

# Operations Review

## Results for the year ended 31 December 2023

Year ended 31 December	Post-IFRS 16 <sup>(1)</sup> Basis				
	2023 HK\$ million	2022 HK\$ million	2023 HK\$ per share	2022 HK\$ per share	Change
Total Revenue <sup>(2)</sup>	461,558	457,229			
Total EBITDA <sup>(2)</sup>	127,309	142,132			
Total EBIT <sup>(2)</sup>	62,770	78,261			
Reported earnings <sup>(3)</sup>					
- Underlying	23,500	25,741	6.14	6.72	-9%
- One-time items <sup>(4)</sup>	-	10,939	-	2.85	
	23,500	36,680	6.14	9.57	-36%
Final dividend per share			1.775	2.086	-14.9%
Full year dividend per share			2.531	2.926	-13.5%

Year ended 31 December	Pre-IFRS 16 <sup>(1)</sup> Basis					
	Reported		Underlying <sup>(4)</sup>			
	2023 HK\$ million	2022 HK\$ million	2023 HK\$ million	2022 HK\$ million	Reported currency change	Local currencies change
Total Revenue <sup>(2)</sup>	461,558	457,229	461,558	457,229	+1%	+1%
Total EBITDA <sup>(2)</sup>	104,880	119,010	104,880	106,207	-1%	-1%
Total EBIT <sup>(2)</sup>	58,568	72,864	58,568	60,061	-2%	-2%
Reported earnings <sup>(3)</sup>	23,243	34,869	23,243	25,140	-8%	-7%

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 the relevant Hong Kong Financial Reporting Standards. 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 Reported earnings prepared under the Pre-IFRS 16 basis relating to the accounting for leases. 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 2023 and 2022 is calculated based on profit attributable to ordinary shareholders and CKHH's weighted average number of shares outstanding during the periods of 3,830,044,500 and 3,834,106,390 respectively.

Note 4: Underlying results for the year ended 31 December 2022 exclude one-time net gain of HK\$12.8 billion at EBITDA, EBIT and HK\$9.7 billion at Reported earnings, under pre-IFRS 16 and HK\$10.9 billion at post-IFRS 16 Reported earnings, comprising net gain from the disposal of UK tower assets, the Indonesian telecommunication business merger and non-cash impairments of the Italy and Sri Lanka telecommunication businesses.

## Financial Performance Summary

	Post-IFRS 16 <sup>(1)</sup> 2023		Post-IFRS 16 <sup>(1)</sup> 2022		Change %
	HK\$ million	%	HK\$ million	%	
<b>Revenue<sup>(2)</sup></b>					
Ports and Related Services <sup>(2)</sup>	40,851	9%	44,141	10%	-7%
Retail	183,344	40%	169,645	37%	8%
Infrastructure	54,714	12%	54,441	12%	1%
CK Hutchison Group Telecom	86,814	19%	83,289	18%	4%
Hutchison Asia Telecommunications	11,779	2%	11,628	2%	1%
Finance & Investments and Others	84,056	18%	94,085	21%	-11%
<b>Total Revenue</b>	<b>461,558</b>	<b>100%</b>	<b>457,229</b>	<b>100%</b>	<b>1%</b>
<b>EBITDA<sup>(2)</sup></b>					
Ports and Related Services <sup>(2)</sup>	16,415	13%	19,007	13%	-14%
Retail	25,507	20%	23,359	16%	9%
Infrastructure	29,526	23%	29,109	21%	1%
CK Hutchison Group Telecom	29,081	23%	39,002	27%	-25%
Hutchison Asia Telecommunications	6,011	5%	12,478	9%	-52%
Finance & Investments and Others	20,769	16%	19,177	14%	8%
<b>Total EBITDA</b>	<b>127,309</b>	<b>100%</b>	<b>142,132</b>	<b>100%</b>	<b>-10%</b>
- Underlying	127,309		128,119		-1%
- One-off items <sup>(3)</sup>	-		14,013		
<b>EBIT<sup>(2)</sup></b>					
Ports and Related Services <sup>(2)</sup>	10,583	17%	13,024	17%	-19%
Retail	13,849	22%	11,831	15%	17%
Infrastructure	19,616	31%	18,872	24%	4%
CK Hutchison Group Telecom	3,191	5%	14,216	18%	-78%
Hutchison Asia Telecommunications	2,388	4%	8,582	11%	-72%
Finance & Investments and Others	13,143	21%	11,736	15%	12%
<b>Total EBIT</b>	<b>62,770</b>	<b>100%</b>	<b>78,261</b>	<b>100%</b>	<b>-20%</b>
- Underlying	62,770		64,248		-2%
- One-off items <sup>(3)</sup>	-		14,013		
Interest Expenses and Other Finance Costs <sup>(2)</sup>	(24,200)		(18,398)		-32%
Profit Before Tax	38,570		59,863		-36%
Tax <sup>(2)</sup>					
Current tax	(7,701)		(9,418)		18%
Deferred tax	(690)		(6,762)		90%
	(8,391)		(16,180)		48%
Profit after tax	30,179		43,683		-31%
Non-controlling interests and perpetual capital securities holders' interests	(6,679)		(7,003)		5%
<b>PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")</b>	<b>23,500</b>		<b>36,680</b>		<b>-36%</b>
- Underlying	23,500		25,741		-9%
- One-off items <sup>(3)</sup>	-		10,939		

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.

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: Comprise HK\$19,060 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK\$15,926 million) and Indonesian telecommunication business merger gain (HK\$7,245 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK\$11,039 million) and Sri Lanka (HK\$1,000 million), as well as HK\$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK\$193 million).

## Financial Performance Summary

	Pre-IFRS 16 <sup>(1)</sup> 2023		Pre-IFRS 16 <sup>(1)</sup> 2022		Change %	Local currencies change %
	HK\$ million	%	HK\$ million	%		
<b>Revenue<sup>(2)</sup></b>						
Ports and Related Services <sup>(2)</sup>	40,851	9%	44,141	10%	-7%	-9%
Retail	183,344	40%	169,645	37%	8%	8%
Infrastructure	54,714	12%	54,441	12%	1%	2%
CK Hutchison Group Telecom	86,814	19%	83,289	18%	4%	3%
Hutchison Asia Telecommunications	11,779	2%	11,628	2%	1%	4%
Finance & Investments and Others	84,056	18%	94,085	21%	-11%	-8%
<b>Total Revenue</b>	<b>461,558</b>	<b>100%</b>	<b>457,229</b>	<b>100%</b>	<b>1%</b>	<b>1%</b>
<b>EBITDA<sup>(2)</sup></b>						
Ports and Related Services <sup>(2)</sup>	13,628	13%	15,805	13%	-14%	-14%
Retail	16,226	15%	14,309	12%	13%	11%
Infrastructure	29,201	28%	28,815	24%	1%	3%
CK Hutchison Group Telecom	22,341	21%	32,192	27%	-31%	-32%
Hutchison Asia Telecommunications	3,952	4%	9,420	8%	-58%	-57%
Finance & Investments and Others	19,532	19%	18,469	16%	6%	9%
<b>Total EBITDA</b>	<b>104,880</b>	<b>100%</b>	<b>119,010</b>	<b>100%</b>	<b>-12%</b>	<b>-12%</b>
- Underlying	104,880		106,207		-1%	-1%
- One-off items <sup>(3)</sup>	-		12,803			
<b>EBIT<sup>(2)</sup></b>						
Ports and Related Services <sup>(2)</sup>	9,328	16%	11,426	16%	-18%	-19%
Retail	12,888	22%	11,048	15%	17%	14%
Infrastructure	19,562	33%	18,833	26%	4%	5%
CK Hutchison Group Telecom	2,265	4%	12,803	18%	-82%	-83%
Hutchison Asia Telecommunications	1,612	3%	6,745	9%	-76%	-76%
Finance & Investments and Others	12,913	22%	12,009	16%	8%	10%
<b>Total EBIT</b>	<b>58,568</b>	<b>100%</b>	<b>72,864</b>	<b>100%</b>	<b>-20%</b>	<b>-19%</b>
- Underlying	58,568		60,061		-2%	-2%
- One-off items <sup>(3)</sup>	-		12,803			
Interest Expenses and Other Finance Costs <sup>(2)</sup>	(20,147)		(14,860)		-36%	
Profit Before Tax	38,421		58,004		-34%	
Tax <sup>(2)</sup>						
Current tax	(7,705)		(9,421)		18%	
Deferred tax	(795)		(6,670)		88%	
	(8,500)		(16,091)		47%	
Profit after tax	29,921		41,913		-29%	
Non-controlling interests and perpetual capital securities holders' interests	(6,678)		(7,044)		5%	
<b>PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS ("NPAT")</b>	<b>23,243</b>		<b>34,869</b>		<b>-33%</b>	<b>-33%</b>
- Underlying	23,243		25,140		-8%	-7%
- One-off items <sup>(3)</sup>	-		9,729			

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Note 3: Comprise HK\$18,957 million gain (before tax) from the disposal of UK tower assets (disposal gain after tax: HK\$15,823 million) and Indonesian telecommunication business merger gain (HK\$6,100 million), partly offset by non-cash impairments of the Group's telecommunication businesses in Italy (HK\$11,039 million) and Sri Lanka (HK\$962 million), as well as HK\$253 million non-cash impairment charges (before tax) of Cenovus Energy (impairment charges after tax: HK\$193 million).