merger gain (HK$7,245 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$1,000 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Financial Performance Summary

	Pre-IFRS 16 (1) 2023 HK$ million	%	Pre-IFRS 16 (1) 2022 HK$ million	%	Change %	Local currencies change %
Revenue (2)						
Ports and Related Services (2)	**40,851**	**9%**	44,141	10%	-7%	-9%
Retail	**183,344**	**40%**	169,645	37%	8%	8%
Infrastructure	**54,714**	**12%**	54,441	12%	1%	2%
CK Hutchison Group Telecom	**86,814**	**19%**	83,289	18%	4%	3%
Hutchison Asia Telecommunications	**11,779**	**2%**	11,628	2%	1%	4%
Finance & Investments and Others	**84,056**	**18%**	94,085	21%	-11%	-8%
Total Revenue	**461,558**	**100%**	457,229	100%	1%	1%
EBITDA (2)						
Ports and Related Services (2)	**13,628**	**13%**	15,805	13%	-14%	-14%
Retail	**16,226**	**15%**	14,309	12%	13%	11%
Infrastructure	**29,201**	**28%**	28,815	24%	1%	3%
CK Hutchison Group Telecom	**22,341**	**21%**	32,192	27%	-31%	-32%
Hutchison Asia Telecommunications	**3,952**	**4%**	9,420	8%	-58%	-57%
Finance & Investments and Others	**19,532**	**19%**	18,469	16%	6%	9%
Total EBITDA	**104,880**	**100%**	119,010	100%	-12%	-12%
- Underlying	**104,880**		106,207		-1%	-1%
- One-off items (3)	**–**		12,803			
EBIT (2)						
Ports and Related Services (2)	**9,328**	**16%**	11,426	16%	-18%	-19%
Retail	**12,888**	**22%**	11,048	15%	17%	14%
Infrastructure	**19,562**	**33%**	18,833	26%	4%	5%
CK Hutchison Group Telecom	**2,265**	**4%**	12,803	18%	-82%	-83%
Hutchison Asia Telecommunications	**1,612**	**3%**	6,745	9%	-76%	-76%
Finance & Investments and Others	**12,913**	**22%**	12,009	16%	8%	10%
Total EBIT	**58,568**	**100%**	72,864	100%	-20%	-19%
- Underlying	**58,568**		60,061		-2%	-2%
- One-off items (3)	**–**		12,803			
Interest Expenses and Other Finance Costs (2)	**(20,147)**		(14,860)		-36%	
Profit Before Tax	**38,421**		58,004		-34%	
Tax (2)						
Current tax	**(7,705)**		(9,421)		18%	
Deferred tax	**(795)**		(6,670)		88%	
	(8,500)		(16,091)		47%	
Profit after tax	**29,921**		41,913		-29%	
Non-controlling interests and perpetual capital securities holders' interests	**(6,678)**		(7,044)		5%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	**23,243**		34,869		-33%	-33%
- Underlying	**23,243**		25,140		-8%	-7%
- One-off items (3)	**–**		9,729			

Note 1: As Hong Kong Financial Reporting Standards are fully converged with International Financial Reporting Standards in the accounting for leases, for ease of reference, International Financial Reporting Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this results announcement interchangeably with Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS 16") and Hong Kong Accounting Standard 17 "Leases" ("HKAS 17"), respectively. The Group believes that the IAS 17 basis ("Pre-IFRS 16 basis") metrics, which are not intended to be a substitute for, or superior to, the reported metrics on a IFRS 16 basis ("Post-IFRS 16 basis"), better reflect management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT, interest expenses and other finance costs, tax, non-controlling interests and perpetual capital securities holders' interests and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the years ended 31 December 2022 and 2023. Unless otherwise specified, the discussion of the Group's operating results in this results announcement is on a Pre-IFRS 16 basis as mentioned above.

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

Note 3: Comprise HK$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK$15,823 million) and Indonesian telecommunication business merger gain (HK$6,100 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK$11,039 million) and Sri Lanka (HK$962 million), as well as HK$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK$193 million).

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 53 ports comprising 293 operational berths in 24 countries.

Group Performance

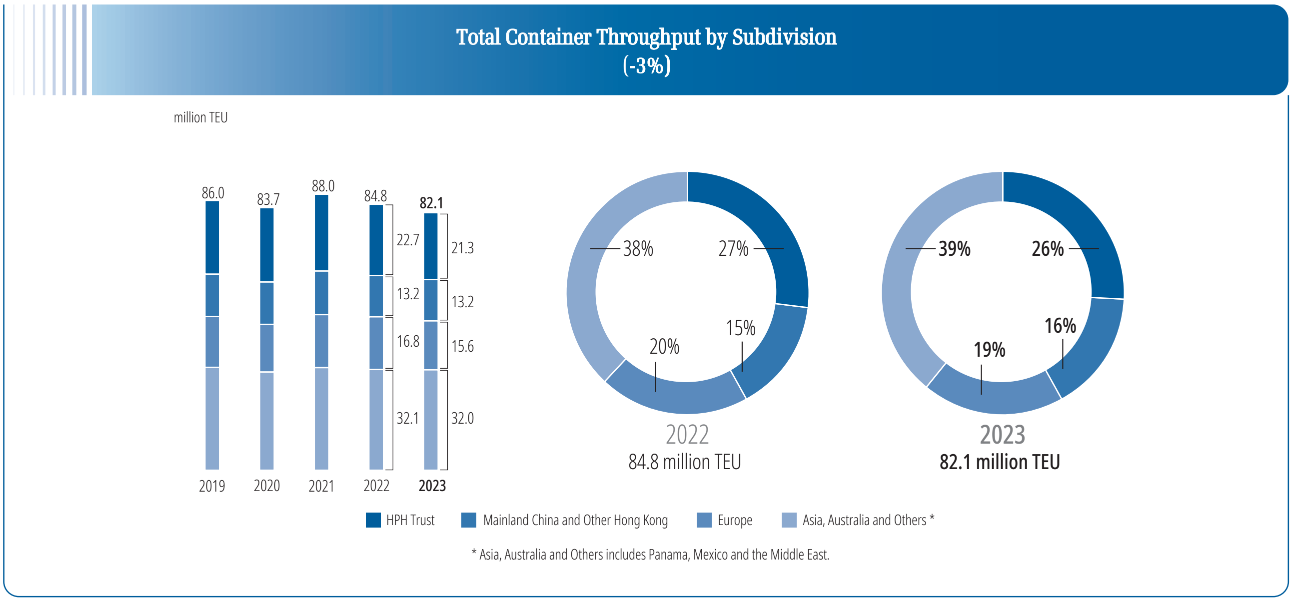
The Group operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 82.1 million twenty-foot equivalent units ("TEU") in 2023.

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue (1)	**40,851**	44,141	-7%	-9%
EBITDA (1) (2)	**13,628**	15,805	-14%	-14%
EBIT (1) (2)	**9,328**	11,426	-18%	-19%
Throughput (million TEU)	**82.1**	84.8	-3%	
Number of berths	**293**	295	-2 berths	

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

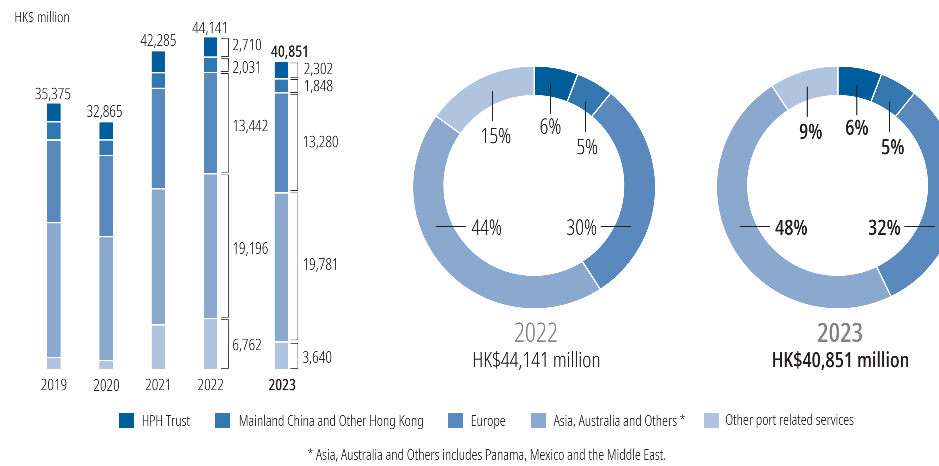
Note 2: Under Post-IFRS 16 basis, EBITDA was HK$16,415 million (2022: HK$19,007 million); EBIT was HK$10,583 million (2022: HK$13,024 million).

Overall throughput decreased 3% to 82.1 million TEU in 2023, with 65% and 35% local and transhipment volume respectively (2022: 65% and 35% local and transhipment volume respectively), primarily attributable to reduced volume in HPH Trust due to diminished demand on Chinese exports particularly in the first half of 2023, together with the decline in European throughput volume owing to weakened consumer sentiment exacerbated by elevated global interest rates atmosphere, affecting major ports in Barcelona in Spain and Rotterdam in the Netherlands. The overall throughput in Asia, Australia and Others segment was relatively stable as reduction in throughput as a result of concession expiry in Tanzania since 2023 was mostly offset by throughput growth in South East Asia (Klang, Laemchabang, Jakarta), Pakistan and Middle East ports.



Total reported revenue of HK$40,851 million were 7% and 9% below last year in reported currency and local currencies respectively mainly attributed to 24% lower storage income year-on-year as a result of gradual easing of supply chain disruptions and port congestion particularly in Europe and HPH Trust segment, as well as lower share of revenue from an associated company in the container shipping business largely influenced by downward spiral in freight rates since the second half of 2022. Nevertheless, the aforesaid adverse variances were partly offset by strong performances in Mexico and Pakistan from increased import laden containers.

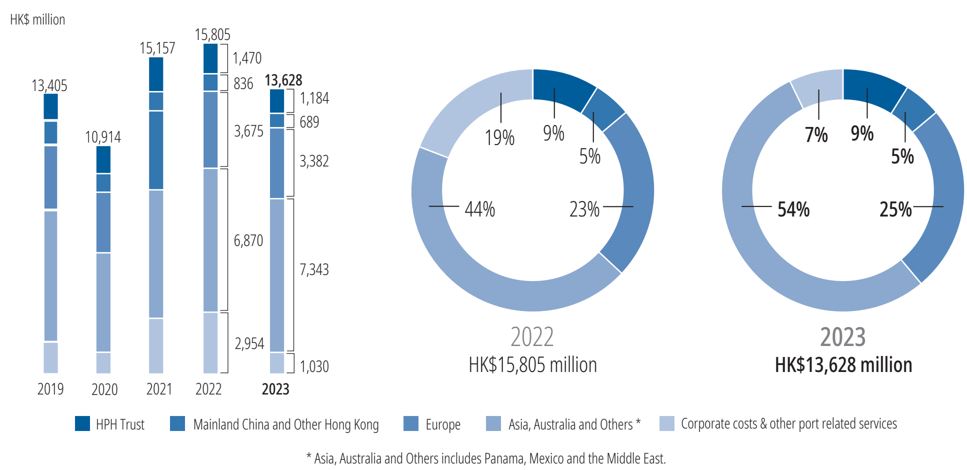
Total Revenue [3] by Subdivision
-7% (-9% in local currencies)



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

In reported currency, EBITDA decreased 14% to HK$13,628 million and EBIT decreased 18% to HK$9,328 million against 2022. In local currencies, EBITDA and EBIT decreased 14% and 19% respectively, primarily due to lower contribution from the associated company in the container shipping line business, together with lower storage income across most regions in Europe, HPH Trust, Mainland China and Other Hong Kong segment, as well as adverse performances in Europe and HPH Trust from reduced throughput as aforementioned, partly offset by Asia, Australia and Others region where Mexico has achieved robust performances and rebound of cargo demand in Pakistan.

Total EBITDA [4] by Subdivision
-14% (-14% 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 2023, the division had 293 operating berths [5], two berths lower than 2022, with reduction of three berths from end of concession in Buenos Aires and two berths from end of concession in Tanzania, partly offset by new berths in Abu Qir in Egypt (+2 berths) and Laemchabang in Thailand (+1 berth). In 2024, net additions of two berths are expected which comprises Jazan port in Saudi Arabia (+2 berths), Laemchabang in Thailand (+1 berth) and Mexico (+1 berth), partly offset by Busan (-1 berth after relocation to new terminal expected in Q3 2024) and Basra in Iraq (-1 berth, planned wind down).

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

	2023 HK$ million	2022 HK$ million	Change
Total Revenue (6)	**2,302**	2,710	-15%
EBITDA (6)	**1,184**	1,470	-19%
EBIT (6)	**520**	778	-33%
Throughput (million TEU)	**21.3**	22.7	-6%
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.

HPH Trust's total revenue, EBITDA and EBIT decreased by 15%, 19% and 33% respectively mainly attributable to the lower storage income and 6% drop in throughput especially in the first half of 2023 (15% volume drop year-on-year in the first half), driven by the excess warehouse inventory and weak consumer sentiment. However, these adverse variances were partly mitigated by improved laden export volume in Yantian due to stock replenishment during the second half of the year, contributing to a 3% growth in throughput compared to the second half of 2022.

Mainland China and Other Hong Kong

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**1,848**	2,031	-9%	-5%
EBITDA	**689**	836	-18%	-14%
EBIT	**473**	606	-22%	-18%
Throughput (million TEU)	**13.2**	13.2	–	
Number of berths	**44**	44	–	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT decline were mainly attributable to lower storage income, particularly in Shanghai, where exceptionally high base level were no longer sustained after the pandemic, together with lower contribution from Huizhou Quanwan Port Development following division's disposal of its entire 50% interest in January 2023, partly offset by higher throughput in Shanghai from a low base volume in last year. The overall throughput level remained stable compared to 2022 despite subdued cargo demand at other port terminals, which was more than offset by increased volume in Shanghai.

Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**13,280**	13,442	-1%	-4%
EBITDA	**3,382**	3,675	-8%	-10%
EBIT	**2,328**	2,609	-11%	-13%
Throughput (million TEU)	**15.6**	16.8	-7%	
Number of berths	**67**	67	–	

Europe segment's total revenue, EBITDA and EBIT dropped by 1%, 8% and 11% respectively in reported currency and decreased 4%, 10% and 13% in local currencies respectively primarily due to lower storage income in most European ports from shorter dwelling time following the gradual relief of supply chain disruptions, as well as 7% volume reduction across most ports including Barcelona in Spain and Rotterdam in the Netherlands as a result of weakened consumer demand coupled with the heightened interest rates and inflation, partly mitigated by favourable performance from the UK due to increase of tariff and energy levies income.

Asia, Australia and Others

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**19,781**	19,196	+3%	+1%
EBITDA	**7,343**	6,870	+7%	+7%
EBIT	**5,400**	4,906	+10%	+10%
Throughput (million TEU)	**32.0**	32.1	–	
Number of berths	**130**	132	-2 berths	

Asia, Australia and Others' total revenue, EBITDA and EBIT grew by 3%, 7% and 10% respectively in reported currency and increased 1%, 7% and 10% in local currencies respectively, mainly driven by favourable outcomes in Mexico and Pakistan due to higher storage income and increased import laden containers as aforementioned, as well as throughput growth from ports in Klang and Pakistan, certain Middle East ports (Oman and Ajman) and Panama, partly offset by weak performances from Australia and Freeport in Bahamas due to decline in cargo demand and diverted transhipment volume respectively, together with loss of contribution from concession expiry in Tanzania since 2023.

Operations Review – Retail

The Retail division consists of the AS Watson ("ASW") group of companies, the world's largest international Health and Beauty ("H&B") retailer with a 159 million loyalty member base.

Group Performance

ASW operated 12 retail brands with 16,491 stores in 28 markets worldwide as of 31 December 2023, 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.

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**183,344**	169,645	+8%	+8%
EBITDA [1]	**16,226**	14,309	+13%	+11%
EBIT [1]	**12,888**	11,048	+17%	+14%
Store Numbers	**16,491**	16,142	+2%	

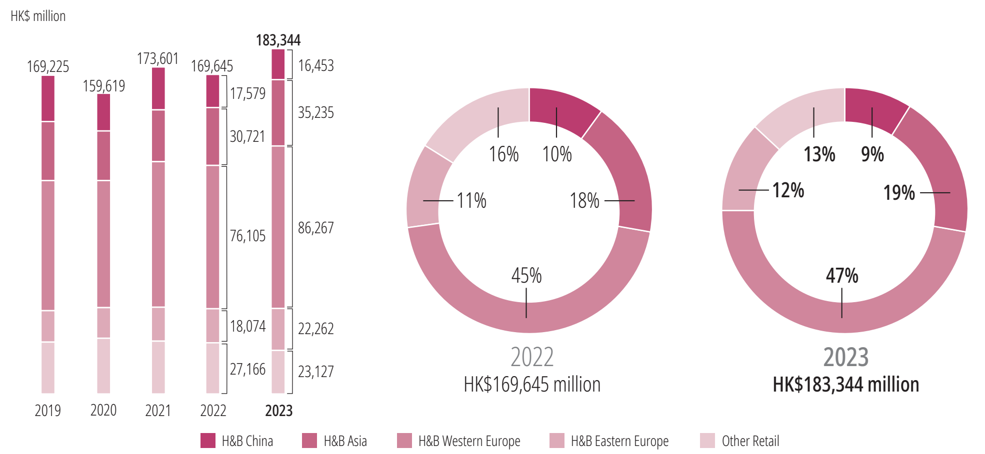
Note 1: Under Post-IFRS 16 basis, EBITDA was HK$25,507 million (2022: HK$23,359 million); EBIT was HK$13,849 million (2022: HK$11,831 million).

Total reported revenue increased by 8% against last year in both reported and local currencies. The higher revenue was primarily due to better overall performance in H&B operations in Asia and Europe from increase in store traffic, partly offset by adverse results from Other Retail due to stagnant store traffic in Hong Kong.

H&B loyalty members' participation & exclusives sales contribution	**2023**	2022
Total loyalty members in H&B segment (million)	**157**	140
Loyalty members' sales participation in H&B segment (%)	**63%**	62%
Exclusives sales contribution to total H&B sales (%)	**37%**	36%

The H&B segment, which represented 87% of the Retail division's revenue in 2023, has 157 million loyalty members. Customer insights from these loyalty members have enabled the businesses to drive assortment, store and marketing strategies.

Total Revenue by Subdivision
+8% (+8% in local currencies)



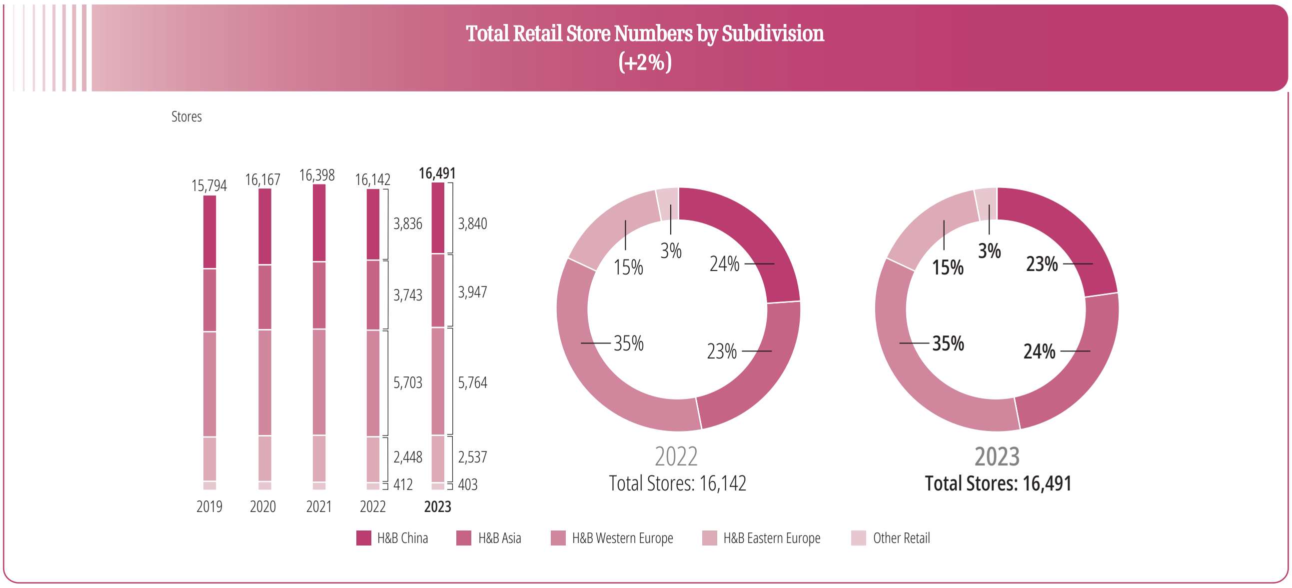
Total Revenue	2023 HK$ million	2022 HK$ million	Change	Local currencies change
H&B China	**16,453**	17,579	-6%	-1%
H&B Asia	**35,235**	30,721	+15%	+20%
H&B China & Asia Subtotal	**51,688**	48,300	+7%	+12%
H&B Western Europe	**86,267**	76,105	+13%	+10%
H&B Eastern Europe	**22,262**	18,074	+23%	+16%
H&B Europe Subtotal	**108,529**	94,179	+15%	+12%
H&B Subtotal	**160,217**	142,479	+12%	+12%
Other Retail (2)	**23,127**	27,166	-15%	-15%
Total Retail	**183,344**	169,645	+8%	+8%

Comparable Stores Sales Growth (%) (3)	2023	2022
H&B China	**+1.8%**	-18.3%
H&B Asia	**+16.3%**	+21.3%
H&B China & Asia Subtotal	**+11.2%**	+3.9%
H&B Western Europe	**+9.2%**	+9.5%
H&B Eastern Europe	**+12.9%**	+14.2%
H&B Europe Subtotal	**+9.9%**	+10.3%
H&B Subtotal	**+10.3%**	+8.2%
Other Retail (2)	**-13.8%**	+2.7%
Total Retail	**+6.9%**	+7.4%

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)

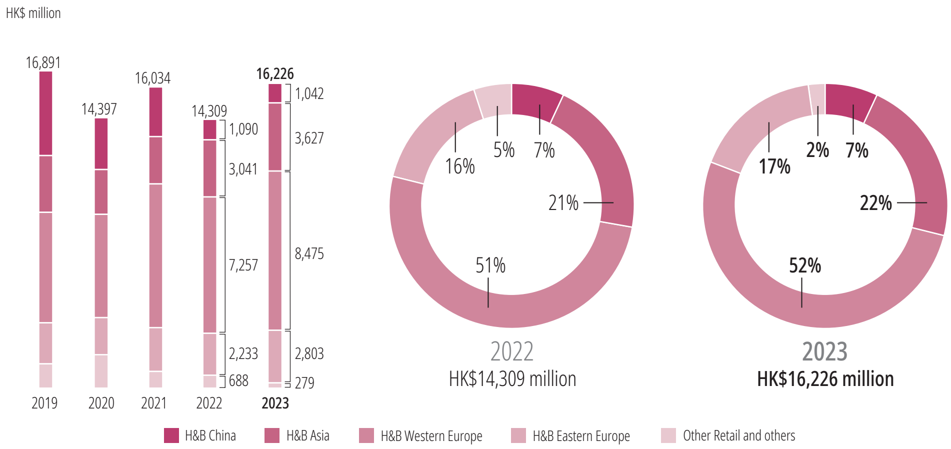


Store Numbers	2023	2022	Change
H&B China	**3,840**	3,836	–
H&B Asia	**3,947**	3,743	+5%
H&B China & Asia Subtotal	**7,787**	7,579	+3%
H&B Western Europe	**5,764**	5,703	+1%
H&B Eastern Europe	**2,537**	2,448	+4%
H&B Europe Subtotal	**8,301**	8,151	+2%
H&B Subtotal	**16,088**	15,730	+2%
Other Retail (4)	**403**	412	-2%
Total Retail	**16,491**	16,142	+2%

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 13% and 17% in reported currency respectively and by 11% and 14% in local currencies respectively against 2022, primarily due to favourable results in Europe and Asia. The favourable results were partly offset by adverse performance in Other Retail as comparable stores sales decreased by 14%, which was mainly affected by weak store footfall of PARKnSHOP Hong Kong. The H&B segment reported EBITDA and EBIT growth of 15% and 18% in local currencies against 2022 respectively, which was attributable to better performances from improved sales momentum across most businesses in Asia, the UK and the Rossmann joint ventures in Poland and Germany. In local currencies, H&B Europe improved its EBITDA and EBIT by 14% year-on-year, while EBITDA and EBIT of H&B Asia grew by 23% and 27% respectively against last year. Following the re-opening of economy, H&B China also reported positive growth in both EBITDA and EBIT in local currencies against 2022.

EBITDA by Subdivision
+13% (+11% in local currencies)



EBITDA	2023 HK$ million	2022 HK$ million	Change	Local currencies change
H&B China	**1,042**	1,090	-4%	+2%
H&B Asia	**3,627**	3,041	+19%	+23%
H&B China & Asia Subtotal	**4,669**	4,131	+13%	+18%
H&B Western Europe	**8,475**	7,257	+17%	+13%
H&B Eastern Europe	**2,803**	2,233	+26%	+17%
H&B Europe Subtotal	**11,278**	9,490	+19%	+14%
H&B Subtotal	**15,947**	13,621	+17%	+15%
Other Retail (5)	**279**	688	-59%	-60%
Total Retail	**16,226**	14,309	+13%	+11%

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

Operations Review – Retail

Segment Performance

Health and Beauty China

	2023 HK$ million	2022 HK$ million	Change	Local currency change
Total Revenue	**16,453**	17,579	-6%	-1%
EBITDA	**1,042**	1,090	-4%	+2%
EBITDA Margin %	***6%***	*6%*		
EBIT	**348**	262	+33%	+47%
EBIT Margin %	***2%***	*1%*		
Store Numbers	**3,840**	3,836	–	
Comparable Stores Sales Growth (%)	**+1.8%**	-18.3%		

H&B China's performance was impacted by soft consumer sentiment as well as intense market competition amid full re-opening of the economy in 2023 with EBITDA increased by a mild 2% against last year mainly driven by margin and productivity improvements. EBIT however improved by 47% in local currency compared to 2022 primarily due to optimisation of capital expenditure spending.

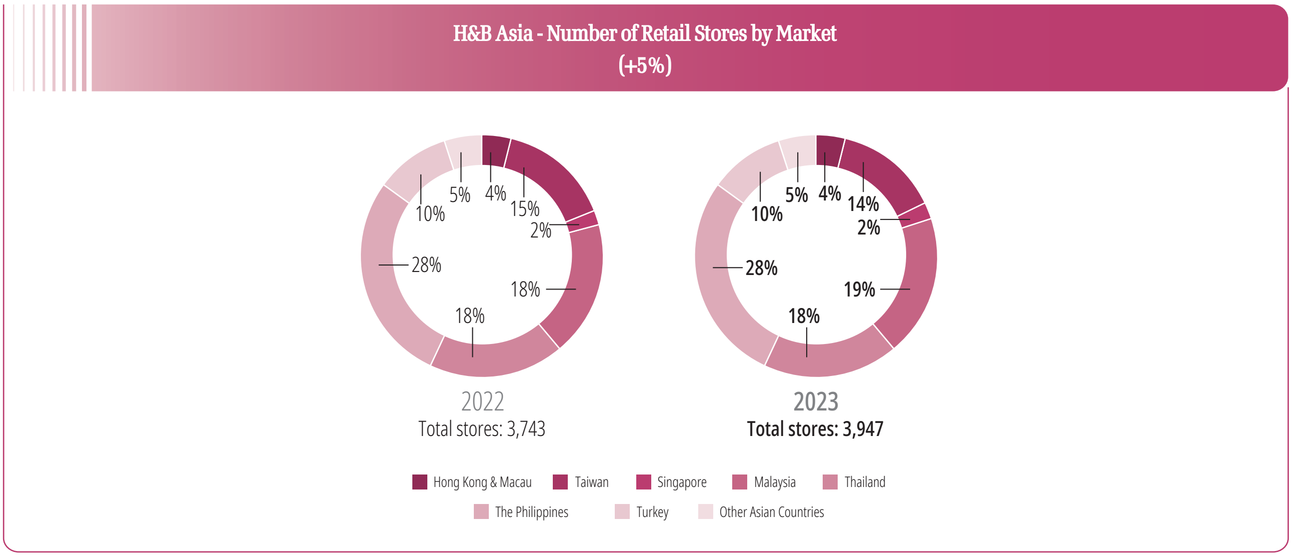
As part of H&B China's optimisation of store opening strategies, total store number remained at similar level as last year with around 3,800 stores in over 500 cities in the Mainland as of 31 December 2023.

Health and Beauty Asia

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**35,235**	30,721	+15%	+20%
EBITDA	**3,627**	3,041	+19%	+23%
EBITDA Margin %	***10%***	*10%*		
EBIT	**3,053**	2,487	+23%	+27%
EBIT Margin %	***9%***	*8%*		
Store Numbers	**3,947**	3,743	+5%	
Comparable Stores Sales Growth (%)	**+16.3%**	+21.3%		

Watsons is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. H&B Asia maintained its strong trading momentum seen in the first half of 2023, with robust comparable store sales growth of 16.3%, resulting in EBITDA and EBIT growth of 23% and 27% respectively in local currencies for the full year of 2023. The growth in EBITDA and EBIT were primarily attributable to operations in Thailand, Malaysia and the Philippines from increase in store footfall as well as incremental margin from continued store network expansion. In addition, improved performance was delivered by the H&B operation in Turkey from successful margin management under the high inflationary environment.

H&B Asia added net 204 stores during the year and had over 3,900 stores in 13 markets as of 31 December 2023, including the division's franchise business which expanded from three stores to 18 stores in UAE, Qatar and Saudi Arabia since market entry into the Middle East in 2020.

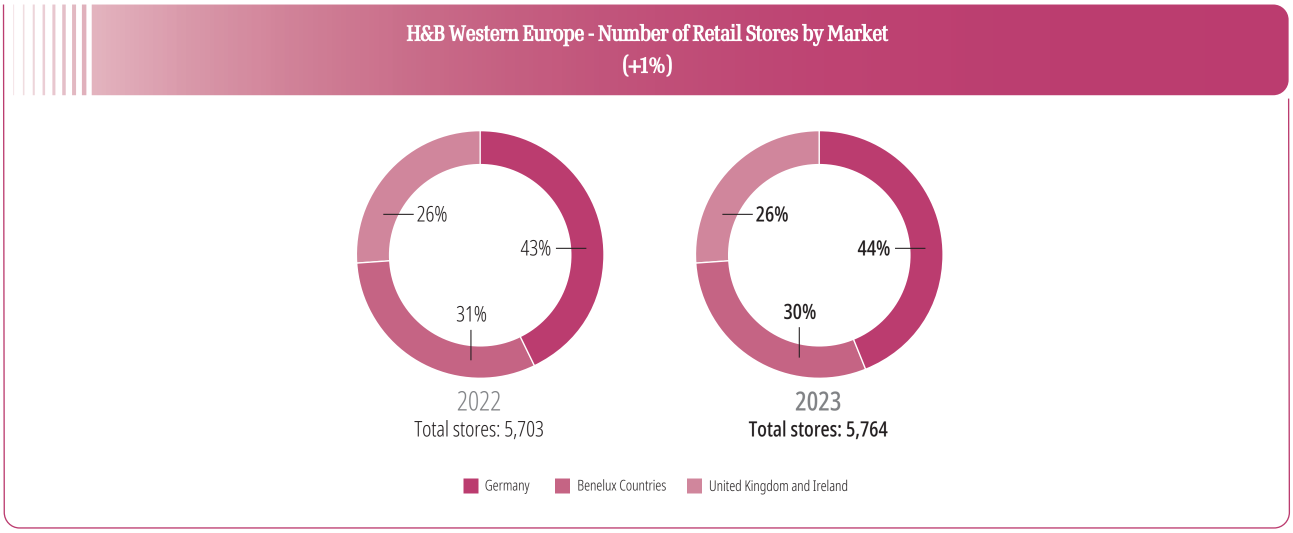


Health and Beauty Western Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**86,267**	76,105	+13%	+10%
EBITDA	**8,475**	7,257	+17%	+13%
EBITDA Margin %	***10%***	*10%*		
EBIT	**7,151**	6,070	+18%	+14%
EBIT Margin %	***8%***	*8%*		
Store Numbers	**5,764**	5,703	+1%	
Comparable Stores Sales Growth (%)	**+9.2%**	+9.5%		

H&B Western Europe reported EBITDA and EBIT growth of 13% and 14% in local currencies respectively against 2022, primarily from the UK and the Rossmann joint venture in Germany with solid comparable stores sales growth from increase in store traffic, which more than offset the cost inflationary pressure. The Benelux countries also reported favourable performance in 2023 with 7% increase in EBITDA and EBIT year-on-year in local currencies.

H&B Western Europe added net 61 stores during the year and had more than 5,700 stores as of 31 December 2023.



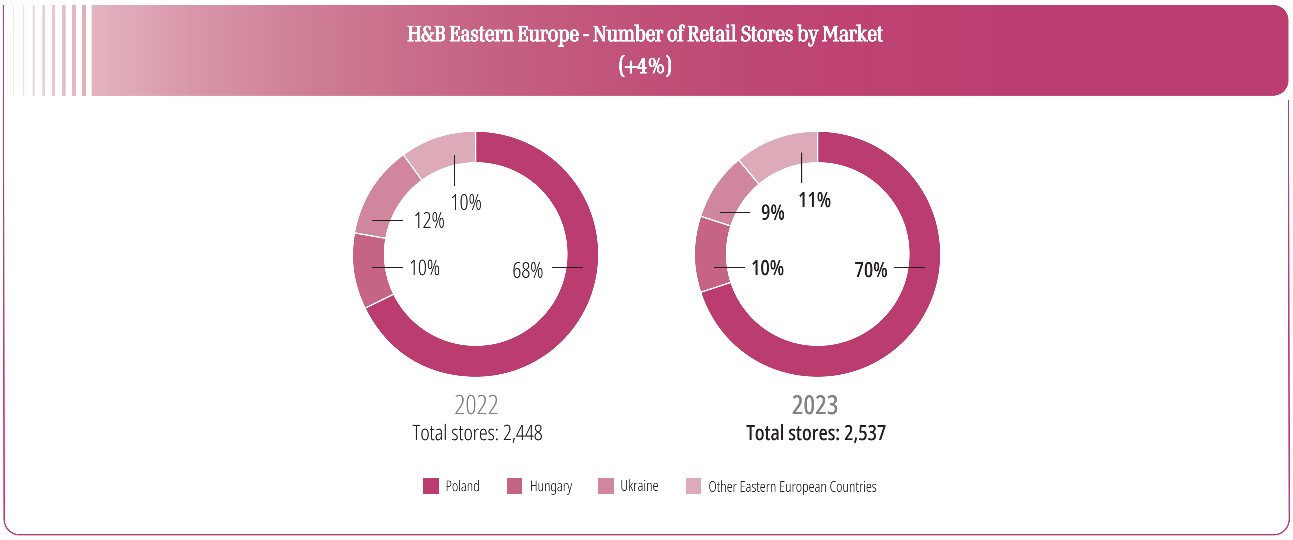
Segment Performance (continued)

Health and Beauty Eastern Europe

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**22,262**	18,074	+23%	+16%
EBITDA	**2,803**	2,233	+26%	+17%
EBITDA Margin %	***13%***	*12%*		
EBIT	**2,432**	1,917	+27%	+17%
EBIT Margin %	***11%***	*11%*		
Store Numbers	**2,537**	2,448	+4%	
Comparable Stores Sales Growth (%)	**+12.9%**	+14.2%		

H&B Eastern Europe reported a EBITDA and EBIT growth of 17% in local currencies against 2022, mainly attributable to the Rossmann joint venture in Poland as a result of improved sales and the strong momentum in store openings during the year, together with robust comparable stores sales growth of 12.9% from higher demand.

H&B Eastern Europe had more than 2,500 stores as of 31 December 2023, an increase of 4% primarily due to new store additions in Poland, partly offset by fewer stores in Ukraine.

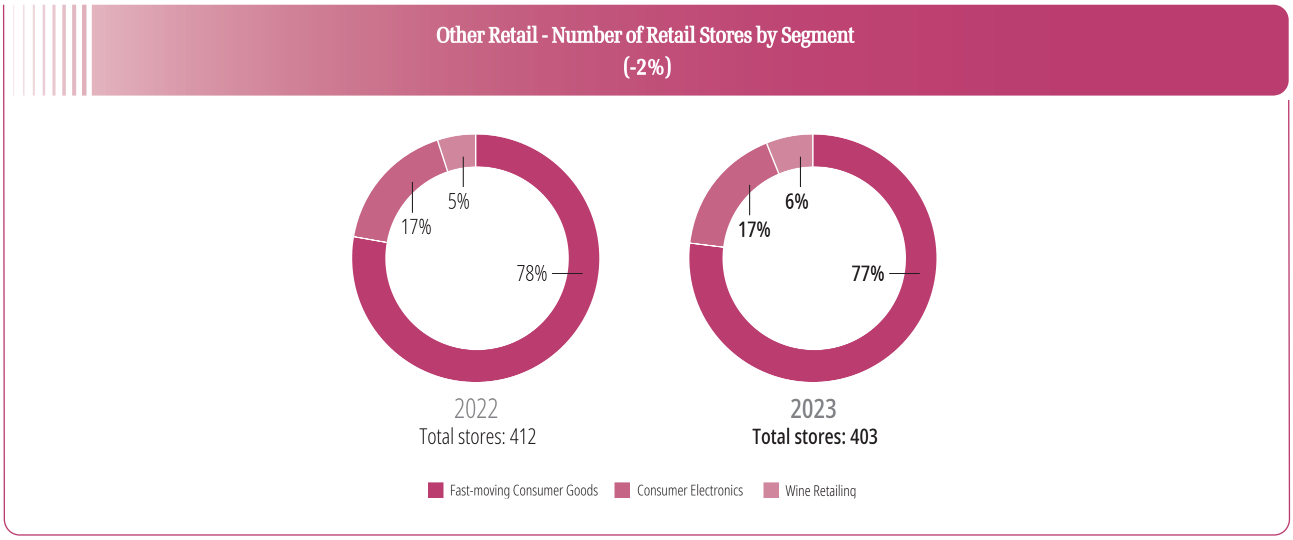


Other Retail

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**23,127**	27,166	-15%	-15%
EBITDA	**279**	688	-59%	-60%
EBITDA Margin %	***1%***	*3%*		
(LBIT)/EBIT	**(94)**	312	-130%	-131%
EBIT Margin %	***N/A***	*1%*		
Store Numbers	**403**	412	-2%	
Comparable Stores Sales Growth (%)	**-13.8%**	+2.7%		

The Other Retail segment reported a reduction in EBITDA of 60% and turnaround to LBIT in local currencies in 2023, mainly arising from adverse performance in PARKnSHOP due to subdued consumer spending and cross-border shopping in the Mainland. Other operations' performance in this segment remained stable.

Other Retail had 403 retail stores in three markets as of 31 December 2023, as well as manufacturing and distributing bottled water and other beverages in Hong Kong and the Mainland.



Operations Review – Infrastructure

The infrastructure division comprises the Group's 75.67% interest in CK Infrastructure Holdings Limited ("CKI"), the largest publicly listed infrastructure company on the SEHK, and interests 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.

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**54,714**	54,441	+1%	+2%
EBITDA [(1)]	**29,201**	28,815	+1%	+3%
EBIT [(1)]	**19,562**	18,833	+4%	+5%
CKI Reported Net Profit (under Post-IFRS 16 basis)	**8,027**	7,748	+4%	

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$29,526 million (2022: HK$29,109 million); EBIT was HK$19,616 million (2022: HK$18,872 million).

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

CKI announced net profit attributable to shareholders under Post-IFRS 16 basis of HK$8,027 million. CKI's 2022 results included the one-off gain from the partial disposal of Northumbrian Water in 2022, excluding which, net profit increased by 12% year-on-year. On a reported basis, net profit was 4% higher than last year. CKI also generated a record high funds from operations of HK$8.6 billion with steady and robust revenue streams from the strong asset base.

The division's EBITDA and EBIT of HK$29,201 million and HK$19,562 million were 3% and 5% higher than last year respectively in local currencies, reflecting good operational performance across the global portfolio of infrastructure businesses, partly offset by CKI's one-off disposal gain in 2022 as mentioned above.

Share of net profit under Post-IFRS 16 basis from Power Assets ("PAH"), a company listed on the SEHK and in which CKI holds a 36.01% interest as of 31 December 2023, was HK$2,162 million as compared to HK$2,033 million in 2022, reflecting good operational performance from the international infrastructure portfolio.

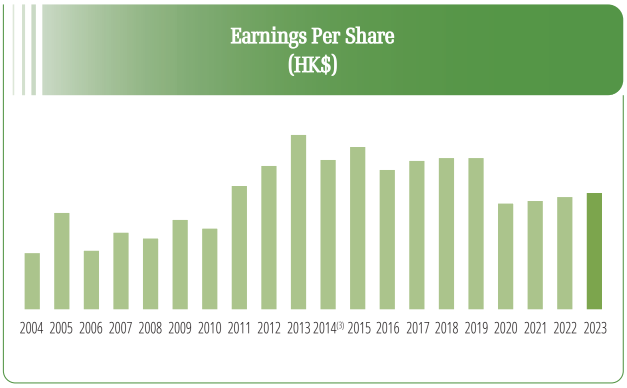
Profit contribution[(2)] from the UK portfolio was HK$3,050 million in 2023, flat as compared to 2022 in reported currency but 22% lower in local currency. Excluding the one-off gain from the partial disposal of 13% interest in Northumbrian Water in 2022, the profit contribution increased by double digits. Profit contribution[(2)] from Australian portfolio decreased by 6% to HK$1,855 million in 2023 in reported currency. In local currency, profit decreased by 2% due to lower contribution from the regulatory resets for Australian Gas Networks and Multinet Gas Networks. In Continental Europe, profit contribution[(2)] was HK$535 million in 2023, a decrease of 19% and 21% in reported currency and local currency respectively, attributed to the adverse impact caused by a fire at the Rozenburg plant of Dutch Enviro Energy in September 2023. There were no casualties during the fire incident and the costs of rebuilding the plant and resulting income losses are expected to be substantially covered by insurance. Operations at Rozenburg plant have partially restarted at the end of 2023, while the other plant at Duiven reported a solid performance. In Canada, profit contribution[(2)] increased by 5% and 10% in reported currency and local currency respectively to HK$648 million in 2023, reflecting business rebound from pandemic lows of Park'N Fly and higher revenue of Reliance Home Comfort from higher value-added products, as well as steady earnings contribution from Canadian Power and Canadian Midstream. Profit contribution[(2)] from New Zealand portfolio increased by 1% and 3% in reported currency and local currency respectively to HK$168 million in 2023. Hong Kong and the Mainland businesses reported a profit contribution[(2)] of HK$117 million in 2023, 40% lower against 2022, due to the weak performance of the infrastructure materials manufacturing business in the Mainland with both volume and price adversely impacted by the major decline in construction activities in the Mainland.

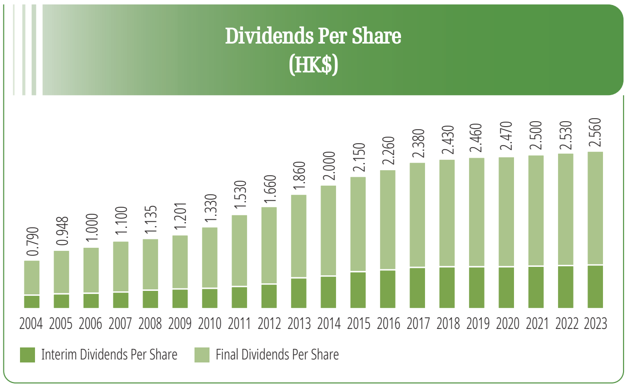
Unregulated operations have continued to grow their businesses. ista made a number of bolt-on acquisitions in 2023, including a Spanish service provider of intelligent heating management and two individual sub-metering companies operating in the southern region of Germany. A number of CKI's regulated businesses in the UK and Australia entered new regulatory regime in 2023. UK Power Networks commenced its current regulatory regime on 1 April 2023, which facilitates revenue predictability and stability for the next five years. The Victorian networks of Australian Gas Networks and certain regulated business of CK William in Australia entered into new regulatory resets on 1 July 2023, providing CKI with predictable income streams for the coming five years.

Note 2: Represents share of net profit (before shareholder's loan interest expense to CKI) under Post-IFRS 16 basis.

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$13 billion cash on hand and a net debt to net total capital ratio of 7.7% as at 31 December 2023. Credit rating from Standard & Poor's maintained at "A/Stable".

CKI's regulated businesses have received a number of awards and recognitions during 2023. UK Power Networks was named "Utility of the Year" at the Utility Week Awards 2023, marking the fourth time it has received this prestigious accolade. Northumbrian Water was ranked as the top operational performer by the water regulator, Ofwat, in the area of customer satisfaction in the Water Company Performance Report 2022-2023 and was given the highest score for innovation in the annual Water Company Survey conducted by British Water. In Australia, the Australian Energy Regulator ranked SA Power Networks, CitiPower, Powercor and United Energy first, second, fourth and fifth respectively among the country's 13 distribution networks based on their total productivity in the 2023 Annual Benchmarking Report.





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 operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka.

CK Hutchison Group Telecom

In million	2023 HK$	2022 HK$	Change	Local currencies change	2023 EURO	2022 EURO
Total Revenue	**86,814**	83,289	+4%	+3%	**10,199**	10,084
Total Margin	**61,832**	58,124	+6%	+5%	**7,267**	7,037
Total CACs	**(15,473)**	(14,852)	-4%		**(1,818)**	(1,799)
Less: Handset revenue	**11,403**	11,228	+2%		**1,340**	1,361
Total CACs (net of handset revenue)	**(4,070)**	(3,624)	-12%		**(478)**	(438)
Operating Expenses	**(35,421)**	(30,226)	-17%		**(4,121)**	(3,654)
Gain from disposal of tower assets [(1)]	**–**	18,957	-100%		**–**	2,371
Impairment of goodwill [(1)]	**–**	(11,039)	+100%		**–**	(1,330)
EBITDA [(2)]	**22,341**	32,192	-31%	-32%	**2,668**	3,986
- Underlying	**22,341**	24,274	-8%	-10%	**2,668**	2,945
- One-off items [(1)]	**–**	7,918			**–**	1,041
Depreciation & Amortisation	**(20,076)**	(19,389)	-4%		**(2,361)**	(2,346)
EBIT [(2)]	**2,265**	12,803	-82%	-83%	**307**	1,640
- Underlying	**2,265**	4,885	-54%	-56%	**307**	599
- One-off items [(1)]	**–**	7,918			**–**	1,041

3 Group Europe [(3)]

In million	2023 HK$	2022 [(4)] HK$	Change	Local currencies change
Total Revenue	**80,231**	77,925	+3%	+1%
Total Margin	**57,589**	54,933	+5%	+3%
Total CACs	**(14,961)**	(14,305)	-5%	
Less: Handset revenue	**11,091**	10,852	+2%	
Total CACs (net of handset revenue)	**(3,870)**	(3,453)	-12%	-11%
Operating Expenses	**(32,371)**	(28,642)	-13%	-11%
Opex as a % of total margin	***56%***	*52%*		
EBITDA	**21,348**	22,838	-7%	-9%
EBITDA Margin % [(5)]	***31%***	*34%*		
EBITDA excluding energy inflation	**22,553**	22,838	-1%	-3%
Depreciation & Amortisation	**(18,948)**	(17,955)	-6%	-4%
EBIT	**2,400**	4,883	-51%	-54%
EBIT excluding energy inflation	**3,605**	4,883	-26%	-29%
EBITDA per above	**21,348**	22,838	-7%	-9%
Proforma contribution from tower assets	**–**	1,026		
Reported EBITDA [(6)]	**21,348**	23,864	-11%	-12%
EBIT per above	**2,400**	4,883	-51%	-54%
Proforma contribution from tower assets	**–**	681		
Reported EBIT [(6)]	**2,400**	5,564	-57%	-59%

Note 1: CKHGT completed the disposal of tower assets in the UK in November 2022 and recognised a disposal gain before tax of HK$18,957 million. A non-cash impairment of goodwill on the Group's Italian telecommunication business of HK$11,039 million was also recognised in 2022.
Note 2: Under Post-IFRS 16 basis, EBITDA was HK$29,081 million (2022: HK$39,002 million); EBIT was HK$3,191 million (2022: HK$14,216 million).
Note 3: 2022 **3** Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion.
Note 4: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.
Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).
Note 6: Under Post-IFRS 16 basis, EBITDA was HK$27,675 million (2022: HK$30,144 million); EBIT was HK$3,312 million (2022: HK$6,859 million).

Although Italy's wholesale revenue continued to decline year-on-year by approximately HK$1.4 billion, **3** Group Europe 's total revenue of HK$80,231 million and total margin of HK$57,589 million was 1% and 3% higher than last year respectively in local currencies, primarily driven by growth in net customer service revenue due to increase in the customer base and favourable revenue initiatives phased throughout the year, coupled with higher roaming income from increased travelling by European customers.

Active customer base as at 31 December 2023 of 40.2 million was 1% higher than 2022, mainly due to the UK, where the total active customer base increased 3% year-on-year, partly offset by lower customer base of Wind Tre which strategically targets a higher average customer lifetime value for its base as a whole. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2022: 1.2%). **3** Group Europe's 2023 net ARPU and net AMPU of €12.80 and €11.59 respectively were impacted by adverse foreign exchange translation impact of Pound Sterling which depreciated 2% year-on-year against EURO. Excluding the foreign exchange impact, **3** Group Europe's net ARPU and net AMPU increased by 1% and 2% respectively against 2022, primarily due to the upside from revenue initiatives, better tariff mix and higher value propositions, partly offset by the dilutive impact of higher mix of low value Internet of things (IoT) customers in Ireland.

Majority of **3** Group Europe's operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed throughout the year, which led to the growth in overall net customer service margin. In addition, UK, Sweden and Ireland continued to increase their active customer base mainly in the contract and business segments, with Denmark's second brand delivering a steady growth year-on-year. Italy and Austria's active customer base was lower, reflecting the impact from customer value management initiatives and voluntary churn from tariff adjustment respectively, which partly offset the favourable revenue initiatives upside on their net customer service margin. Despite Italy's wholesale margin decline, other margin grew across most of the remaining operations due to the improvement in MVNO performance and expansion of revenue streams beyond traditional customer service. Overall, these resulted in a 3% total margin growth.

3 Group Europe's 2023 results reflected the full year adverse impact from the tower disposal in the UK of around HK$1.0 billion. Together with increased operating expenses due to HK$1.2 billion higher energy cost and HK$0.9 billion other inflationary impacts, as well as higher network costs from the expanded networks, particularly in the UK, reported EBITDA decreased by 12% against last year in local currencies. **3** UK recognised £38 million accelerated depreciation on the legacy IT system in 2023 upon transitioning to an enhanced digital platform, excluding which, reported depreciation and amortisation of **3** Group Europe was flat year-on-year in local currencies as the higher depreciation in the UK from continued 5G rollout was offset by the savings arising from tower assets disposal and lower depreciation in Italy following the transfer of certain network assets to a newly setup joint venture in January 2023 and lower 5G network investment.

CKHGT - Results by operations

In million	UK [8] GBP 2023	UK [8] GBP 2022	Italy [7] EURO 2023	Italy [7] EURO 2022	Sweden SEK 2023	Sweden SEK 2022	Denmark DKK 2023	Denmark DKK 2022	Austria EURO 2023	Austria EURO 2022
Total Revenue	**2,588**	2,520	**3,838**	3,947	**7,984**	7,586	**2,438**	2,375	**976**	885
% change	*+3%*		*-3%*		*+5%*		*+3%*		*+10%*	
Total margin	**1,671**	1,529	**2,958**	3,030	**5,213**	4,753	**1,990**	1,864	**704**	669
% change	*+9%*		*-2%*		*+10%*		*+7%*		*+5%*	
Total CACs	**(964)**	(953)	**(279)**	(276)	**(945)**	(1,003)	**(257)**	(229)	**(168)**	(113)
Less: Handset Revenue	**715**	759	**190**	167	**538**	555	**80**	78	**151**	100
Total CACs (net of handset revenue)	**(249)**	(194)	**(89)**	(109)	**(407)**	(448)	**(177)**	(151)	**(17)**	(13)
Operating Expenses	**(1,020)**	(828)	**(1,627)**	(1,578)	**(2,305)**	(1,957)	**(1,160)**	(1,036)	**(345)**	(306)
Opex as a % of total margin	*61%*	*54%*	*55%*	*52%*	*44%*	*41%*	*58%*	*56%*	*49%*	*46%*
Gain from disposal of tower assets	–	–	–	–	–	–	–	–	–	–
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–
EBITDA	**402**	507	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
% change	*-21%*		*-8%*		*+7%*		*-4%*		*-2%*	
EBITDA margin % [10]	*21%*	*29%*	*34%*	*36%*	*34%*	*33%*	*28%*	*29%*	*41%*	*45%*
Depreciation & Amortisation	**(519)**	(430)	**(1,100)**	(1,155)	**(1,620)**	(1,728)	**(657)**	(551)	**(166)**	(154)
EBIT	**(117)**	77	**142**	188	**881**	620	**(4)**	126	**176**	196
% change	*-252%*		*-24%*		*+42%*		*-103%*		*-10%*	
EBITDA per above	**402**	507	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
Proforma contribution from tower assets	–	105	–	–	–	–	–	–	–	–
Reported EBITDA	**402**	612	**1,242**	1,343	**2,501**	2,348	**653**	677	**342**	350
% change	*-34%*		*-8%*		*+7%*		*-4%*		*-2%*	
EBIT per above	**(117)**	77	**142**	188	**881**	620	**(4)**	126	**176**	196
Proforma contribution from tower assets	–	70	–	–	–	–	–	–	–	–
Reported EBIT	**(117)**	147	**142**	188	**881**	620	**(4)**	126	**176**	196
% change	*-180%*		*-24%*		*+42%*		*-103%*		*-10%*	
Capex (excluding licence)	**(454)**	(743)	**(682)**	(849)	**(1,455)**	(1,498)	**(395)**	(792)	**(175)**	(168)
Comparable Depreciation & Amortisation [11]	**(448)**	(407)	**(827)**	(950)	**(873)**	(1,066)	**(523)**	(421)	**(115)**	(102)
Comparable Depreciation & Amortisation [11] less Capex	**(6)**	(336)	**145**	101	**(582)**	(432)	**128**	(371)	**(60)**	(66)
Reported EBITDA less Capex	**(52)**	(131)	**560**	494	**1,046**	850	**258**	(115)	**167**	182
Licence [12]	–	–	–	–	**(1,212)**	–	–	–	–	–
HK dollar equivalents of Reported EBITDA and EBIT are summarised as follows:										
EBITDA-pre IFRS 16 basis (HK$)	***3,941***	*5,868*	***10,570***	*11,087*	***1,860***	*1,822*	***746***	*752*	***2,914***	*2,894*
EBITDA-post IFRS 16 basis (HK$)	***4,765***	*6,840*	***15,191***	*15,586*	***2,095***	*2,035*	***858***	*858*	***3,154***	*3,100*
EBIT-pre IFRS 16 basis (HK$)	***(1,140)***	*1,356*	***1,204***	*1,534*	***660***	*488*	***(6)***	*140*	***1,499***	*1,625*
EBIT-post IFRS 16 basis (HK$)	***(1,000)***	*1,523*	***1,821***	*2,519*	***674***	*507*	***2***	*148*	***1,550***	*1,668*

In million	Ireland EURO 2023	Ireland EURO 2022	3 Group Europe before one-off [8] [9] HK$ 2023	3 Group Europe 2022 Normalised	3 Group Europe 2022 Tower Assets	3 Group Europe 2022 Reported
Total Revenue	**615**	620	**80,231**	77,925	–	77,925
% change	*-1%*		*+3%*			
Local currencies change %			*+1%*			
Total margin	**462**	460	**57,589**	54,933	–	54,933
% change	–		*+5%*			
Local currencies change %			*+3%*			
Total CACs	**(88)**	(103)	**(14,961)**	(14,305)	–	(14,305)
Less: Handset Revenue	**83**	99	**11,091**	10,852	–	10,852
Total CACs (net of handset revenue)	**(5)**	(4)	**(3,870)**	(3,453)	–	(3,453)
Operating Expenses	**(302)**	(281)	**(32,371)**	(28,642)	1,026	(27,616)
Opex as a % of total margin	*65%*	*61%*	*56%*	*52%*		*50%*
Gain from disposal of tower assets	–	–	–	–		–
Impairment of goodwill	–	–	–	–		–
EBITDA	**155**	175	**21,348**	22,838	1,026	23,864
% change	*-11%*		*-7%*			
Local currencies change %			*-9%*			
EBITDA margin % [10]	*29%*	*34%*	*31%*	*34%*		*36%*
Depreciation & Amortisation	**(134)**	(124)	**(18,948)**	(17,955)	(345)	(18,300)
EBIT	**21**	51	**2,400**	4,883	681	5,564
% change	*-59%*		*-51%*			
Local currencies change %			*-54%*			
EBITDA per above	**155**	175	**21,348**	22,838		
Proforma contribution from tower assets	–	–	–	1,026		
Reported EBITDA	**155**	175	**21,348**	23,864		
% change	*-11%*		*-11%*			
Local currencies change %			*-12%*			
EBIT per above	**21**	51	**2,400**	4,883		
Proforma contribution from tower assets	–	–	–	681		
Reported EBIT	**21**	51	**2,400**	5,564		
% change	*-59%*		*-57%*			
Local currencies change %			*-59%*			
Capex (excluding licence)	**(95)**	(101)	**(14,113)**	(18,432)		
Comparable Depreciation & Amortisation [11]	**(93)**	(79)	**(14,436)**	(14,582)		
Comparable Depreciation & Amortisation [11] less Capex	**(2)**	(22)	**323**	(3,850)		
Reported EBITDA less Capex	**60**	74	**7,235**	5,432		
Licence [12]	**(129)**	–	**(1,937)**	–		
EBITDA-pre IFRS 16 basis (HK$)	***1,317***	*1,441*	***21,348***	*23,864*		
EBITDA-post IFRS 16 basis (HK$)	***1,612***	*1,725*	***27,675***	*30,144*		
EBIT-pre IFRS 16 basis (HK$)	***183***	*421*	***2,400***	*5,564*		
EBIT-post IFRS 16 basis (HK$)	***265***	*494*	***3,312***	*6,859*		

In million	HTHKH HK$ 2023	HTHKH HK$ 2022	Corporate and Others and one-off [9] [13] HK$ 2023	Corporate and Others and one-off [9] [13] HK$ 2022	CKHGT HK$ 2023	CKHGT HK$ 2022	CKHGT EURO 2023	CKHGT EURO 2022
Total Revenue	**4,896**	4,882	**1,687**	482	**86,814**	83,289	**10,199**	10,084
% change	–		*+250%*		*+4%*		*+1%*	
Local currencies change %					*+3%*			
Total margin	**3,339**	3,001	**904**	190	**61,832**	58,124	**7,267**	7,037
% change	*+11%*		*+376%*		*+6%*		*+3%*	
Local currencies change %					*+5%*			
Total CACs	**(512)**	(547)	–	–	**(15,473)**	(14,852)	**(1,818)**	(1,799)
Less: Handset Revenue	**312**	376	–	–	**11,403**	11,228	**1,340**	1,361
Total CACs (net of handset revenue)	**(200)**	(171)	–	–	**(4,070)**	(3,624)	**(478)**	(438)
Operating Expenses	**(1,896)**	(1,772)	**(1,154)**	(838)	**(35,421)**	(30,226)	**(4,121)**	(3,654)
Opex as a % of total margin	*57%*	*59%*	*N/A*	*N/A*	*57%*	*52%*	*57%*	*52%*
Gain from disposal of tower assets	–	–	–	18,957	–	18,957	–	2,371
Impairment of goodwill	–	–	–	(11,039)	–	(11,039)	–	(1,330)
EBITDA	**1,243**	1,058	**(250)**	7,270	**22,341**	32,192	**2,668**	3,986
% change	*+17%*		*-103%*		*-31%*		*-33%*	
Local currencies change %					*-32%*			
EBITDA margin % [10]	*27%*	*23%*			*30%*	*45%*	*30%*	*46%*
Depreciation & Amortisation	**(1,127)**	(1,088)	**(1)**	(1)	**(20,076)**	(19,389)	**(2,361)**	(2,346)
EBIT	**116**	(30)	**(251)**	7,269	**2,265**	12,803	**307**	1,640
% change	*+487%*		*-103%*		*-82%*		*-81%*	
Local currencies change %					*-83%*			
Capex (excluding licence)	**(481)**	(496)	**(2)**	(3)	**(14,596)**	(18,931)	**(1,712)**	(2,297)
Comparable Depreciation & Amortisation [11]	**(517)**	(503)	**(1)**	(1)	**(14,954)**	(15,086)	**(1,760)**	(1,826)
Comparable Depreciation & Amortisation [11] less Capex	**36**	7	**(1)**	(2)	**358**	(3,845)	**48**	(471)
Reported EBITDA less Capex	**762**	562	**(252)**	7,267	**7,745**	13,261	**956**	1,689
Licence [12]	–	(138)	–	–	**(1,937)**	(138)	**(231)**	(17)
EBITDA-pre IFRS 16 basis (HK$)	***1,243***	*1,058*	***(250)***	*7,270*	***22,341***	*32,192*	***€2,668***	*€3,986*
EBITDA-post IFRS 16 basis (HK$)	***1,656***	*1,485*	***(250)***	*7,373*	***29,081***	*39,002*	***€3,459***	*€4,808*
EBIT-pre IFRS 16 basis (HK$)	***116***	*(30)*	***(251)***	*7,269*	***2,265***	*12,803*	***€307***	*€1,640*
EBIT-post IFRS 16 basis (HK$)	***130***	*(15)*	***(251)***	*7,372*	***3,191***	*14,216*	***€417***	*€1,812*

	UK 2023	UK 2022	Italy 2023	Italy 2022	Sweden 2023	Sweden 2022	Denmark 2023	Denmark 2022	Austria 2023	Austria 2022	Ireland 2023	Ireland 2022	3 Group Europe 2023	3 Group Europe 2022	HTHKH 2023	HTHKH 2022
Total registered customer base (million)	**12.6**	13.1	**19.3**	20.1	**2.6**	2.5	**1.6**	1.5	**3.1**	3.2	**4.5**	3.8	**43.7**	44.2	**4.6**	3.8
Total active customer base (million)	**10.6**	10.3	**18.1**	18.8	**2.6**	2.4	**1.6**	1.5	**2.8**	2.9	**4.5**	3.8	**40.2**	39.7	**4.0**	3.3
Contract customers as a % of the total registered customer base	**73%**	66%	**49%**	48%	**70%**	69%	**56%**	56%	**77%**	77%	**81%**	77%	**63%**	59%	**31%**	39%
Average monthly churn rate of the total contract registered customer base (%)	**1.4%**	1.4%	**1.4%**	1.3%	**1.2%**	1.3%	**2.0%**	1.8%	**0.5%**	0.4%	**0.4%**	0.5%	**1.2%**	1.2%	**1.0%**	0.8%
Active contract customers as a % of the total contract registered customer base	**99%**	98%	**96%**	96%	**100%**	100%	**100%**	100%	**100%**	100%	**100%**	100%	**98%**	98%	**100%**	100%
Active customers as a % of the total registered customer base	**84%**	79%	**94%**	93%	**100%**	100%	**100%**	100%	**89%**	90%	**100%**	100%	**92%**	90%	**85%**	86%
LTE coverage by population (%)	**96%**	96%	**100%**	100%	**98%**	97%	**100%**	100%	**98%**	97%	**99%**	99%	–	–	**99%**	99%
Full year data usage per active customer (Gigabyte)													**286.1**	235.0	**206.1**	119.9

Note 7: Wind Tre's results include fixed line business revenue of €1,011 million (2022: €959 million) and EBITDA of €185 million (2022: €177 million).

Note 8: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Note 9: 2022 **3** Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK$11.0 billion.

Note 10: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 11: Comparable Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACs, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2023 definition.

Note 12: 2022 licence cost for Hong Kong represents investment for 20 MHz of 700 MHz spectrum acquired for 15 years from June 2022. 2023 licence cost for Ireland represents investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz spectrum acquired in January 2023, the licence cost for Sweden represents investment for 20 MHz of 900 MHz spectrum, 40 MHz of 2.1 GHz spectrum, 20 MHz of 2.6 GHz spectrum and 40 MHz of 2.6 GHz spectrum acquired in September 2023.

Note 13: 2023 results include an exchange reserve charge of HK$0.3 billion recycled to the income statement upon partial disposal of a subsidiary which became a joint venture.

Operations Review – Telecommunications

Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2023 ('000)			Registered Customer Growth (%) from 30 June 2023 to 31 December 2023			Registered Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	3,418	9,158	**12,576**	-23%	+3%	**-6%**	-23%	+6%	**-4%**
Italy (14)	9,824	9,537	**19,361**	-3%	–	**-1%**	-6%	-1%	**-4%**
Sweden	769	1,829	**2,598**	+1%	+4%	**+3%**	+1%	+7%	**+5%**
Denmark	706	885	**1,591**	+2%	–	**+1%**	+5%	+2%	**+3%**
Austria	717	2,417	**3,134**	-2%	–	**–**	-1%	-1%	**-1%**
Ireland	843	3,603	**4,446**	-1%	+10%	**+7%**	-2%	+23%	**+17%**
3 Group Europe Total	16,277	27,429	**43,706**	-7%	+2%	**-1%**	-9%	+5%	**-1%**
HTHKH	3,185	1,463	**4,648**	+31%	–	**+19%**	+36%	–	**+22%**

Active (15) Customer Base

	Active Customers at 31 December 2023 ('000)			Active Customer Growth (%) from 30 June 2023 to 31 December 2023			Active Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**	Non-contract	Contract	**Total**
United Kingdom	1,556	9,058	**10,614**	-13%	+4%	**+1%**	-15%	+7%	**+3%**
Italy (14)	8,954	9,151	**18,105**	-2%	–	**-1%**	-6%	-1%	**-4%**
Sweden	764	1,829	**2,593**	+1%	+4%	**+3%**	+2%	+7%	**+6%**
Denmark	704	885	**1,589**	+2%	–	**+1%**	+5%	+2%	**+3%**
Austria	397	2,406	**2,803**	-6%	–	**-1%**	-1%	-1%	**-1%**
Ireland	843	3,603	**4,446**	-1%	+10%	**+7%**	-2%	+23%	**+17%**
3 Group Europe Total	13,218	26,932	**40,150**	-3%	+3%	**+1%**	-6%	+5%	**+1%**
HTHKH	2,500	1,463	**3,963**	+29%	–	**+16%**	+38%	–	**+21%**

Note 14: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 15: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

12-month Trailing Average Revenue per Active User (16) ("ARPU") to 31 December 2023				
	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2022
United Kingdom	£6.16	£20.84	**£18.40**	-2%
Italy	€9.56	€12.81	**€11.18**	+2%
Sweden	SEK121.53	SEK239.91	**SEK204.32**	-7%
Denmark	DKK94.36	DKK139.19	**DKK119.51**	-3%
Austria	€9.06	€23.25	**€21.17**	-1%
Ireland	€14.40	€9.37	**€10.41**	-16%
3 Group Europe Average	€9.75	€17.80	**€15.04**	-3%
HTHKH	HK$14.17	HK$190.30	**HK$87.91**	-7%

12-month Trailing Net Average Revenue per Active User (17) ("Net ARPU") to 31 December 2023				
	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2022
United Kingdom	£6.16	£14.80	**£13.37**	+3%
Italy	€9.56	€12.00	**€10.78**	+3%
Sweden	SEK121.53	SEK212.09	**SEK184.86**	+2%
Denmark	DKK94.36	DKK131.59	**DKK115.24**	-2%
Austria	€9.06	€19.41	**€17.89**	-3%
Ireland	€14.40	€7.20	**€8.69**	-16%
3 Group Europe Average	€9.75	€14.38	**€12.80**	-1%
HTHKH	HK$14.17	HK$173.72	**HK$80.97**	-6%

12-month Trailing Net Average Margin per Active User (18) ("Net AMPU") to 31 December 2023				
	Non-Contract	Contract	**Blended Total**	% Variance compared to 31 December 2022
United Kingdom	£5.70	£13.31	**£12.05**	+3%
Italy	€8.74	€11.04	**€9.89**	+6%
Sweden	SEK105.02	SEK187.21	**SEK162.50**	+2%
Denmark	DKK81.90	DKK111.97	**DKK98.77**	+1%
Austria	€8.22	€17.81	**€16.41**	-2%
Ireland	€13.28	€6.59	**€7.97**	-16%
3 Group Europe Average	€8.87	€13.02	**€11.59**	+1%
HTHKH	HK$10.86	HK$151.83	**HK$69.88**	-5%

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

Note 17: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 18: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

Operations Review – Telecommunications

United Kingdom

On a normalised basis(19) and in local currency, UK's EBITDA decreased by 21% compared to last year, mainly driven by higher network spending and costs inflation, partly offset by growth in total margin from 3% increase in certain customer segments and growth in other margin. EBIT decreased further due to an accelerated depreciation of £38 million on a legacy IT system, as well as higher asset base driven by 5G investments. As a result of the network investments, **3** UK was awarded the fastest 5G network in UK by Ookla during the year.

Italy

Italy's net customer service margin remained stable compared to last year despite a reduction in customer base through customer value management initiatives as well as growth in the business and FWA segments. Italy's EBITDA decreased by 8% against last year, mainly due to continued reduction in wholesale margin and higher energy cost, partly offset by lower opex from effective implementation of cost control measures. EBIT decreased by 24% due to reduction in EBITDA, partly offset by lower depreciation and amortisation as 5G investment intensity reduces from prior years given Wind Tre has already reached over 95% and 70% FDD and TDD coverage.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 7% in local currency compared to last year, primarily driven by 10% increase in total margin from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base, increased handset receivables sales costs and staff costs. Together with the lower level of accelerated depreciation charges recognised for the ongoing network asset swap in 2023, EBIT improved by 42% compared to last year. Sweden's 5G network now provides extensive coverage in over ten of the country's largest cities with full TDD coverage.

Denmark

The Denmark operation, where the Group has 60% interest, reported 4% lower EBITDA in local currency mainly driven by higher operating costs from the enlarged network base, as well as increase in marketing expenses and staff costs, which more than offsets the total margin growth of 7%. Denmark's EBIT decreased as a result of lower EBITDA and the higher depreciation from the network expansion and increase in 5G customer-premises equipment ("CPE") take up. Denmark has reached approximately 90% 5G coverage and over 50% TDD coverage in 2023.

Austria

Austria's EBITDA and EBIT in local currency decreased by 2% and 10% respectively compared to 2022, mainly driven by higher operating costs from network expansion and energy cost inflation. The adverse impact is partly offset by 5% growth in total margin primarily from strong MVNO performance. The reduction in EBIT also reflected increased depreciation from an enlarged asset base as 5G network rollout continues. Austria's 5G coverage has reached over 85% and 60% FDD and TDD coverage respectively in 2023.

Ireland

Total margin was flat against last year as the base growth was fully offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers. EBITDA and EBIT in local currency decreased by 11% and 59% respectively compared to 2022 driven by higher operating expenses due to network expansion, energy cost inflation, as well as higher marketing and sponsorship following the uplift of lockdown restrictions. The lower EBIT also reflected higher depreciation due to increased asset base and accelerated depreciation on certain retired network assets. In 2023, **3** Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK$4,896 million was flat against last year, primarily contributed by 7% higher net customer service revenue driven by the recovery of roaming market, fully offset by decline in hardware sales arising from softened demand. EBITDA of HK$1,243 million was 17% higher compared to last year, mainly due to higher margin driven by substantial resurgence in revenue from roaming services and higher interest income from interest rate hikes, partly offset by higher network costs resulting from the network infrastructure expansion and related costs incurred in the deployment of 5G technology. Despite the impact of higher amortisation costs from capitalised CACs and increased depreciation from the enlarged asset base resulting from network channel expansion, there was some improvement in EBIT, reversing the LBIT of HK$30 million in 2022 to a positive EBIT of HK$116 million in 2023.

Note 19: Due to the completion of disposals of tower assets in November 2022 as mentioned, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Hutchison Asia Telecommunications

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**11,779**	11,628	+1%	+4%
EBITDA (20)	**3,952**	9,420	-58%	-57%
EBIT (20)	**1,612**	6,745	-76%	-76%
Total active customer base (million)	**117.1**	123.1	-5%	
- Indonesia	**98.8**	102.2	-3%	
- Vietnam	**14.7**	16.9	-13%	
- Sri Lanka	**3.6**	4.0	-11%	

Note 20: Under Post-IFRS 16 basis, EBITDA was HK$6,011 million (2022: HK$12,478 million); EBIT was HK$2,388 million (2022: HK$8,582 million).

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

Excluding the above one-off items, EBITDA in 2023 of HK$3,952 million decreased by 8% due to year-on-year lower net gain arising from disposal of non-core assets in IOH and EBIT in 2023 of HK$1,612 million was flat as the EBITDA shortfall is fully offset by lower depreciation from IOH after the non-core asset disposals.

Despite IOH reported a 3.4 million active customer base declined compared to last year to 98.8 million customers at the end of 2023, IOH demonstrated solid performance in 2023 and reported 10% increase in total revenue to IDR51,229 billion, driven by a strong data traffic growth, which mitigate the 3% lower customer base from strategic intitatives to improve average customer lifetime value across its customer base. EBITDA under post-IFRS 16 basis of IDR23,938 billion (approximately US$1,568 million) increased by 23% year-on-year, through maintaining top line growth and continued cost optimisation after the merger. Profit for the Period Attributable to Owners of the Parent under Post-IFRS 16 basis, was IDR4,506 billion (approximately US$295 million), decreased by 5% year-on-year. IOH reported an underlying net profit increased by 144% compared to last year, after normalisation of one-off items. IOH has expanded its network infrastructure, boosting the 4G BTS count to 179k to effectively manage the growth in data traffic and deliver the best customer experience for its user. To further enhance customers' digital experiences, IOH has recently collaborated with various partners to accelerate digital transformation and enhance the digital experience of businesses, technology companies and internet users in Indonesia.

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"), listed associate Cenovus Energy ("Cenovus") and listed subsidiary, Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% interest in TPG Telecom Limited ("TPG").

	2023 HK$ million	2022 HK$ million	Change	Local currencies change
Total Revenue	**84,056**	94,085	-11%	-8%
EBITDA [1]	**19,532**	18,469	+6%	+9%
EBIT [1]	**12,913**	12,009	+8%	+10%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$20,769 million (2022: HK$19,177 million); EBIT was HK$13,143 million (2022: HK$11,736 million).

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$143,109 million as at 31 December 2023. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2023 annual results announcement.

EBITDA and EBIT grew 6% and 8% respectively from 2022 primarily due to certain gains on non-core asset disposals, higher interest income from money market deposits and higher contribution from HWCL, which more than offset the Group's share of lower profit of the energy business.

Other Operations

Hutchison Whampoa (China) Limited

HWCL is engaged in the businesses of manufacturing, service and distribution in the Mainland, Hong Kong and the United Kingdom, and also has 38.17% interest in HUTCHMED (China) Limited ("HUTCHMED"), which is currently listed on the SEHK, the AIM market of the London Stock Exchange in the UK and the Nasdaq Global Select Market in the US. HUTCHMED is an innovative, commercial-stage, biopharmaceutical company committed to the discovery and global development and commercialisation of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

Cenovus Energy

Cenovus Energy is a Canadian-based integrated energy company with shares listed on the Toronto and New York stock exchanges. It operates in Canada, the United States and Asia Pacific region, and is the third largest Canadian oil and natural gas producer, as well as the second largest Canadian-based refiner and upgrader. As at 31 December 2023, the Group held 16.9% interest in Cenovus Energy.

The Group's share of Cenovus Energy's Post-IFRS 16 EBITDA, EBIT and net earnings were HK$10,094 million, HK$5,564 million and HK$3,963 million, a decrease of 27%, 41% and 37% compared to last year respectively. The lower contribution is primarily due to lower commodity benchmark pricing, as well as reduced upstream production volume impacted by wildfire in the second quarter of 2023. The operating results are further impacted by lower market crack spreads, higher repair and maintenance costs for turnarounds at certain facilities, as well as increased operating expenses for a number of refineries that are at the start-up phase.

TOM Group

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

Marionnaud

Marionnaud had over 720 stores in nine European markets as of 31 December 2023, providing luxury perfumery and cosmetic products.

CK Life Sciences Group

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

HTAL, share of TPG Telecom Limited

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

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK$20,147 million, increased by 36% when compared to last year, driven mainly by the higher effective interest rates. The Group's weighted average cost of debt for 2023 was 3.2% (2022: 2.0%).

The Group recorded current and deferred tax charges of HK$8,500 million in 2023, a decrease of 47% from HK$16,091 million in 2022, primarily due to the higher deferred tax charges from the disposal of tower assets in 2022 and lower profit before tax in 2023.