

# Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results

For the year ended 31 December 2015

	Adjustments to CKHH Pro forma <sup>(2)</sup>							
	CKHH Operating segment information - statutory basis <sup>(1)</sup>	50.03% share of HWL <sup>(3)</sup>	Accounting for co-owned entities and investments <sup>(4)</sup>	Additional 6.23% share of Husky	Fair value adjustment on acquisition <sup>(5)</sup>	CKHH Operating segment information - pro forma basis <sup>(2)</sup>	Presentation adjustments	CKHH Financial Performance Summary - pro forma basis <sup>(2)</sup>
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
<b>Total Revenue</b>								
Ports and related services	26,974	6,938	97	–	–	34,009	(242)	33,767
Retail	121,714	30,189	–	–	–	151,903	–	151,903
Infrastructure	46,187	9,107	468	–	–	55,762	(11,918)	43,844
Husky Energy	29,620	7,616	–	2,793	–	40,029	(6,205)	33,824
3 Group Europe	50,152	12,647	–	–	–	62,799	–	62,799
Hutchison Telecommunications Hong Kong Holdings	17,520	4,570	32	–	–	22,122	(80)	22,042
Hutchison Asia Telecommunications	5,492	1,408	–	–	–	6,900	–	6,900
Finance & Investments and Others	18,659	3,951	(47)	–	–	22,563	(2,895)	19,668
<b>Total Comparable Revenue</b>	<b>316,318</b>	<b>76,426</b>	<b>550</b>	<b>2,793</b>	<b>–</b>	<b>396,087</b>	<b>(21,340)</b>	<b>374,747</b>
Additional Contributions	–	–	–	–	–	–	21,340	21,340
<b>Total Revenue<sup>(6)</sup></b>	<b>316,318</b>	<b>76,426</b>	<b>550</b>	<b>2,793</b>	<b>–</b>	<b>396,087</b>	<b>–</b>	<b>396,087</b>
<b>EBITDA</b>								
Ports and related services	9,476	2,410	45	–	33	11,964	(124)	11,840
Retail	12,258	2,580	–	–	–	14,838	–	14,838
Infrastructure	26,682	5,058	542	–	9	32,291	(8,144)	24,147
Husky Energy	6,899	1,812	–	664	–	9,375	(1,453)	7,922
3 Group Europe	14,252	3,082	–	–	62	17,396	–	17,396
Hutchison Telecommunications Hong Kong Holdings	2,268	636	7	–	–	2,911	(20)	2,891
Hutchison Asia Telecommunications	869	(1)	–	–	308	1,176	–	1,176
Finance & Investments and Others	1,327	873	(58)	–	–	2,142	(356)	1,786
<b>Total Comparable EBITDA</b>	<b>74,031</b>	<b>16,450</b>	<b>536</b>	<b>664</b>	<b>412</b>	<b>92,093</b>	<b>(10,097)</b>	<b>81,996</b>
Additional Contributions	–	–	–	–	–	–	10,097	10,097
<b>Total EBITDA before profits on disposal of investments &amp; others</b>	<b>74,031</b>	<b>16,450</b>	<b>536</b>	<b>664</b>	<b>412</b>	<b>92,093</b>	<b>–</b>	<b>92,093</b>
<b>EBIT</b>								
Ports and related services	6,242	1,611	23	–	81	7,957	(70)	7,887
Retail	10,246	2,082	–	–	–	12,328	–	12,328
Infrastructure	19,170	3,852	382	–	73	23,477	(5,376)	18,101
Husky Energy	1,796	138	–	88	207	2,229	(345)	1,884
3 Group Europe	9,188	1,403	–	–	1,073	11,664	–	11,664
Hutchison Telecommunications Hong Kong Holdings	1,096	340	(10)	–	–	1,426	22	1,448
Hutchison Asia Telecommunications	621	(248)	–	–	803	1,176	–	1,176
Finance & Investments and Others	1,002	785	(45)	–	80	1,822	(282)	1,540
<b>Total Comparable EBIT before profits on disposal of investments &amp; others</b>	<b>49,361</b>	<b>9,963</b>	<b>350</b>	<b>88</b>	<b>2,317</b>	<b>62,079</b>	<b>(6,051)</b>	<b>56,028</b>
Additional Contributions	–	–	–	–	–	–	6,051	6,051
<b>Total EBIT before profits on disposal of investments &amp; others</b>	<b>49,361</b>	<b>9,963</b>	<b>350</b>	<b>88</b>	<b>2,317</b>	<b>62,079</b>	<b>–</b>	<b>62,079</b>
Interest expenses and finance costs	(10,778)	(2,746)	(217)	(40)	1,200	(12,581)	–	(12,581)
Profit Before Tax	38,583	7,217	133	48	3,517	49,498	–	49,498
Tax								
Current tax	(5,589)	(1,155)	75	(65)	–	(6,734)	–	(6,734)
Deferred tax	(201)	52	(46)	119	(387)	(463)	–	(463)
	(5,790)	(1,103)	29	54	(387)	(7,197)	–	(7,197)
Profit after tax	32,793	6,114	162	102	3,130	42,301	–	42,301
Non-controlling interests and perpetual capital securities holders' interests	(7,994)	(1,855)	(143)	–	(48)	(10,040)	(133)	(10,173)
<b>Profit attributable to ordinary shareholders before profits on disposal of investments &amp; others</b>	<b>24,799</b>	<b>4,259</b>	<b>19</b>	<b>102</b>	<b>3,082</b>	<b>32,261</b>	<b>(133)</b>	<b>32,128</b>
- Comparable results	24,799	4,259	19	102	3,082	32,261	(2,897)	29,364
- Additional Contributions	–	–	–	–	–	–	2,764	2,764
<b>Profits on disposal of investments &amp; others, after tax</b>	<b>13,390</b>	<b>(14,483)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,093)</b>	<b>133</b>	<b>(960)</b>
<b>Profit attributable to ordinary shareholders</b>	<b>38,189</b>	<b>(10,224)</b>	<b>19</b>	<b>102</b>	<b>3,082</b>	<b>31,168</b>	<b>–</b>	<b>31,168</b>
- Comparable results	38,189	(10,224)	19	102	3,082	31,168	(2,764)	28,404
- Additional Contributions	–	–	–	–	–	–	2,764	2,764
<b>Profit attributable to ordinary shareholders</b>								
- Discontinued operations	80,381	–	–	–	–	–	–	–
	<b>118,570</b>							

- (1) CKHH's statutory results for the year ended 31 December 2015 reflects the Reorganisation that occurred on 3 June 2015. See note 6 of the financial statements for the operating segmental information disclosure on a statutory basis.
- (2) The CKHH pro forma results assume that the Reorganisation was effective as at 1 January 2015 and the pro forma adjustments made to the statutory basis represent the additional five months effect on the Group's results. Accordingly, the cost of Reorganisation of HK\$640 million was not included in the above pro forma results. This presentation is consistent with the way the Group manages the businesses and enables the Group's underlying performance to be evaluated on a comparable basis and has been prepared in accordance with the accounting policies of the Group as set out in note 3 of the financial statements.
- (3) The 50.03% share of HWL adjustments represent the Group's additional share of 50.03% of HWL (Total 100% share of the results of HWL's business continued by CKHH from January 2015 to May 2015 is included in the pro forma results) assuming the Reorganisation was effective from 1 January 2015. The net gain arising on the Group's re-measurement of 49.97% of HWL upon Reorganisation, as reported under the statutory basis, was not included under the pro forma results.
- (4) The Accounting for co-owned entities and investments adjustments mainly represent the consolidation of three co-owned infrastructure assets: Northumbrian Water, ParkN Fly as subsidiary companies effective from 1 January 2015; and UK Rails as subsidiary company effective upon acquisition in April 2015.
- (5) The Fair value adjustment on acquisition represents the additional five-month impact on the Group's results as a result of the fair value adjustments on the carrying values of the identifiable assets and liabilities of HWL that mainly resulted in lower depreciation and amortisation of telecommunication and other assets, lower effective interest rates as well as other consolidation adjustments.
- (6) As additional information, total pro forma revenue of HK\$396,087 million disclosed above is comprised of revenue from company and subsidiaries of HK\$277,317 million and the Group's share of associates and joint ventures' revenues of HK\$118,770 million.