Hutchison China MediTech completes an IPO on the Nasdaq Global Select Market in the US, raising over US$110 million.
Finance & Investments and Others
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”), Hutchison Water, the Marionnaud business and listed associate CK Life Sciences Group (“CKLS”).

<table>
<thead>
<tr>
<th></th>
<th>2016 HK$ millions</th>
<th>2015 (1) HK$ millions</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>22,574</td>
<td>22,563</td>
<td>–</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,513</td>
<td>2,142</td>
<td>-29%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,174</td>
<td>1,822</td>
<td>-36%</td>
</tr>
</tbody>
</table>

Note 1: 2015 pro forma total revenue, EBITDA, and EBIT assumed that the Reorganisation was effective on 1 January 2015.

Finance and Investments

Finance and investments mainly represents returns earned on the Group’s holdings of cash and liquid investments, which totalled HK$162,224 million at 31 December 2016. Further information on the Group’s treasury function can be found in the “Group Capital Resources and Liquidity” section of the 2016 Annual Report. The reduced EBITDA and EBIT contribution of this segment was mainly due to the impact of foreign exchange movements on monetary assets and the disposals of non-core investments in both years.
Other Operations

Hutchison Whampoa (China) Limited
HWCL operates various manufacturing, service and distribution joint ventures in the Mainland and Hong Kong, and also has an investment in Hutchison China MediTech Limited (“Chi-Med”), currently a 60.4% owned subsidiary that is dual-listed on AIM market of the London Stock Exchange in the UK and Nasdaq Global Select Market (“Nasdaq”) in the US. The listing of Chi-Med’s shares on Nasdaq was completed in the first half of 2016 and raised gross proceeds of over US$110 million. Chi-Med is an innovative biopharmaceutical company which researches, develops, manufactures and sells pharmaceuticals and healthcare products.

TOM Group
TOM, a 36.73% associate, is a media and technology company listed on SEHK. In addition to its media businesses in publishing and advertising, TOM also has a technology platform with operations in e-commerce, social network, mobile internet; and investments in fintech and big data analytics sectors.

Hutchison Water Limited
The Group has a 49% interest in a water desalination project in Israel which was granted a 26.5-year concession by the Israeli government to build and operate a water desalination plant in Sorek, Israel. The plant is one of the largest desalination plants in the world in terms of capacity.

Marionnaud
Marionnaud currently operates approximately 1,000 stores in 11 European markets, providing luxury perfumery and cosmetic products.

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

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$12,229 million, a decrease of 3% when compared last year mainly due to full year impact on the interest costs savings from loan refinancing at lower interest rates in the ports and infrastructure divisions during 2015. The Group’s weighted average cost of debt for 2016 was 2.18%.

The Group recorded current and deferred tax charges totalling HK$8,016 million for the year, an increase of 11% mainly due to lower benefits being recognised in 2016 for the Infrastructure businesses in the UK following the further enactment of UK corporate tax rate reduction against the benefit recognised in 2015.
Summary

Economic and market conditions remained volatile in 2016 which affect the Group's businesses worldwide. Despite facing various challenges, the Group continued to demonstrate its resilience and sustained growth in earnings in 2016, while maintaining a healthy and conservative level of liquidity and a strong balance sheet.

The Group remains committed to its dual objectives of maintaining a healthy rate of growth in recurring earnings and a stable financial profile. Cautious and selective expansion and stringent capital expenditure and cost controls will continue across all businesses. In Italy, the successful integration of the legacy businesses and delivery of the expected merger synergies by Wind Tre will be a key focus for 2017. By also maintaining a prudent financial profile and strong liquidity, the Group is expected to deliver promising growth in 2017. Barring adverse external developments in the sectors and geographies in which we operate, I have full confidence that these objectives will be achieved in 2017.

Fok Kin Ning, Canning
Group Co-Managing Director

Hong Kong, 22 March 2017