Fruquintinib, Hutchison China MediTech's first approved novel cancer drug in China, is granted Fast Track Designation by the US Food and Drug Administration and has initiated its Global Phase III Trial in the US, Europe and Japan.

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"), the Marionnaud businesses, listed associate CK Life Sciences Group ("CKLS") and listed subsidiary, Hutchison Telecommunications (Australia) Limited ("HTAL"), which has a 25.05% interest in TPG Telecom Limited ("TPG", formerly known as Vodafone Hutchison Australia or "VHA", prior to its merger with TPG Corporation Limited).

	2020 HK$ million	2019 HK$ million	Change	Local currencies change
Total Revenue	**27,581**	33,946	-19%	-18%
EBITDA [1]	**14,996**	12,637	+19%	+19%
EBIT [1]	**12,687**	9,974	+27%	+26%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK$16,354 million (2019: HK$13,958 million); EBIT was HK$12,879 million (2019: HK$10,119 million).

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$166,539 million at 31 December 2020. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of the 2020 Annual Report.

The higher EBITDA and EBIT results of this segment primarily due to the gain of approximately HK$10.1 billion arising from the dilution of the Group's attributable interest in VHA folllowing the completion of TPG-VHA merger recognised in 2020, partly offset by the gain of HK$6.9 billion arising from the derecognition of Hutchison China MediTech Limited ("HUTCHMED") as a subsidiary to an associated company recognised in 2019.

Other Operations

Hutchison Whampoa (China) Limited

HWCL operates various manufacturing, service and distribution joint ventures in the Mainland, Hong Kong and the United Kingdom, and also has 45.69% interest in HUTCHMED, which is dual-listed on 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 of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases. HUTCHMED raised additional equity through a follow-on offering of ADS in January 2020 and private placements in July and November 2020. Correspondingly, CKHH's shareholding was further diluted from 49.85% to 45.69%.

TOM Group

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

Marionnaud

Marionnaud had approximately 830 stores in 9 European markets as of 31 December 2020, 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.

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 (formerly known as Vodafone Hutchison Australia or "VHA"), a 50-50 joint venture with Vodafone Group Plc before its merger with TPG Corporation Limited (formerly named TPG Telecom Limited) which became effective on 26 June 2020. Post-merger, TPG Telecom Limited was listed on the ASX on 30 June 2020 and is held 25.05% by HTAL, 25.05% by Vodafone Group Plc and 49.9% by other shareholders.

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$15,139 million, decreased by 3% when compared to last year. The Group's weighted average cost of debt for 2020 was 1.7%, decreased from 2.1% in 2019, mainly due to the refinancing of Wind Tre external debt with CK Hutchison Group Telecom debt in August 2019, as well as interest costs savings from loan refinancing at lower interest rates.

The Group recorded current and deferred tax charges of HK$1,470 million in 2020, a decrease from HK$7,701 million in 2019, primarily reflected the lower profit before tax for 2020.

Sustainability: COVID-19

The COVID-19 pandemic has presented all of our stakeholders with unprecedented challenges. Due to the commitment of all of the Group's operations around the world, we have been able to provide support to employees, customers and communities with immediate and compassionate mitigating measures.

Employee health and wellbeing has been, and will continue to be, our number one priority. Throughout the pandemic, wherever possible, we have distributed masks daily, ensured workplace sanitising measures, and conducted temperature checks and onsite rapid COVID-19 testing. The Group implemented flexible and hybrid working policies, along with the necessary IT support, to fit the needs of employees in fulfilling their job requirements. Employee wellness programmes were also rolled out focusing on managing anxiety, staying active and keeping connected during lockdowns. Amongst our employees caseloads, hospital admissions and morbidity have trended well below national averages throughout the pandemic.

Supporting our customers and communities has also been on the top of our agenda. Our retail customers have been protected through rigorous social distancing measures such as floor markings indicating 1.5m distancing, one-way walking routes, coughing screens, cleaning stations, customer information points and expanded online shopping options. Telecommunications customers in certain countries were offered free data access and calls to healthcare support websites and hotlines, and customers working on the frontline were further supported with unlimited mobile data, voice calls and texts. Financial relief packages were also offered through our Infrastructure division. For example, CitiPower, Powercor and United Energy in Australia deferred electricity network charges for customers experiencing hardship, and Hong Kong Electric increased their subsidy measures to disadvantaged households, in addition to offering dining coupons, to lessen the financial burden felt during the crisis.

Across the Group, the divisions supported healthcare services as they faced equipment shortages and increasing patient caseloads. The ports division funded the construction of independent air-conditioning systems for COVID-19 hospital wards in Thailand and donated hospital beds and ventilators for intensive care units in Panama. The Group further donated personal protective equipment and financial support to hospitals in Mainland China, Hong Kong, Italy, the UK and Malaysia, and to respond to the unstable global supply of hygienic face masks, the Group transformed part of its bottled water manufacturing factory in Hong Kong into a safe environment for mask production. To assist with the challenge of a global vaccine rollout, the retail division in the UK became one of several high-street retailers to support the UK's vaccine rollout increasing accessibility to our local communities.

To support local businesses and school children needing to make the switch to online learning, the telecommunications division donated internet packages to Small and Medium Enterprises in Austria, Zoom classroom accounts in Hong Kong, tablets, internet access and school materials to underprivileged families in Italy, and phones and sims with pre-loaded data to 160 schools around Ireland. The telecommunications operation in the UK also collaborated with the Ministry of Justice to zero-rate access to victim support and domestic abuse services as well as with the Department for Education to give disadvantaged children unlimited data to enable online learning from home. The volunteer teams at the ports division also worked to deliver food packages and other personal protective necessities to communities in areas that have been hit hardest by the pandemic in Pakistan, the UK, Hong Kong, Spain and Panama.

Summary

Although the outlook for 2021 is likely to remain challenging, the operating environment is expected to be similar to the second half of 2020. The Group has been adapting and reacting to the changing market conditions and business environments. All businesses will continue to accelerate digital and access solutions and capabilities to service the changes in customer demands, maintaining the strict financial and cost disciplines, as well as preserving cash flows to maintain the Group's strong financial position. Together with the various transactions completing in 2021, the Group is expected to strengthen the balance sheet and deliver solid performances in the coming year.

Fok Kin Ning, Canning
Group Co-Managing Director

Hong Kong, 18 March 2021