

Operations Review

Results Highlights for the year ended 31 December 2021

Year ended 31 December	Post-IFRS 16 ⁽¹⁾ Basis				
	2021 HK\$ million	2020 HK\$ million	2021 HK\$ per share	2020 HK\$ per share	Change
Total Revenue ⁽²⁾	445,383	403,846			
Total EBITDA ⁽²⁾	135,653	122,348			
Total EBIT ⁽²⁾	68,818	58,304			
Reported earnings ⁽³⁾	33,484	29,143	8.70	7.56	+15%
Final dividend per share			1.86	1.70	+9%
Full year dividend per share			2.660	2.314	+15%

Year ended 31 December	Pre-IFRS 16 ⁽¹⁾ Basis	
	2021 HK\$ million	2020 HK\$ million
Total Revenue ⁽²⁾	445,383	403,846
Total EBITDA ⁽²⁾	111,227	96,944
Total EBIT ⁽²⁾	64,744	53,854
Reported earnings ⁽³⁾	33,500	29,000

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 reflect 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 2020 and 2021. 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: Reported earnings represent profit attributable to shareholders. Reported earnings per share for the year ended 31 December 2021 and 2020 is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of shares outstanding during the periods of 3,847,582,641 and 3,856,240,500 respectively.

Financial Performance Summary

	Pre-IFRS 16 ⁽¹⁾		Pre-IFRS 16 ⁽¹⁾⁽²⁾		Change %	Local currencies change %
	2021 HK\$ million	%	2020 HK\$ million	%		
Revenue⁽³⁾						
Ports and Related Services ⁽³⁾	42,285	9%	32,865	8%	29%	26%
Retail	173,601	39%	159,619	40%	9%	6%
Infrastructure	56,100	13%	52,792	13%	6%	–
CK Hutchison Group Telecom	92,575	21%	90,663	22%	2%	-3%
Hutchison Asia Telecommunications	8,786	2%	9,147	2%	-4%	-5%
Finance & Investments and Others	72,036	16%	58,760	15%	23%	20%
Total Revenue	445,383	100%	403,846	100%	10%	7%
EBITDA⁽³⁾						
Ports and Related Services ⁽³⁾	15,157	13%	10,914	12%	39%	35%
Retail	16,034	14%	14,397	15%	11%	9%
Infrastructure	29,636	27%	29,066	30%	2%	-5%
CK Hutchison Group Telecom	43,052	39%	48,540	50%	-11%	-14%
Hutchison Asia Telecommunications	2,036	2%	2,034	2%	–	-1%
Finance & Investments and Others	5,312	5%	(8,007)	-9%	166%	165%
Total EBITDA	111,227	100%	96,944	100%	15%	10%
EBIT⁽³⁾						
Ports and Related Services ⁽³⁾	10,737	17%	6,717	12%	60%	55%
Retail	12,460	19%	10,933	20%	14%	12%
Infrastructure	19,095	30%	18,488	34%	3%	-4%
CK Hutchison Group Telecom	23,462	36%	32,581	61%	-28%	-30%
Hutchison Asia Telecommunications	209	–	544	1%	-62%	-63%
Finance & Investments and Others	(1,219)	-2%	(15,409)	-28%	92%	92%
Total EBIT	64,744	100%	53,854	100%	20%	16%
Interest Expenses and other finance Costs ⁽³⁾	(14,659)		(15,139)		3%	
Profit Before Tax	50,085		38,715		29%	
Tax ⁽³⁾						
Current tax	(7,631)		(7,557)		-1%	
Deferred tax	(1,947)		6,087		-132%	
	(9,578)		(1,470)		-552%	
Profit after tax	40,507		37,245		9%	
Non-controlling interests and perpetual capital securities holders' interests	(7,007)		(8,245)		15%	
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	33,500		29,000		16%	12%

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Note 2: The year ended 31 December 2020 comparative has been reclassified to enable a better comparison of performance. Subsequent to merger completion between Cenovus Energy and Husky in January 2021, the Group's sharing of Cenovus Energy's results is reported under Finance & Investments and Others segment. The Group's sharing of Husky's results included in the Energy division for the year ended 31 December 2020 have been reclassified to the Finance & Investments and Others segment to conform with the year ended 31 December 2021 presentation.

Note 3: 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.

Financial Performance Summary

	Post-IFRS 16 ⁽¹⁾		Post-IFRS 16 ⁽¹⁾⁽²⁾		Change %
	2021 HK\$ million	%	2020 HK\$ million	%	
Revenue⁽³⁾					
Ports and Related Services ⁽³⁾	42,285	9%	32,865	8%	29%
Retail	173,601	39%	159,619	40%	9%
Infrastructure	56,100	13%	52,792	13%	6%
CK Hutchison Group Telecom	92,575	21%	90,663	22%	2%
Hutchison Asia Telecommunications	8,786	2%	9,147	2%	-4%
Finance & Investments and Others	72,036	16%	58,760	15%	23%
Total Revenue	445,383	100%	403,846	100%	10%
EBITDA⁽³⁾					
Ports and Related Services ⁽³⁾	18,008	13%	13,748	11%	31%
Retail	26,119	19%	24,557	20%	6%
Infrastructure	29,938	22%	29,367	24%	2%
CK Hutchison Group Telecom	50,892	38%	56,706	46%	-10%
Hutchison Asia Telecommunications	4,232	3%	4,362	4%	-3%
Finance & Investments and Others	6,464	5%	(6,392)	-5%	201%
Total EBITDA	135,653	100%	122,348	100%	11%
EBIT⁽³⁾					
Ports and Related Services ⁽³⁾	11,946	17%	8,055	14%	48%
Retail	13,370	20%	11,889	20%	12%
Infrastructure	19,139	28%	18,537	32%	3%
CK Hutchison Group Telecom	24,530	36%	33,484	57%	-27%
Hutchison Asia Telecommunications	979	1%	1,480	3%	-34%
Finance & Investments and Others	(1,146)	-2%	(15,141)	-26%	92%
Total EBIT	68,818	100%	58,304	100%	18%
Interest Expenses and other finance Costs ⁽³⁾	(18,841)		(19,591)		4%
Profit Before Tax	49,977		38,713		29%
Tax ⁽³⁾					
Current tax	(7,629)		(7,538)		-1%
Deferred tax	(1,932)		6,227		-131%
	(9,561)		(1,311)		-629%
Profit after tax	40,416		37,402		8%
Non-controlling interests and perpetual capital securities holders' interests	(6,932)		(8,259)		16%
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")	33,484		29,143		15%

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