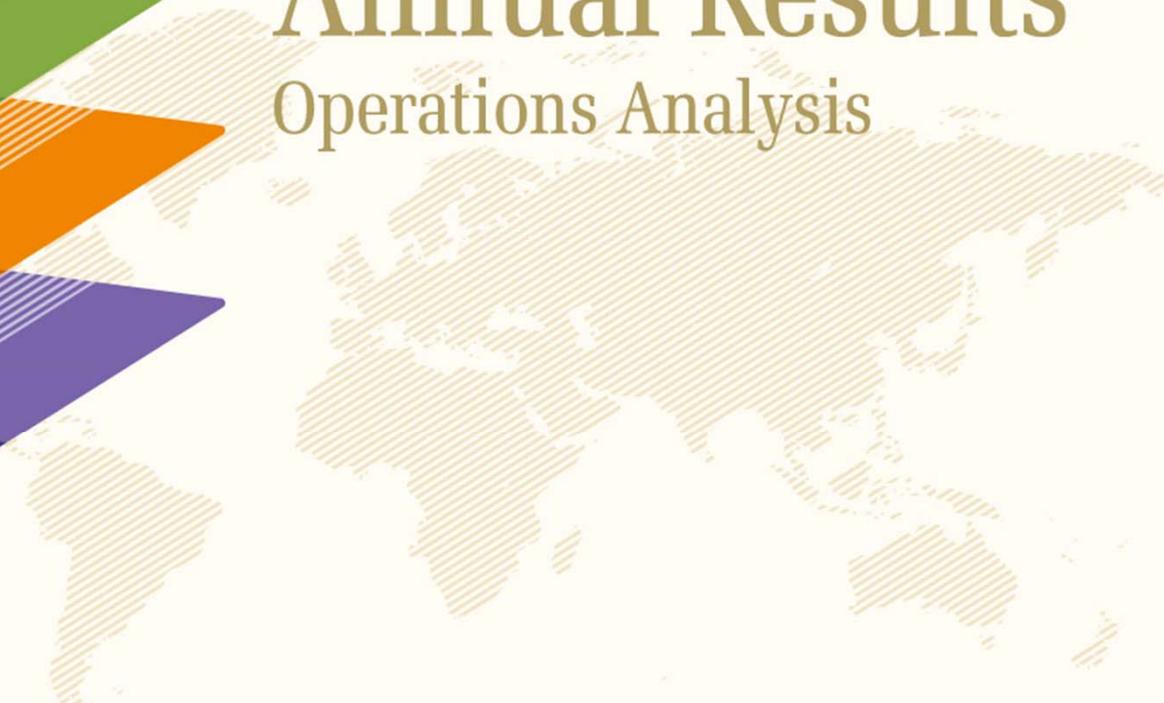




長江和記實業有限公司  
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock code: 1



# 2017

## Annual Results

### Operations Analysis

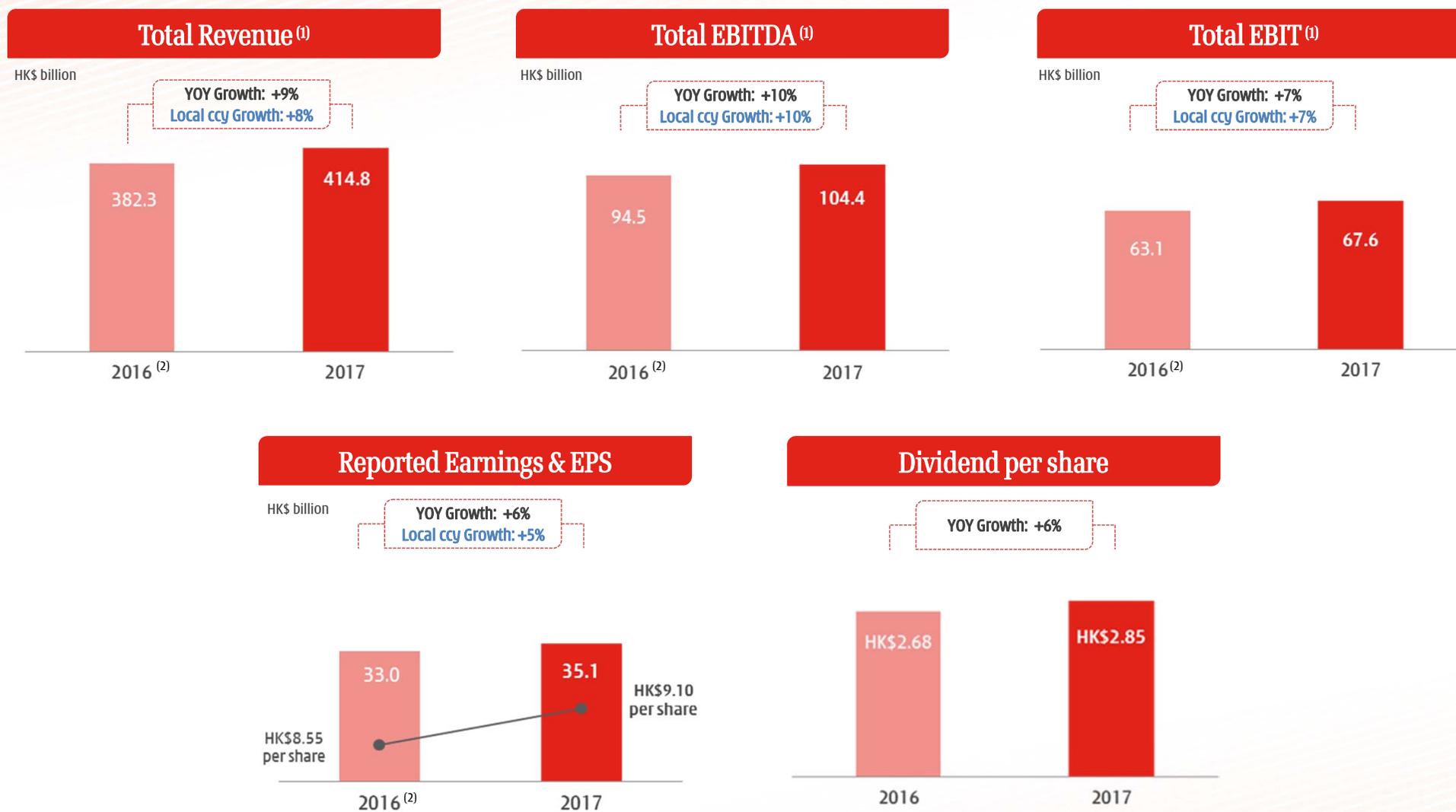
# Disclaimer

Potential investors and shareholders of the Company (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group for the year ended 31 December 2017. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2017 Annual Report for the audited results of the Company which are published in accordance with the Listing Rules of the Stock Exchange of Hong Kong Limited.

The performance and the results of operations of the Group contained within this Presentation are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Presentation are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Presentation; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

# 2017 Financial Highlights



Note (1): Total revenue, EBITDA and EBIT include the Group's proportionate share of associated companies and joint ventures' respective items.

Note (2): The 2016 comparative has been reclassified to enable a better comparison of performance. The items in "profit on disposal of investments & others" in 2016 have been reclassified to the respective lines under revenue, EBITDA and EBIT to conform with 2017 presentation.

# Business & Geographical Diversification

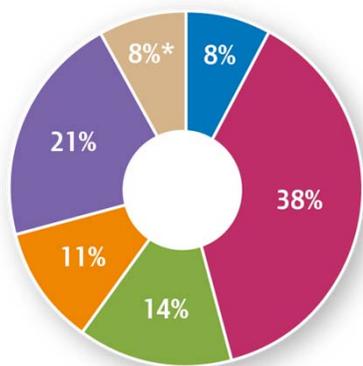
## Total Revenue

**HK\$414,837m**

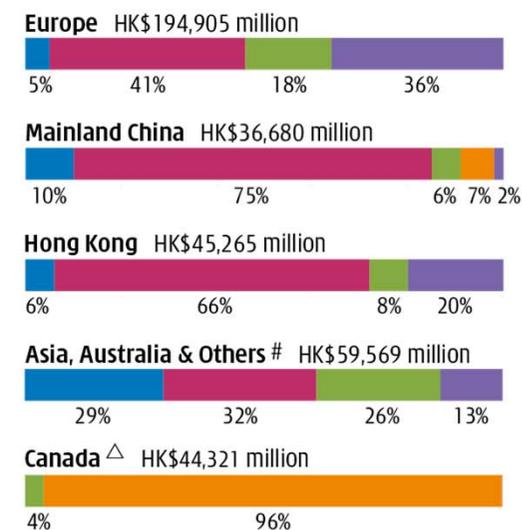
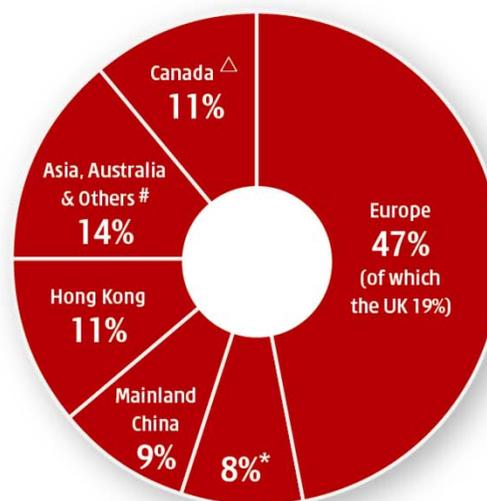
**↑ 9%**

(+8% in local currencies)

## By Division



## By Geographical Location



\* Represents contributions from Finance & Investments and Others  
 # Includes Panama, Mexico and the Middle East  
 Δ Includes contribution from the USA for Husky Energy

# Business & Geographical Diversification

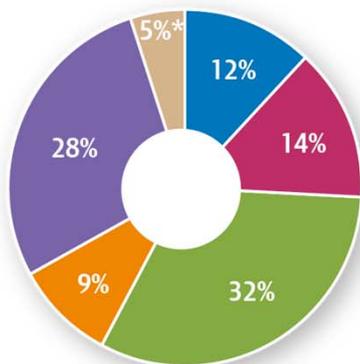
## Total EBITDA

**HK\$104,354m**

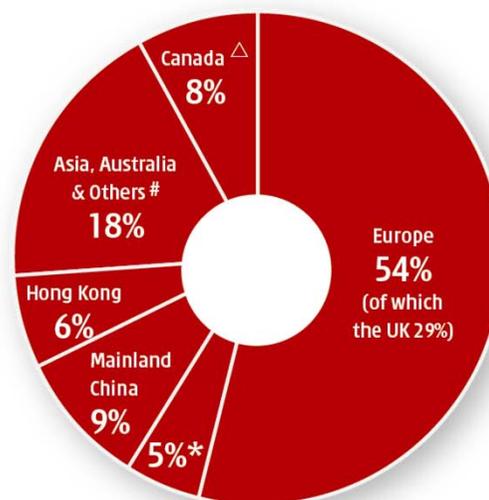
**↑ 10%**

(+10% in local currencies)

## By Division



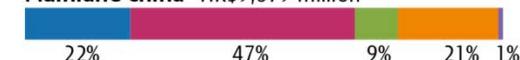
## By Geographical Location



### Europe HK\$56,291 million



### Mainland China HK\$9,679 million



### Hong Kong HK\$6,370 million



### Asia, Australia & Others # HK\$18,381 million



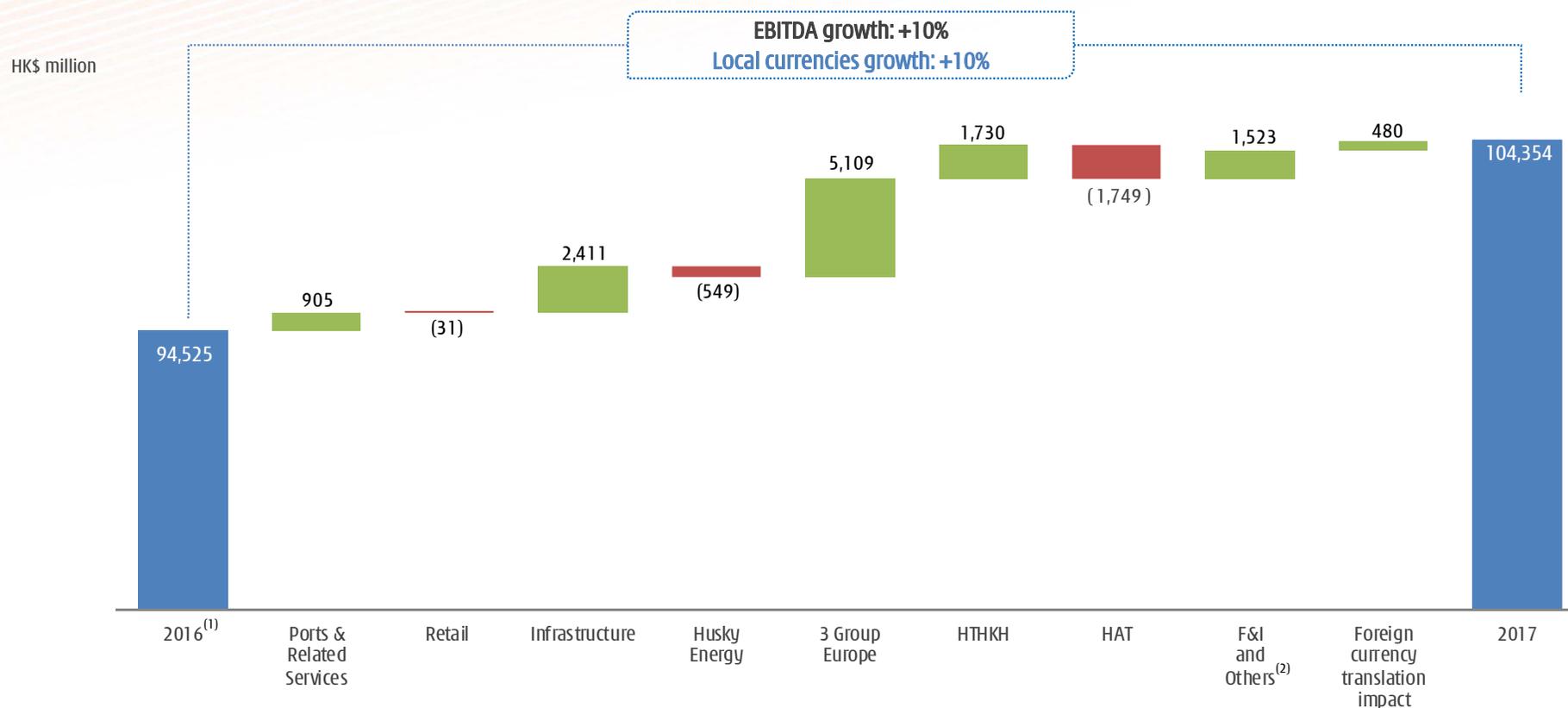
### Canada Δ HK\$7,897 million



\* Represents contributions from Finance & Investments and Others  
 # Includes Panama, Mexico and the Middle East  
 Δ Includes contribution from the USA for Husky Energy

# Business & Geographical Diversification

## Total EBITDA



2017	12,563	14,798	33,033	8,992	24,337	4,337	558	5,736	104,354
2016	11,639	14,567	31,128	9,284	18,944	2,607	2,298	4,058	94,525
Variance	924	231	1,905	(292)	5,393	1,730	(1,740)	1,678	9,829
% Change	↑ 8%	↑ 2%	↑ 6%	↓ -3%	↑ 28%	↑ 66%	↓ -76%	↑ 41%	↑ 10%
FX impact	19	262	(506)	257	284	-	9	155	480
Underlying variance	905	(31)	2,411	(549)	5,109	1,730	(1,749)	1,523	9,349
% Change in local currencies	↑ 8%	→ 0%	↑ 8%	↓ -6%	↑ 27%	↑ 66%	↓ -76%	↑ 38%	↑ 10%

Note (1): The comparatives have been reclassified to enable a better comparison of underlying performance. The items in "profit on disposal of investments & others" in 2016 have been reclassified and presented in revenue, EBITDA and EBIT to conform with 2017 presentation.

Note (2): F&I and Others includes listed companies (Hutchison China Meditech, Tom Group, CK Life Sciences, Hutchison Telecom Australia (with 50% interest in Vodafone Hutchison Australia) and other unlisted entities. 2017 EBITDA included a disposal gain of HK\$1,922 million relating to a manufacturing plant in Mainland China.

# Business & Geographical Diversification

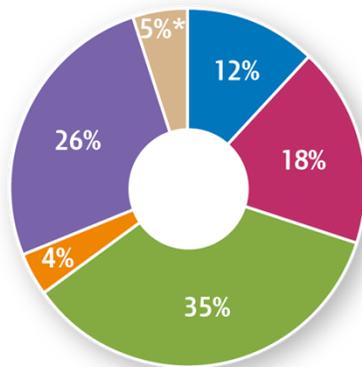
## Total EBIT

**HK\$67,592m**

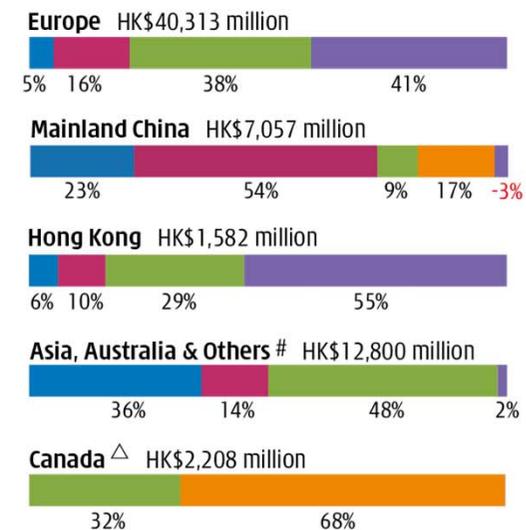
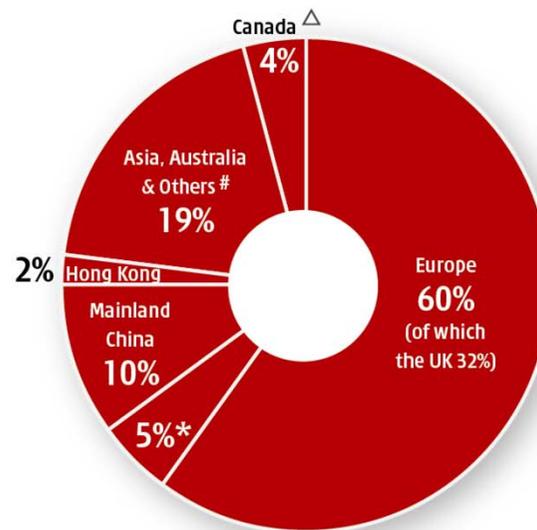
**↑ 7%**

(+7% in local currencies)

## By Division



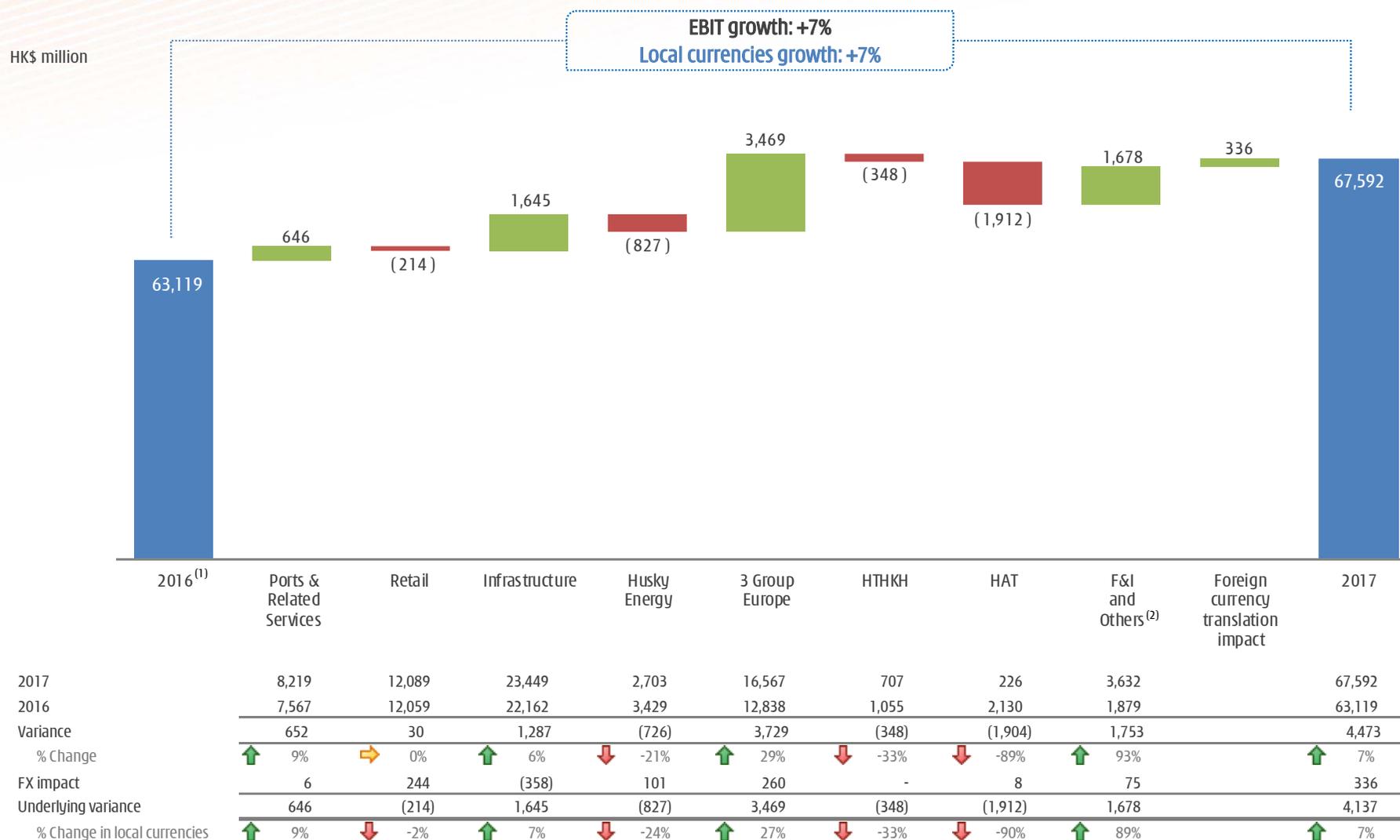
## By Geographical Location



\* Represents contributions from Finance & Investments and Others  
 # Includes Panama, Mexico and the Middle East  
 Δ Includes contribution from the USA for Husky Energy

# Business & Geographical Diversification

## Total EBIT

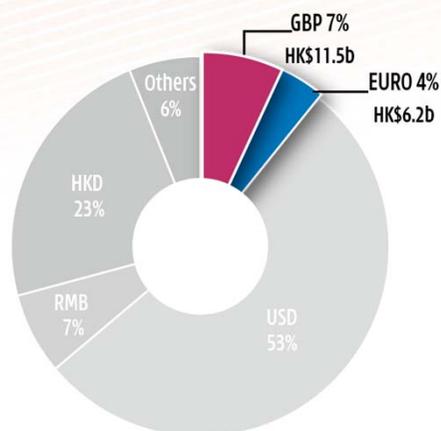


Note (1): The comparatives have been reclassified to enable a better comparison of underlying performance. The items in "profit on disposal of investments & others" in 2016 have been reclassified and presented in revenue, EBITDA and EBIT to conform with 2017 presentation.

Note (2): F&I and Others includes listed companies (Hutchison China Meditech, Tom Group, CK Life Sciences, Hutchison Telecom Australia (with 50% interest in Vodafone Hutchison Australia) and other unlisted entities. 2017 EBIT included a disposal gain of HK\$1,922 million relating to a manufacturing plant in Mainland China.

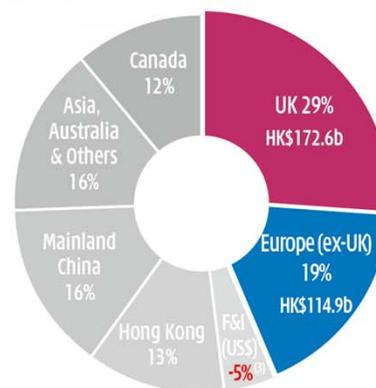
# European Segment

## Cash & Cash Equivalent



**HK\$168.3b**

## Net Assets

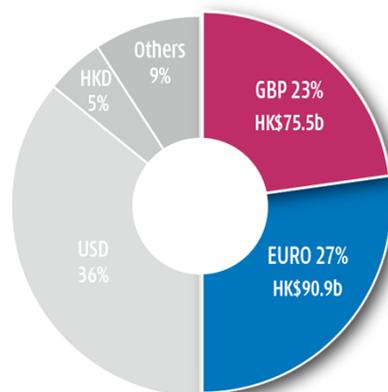


**HK\$591.5b**

## Currency Sensitivities

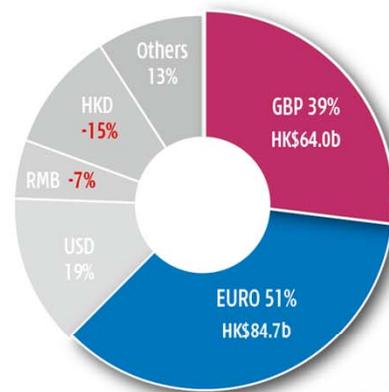
HK\$ billion	10% depreciation GBP against HKD <sup>(2)</sup>	10% depreciation EURO against HKD <sup>(2)</sup>
EBITDA	↓ 2.9	↓ 2.1
Cash & Cash Equivalent	↓ 1.2	↓ 0.6
Gross Debt	↓ 7.6	↓ 9.1
Net Debt	↓ 6.4	↓ 8.5
Net Assets	↓ 13.0	↓ 4.8
Gross Debt / EBITDA (times)	Flat	Flat
Net Debt Ratio (%-point)	↓ 0.3%	↓ 0.8%

## Gross Debt <sup>(4)</sup>



**HK\$333.2b**

## Net Debt



**HK\$164.9b**

Note (1): All percentages in the pie charts represent % of the Group's total amount.

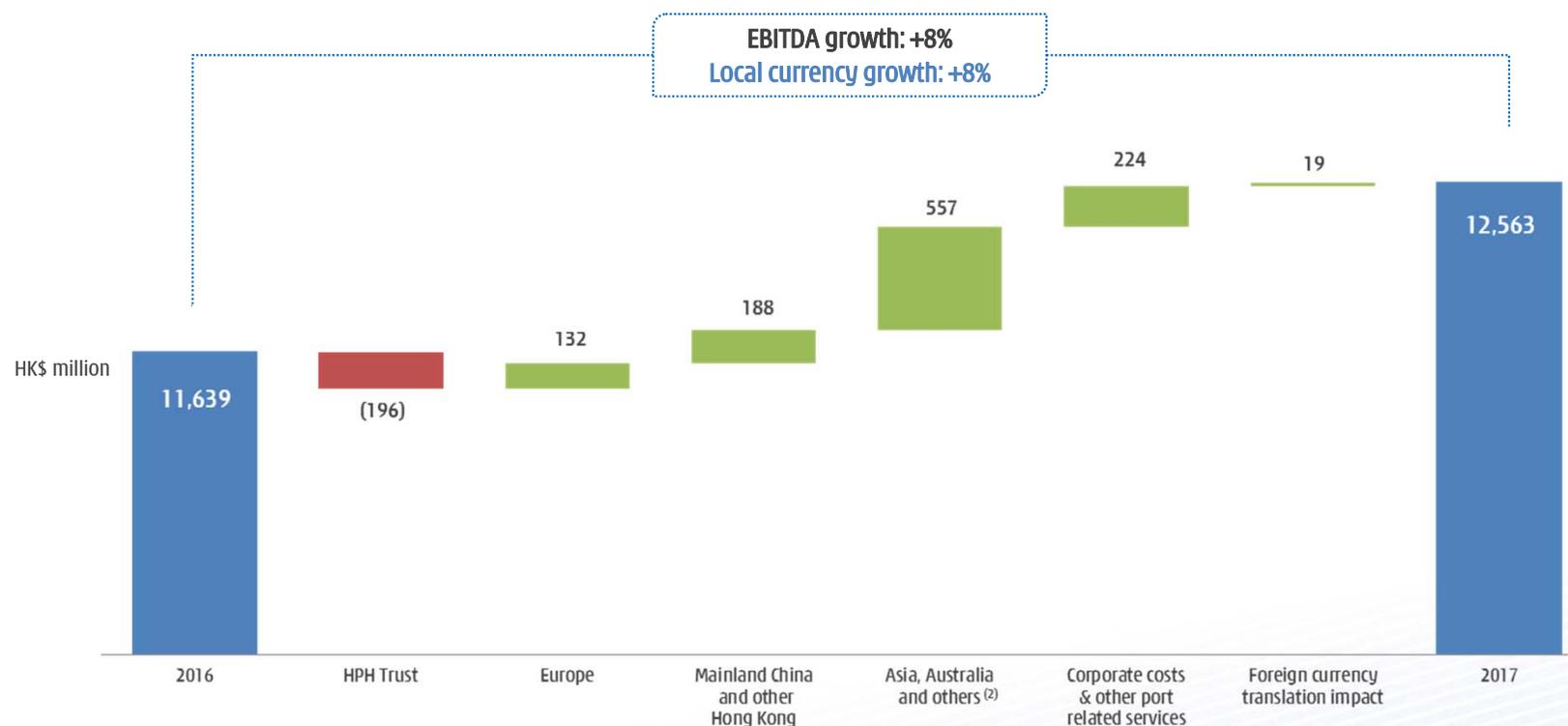
Note (2): Impact on the Group's 2017 results.

Note (3): Mainly represents USD debt at corporate level.

Note (4): Includes unamortised fair value adjustments arising from acquisitions of HK\$10,339 million.

# Ports and Related Services

	2017 <sup>(1)</sup> HK\$ million	2016 <sup>(1)</sup> HK\$ million	% Change	% Change in local currencies
Total Revenue	34,146	32,184	+6%	+6%
EBITDA	12,563	11,639	+8%	+8%
EBIT	8,219	7,567	+9%	+9%
Throughput	84.7 million TEU	81.4 million TEU	+4%	N/A



Note (1): Total Revenue, EBITDA and EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note (2): Asia, Australia and others includes Panama, Mexico and the Middle East.

# Ports and Related Services

## Total Container Throughput

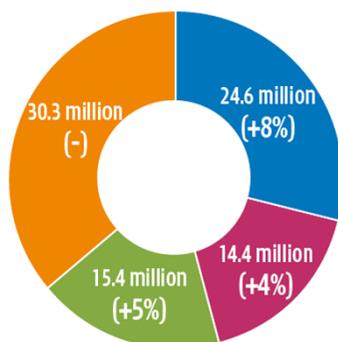
**84.7m TEU**


**3.3m TEU**  
 (+4%)

Mainly from:


 Mainland  
 Hong Kong  
 Panama  
 Barcelona  
 Pakistan new port


 Klang  
 Freeport  
 Jakarta  
 Dammam



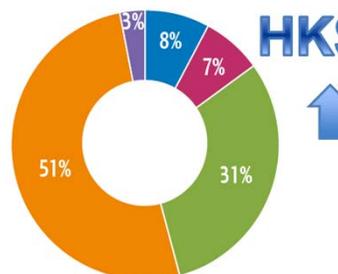
■ HPH Trust ■ Mainland China and Other Hong Kong  
 ■ Europe ■ Asia, Australia and Others\*

\* Asia, Australia and Others includes Panama, Mexico and the Middle East.

## Total Revenue (1)

**HK\$34.1b**


**6%**

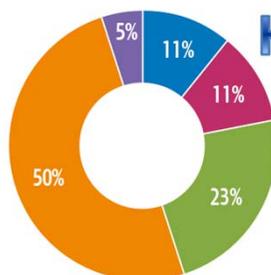


■ HPH Trust (-4%) ■ Mainland China and Other Hong Kong (+3%)  
 ■ Europe (+7%) ■ Asia, Australia and Others\* (+6%)  
 ■ Other port related services (+22%)

## Total EBITDA (1)

**HK\$12.6b**


**8%**



■ HPH Trust (-13%) ■ Mainland China and Other Hong Kong (+15%)  
 ■ Europe (+5%) ■ Asia, Australia and Others\* (+10%)  
 ■ Corporate costs & Other port related services (+51%)

## Operating Berths (2)

as at 31 December 2017

**287 berths**


**12 berths**

**Europe :**

Amsterdam, Netherlands (+1)

**Asia:**

Klang, Malaysia (+3)

Karachi, Pakistan (+1)

**Middle East:**

RAK, United Arab Emirates (+3)

UAQ, United Arab Emirates (+3)

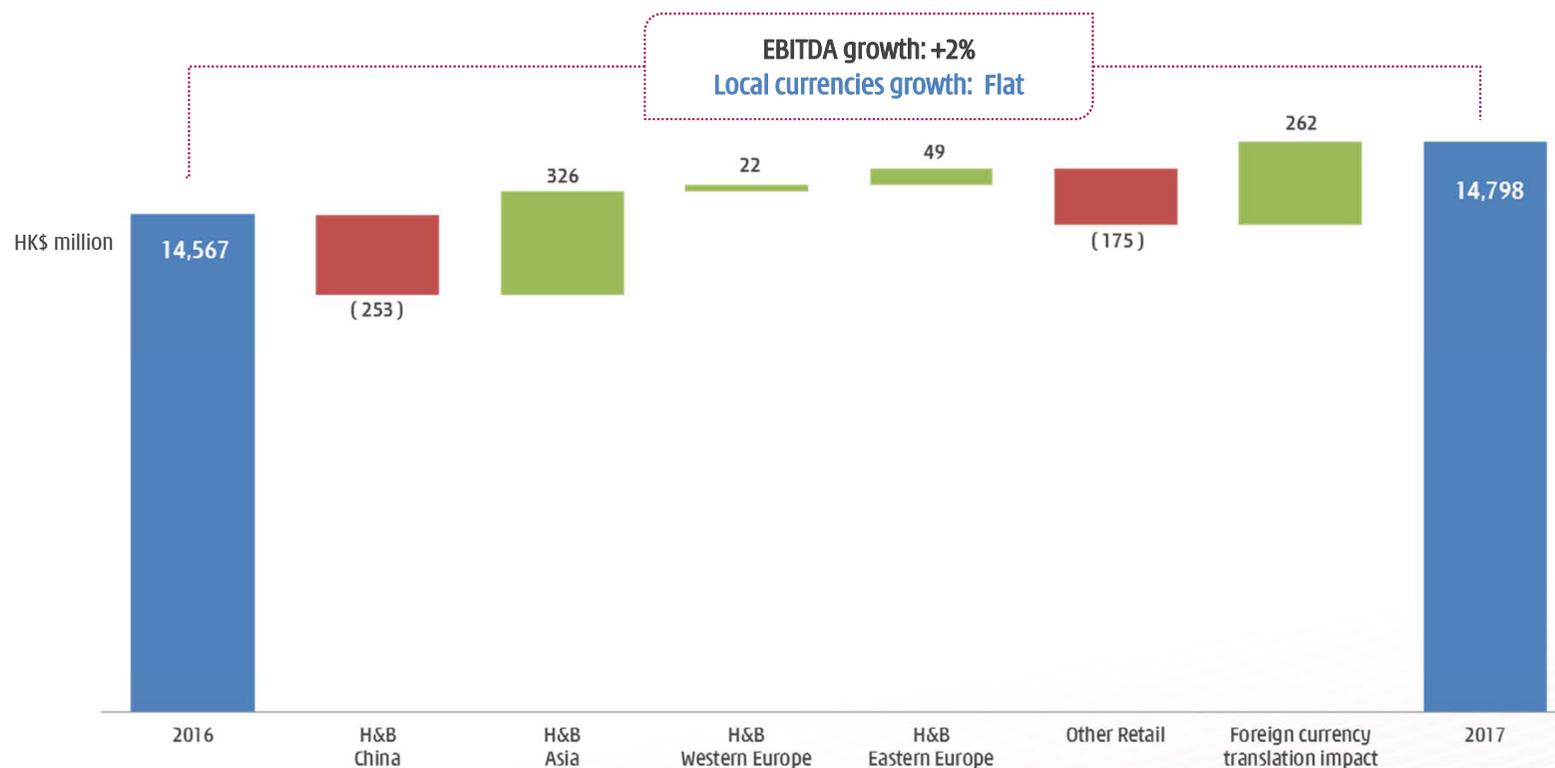
Basra, Iraq (+1)

Note (1): Total Revenue and EBITDA were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note (2): Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

# Retail

	2017 HK\$ million	2016 HK\$ million	% Change	% Change in local currencies
Total Revenue	156,163	151,502	+3%	+2%
EBITDA	14,798	14,567	+2%	-
EBIT	12,089	12,059	-	-2%
Store Numbers	14,124	13,331	+6%	N/A



Note (1): Other Retail includes PARKSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

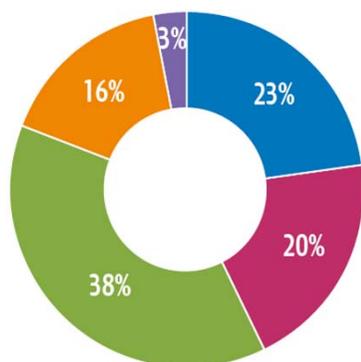
## Total Retail Store Numbers

# 14,124 stores

↑ **793 stores**  
(+6%)

Mainly from:

↑	Watsons, China	(+342)
	Rossmann, Poland & Germany	(+129)
	Watsons, Philippines	(+91)
↓	Other retail	(-15)



	Store Numbers		
	2017	2016	% Change
H&B China	3,271	2,929	+12%
H&B Asia	2,830	2,603	+9%
H&B China & Asia Subtotal	6,101	5,532	+10%
H&B Western Europe	5,345	5,190	+3%
H&B Eastern Europe	2,222	2,138	+4%
H&B Europe Subtotal	7,567	7,328	+3%
<b>H&amp;B Subtotal</b>	<b>13,668</b>	<b>12,860</b>	<b>+6%</b>
Other Retail <sup>(1)</sup>	456	471	-3%
<b>Total Retail</b>	<b>14,124</b>	<b>13,331</b>	<b>+6%</b>

	Net Store Additions	
	2017	Average New Store Payback
H&B China	342	< 10 months
H&B Asia	227	< 13 months
H&B China & Asia Subtotal	569	
H&B Western Europe	155	< 11 months
H&B Eastern Europe	84	< 37 months
H&B Europe Subtotal	239	
<b>H&amp;B Subtotal</b>	<b>808</b>	<b>&lt; 11 months</b>
Other Retail <sup>(1)</sup>	(15)	
<b>Total Retail</b>	<b>793</b>	

## CRM Customers

# 128.8m

(+6%)

H&B China  
64.3 m

## CRM Sales Participation %

# 62.6%

(+0.8%-pt)

H&B China  
82.7%

## Future Growth Pillars



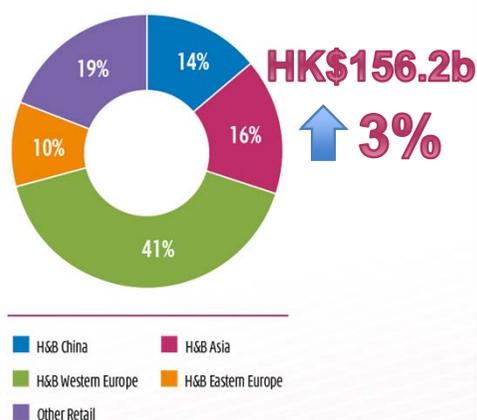
Note (1): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

# Retail

## Total Revenue

**Total Retail** **↑ HK\$4.7b**  
**H&B** **↑ HK\$6.9b**  
**Other retail** **↓ HK\$2.2b**

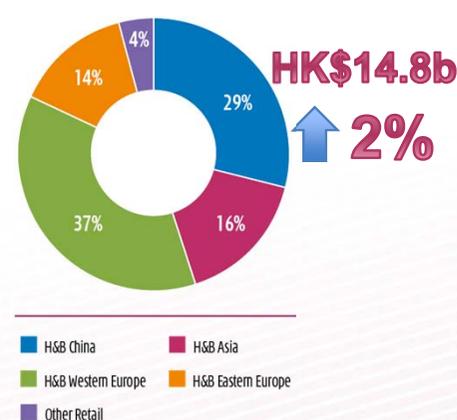
HK\$ million	TOTAL REVENUE			
	2017	2016	% Change	Local Ccy % Change
H&B China	21,783	20,914	+4%	+5%
H&B Asia	25,154	23,814	+6%	+6%
H&B China & Asia Subtotal	46,937	44,728	+5%	+6%
H&B Western Europe	64,523	61,584	+5%	+3%
H&B Eastern Europe	14,866	13,076	+14%	+7%
H&B Europe Subtotal	79,389	74,660	+6%	+4%
<b>H&amp;B Subtotal</b>	<b>126,326</b>	<b>119,388</b>	<b>+6%</b>	<b>+5%</b>
Other Retail	29,837	32,114	-7%	-7%
<b>Total Retail</b>	<b>156,163</b>	<b>151,502</b>	<b>+3%</b>	<b>+2%</b>



## Total EBITDA

**Total Retail** **↑ HK\$231m**  
**H&B** **↑ HK\$406m**  
**Other retail** **↓ HK\$175m**

2017	EBITDA				
	EBITDA Margin %	2016	EBITDA Margin %	% Change	Local Ccy % Change
4,257	20%	4,556	22%	-7%	-6%
2,346	9%	2,009	8%	+17%	+16%
6,603	14%	6,565	15%	+1%	+1%
5,561	9%	5,372	9%	+4%	-
2,048	14%	1,869	14%	+10%	+3%
7,609	10%	7,241	10%	+5%	+1%
14,212	11%	13,806	12%	+3%	+1%
586	2%	761	2%	-23%	-23%
14,798	10%	14,567	10%	+2%	-



## Comparable Store Sales Growth (%)

**Total Retail** **+0.9%**  
**H&B** **+1.6%**  
**Other retail** **-2.3%**

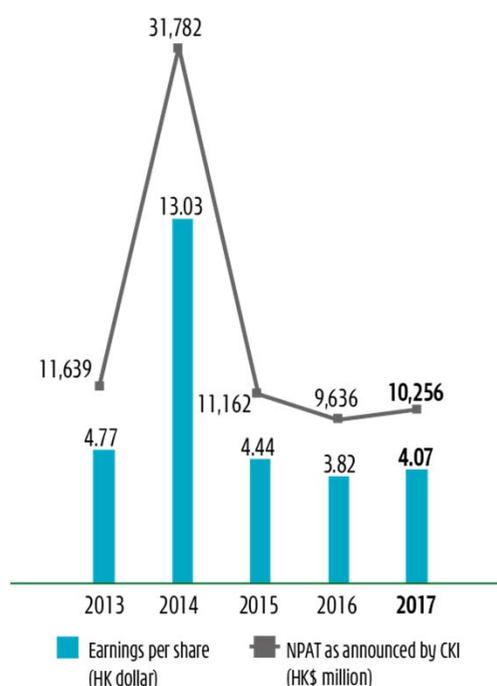
COMPARABLE STORE SALES GROWTH % <sup>(1)</sup>			
2017		2016	
-4.3%	Adjusted <sup>(2)</sup> +0.3%	-10.1%	Adjusted <sup>(2)</sup> -5.0%
+3.8%		+1.9%	
-		-4.0%	
+2.1%		+3.7%	
+4.4%		+4.6%	
+2.5%		+3.8%	
+1.6%		+1.0%	
-2.3%		-8.2%	
+0.9%		-0.8%	

Note (1): Comparable stores sales growth represents the % change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Note (2): Adjusted for the CRM sales recovered in the new stores opened in the proximity, comparable store sales grew by 0.3% instead of a decline of 4.3% in 2017 (2016 comparable stores sales decline reduced from 10.1% to 5.0%).

	2017 HK\$ million	2016 HK\$ million	% Change	% Change in local currencies
Total Revenue	57,369	53,211	+8%	+9%
EBITDA	33,033	31,128	+6%	+8%
EBIT	23,449	22,162	+6%	+7%

## Earnings per Share and NPAT announced by CKI



- In reported currency, total revenue, EBITDA and EBIT increased compared to 2016, mainly due to contributions from newly acquired businesses, partly offset by the impact from the disposal of aircraft leasing business in December 2016.

## CK Infrastructure ("CKI")

- CKI announced profit attributable to shareholders for 2017 of HK\$10,256 million, 6% higher than HK\$9,636 million reported for 2016, which includes the accretive contributions from the acquisitions of DUET Group, Reliance and ista during the year.

## New Acquisitions Bringing Accretive Contributions



- ❖ Owner & operator of energy utility assets
- ❖ Operates in Australia, US, UK, Canada and Europe
- ❖ Power generation facilities with installed capacity of over 900MW



- ❖ Building equipment service business
- ❖ Operates in Canada & US
- ❖ Consumer coverage of more than 1.8 million customers



- ❖ Integrated energy management services provider
- ❖ Operates mainly in Germany and across Europe
- ❖ Service coverage of over 12 million homes

	2017 HK\$ million	2016 HK\$ million	% Change	% Change in local currency
Total Revenue	44,948	30,467	+48%	+44%
EBITDA	8,992	9,284	-3%	-6%
- Underlying	8,992	5,149	+75%	+70%
- Disposition gains	-	4,135	-100%	-100%
EBIT	2,703	3,429	-21%	-24%
- Underlying	2,703	(706)	+483%	+469%
- Disposition gains	-	4,135	-100%	-100%
Average Production	322.9 mboe/day	321.2 mboe/day	+1%	N/A

## Husky Announced Results

Net earnings

**C\$786m** ↓ -15%

Adjusted net earnings <sup>(1)</sup>

**C\$882m** ↑ +235%

Funds from operations <sup>(2)</sup>

**C\$3,306m** ↑ +50%

Net debt to FFO ratio

**0.9x**

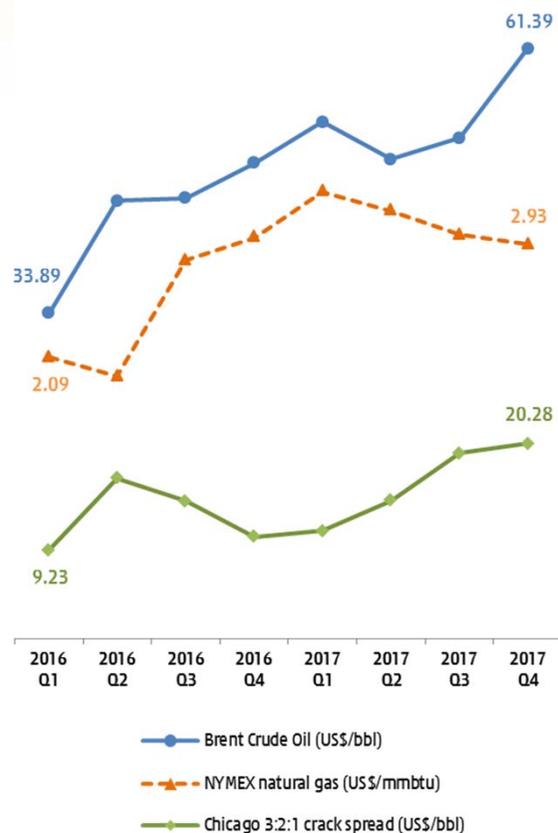
- Husky announced net earnings of C\$786 million in 2017, 15% lower than 2016, primarily due to an after-tax gain of C\$1,456 million in 2016 related to midstream pipelines disposal and Western Canadian legacy asset divestment. The earnings shortfall was largely offset by:
  - higher Upstream commodity prices;
  - increased production from thermal developments;
  - Increased production from the Liwan Gas project in Asia Pacific;
  - one-time deferred tax credit of C\$436 million as a result of the reduction in the U.S. Federal corporate tax rate.
- Husky announced a quarterly dividend of C\$0.075 per common share for the 3-month period ended 31 December 2017.
- As the Group rebased Husky's assets to their fair values in the 2015 Reorganisation, the Group's share of after-tax gain on disposals in 2016 were approximately HK\$3,646 million.
- The Group's share of EBITDA and EBIT <sup>(3)</sup> decreased 3% and 21% against 2016 respectively, which reflect the aforementioned disposal gains being recognised by the Group in 2016 partly offset by the strong operational growth from better market prices during 2017.

Note (1): 2017 adjusted net earnings equal to after-tax net earnings before gain on sale of assets of C\$34 million, impairment of C\$126 million, exploration & evaluation asset and inventory write-downs of C\$4 million. 2016 adjusted net loss equal to after-tax net loss before gain on sale of assets of C\$1,456 million, impairment reversal of C\$190 million and exploration & evaluation asset and inventory write-downs of C\$69 million.

Note (2): Husky restated its 2016 funds from operation presentation to exclude the adjustments for asset retirement settlement obligations and deferred revenue in order to conform to 2017 presentation.

Note (3): After translation into Hong Kong dollars and including consolidation adjustments.

## Average Benchmark Prices



## Production

**322.9 mboe/day**


**+1.7 mboe/day**  
**(+1%)**

Mainly from:

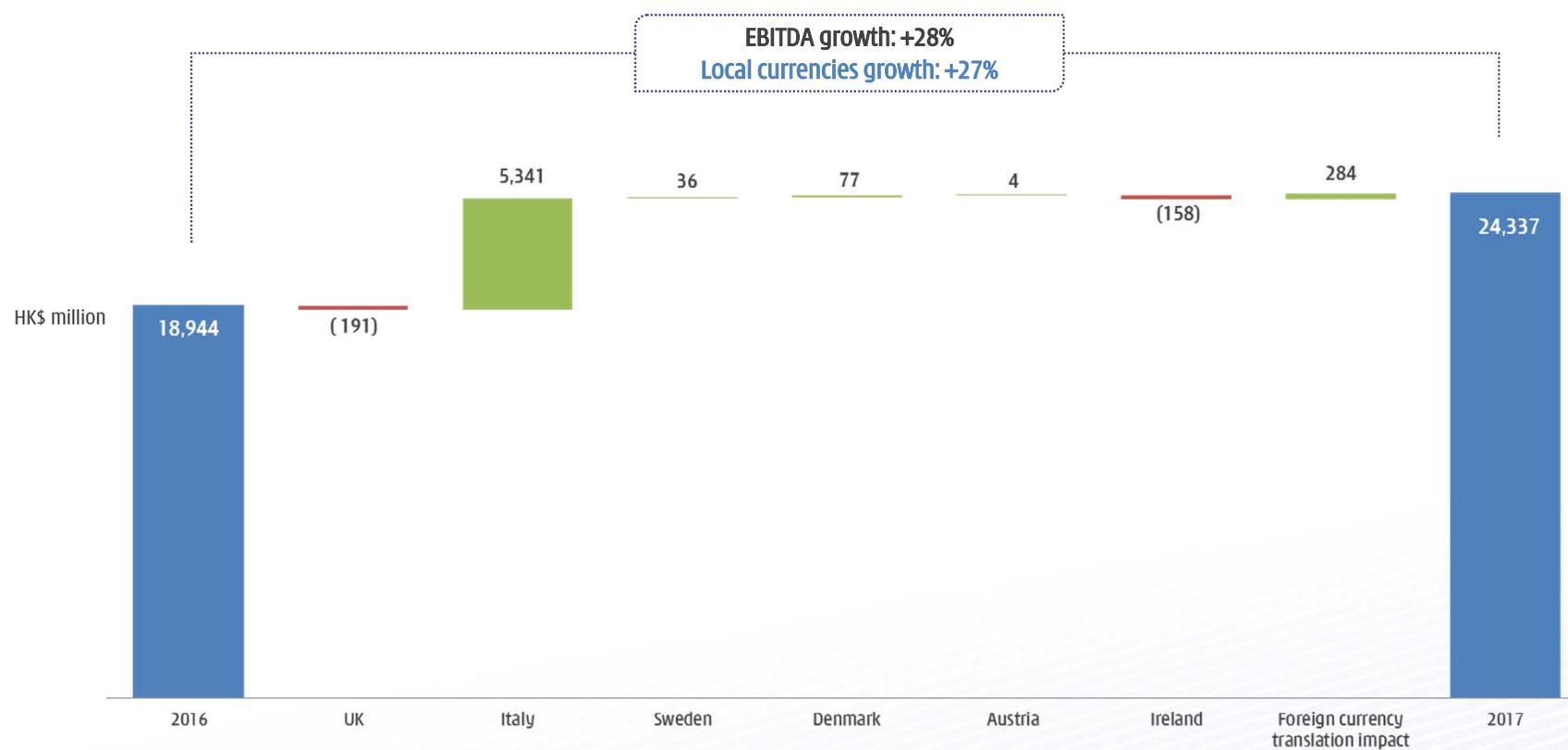
- 
 • Sunrise Energy Project  
 • New production from Edam West, Vawn & Edam East thermal developments  
 • Tucker Thermal Project  
 • Liwan Gas Project in Asia Pacific
- 
 • Disposed lower margin legacy crude oil & natural gas assets which together contributed 31.9 mboe/day production in 2016

## 2018 Guidance Overview

Funds from Operations	> C\$4.0b
Capital Spending	C\$2.9b - C\$3.1b
Free Cash Flow	~ C\$1.0b
Production Range	320 - 335 mboe/day
Downstream Throughputs	360 - 370 mbbls/day
Operating Costs	C\$13.00 - C\$13.50/boe
<b>Price Assumptions</b>	
• WTI	US\$55/bbl
• Chicago 321 Crack	US\$15.00/bbl
• AECO Natural Gas	C\$2.50/mcf
• FX: C\$ / US\$	0.78

# Telecommunications – 3 Group Europe

	2017 HK\$ million	2016 HK\$ million	% Change	% Change in local currency
Total Revenue (incl. handset revenue)	70,734	62,415	+13%	+13%
EBITDA	24,337	18,944	+28%	+27%
EBIT	16,567	12,838	+29%	+27%



# Telecommunications – 3 Group Europe

## Net Customer Service Revenue <sup>(1)</sup>

**HK\$56.0b**

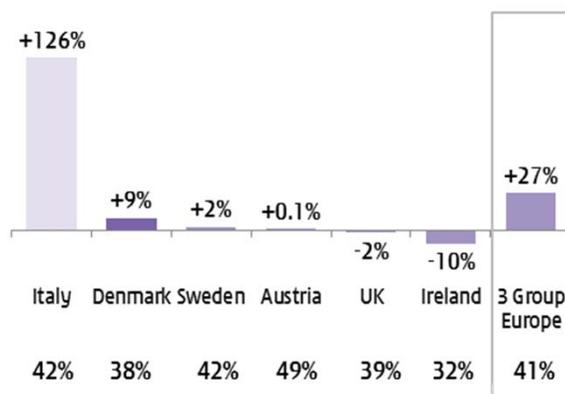
↑ 17%

## EBITDA

**HK\$24.3b**

↑ 28%

EBITDA YOY  
change %  
(in local ccy)



EBITDA  
margin %

Italy	Denmark	Sweden	Austria	UK	Ireland	3 Group Europe
42%	38%	42%	49%	39%	32%	41%

## KPIs

Active  
mobile customers



**44.8m**

↓ 3%

Net AMPU



**€12.98**

↓ 6%

\* Lower average due to  
inclusion of Wind Tre

Data Usage



**2,321 pb/yr**

↑ 62%

## 2017 Major Transactions

- ❖ **Wind Tre** : Completed a €10.7 billion equivalent debt refinancing, reducing annual interest by c.€270 million and extending maturities
- ❖ **3 UK**: Completed acquisition of UK Broadband for c.£300 million
- ❖ **3 Austria**: Completed acquisition of Tele2 Austria for c.€100 million

# Telecommunications – 3 Group Europe

## Results by Operations

In million	UK GBP		Italy <sup>(1)</sup> EURO		Sweden SEK		Denmark DKK		Austria EURO		Ireland EURO		3 Group Europe <sup>(1)</sup> HK\$	
	2017	2016	2017 Wind Tre (50%)	2016 Wind Tre and 3 Italy	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Total Revenue</b>	<b>2,425</b>	<b>2,276</b>	<b>2,734</b>	<b>2,042</b>	<b>7,508</b>	<b>7,221</b>	<b>2,246</b>	<b>2,127</b>	<b>812</b>	<b>772</b>	<b>603</b>	<b>655</b>	<b>70,734</b>	<b>62,415</b>
% change	+7%		+34%		+4%		+6%		+5%		-8%		+13%	
											Local currency growth %		+13%	
- Net Customer Service Revenue	1,636	1,599	2,590	1,742	4,868	4,854	1,936	1,913	655	624	465	504	56,002	47,877
% change	+2%		+49%		-		+1%		+5%		-8%		+17%	
											Local currency growth %		+16%	
- Handset Revenue	622	531	105	261	2,396	2,047	126	86	120	125	74	81	11,295	11,446
- Other Revenue	167	146	39	39	244	320	184	128	37	23	64	70	3,437	3,092
<b>Net Customer Service Margin<sup>(2)</sup></b>	<b>1,427</b>	<b>1,399</b>	<b>2,061</b>	<b>1,379</b>	<b>4,149</b>	<b>4,149</b>	<b>1,613</b>	<b>1,591</b>	<b>553</b>	<b>529</b>	<b>401</b>	<b>420</b>	<b>46,756</b>	<b>40,121</b>
% change	+2%		+49%		-		+1%		+5%		-5%		+17%	
											Local currency growth %		+16%	
Net Customer Service Margin %	87%	87%	80%	79%	85%	85%	83%	83%	84%	85%	86%	83%	84%	84%
<b>Other margin</b>	<b>52</b>	<b>35</b>	<b>32</b>	<b>33</b>	<b>124</b>	<b>139</b>	<b>135</b>	<b>82</b>	<b>22</b>	<b>20</b>	<b>43</b>	<b>44</b>	<b>1,646</b>	<b>1,632</b>
TOTAL CACS	(848)	(751)	(217)	(489)	(3,187)	(2,790)	(350)	(311)	(159)	(166)	(118)	(122)	(16,296)	(17,354)
Less: Handset Revenue	622	531	105	261	2,396	2,047	126	86	120	125	74	81	11,295	11,446
<b>Total CACS (net of handset revenue)</b>	<b>(226)</b>	<b>(220)</b>	<b>(112)</b>	<b>(228)</b>	<b>(791)</b>	<b>(743)</b>	<b>(224)</b>	<b>(225)</b>	<b>(39)</b>	<b>(41)</b>	<b>(44)</b>	<b>(41)</b>	<b>(5,001)</b>	<b>(5,908)</b>
<b>Operating Expenses</b>	<b>(551)</b>	<b>(495)</b>	<b>(876)</b>	<b>(696)</b>	<b>(1,332)</b>	<b>(1,429)</b>	<b>(716)</b>	<b>(705)</b>	<b>(194)</b>	<b>(166)</b>	<b>(231)</b>	<b>(235)</b>	<b>(19,064)</b>	<b>(16,901)</b>
Opex as a % of net customer service margin	39%	35%	43%	51%	32%	34%	44%	44%	35%	31%	58%	56%	41%	42%
<b>EBITDA</b>	<b>702</b>	<b>719</b>	<b>1,105</b>	<b>488</b>	<b>2,150</b>	<b>2,116</b>	<b>808</b>	<b>743</b>	<b>342</b>	<b>342</b>	<b>169</b>	<b>188</b>	<b>24,337</b>	<b>18,944</b>
% change	-2%		+126%		+2%		+9%		-		-10%		+28%	
											Local currency growth %		+27%	
EBITDA margin % <sup>(3)</sup>	39%	41%	42%	27%	42%	41%	38%	36%	49%	53%	32%	33%	41%	37%
<b>Depreciation &amp; Amortisation</b>	<b>(265)</b>	<b>(223)</b>	<b>(298)</b>	<b>(165)</b>	<b>(595)</b>	<b>(607)</b>	<b>(289)</b>	<b>(283)</b>	<b>(100)</b>	<b>(97)</b>	<b>(79)</b>	<b>(76)</b>	<b>(7,770)</b>	<b>(6,106)</b>
<b>EBIT</b>	<b>437</b>	<b>496</b>	<b>807</b>	<b>323</b>	<b>1,555</b>	<b>1,509</b>	<b>519</b>	<b>460</b>	<b>242</b>	<b>245</b>	<b>90</b>	<b>112</b>	<b>16,567</b>	<b>12,838</b>
% change	-12%		+150%		+3%		+13%		-1%		-20%		+29%	
											Local currency growth %		+27%	
			Wind Tre (50%)											
<b>Capex (excluding licence)<sup>(4)</sup></b>	<b>(459)</b>	<b>(352)</b>	<b>(596)</b>		<b>(836)</b>	<b>(796)</b>	<b>(201)</b>	<b>(209)</b>	<b>(115)</b>	<b>(90)</b>	<b>(109)</b>	<b>(103)</b>	<b>(13,211)</b>	
<b>EBITDA less Capex<sup>(4)</sup></b>	<b>243</b>	<b>367</b>	<b>509</b>		<b>1,314</b>	<b>1,320</b>	<b>607</b>	<b>534</b>	<b>227</b>	<b>252</b>	<b>60</b>	<b>85</b>	<b>11,126</b>	
<b>Licence<sup>(5)</sup></b>	<b>(2)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>(100)</b>	<b>-</b>	<b>(292)</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>(197)</b>	

Note (1): 3 Group Europe 2017 includes 50% share of Wind Tre's results of which fixed line business revenue was €542 million and EBITDA was €193 million. 2016 includes 50% share of two months (Nov to Dec-2016) Wind Tre's results, of which fixed line business revenue and EBITDA were €94 million and €38 million respectively, as well as 100% share of ten months (Jan to Oct-2016) 3 Italy's standalone results. 3 Group Europe 2017 Capex and EBITDA less Capex each includes 50% share of Wind Tre's capex for illustrative purposes only.

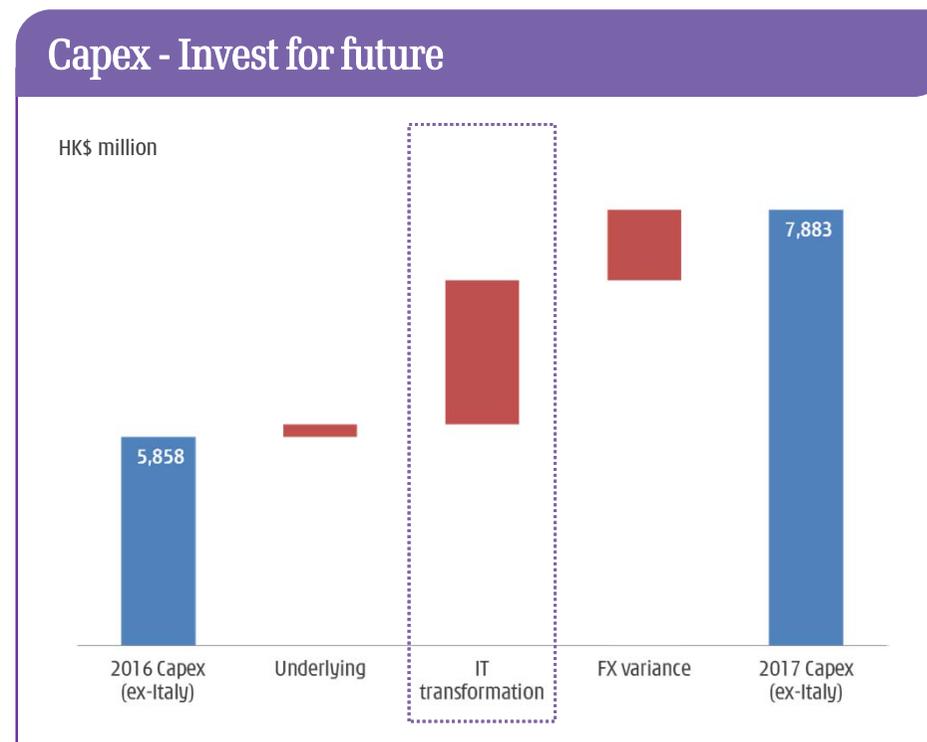
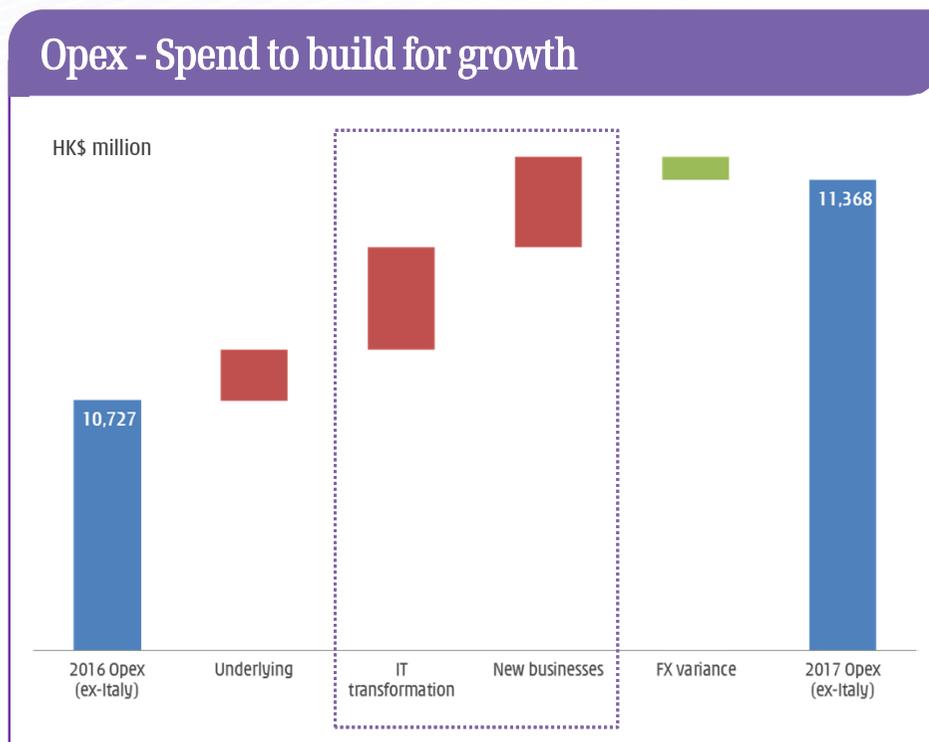
Note (2): Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note (3): EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

Note (4): Excluding 3 UK's acquisition of UKB for £300 million in May-2017 and 3 Austria's acquisition of Tele2 for €100 million in Nov-2017.

Note (5): 2017 licence cost for UK represents incidental costs to acquire licence, whereas the cost for Ireland relates to investment for 3.6 GHz licence. 2016 licence costs for Sweden and Denmark represent investment for 2 x 5 MHz and 2 x 30 MHz (both in 1800 MHz band) respectively.

# Telecommunications – 3 Group Europe

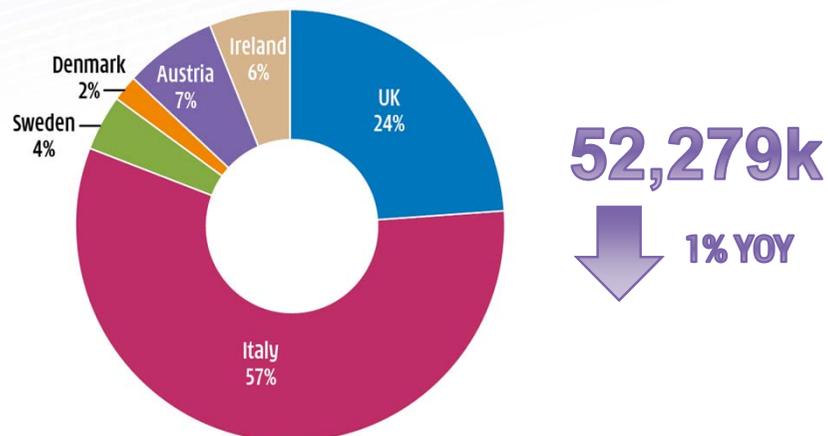


# Telecommunications – 3 Group Europe

## Customer Base – Mobile business

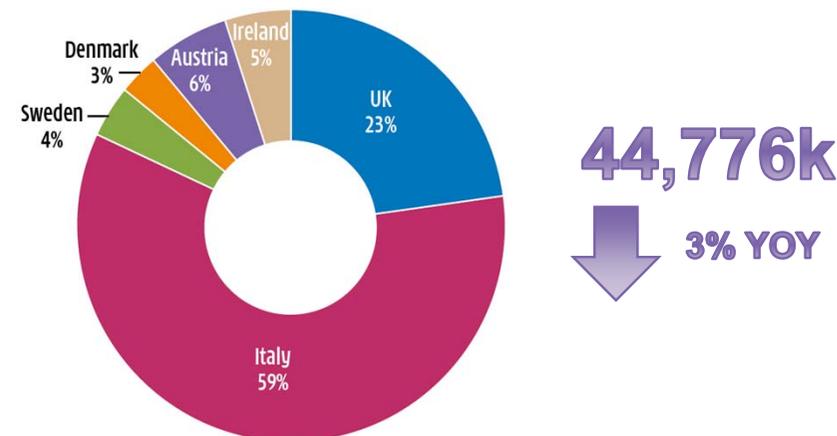
### Total Registered Customers

as at 31 December 2017



### Total Active Customers (1)

as at 31 December 2017



	Customer '000 at 31 Dec 2017	% Change against	
		30 Jun 2017	31 Dec 2016
UK	12,610	+5%	+11%
Italy (2)	29,540	-2%	-6%
Sweden	1,986	-2%	-4%
Denmark	1,311	+2%	+6%
Austria	3,636	-1%	-4%
Ireland	3,196	+5%	+7%
<b>3 GROUP EUROPE</b>	<b>52,279</b>	<b>-</b>	<b>-1%</b>

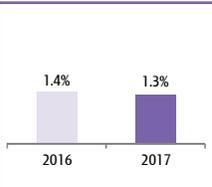
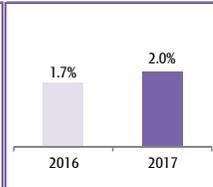
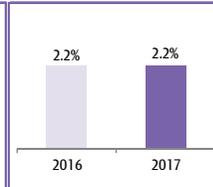
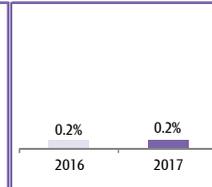
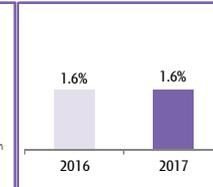
	Customer '000 at 31 Dec 2017	Contract / Non-Contract	% Change against	
			30 Jun 2017	31 Dec 2016
UK	10,070	68% Contract / 32% Non-Contract	+1%	+10%
Italy (2)	26,570	26% Contract / 74% Non-Contract	-2%	-7%
Sweden	1,904	86% Contract / 14% Non-Contract	-3%	-4%
Denmark	1,274	63% Contract / 37% Non-Contract	+2%	+6%
Austria	2,903	86% Contract / 14% Non-Contract	-	-1%
Ireland	2,055	57% Contract / 43% Non-Contract	+1%	-1%
<b>3 GROUP EUROPE</b>	<b>44,776</b>	<b>44% Contract / 56% Non-Contract</b>	<b>-1%</b>	<b>-3%</b>

Note (1): An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note (2): Italy's customer base as at 31 December 2017 was calculated based on 100% of Wind Tre.

# Telecommunications – 3 Group Europe

## Key Business Indicators – Mobile Businesses

		UK	Italy <sup>(3)</sup>	Sweden	Denmark	Austria	Ireland	3 GROUP EUROPE AVERAGE <sup>(6)</sup>
12-month Trailing Net ARPU <sup>(1)</sup> to 31 Dec 2017	Contract	£18.15	€15.67	SEK220.25	DKK150.61	€19.70	€21.46	€19.75
	Non-Contract	£5.32	€11.51	SEK125.30	DKK93.94	€10.72	€15.60	€10.60
	Blended Total	£13.80	€12.55	SEK208.24	DKK130.06	€18.43	€18.93	€15.25
	% change against 31 Dec 2016	-5%	-5%	+2%	-4%	+3%	-8%	-7%
12-month Trailing Net AMPU <sup>(2)</sup> to 31 Dec 2017	Blended Total	£12.04	€10.45	SEK177.41	DKK108.30	€15.63	€16.34	€12.98
	% change against 31 Dec 2016	-6%	-2%	+2%	-3%	+3%	-5%	-6%
Contract Customers' Contribution to Net Customer Service Margin (%)		87%	32%	93%	74%	91%	64%	66%
Contract Activity Ratio (%) <sup>(4)</sup>		98%	94%	100%	100%	100%	98%	97%
Average Monthly Churn Rate of Total Contract Registered Customer Base (%) <sup>(5)</sup>								
LTE Coverage by population (%)		94%	95%	84%	98%	99%	94%	

Note (1): Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note (2): Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

Note (3): Italy's net ARPU and net AMPU for 2017 were based on Wind Tre's figures and for 2016 were calculated based on approx. ten months (Jan to Oct-2016) of 3 Italy's standalone figures and approx. two months (Nov to Dec-2016) of Wind Tre's figures.

Note (4): Contract activity ratio represents active contract customers as a percentage of the total contract registered customer base.

Note (5): Italy's average monthly churn rate for 2017 was based on Wind Tre's figures and for 2016 was based on approx. ten months (Jan to Oct-2016) of 3 Italy's standalone figures and approx. two months (Nov to Dec-2016) of Wind Tre's figures.

Note (6): 3 Group Europe net ARPU, net AMPU and contract customers' contribution to net customer service margin (%) in 2017 were calculated based on 50% contribution from Wind Tre.

# Telecommunications – HTHKH

	2017 HK\$ million	2016 HK\$ million	% Change
Total Revenue	9,685	12,133	-20%
- Mobile operation	6,730	8,299	-19%
- Discontinued Fixed operation	2,955	3,834	-23%
EBITDA	4,337	2,607	+66%
- Mobile operation	1,314	1,346	-2%
- Discontinued Fixed operation	989	1,261	-22%
- Disposition gain	2,034	-	N/A
EBIT	707	1,055	-33%
- Mobile operation	445	569	-22%
- Discontinued Fixed operation	410	486	-16%
- Disposition gain & accelerated depreciation	(148)	-	N/A
Active Mobile Customer	3.3 million	3.2 million	+3%

- HTHKH announced profit attributable to shareholders of HK\$4,766 million and earnings per share of 98.90 HK cents, which includes:
  - Gain on disposal of its fixed-line telecommunication business in October 2017 of HK\$5,614 million; and
  - Accelerated depreciation charges on certain mobile telecommunication fixed assets of HK\$1,391 million
  - The mobile operations earnings shortfall was primarily driven by:
    - reduction in low margin hardware sales;
    - lower net customer service margin from a decrease in net AMPU; and
    - higher amortisation of licence fees for renewed and new spectrum licences which commenced in October 2016.
  
- As the Group rebased HTHKH's assets to their fair values in the 2015 Reorganisation, the Group's 2017 total EBITDA included a lower disposal gain on the fixed-line telecommunication business of HK\$2,034 million, which together with the accelerated depreciation effect of HK\$2,182 million, resulting in a net loss of HK\$148 million at EBIT level.

# Telecommunications – HAT

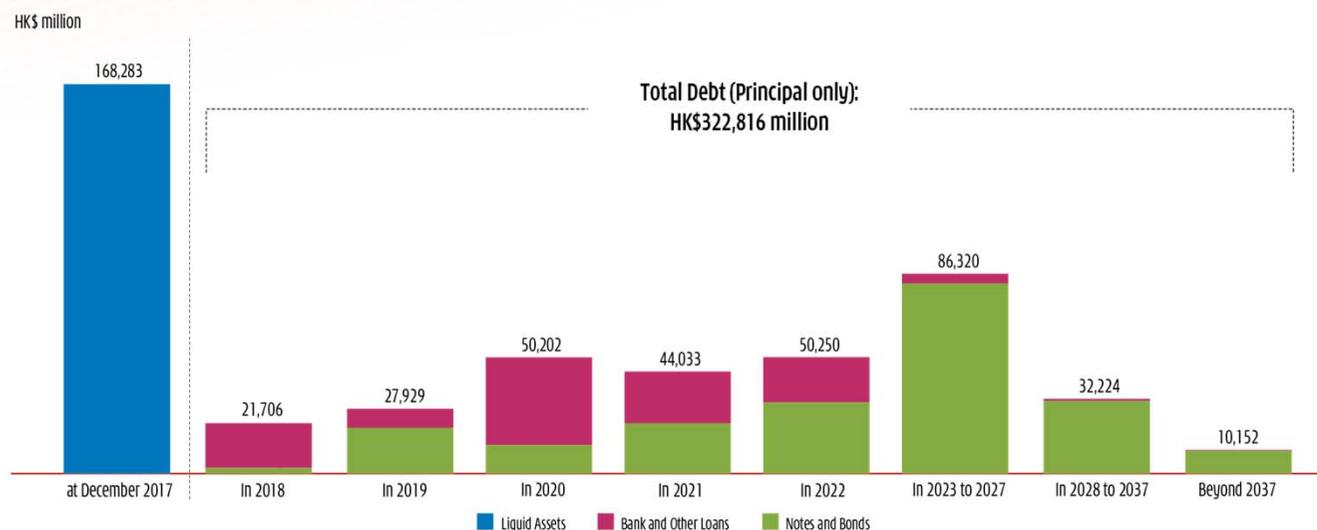
	2017 HK\$ million	2016 HK\$ million	% Change	% Change in local currency
Total Revenue	7,695	8,200	-6%	-6%
EBITDA	558	2,298	-76%	-76%
EBIT	226	2,130	-89%	-90%
Active Mobile Customer	75.0 million	77.4 million	-3%	N/A

- Total revenue decreased 6% to HK\$7,695 million primarily as the Indonesia operation was only able to offer competitive LTE price offerings upon the LTE network launch in May 2017, while other incumbents have offered aggressively priced LTE services since the beginning of 2017. EBITDA and EBIT decreased to HK\$558 million and HK\$226 million respectively, 76% and 89% below 2016. The decline reflects both the reduced service margin contribution and higher operating costs in Indonesia and Vietnam recognised after completion of major network rollout and expansion initiatives in late 2016 and 2017 respectively.
- Various network rollout plans in Vietnam and Sri Lanka are planned for 2018. With efficient network utilisation and rollout strategies, the operations are expected to offer services at the most competitive prices in their respective markets.

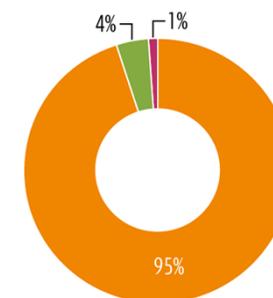
# Financial Profile

## Healthy Maturity and Liquidity Profile

### Debt Maturity Profile at 31 December 2017 – Principal Only <sup>(1)</sup>

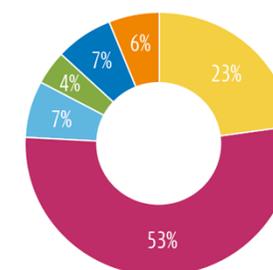


### Liquid Assets by Type as at 31 December 2017



Legend: Cash and cash equivalents (Orange), US Treasury notes and listed/traded debt securities (Green), Listed equity securities (Purple)

### Liquid Assets by Currency as at 31 December 2017



Legend: HKD (Yellow), USD (Purple), RMB (Blue), EUR (Green), GBP (Light Blue), Others (Orange)

### Net Debt

Net debt as at 31 December 2017 <sup>(2)</sup>	HK\$164,872m
Net debt to net total capital ratio <sup>(2)</sup>	21.7%

### Credit Ratings

	2017	2016
Moody's	A2 (Stable)	A3 (Stable)
S & P	A- (Positive)	A- (Stable)
Fitch	A- (Stable)	A- (Stable)

Note (1): Excludes unamortised fair value adjustments arising from acquisitions of HK\$10,339 million.

Note (2): Net debt is defined on the Consolidated Statement of Cash Flows. Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions. Net total capital is defined as total bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

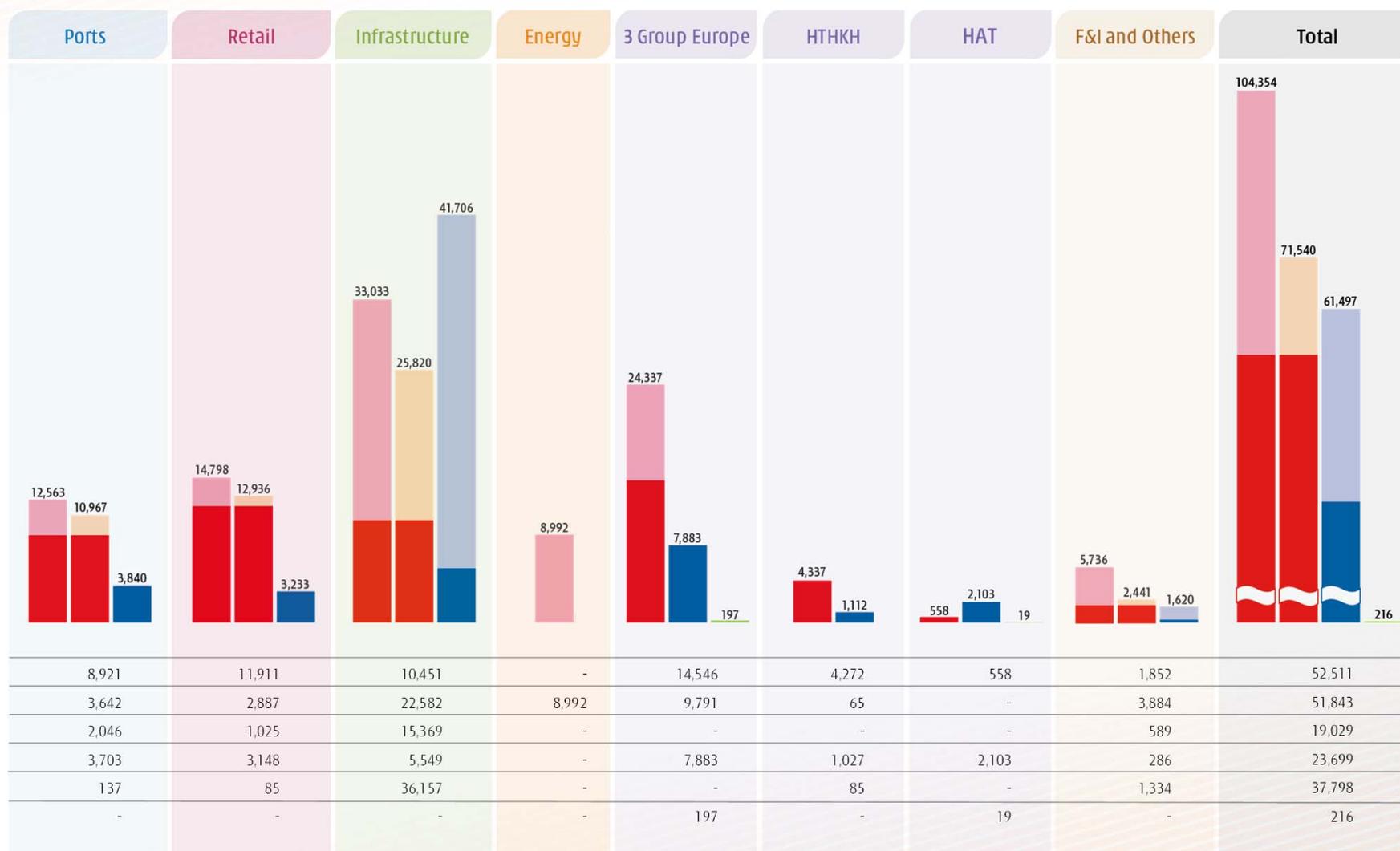
# Financial Profile

2017 EBITDA, Dividends from Associated Companies & JVs

less Capex of Company & Subsidiaries and Investments in Associated Companies & JVs

by division

HK\$ million



Note (1): EBITDA excludes non-controlling interests' share of results of HPH Trust.

Note (2): Excluding 3 UK's acquisition of UKB for £300 million in May 2017 and 3 Austria's acquisition of Tele2 for €100 million in November 2017.