Chairman's Statement

CK Hutchison Holdings Limited 2015 Pro Forma [1] Results

As a result of the Reorganisation[1], CK Hutchison Holdings Limited ("CKHH" or the "Group") now holds assets under five core businesses: Ports, Retail, Infrastructure, Energy and Telecommunications in over 50 countries.

Significant headwinds in both currencies and commodities affected certain core businesses in the Group in 2015. Notably for Husky Energy, extended crude oil price weakness led to a significant reduction in its contribution to the Group. In addition, due to the depreciation of several major currencies against the Hong Kong dollar, the Group's reported results in Hong Kong dollars were also adversely impacted by currency translation. However, these unfavourable impacts were fully offset by improving underlying performances in the telecommunications businesses, by moderate but sustainable growth in other core businesses, and by favourable impacts from the Reorganisation.

Recurring profit attributable to ordinary shareholders for 2015, excluding property and hotels businesses carried on by HWL in 2014 and before profits on disposal of investments and others, was HK$32,128 million, a 36% increase compared to HK$23,655 million for 2014 results of the HWL's businesses. This increase comprised a 24% increase in Comparable Contributions[1] from HK$23,655 million in 2014 to HK$29,364 million in 2015 plus Additional Contributions[1] of HK$2,764 million in 2015. It also reflects lower depreciation and amortisation as a result of the lower telecommunications and energy depreciable asset base, lower effective interest rates and the reduction in taxation.

Full year pro forma recurring earnings per share was HK$8.32 in 2015.

Profits on disposal of investments and others, after tax in 2015 was a charge of HK$960 million representing the Group's subsidiary Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA")'s operating losses[2]. This is compared to the HK$10,048 million gain reported by HWL in 2014, which comprised HWL's share of the gain arising from separate listing of the Hong Kong electricity business of HK$16,066 million, as well as a marked-to-market gain of HK$1,748 million on Cheung Kong Infrastructure Holdings Limited ("CKI")'s investment in Australian Gas Networks Limited ("AGN"), partly offset by HTAL's losses of HK$1,732 million and certain provisions made for other businesses.

The reduction in 2015 total profit attributable to ordinary shareholders to HK$31,168 million from HK$33,703 million for 2014 is principally due to the gain of HK$16,066 million realised by HWL in 2014 on the separate listing of the Hong Kong electricity business.

Dividend

The Board recommends the payment of a final dividend of HK$1.85 per share, payable on Wednesday, 1 June 2016 to those persons registered as shareholders of the Company on Thursday, 19 May 2016, being the record date for determining shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK$0.70 per share, the full year dividend amounts to HK$2.55 per share.

Note 1: The Reorganisation of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited ("HWL") that merged their assets and businesses into CKHH and simultaneously reallocated them between the Group and Cheung Kong Property Holdings Limited on 3 June 2015. For detailed explanation of the Reorganisation and the definition of "Pro Forma", "Comparable Contributions" and "Additional Contributions", see Operations Review.

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

Ports and Related Services

Throughput of the ports and related services division increased 1% to 83.8 million twenty-foot equivalent units ("TEU") during 2015. Total revenue, before Additional Contributions, of HK$33,767 million was 5% lower than the HK$35,624 million reported for last year principally due to the adverse foreign currency translation to Hong Kong dollars. In local currencies, revenue was 2% higher than the comparable results of 2014. EBITDA and EBIT, before Additional Contributions, decreased 2% and 1% to HK$11,840 million and HK$7,887 million respectively in 2015. In local currencies, EBITDA and EBIT respectively increased 4% and 6%, reflecting higher margin and lower power and fuel costs in the year, as well as the continued focus on better cost control through improvements in productivity and efficiency. Despite the overall improvements in underlying performances in most of the Group's ports operations, the better results were partly offset by the deconsolidation impact of the Jakarta operations, which became a joint venture following the dilution of interests, and by the lower profitability in the Rotterdam ports due to the entrance of new competitors during the year.

The division had 269 operating berths as at 31 December 2015. In light of the challenging global trade conditions, this division will continue to focus on cost efficiency and margin growth to maintain a stable contribution in 2016.

Additional Contributions

Post-Reorganisation, the Group's interest in HPH Trust as compared to HWL's interest increased slightly from 27.62% to 30.07%, resulting in Additional Contributions which increased total revenue to HK$34,009 million for the ports and related services division, 5% lower than the total revenue reported by HWL in 2014. EBITDA decreased 1% to HK$11,964 million and EBIT remained broadly flat at HK$7,957 million compared to HWL's reported 2014 results for this division.

Retail

The retail division's total store numbers passed the 12,000 milestone with 12,400 stores across 25 markets as at 31 December 2015, representing net additions of 965 stores in 2015. Despite 2015 results being adversely affected by foreign currency translation to Hong Kong dollars, this division achieved strong sales and earnings growth in local currencies. Total reported revenue of HK$151,903 million was 3% lower than 2014. In local currencies, revenue increased by 5%, driven by 1.9% comparable store sales growth and an 8% increase in store numbers compared to 2014. Excluding the one-time gain on the disposal of the airport concession operation in July 2014, EBITDA and EBIT of HK$14,838 million and HK$12,328 million in 2015 were 2% and 3% lower than 2014 in reported currency respectively, but were both 7% higher in local currencies.

Health and Beauty segment, which represents 92% of the division's EBITDA, reported impressive double-digit growth rates under the current challenging market conditions, with both EBITDA and EBIT growth at 11% in local currencies. This reflected the successful store portfolio expansion strategies, improving margins and strong cost management in the highly resilient health and beauty store format. Health and beauty operations in Europe overall delivered strong earnings, with EBITDA and EBIT growth of 9% in local currencies, reflecting a 5% increase in store numbers, 4.3% comparable store sales growth and generally improving margins.

In Asia, the health and beauty operation's growth continued, largely driven by expansion of the store portfolio partly offset by the softening retail market, comparable store sales growth was negative 2.1% for the full year, resulting in EBITDA and EBIT growth of 13% in local currencies. Watsons China's total revenue grew by 9% in local currency against a 19% increase in stores numbers compared to 2014 as comparable store sales growth was negative 5.1%. EBITDA and EBIT growth for Watsons China in local currency both remained robust at 16% in 2015 as the business continued to maintain disciplined cost control measures and to promote higher margin products.

Overall the retail division plans net openings of over 1,000 stores in 2016, with key markets in the Mainland and certain Asian and Eastern European countries continuing to lead the expansion.

Infrastructure

The Infrastructure division comprises a 75.67% [3] interest in CKI, a company listed on the Stock Exchange of Hong Kong ("SEHK"). Additional interests in six co-owned infrastructure investments as well as the new aircraft leasing business are also reported under this division.

CKI

CKI announced profit attributable to shareholders of HK$11,162 million for 2015 compared to HK$31,782 million for the previous year. 2014 results include CKI's share of gain arising from the spin-off of the Hong Kong electricity business by Power Assets in January 2014 amounting to HK$19,557 million and a one-off gain of HK$2,236 million upon completion of the AGN transaction during 2014. Excluding these one-off items, CKI's profit attributable to shareholders increased by 12% due to the overall growth of the underlying operations, the accretive contributions from Park'N Fly, AGN, UK Rails and Portugal Renewable Energy, which were acquired during 2014 and 2015, as well as the deferred tax benefit from the reduction in UK tax rates. These favourable variances were partly offset by the weaknesses of the British Pound and Australian dollar that resulted in lower reported results on translation to Hong Kong dollars.

In April 2015, UK Rails, a 50/50 joint venture between the Group and CKI, acquired the entire share capital of Eversholt Rail Group, a major rolling stock company in the UK. The enterprise value of the transaction was approximately £2,500 million.

In November 2015, Portugal Renewable Energy, a 50/50 joint venture between CKI and Power Assets, acquired the entire share capital of Iberwind-Desenvolvimento e Projectos, S.A., the largest wind farm operator in Portugal, based on an enterprise value of approximately €978 million.

Additional Contributions

On the full year pro forma basis, the additional interests in the six co-owned infrastructure assets with CKI contributed additional revenue, EBITDA and EBIT of HK$10,441 million, HK$6,752 million and HK$4,653 million respectively to the infrastructure division from January to December 2015.

The Group's new aircraft leasing business contributed additional revenue, EBITDA and EBIT of HK$1,477 million, HK$1,392 million and HK$723 million respectively from January to December 2015. At the end of 31 December 2015, the aircraft leasing business, including its 50% joint venture, has a total fleet of 66 aircraft, which were fully leased and generated steady earnings and cashflow for the Group.

Including the Additional Contributions, total revenue of this division was HK$55,762 million, 23% higher than the total revenue reported by HWL for 2014, and EBITDA of HK$32,291 million and EBIT of HK$23,477 million were 32% and 29% higher than 2014 HWL's results for the division respectively. With its expanded infrastructure asset base post-Reorganisation and the newly acquired businesses, this division is expected to contribute steady recurring earnings to the Group in 2016.

Note 3: In January 2015, CKI completed a share placement and share subscription transaction, which resulted in the Group's interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determining the number of shares held by the public, the Group's profit sharing in CKI continues to be 75.67%.

Husky Energy

Husky Energy, our associated company listed in Canada, announced profit attributable to shareholders, before impairment charge and asset write downs, of C$165 million in 2015, 92% below last year primarily due to a depressed oil price environment.

In light of the prolonged low oil price levels, Husky Energy has recognised an after-tax impairment charge and exploration and evaluation asset write downs of C$4,015 million on its crude oil and natural gas assets located in Western Canada in the second half of 2015. As part of the Reorganisation, the Group had to rebase Husky Energy's assets to their fair values on the date of completion of the Reorganisation. Consequently, a lower valuation was assigned to these Western Canadian assets for the Group's financial statements, consistent with prevailing conditions in the relevant energy markets. As a result, the impairment charge and write downs of these assets by Husky Energy had no impact on the Group's reported results.

Average production of 345,700 barrels of oil equivalent per day ("BOEs per day") in 2015, represents a 2% increase from 340,100 BOEs per day in 2014, mainly due to ramp up in production from the Asia Pacific operations and new volumes from the Sunrise Energy and Rush Lake thermal development projects which were partly offset by lower production in Western Canada and the Atlantic Region as a result of natural reservoir declines in mature properties and reduced capital investment.

Husky Energy is continuing to advance its transition into a low sustaining capital business while providing flexibility in ramping up production when commodity prices recover. Several initiatives are in progress to unlock the incremental value and further strengthen the business and its balance sheet, including potential complete or partial sale and dispositions of certain assets. Husky Energy also plans to complete three new heavy oil thermal developments at Edam East, Vawn and Edam West in 2016.

Certain portion of Husky Energy's operations are not directly affected by the commodity price volatility, including the Asia Pacific Region which is delivering solid value through fixed price contracts, and the margin-based Downstream business. Husky Energy will continue to build on its resilience with a focus on growing profitability and further lowering its cost structure to fortify its business in a weak commodity price environment.

Additional Contributions

Post-Reorganisation, the Group's interest in Husky Energy as compared to HWL's interest has increased from 33.96% to 40.18%. Including the Additional Contributions, on a full year pro forma basis, the Group's share of revenue, EBITDA and EBIT before the aforementioned impairment and asset write downs amounted to HK$40,029 million, HK$9,375 million and HK$2,229 million respectively, a 30%, 35% and 65% decrease respectively from the 2014 results as reported by HWL.

3 Group Europe

The Group's active customer base in Europe increased 4% during the year and total over 26.1 million customers. **3** Group Europe continues to improve with revenue and EBITDA growth of 10% and 27% respectively in local currencies. Overall, **3** Group Europe operations reported improved underlying EBITDA performances, particularly in **3** UK from further improvements in net customer service margin, **3** Ireland from a full year of accretive earnings contribution after the acquisition of O_2 Ireland in July 2014 and continued cost synergies realised in **3** Austria. On a full year pro forma basis, EBIT in local currencies improved 92% reflecting both EBITDA growth and lower depreciation and amortisation resulting from the rebasing of telecommunications assets under the Reorganisation. European currency weakness led to a 4% lower revenue in reported currency over last year to HK$62,799 million, while EBITDA and EBIT in reported currency grew by 12% and 69% to HK$17,396 million and HK$11,664 million respectively.

In March 2015, HWL entered into an agreement with Telefónica SA to acquire O_2 UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of **3** UK and O_2 UK of agreed financial targets. Upon completion of the acquisition, the combined business will become the largest mobile operator in the UK. In May 2015, HWL announced that it has entered into agreements with five institutional investors who will acquire approximately 32.98% interest in the combined business of **3** UK and O_2 UK for a total of £3.1 billion. These agreements are conditional on and will occur concurrently with completion of the acquisition of O_2 UK. The Group is considering the sale of a stake in **3** UK to a new investor with a view to further reducing the new cash investment required from the Group to fund the acquisition. Should such new investment proceed, the Group will consider implementing a revised business structure that would maintain the continuity and separation of the **3** UK and O_2 UK businesses. This would be directed to achieving benefits in terms of operational strategy and focus, regulatory approvals and contractual obligations, while preserving financial and operational efficiencies and savings expected from the acquisition of O_2 UK.

In August 2015, the Group announced agreement with VimpelCom Ltd to form an equal joint venture merging **3** Italy and VimpelCom's subsidiary Wind Telecomunicazioni S.p.A. ("Wind") in Italy. On a combined basis, **3** Italy and Wind will become the largest mobile operator in Italy by customer numbers.

The aforementioned transactions are expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in these markets, and in turn, generating accretive earnings to the Group. Completion of these transactions is subject to regulatory approvals.

Hutchison Telecommunications Hong Kong

Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), our Hong Kong listed telecommunications subsidiary operating in Hong Kong and Macau, announced profit attributable to shareholders of HK$915 million and earnings per share of 18.99 HK cents, an increase of 10% compared to last year, reflecting improvements in the mobile operations. As of 31 December 2015, HTHKH had approximately 3.0 million active mobile customers in Hong Kong and Macau.

Additional Contributions

Post-Reorganisation, the Group's interest in HTHKH as compared to HWL's interest increased slightly from 65.01% to 66.09%.

Hutchison Asia Telecommunications

As of 31 December 2015, Hutchison Asia Telecommunications ("HAT") had an active customer base of approximately 72.8 million, a 34% increase from end of 2014. HAT reported total revenue of HK$6,900 million in 2015, a 20% increase over last year. EBITDA of HK$1,176 million in 2015 represents a turnaround from LBITDA of HK$278 million in 2014, mainly due to charges of HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation in 2014. The Indonesian operation continued to improve sales and profitability, particularly in the second half of the year, with customer growth of 23% during the period since June 2015. On a full year pro forma basis, the turnaround to EBIT of HK$1,176 million in 2015 compared to an LBIT of HK$1,465 million in 2014, was also due to the reduced cost and depreciable asset base under the Reorganisation.

With strong network coverage and capacity, the Indonesian business is expected to carry on the growth momentum in 2016.

Finance & Investments and Others

The contribution from this division mainly represents returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited, listed associate Tom Group, Hutchison Water, the Marionnaud business and listed associate CK Life Sciences Group. The decrease in EBIT contribution in 2015 was mainly due to one-off gains on disposal of certain listed equity investments and other non-strategic investments in 2014 which did not recur in 2015.

At 31 December 2015, the Group's consolidated cash and liquid investments totalled HK$131,426 million and consolidated debt amounted to HK$304,006 million, resulting in consolidated net debt of HK$172,580 million and net debt to a net total capital ratio of 23.7%.

The Group will continue to closely monitor its liquidity and debt profile with the objective of maintaining its current assigned credit ratings for the foreseeable future.

Outlook

The global economy in 2015 experienced mounting deflationary pressures resulting in a collapse in commodity prices and slow global trade. In addition, volatility in global equity, debt, commodity and currency markets may increase against a background of continued monetary easing in Europe, increased global political uncertainty, economic and refugee issues in Europe, as well as increased geopolitical risk in the Middle East and African regions. With Mainland China initiating the "One Belt, One Road" economic development strategy, Hong Kong should benefit from its geographical proximity, bringing ample opportunities and building a solid foundation for long term economic development. Despite the global uncertainties, the Group will continue to manage its core businesses with prudence to achieve stable growth and sustain profitability. The Group as a matter of policy will maintain its stable financial profile and ensure that all investment activities are consistent with maintaining the current investment grade ratings. As a global conglomerate, the Group will also sustain its competitive advantages through innovation and embracing new technologies initiatives and opportunities.

Barring any unforeseen material adverse external developments, the Group will continue to adhere to these principles in 2016. I have full confidence in the Group's future prospects.

I would like to thank the Board of Directors and all our dedicated employees around the world for their continued loyalty, diligence, professionalism and contributions to the Group.

Li Ka-shing
Chairman

Hong Kong, 17 March 2016