

Operations Review

Results Highlights for the year ended 31 December 2020

	Post-IFRS 16 ⁽¹⁾ Basis		
	2020 HK\$ million	2019 HK\$ million	Reported currency change
Total Revenue ⁽²⁾	403,846	439,856	-8%
Total EBITDA ⁽²⁾	122,348	136,049	-10%
Total EBIT ⁽²⁾	58,304	75,344	-23%
Profit attributable to ordinary shareholders	29,143	39,830	-27%
Earnings per share ⁽³⁾	HK\$7.56	HK\$10.33	-27%
Final dividend per share	HK\$1.70	HK\$2.30	-26%
Full year dividend per share	HK\$2.314	HK\$3.170	-27%

	Pre-IFRS 16 ⁽¹⁾ Basis			
	2020 HK\$ million	2019 HK\$ million	Local currencies change	Reported currency change
Total Revenue ⁽²⁾	403,846	439,856	-8%	-8%
Total EBITDA ⁽²⁾	96,944	112,068	-13%	-13%
Total EBIT ⁽²⁾	53,854	71,108	-24%	-24%
Profit attributable to ordinary shareholders	29,000	39,888	-28%	-27%

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 Annual Report 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 reflects management's view of the Group's underlying operational performance. IAS 17 basis metrics financial information is regularly reviewed by management and used for resource allocation, performance assessment and internal decision-making. As a result, the Group has provided an alternative presentation of the Group's EBITDA, EBIT and profit attributable to ordinary shareholders prepared under the Pre-IFRS 16 basis relating to the accounting for leases for the year ended 31 December 2019 and 2020. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report is on a Pre-IFRS 16 basis as mentioned above.

Note 2: Total revenue, earnings before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earnings before interest expenses and other finance costs and tax ("EBIT") include the Group's proportionate share of associated companies and joint ventures' respective items.

Note 3: Earnings per share for the year ended 31 December 2020 and 2019 is calculated based on profit attributable to ordinary shareholders.

Financial Performance Summary

	Pre-IFRS 16 ⁽¹⁾ 2020		Pre-IFRS 16 ⁽¹⁾ 2019		Change	Local currencies change
	HK\$ million	%	HK\$ million	%	%	%
Revenue⁽²⁾						
Ports and Related Services ⁽²⁾	32,865	8%	35,375	8%	-7%	-5%
Retail	159,619	40%	169,225	38%	-6%	-6%
Infrastructure	52,792	13%	51,191	12%	3%	4%
Energy	31,179	8%	47,618	11%	-35%	-33%
CK Hutchison Group Telecom	90,663	22%	93,517	21%	-3%	-4%
Hutchison Asia Telecommunications	9,147	2%	8,984	2%	2%	6%
Finance & Investments and Others	27,581	7%	33,946	8%	-19%	-18%
Total Revenue	403,846	100%	439,856	100%	-8%	-8%
EBITDA⁽²⁾						
Ports and Related Services ⁽²⁾	10,914	12%	13,405	12%	-19%	-17%
Retail	14,397	15%	16,891	15%	-15%	-16%
Infrastructure	29,066	30%	28,488	25%	2%	3%
Energy	(23,003)	-24%	3,139	3%	-833%	-835%
<i>Underlying</i>	<i>1,906</i>	<i>2%</i>	<i>9,122</i>	<i>8%</i>	<i>-79%</i>	<i>-80%</i>
<i>One-off impairment and other charges⁽³⁾</i>	<i>(24,909)</i>	<i>-26%</i>	<i>(5,983)</i>	<i>-5%</i>	<i>-316%</i>	<i>-316%</i>
CK Hutchison Group Telecom	48,540	50%	35,341	32%	37%	37%
Hutchison Asia Telecommunications	2,034	2%	2,167	2%	-6%	-3%
Finance & Investments and Others	14,996	15%	12,637	11%	19%	19%
Total EBITDA	96,944	100%	112,068	100%	-13%	-13%
EBIT⁽²⁾						
Ports and Related Services ⁽²⁾	6,717	12%	9,061	13%	-26%	-24%
Retail	10,933	20%	13,671	19%	-20%	-21%
Infrastructure	18,488	34%	19,220	27%	-4%	-3%
Energy	(28,096)	-52%	(3,004)	-4%	-835%	-841%
<i>Underlying</i>	<i>(3,187)</i>	<i>-6%</i>	<i>2,979</i>	<i>4%</i>	<i>-207%</i>	<i>-213%</i>
<i>One-off impairment and other charges⁽³⁾</i>	<i>(24,909)</i>	<i>-46%</i>	<i>(5,983)</i>	<i>-8%</i>	<i>-316%</i>	<i>-316%</i>
CK Hutchison Group Telecom	32,581	61%	21,131	30%	54%	54%
Hutchison Asia Telecommunications	544	1%	1,055	1%	-48%	-46%
Finance & Investments and Others	12,687	24%	9,974	14%	27%	26%
Total EBIT	53,854	100%	71,108	100%	-24%	-24%
Interest Expenses and other finance Costs ⁽²⁾	(15,139)		(15,657)		3%	
Profit Before Tax	38,715		55,451		-30%	
Tax ⁽²⁾						
Current tax	(7,557)		(7,814)		3%	
Deferred tax	6,087		113		5287%	
	(1,470)		(7,701)		81%	
Profit after tax	37,245		47,750		-22%	
Non-controlling interests and perpetual capital securities holders' interests	(8,245)		(7,862)		-5%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	29,000		39,888		-27%	-28%

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 Annual Report Standard 16 "Leases" ("IFRS 16") and the precedent lease accounting standard International Accounting Standard 17 "Leases" ("IAS 17") are referred to in this Annual Report 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 reflects 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 2019 and 2020. Unless otherwise specified, the discussion of the Group's operating results in this Annual Report 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: Represents the Group's share of Husky's impairment and other charges after consolidation adjustments.

	Post-IFRS 16 ⁽¹⁾ 2020		Post-IFRS 16 ⁽¹⁾ 2019		Change
	HK\$ million	%	HK\$ million	%	%
Revenue⁽²⁾					
Ports and Related Services ⁽²⁾	32,865	8%	35,375	8%	-7%
Retail	159,619	40%	169,225	38%	-6%
Infrastructure	52,792	13%	51,191	12%	3%
Energy	31,179	8%	47,618	11%	-35%
CK Hutchison Group Telecom	90,663	22%	93,517	21%	-3%
Hutchison Asia Telecommunications	9,147	2%	8,984	2%	2%
Finance & Investments and Others	27,581	7%	33,946	8%	-19%
Total Revenue	403,846	100%	439,856	100%	-8%
EBITDA⁽²⁾					
Ports and Related Services ⁽²⁾	13,748	11%	16,092	12%	-15%
Retail	24,557	20%	27,023	20%	-9%
Infrastructure	29,367	24%	28,751	21%	2%
Energy	(22,746)	-18%	3,480	3%	-754%
<i>Underlying</i>	<i>2,163</i>	<i>2%</i>	<i>9,463</i>	<i>7%</i>	<i>-77%</i>
<i>One-off impairment and other charges⁽³⁾</i>	<i>(24,909)</i>	<i>-20%</i>	<i>(5,983)</i>	<i>-4%</i>	<i>-316%</i>
CK Hutchison Group Telecom	56,706	46%	42,417	31%	34%
Hutchison Asia Telecommunications	4,362	4%	4,328	3%	1%
Finance & Investments and Others	16,354	13%	13,958	10%	17%
Total EBITDA	122,348	100%	136,049	100%	-10%
EBIT⁽²⁾					
Ports and Related Services ⁽²⁾	8,055	14%	10,216	14%	-21%
Retail	11,889	20%	14,705	19%	-19%
Infrastructure	18,537	32%	19,259	26%	-4%
Energy	(28,020)	-48%	(2,974)	-4%	-842%
<i>Underlying</i>	<i>(3,111)</i>	<i>-5%</i>	<i>3,009</i>	<i>4%</i>	<i>-203%</i>
<i>One-off impairment and other charges⁽³⁾</i>	<i>(24,909)</i>	<i>-43%</i>	<i>(5,983)</i>	<i>-8%</i>	<i>-316%</i>
CK Hutchison Group Telecom	33,484	57%	21,987	29%	52%
Hutchison Asia Telecommunications	1,480	3%	2,032	3%	-27%
Finance & Investments and Others	12,879	22%	10,119	13%	27%
Total EBIT	58,304	100%	75,344	100%	-23%
Interest Expenses and other finance Costs ⁽²⁾	(19,591)		(20,117)		3%
Profit Before Tax	38,713		55,227		-30%
Tax ⁽²⁾					
Current tax	(7,538)		(7,834)		4%
Deferred tax	6,227		215		2796%
	(1,311)		(7,619)		83%
Profit after tax	37,402		47,608		-21%
Non-controlling interests and perpetual capital securities holders' interests	(8,259)		(7,778)		-6%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	29,143		39,830		-27%

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