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

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 0001)

RESULTS HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2015

CKHH full year statutory results (1)	**2015 HK$ millions**
Total Revenue	**316,318**
Profit attributable to ordinary shareholders from continuing business	**38,189**
Profit attributable to ordinary shareholders from discontinued business	**80,381**
Profit attributable to ordinary shareholders (2)	**118,570**
Earnings per share – statutory (3)	**HK$36.91**

	2015
Final dividend per share	**HK$1.85**
Full year dividend per share	**HK$2.55**

(1) Statutory results of CK Hutchison Holdings Limited ("CKHH" or the "Group") for the year ended 31 December 2015 include the one-time effects of the Reorganisation that occurred on 3 June 2015. Total revenue and results include share of associated companies and joint ventures' respective items. See page 16 for details of financial statements for the year ended 31 December 2015 with comparative information and notes 11 and 13 for details of the discontinued operations.

(2) CKHH profit attributable to ordinary shareholders for the year ended 31 December 2015 under statutory basis included one-time re-measurement gains arising from the Reorganisation of HK$87,119 million, of which HK$14,260 million arising from continuing business and HK$72,859 million from discontinued business. Excluding these re-measurement gains, profit attributable to ordinary shareholders from operating businesses was HK$31,451 million.

(3) Earnings per share for the statutory results is calculated based on the profit attributable to ordinary shareholders of HK$118,570 million and on the CKHH weighted average number of shares outstanding during the year ended 31 December 2015 of 3,212,671,194.

CKHH full year pro forma results [4]

(compared to HWL results for businesses continued by CKHH)

	CKHH Results 2015 HK$ millions	HWL Results 2014 HK$ millions	Change
Total Revenue [5]	**396,087**	404,873	-2%
Total EBITDA [5]	**92,093**	88,136	+5%
Total EBIT [5]	**62,079**	55,313	+12%
Profit attributable to ordinary shareholders before profits on disposal of investments & others [6]	**32,128**	23,655	+36%
Profits on disposal of investments & others	**(960)**	10,048	-110%
Total profit attributable to ordinary shareholders [7]	**31,168**	33,703	-8%
Recurring earnings per share – pro forma [8]	**HK$8.32**		

(4) CKHH pro forma results for the year ended 31 December 2015 as presented assume that the Reorganisation was effective as at 1 January 2015. This presentation is consistent with the way the Group manages its businesses and enables the Group's underlying performance to be evaluated on a comparable basis, and has been prepared in accordance with the accounting policies of the Group as set out in note 3 of the financial statements. See Reconciliation from CKHH Statutory Results to CKHH pro forma results for the year ended 31 December 2015 for details. 2014 comparatives represent Hutchison Whampoa Limited ("HWL") results for the year ended 31 December 2014 as reported in the Financial Performance Summary presented in HWL's 2014 Annual Report, excluding discontinued property and hotels businesses.

(5) 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.

(6) Contribution in 2014 from property and hotels businesses carried on by HWL and that have been discontinued following the Reorganisation, including property revaluation gains, was HK$33,453 million. Contribution in 2015 from new or additional interests in businesses acquired as a result of the Reorganisation was HK$2,764 million.

(7) Total profit attributable to ordinary shareholders for the year ended 31 December 2014 reconciles to HWL's 2014 Annual Report as follows:

	HK$ millions
– businesses continued by CKHH*	33,703
– discontinued property and hotels businesses	33,453
– as reported in HWL 2014 Annual Report	67,156

* Including profits on disposal of investments & others of HK$10,048 million.

(8) On a full year pro forma basis, recurring earnings per share is calculated based on profit attributable to ordinary shareholders before exceptional items, excluding discontinued property and hotels businesses and on CKHH's issued shares outstanding as at 31 December 2015 of 3,859,678,500.

Summary of CK Hutchison Holdings Limited ("CKHH" or the "Group") 2015 statutory results[1]

- The statutory results reported for the year ended 31 December 2015 cannot be compared to any prior period as they reflect the one-time accounting effects of several transactions that implemented the reorganisation of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited ("HWL") that merged their assets and businesses into CKHH and simultaneously reallocated them between the Group and Cheung Kong Property Holdings Limited on 3 June 2015 (the "Reorganisation").

- Profit attributable to ordinary shareholders from continuing businesses of HK$38,189 million under statutory basis represents the following:
  - Full year (from January to December 2015) contribution from the Group's continuing businesses, including results of the six co-owned infrastructure businesses based on the shareholding interest prior to the Reorganisation, aircraft leasing business and the Group's other non-property assets and liabilities;
  - 49.97% share of consolidated results of HWL's businesses continued by the Group for the five months prior to the Reorganisation and seven months of full consolidated results of HWL's businesses continued by the Group; and
  - Net re-measurement gain of HK$14,260 million from re-measuring the Group's previously held equity interests in HWL and certain interests in co-owned assets which continue to be retained within the Group.

- Profit attributable to ordinary shareholders from discontinued businesses of HK$80,381 million under statutory basis represents the following:
  - Five months results of the Group's discontinued property and hotels businesses conducted prior to the Reorganisation;
  - 49.97% share of HWL's discontinued property and hotels businesses results for the five months prior to the Reorganisation; and
  - Profits on disposal of investments and others totalling HK$72,859 million which comprises the gain on distribution in specie arising from the spin-off of Cheung Kong Property Holdings Limited and the net gain arising from re-measurement of the Group's previously held interest in property joint ventures with HWL upon Reorganisation.

[1] Statutory results for the year ended 31 December 2015 include the one-time effects of the Reorganisation that occurred on 3 June 2015. Total revenue and results include share of associated companies and joint ventures' respective items. See page 16 for details of the financial statements for the year ended 31 December 2015 with comparative information and notes 11 and 13 for details of the discontinued operations.

Summary of CKHH 2015 pro forma results

- In order to allow a comparison of the operating performance of the Group for the year ended 31 December 2015, pro forma financial results have been prepared as if the Reorganisation was effective on 1 January 2015 (the "Pro Forma Results").

- Full year 2015 Pro Forma Results include contributions from comparable interests in businesses carried on by HWL in 2014 ("Comparable Contributions") and contributions from additional interests in such businesses and interests in new businesses acquired as a result of the Reorganisation ("Additional Contributions").

- Comparable Contributions for the year ended 31 December 2014 are as reported in the Financial Performance Summary presented in HWL's 2014 Annual Report.

- The Pro Forma Results are analysed as follows:

	2015 HK$ millions	2014 HK$ millions	Change
Total Revenue			
Comparable Revenue	374,747	404,873	-7%
Additional Contributions	21,340	-	NA
	396,087	404,873	-2%
EBITDA			
Comparable EBITDA	81,996	88,136	-7%
Additional Contributions	10,097	-	NA
	92,093	88,136	+5%
EBIT			
Comparable EBIT	56,028	55,313	+1%
Additional Contributions	6,051	-	NA
	62,079	55,313	+12%
Profit attributable to ordinary shareholders before profits on disposal of investments & others			
Comparable profits	29,364	23,655	+24%
Additional Contributions	2,764	-	NA
	32,128	23,655	+36%

- Declines in Comparable EBITDA contributions mainly reflect the lower contribution from Husky Energy and the adverse foreign currency translation effects, mainly in European currencies, which have been more than offset by the Additional Contributions, lower depreciation and amortisation, lower effective interest rates and lower tax charges, resulting in an improvement in EBIT and recurring earnings compared to the comparable HWL results in 2014.

- Full year pro forma recurring earnings per share was HK$8.32.

CHAIRMAN'S STATEMENT
CK Hutchison Holdings Limited 2015 Pro Forma[1] Results

As a result of the Reorganisation[1], CK Hutchison Holdings Limited ("CKHH" or the "Group") now holds assets under five core businesses: Ports, Retail, Infrastructure, Energy and Telecommunications in over 50 countries.

Significant headwinds in both currencies and commodities affected certain core businesses in the Group in 2015. Notably for Husky Energy, extended crude oil price weakness led to a significant reduction in its contribution to the Group. In addition, due to the depreciation of several major currencies against the Hong Kong dollar, the Group's reported results in Hong Kong dollars were also adversely impacted by currency translation. However, these unfavourable impacts were fully offset by improving underlying performances in the telecommunications businesses, by moderate but sustainable growth in other core businesses, and by favourable impacts from the Reorganisation.

Recurring profit attributable to ordinary shareholders for 2015, excluding property and hotels businesses carried on by HWL in 2014 and before profits on disposal of investments and others, was HK$32,128 million, a 36% increase compared to HK$23,655 million for 2014 results of the HWL's businesses. This increase comprised a 24% increase in Comparable Contributions[1] from HK$23,655 million in 2014 to HK$29,364 million in 2015 plus Additional Contributions[1] of HK$2,764 million in 2015. It also reflects lower depreciation and amortisation as a result of the lower telecommunications and energy depreciable asset base, lower effective interest rates and the reduction in taxation.

Full year pro forma recurring earnings per share was HK$8.32 in 2015.

Profits on disposal of investments and others, after tax in 2015 was a charge of HK$960 million representing the Group's subsidiary Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA")'s operating losses[2]. This is compared to the HK$10,048 million gain reported by HWL in 2014, which comprised HWL's share of the gain arising from separate listing of the Hong Kong electricity business of HK$16,066 million, as well as a marked-to-market gain of HK$1,748 million on Cheung Kong Infrastructure Holdings Limited ("CKI")'s investment in Australian Gas Networks Limited ("AGN"), partly offset by HTAL's losses of HK$1,732 million and certain provisions made for other businesses.

The reduction in 2015 total profit attributable to ordinary shareholders to HK$31,168 million from HK$33,703 million for 2014 is principally due to the gain of HK$16,066 million realised by HWL in 2014 on the separate listing of the Hong Kong electricity business.

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1 The Reorganisation of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited ("HWL") that merged their assets and businesses into CKHH and simultaneously reallocated them between the Group and Cheung Kong Property Holdings Limited on 3 June 2015. For detailed explanation of the Reorganisation and the definition of "Pro Forma", "Comparable Contributions" and "Additional Contributions", see pages 1 to 4 of Results Highlights section.

2 VHA's operating losses continued to be included as a P&L charge under "Others" of the Group's profits on disposal of investments and others line as VHA continues to operate under the leadership of Vodafone under the applicable terms of our shareholders' agreement since the second half of 2012.

Dividend

The Board recommends the payment of a final dividend of HK$1.85 per share, payable on Wednesday, 1 June 2016 to those persons registered as shareholders of the Company on Thursday, 19 May 2016, being the record date for determining shareholders' entitlement to the proposed final dividend. Combined with the interim dividend of HK$0.70 per share, the full year dividend amounts to HK$2.55 per share.

Ports and Related Services

Throughput of the ports and related services division increased 1% to 83.8 million twenty-foot equivalent units ("TEU") during 2015. Total revenue, before Additional Contributions, of HK$33,767 million was 5% lower than the HK$35,624 million reported for last year principally due to the adverse foreign currency translation to Hong Kong dollars. In local currencies, revenue was 2% higher than the comparable results of 2014. EBITDA and EBIT, before Additional Contributions, decreased 2% and 1% to HK$11,840 million and HK$7,887 million respectively in 2015. In local currencies, EBITDA and EBIT respectively increased 4% and 6%, reflecting higher margin and lower power and fuel costs in the year, as well as the continued focus on better cost control through improvements in productivity and efficiency. Despite the overall improvements in underlying performances in most of the Group's ports operations, the better results were partly offset by the deconsolidation impact of the Jakarta operations, which became a joint venture following the dilution of interests, and by the lower profitability in the Rotterdam ports due to the entrance of new competitors during the year.

The division had 269 operating berths as at 31 December 2015. In light of the challenging global trade conditions, this division will continue to focus on cost efficiency and margin growth to maintain a stable contribution in 2016.

Additional Contributions
Post-Reorganisation, the Group's interest in HPH Trust as compared to HWL's interest increased slightly from 27.62% to 30.07%, resulting in Additional Contributions which increased total revenue to HK$34,009 million for the ports and related services division, 5% lower than the total revenue reported by HWL in 2014. EBITDA decreased 1% to HK$11,964 million and EBIT remained broadly flat at HK$7,957 million compared to HWL's reported 2014 results for this division.

Retail

The retail division's total store numbers passed the 12,000 milestone with 12,400 stores across 25 markets as at 31 December 2015, representing net additions of 965 stores in 2015. Despite 2015 results being adversely affected by foreign currency translation to Hong Kong dollars, this division achieved strong sales and earnings growth in local currencies. Total reported revenue of HK$151,903 million was 3% lower than 2014. In local currencies, revenue increased by 5%, driven by 1.9% comparable store sales growth and an 8% increase in store numbers compared to 2014. Excluding the one-time gain on the disposal of the airport concession operation in July 2014, EBITDA and EBIT of HK$14,838 million and HK$12,328 million in 2015 were 2% and 3% lower than 2014 in reported currency respectively, but were both 7% higher in local currencies.

Health and Beauty segment, which represents 92% of the division's EBITDA, reported impressive double-digit growth rates under the current challenging market conditions, with both EBITDA and EBIT growth at 11% in local currencies. This reflected the successful store portfolio expansion strategies, improving margins and strong cost management in the highly resilient health and beauty store format. Health and beauty operations in Europe overall delivered strong earnings, with EBITDA and EBIT growth of 9% in local currencies, reflecting a 5% increase in store numbers, 4.3% comparable store sales growth and generally improving margins.

In Asia, the health and beauty operation's growth continued, largely driven by expansion of the store portfolio partly offset by the softening retail market, comparable store sales growth was negative 2.1% for the full year, resulting in EBITDA and EBIT growth of 13% in local currencies. Watsons China's total revenue grew by 9% in local currency against a 19% increase in stores numbers compared to 2014 as comparable store sales growth was negative 5.1%. EBITDA and EBIT growth for Watsons China in local currency both remained robust at 16% in 2015 as the business continued to maintain disciplined cost control measures and to promote higher margin products.

Overall the retail division plans net openings of over 1,000 stores in 2016, with key markets in the Mainland and certain Asian and Eastern European countries continuing to lead the expansion.

Infrastructure

The Infrastructure division comprises a 75.67%[3] interest in CKI, a company listed on the Stock Exchange of Hong Kong ("SEHK"). Additional interests in six co-owned infrastructure investments as well as the new aircraft leasing business are also reported under this division.

CKI
CKI announced profit attributable to shareholders of HK$11,162 million for 2015 compared to HK$31,782 million for the previous year. 2014 results include CKI's share of gain arising from the spin-off of the Hong Kong electricity business by Power Assets in January 2014 amounting to HK$19,557 million and a one-off gain of HK$2,236 million upon completion of the AGN transaction during 2014. Excluding these one-off items, CKI's profit attributable to shareholders increased by 12% due to the overall growth of the underlying operations, the accretive contributions from Park'N Fly, AGN, UK Rails and Portugal Renewable Energy, which were acquired during 2014 and 2015, as well as the deferred tax benefit from the reduction in UK tax rates. These favourable variances were partly offset by the weaknesses of the British Pound and Australian dollar that resulted in lower reported results on translation to Hong Kong dollars.

In April 2015, UK Rails, a 50/50 joint venture between the Group and CKI, acquired the entire share capital of Eversholt Rail Group, a major rolling stock company in the UK. The enterprise value of the transaction was approximately £2,500 million.

In November 2015, Portugal Renewable Energy, a 50/50 joint venture between CKI and Power Assets, acquired the entire share capital of Iberwind-Desenvolvimento e Projectos, S.A., the largest wind farm operator in Portugal, based on an enterprise value of approximately €978 million.

Additional Contributions
On the full year pro forma basis, the additional interests in the six co-owned infrastructure assets with CKI contributed additional revenue, EBITDA and EBIT of HK$10,441 million, HK$6,752 million and HK$4,653 million respectively to the infrastructure division from January to December 2015.

[3] In January 2015, CKI completed a share placement and share subscription transaction, which resulted in the Group's interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determining the number of shares held by the public, the Group's profit sharing in CKI continues to be 75.67%.

The Group's new aircraft leasing business contributed additional revenue, EBITDA and EBIT of HK$1,477 million, HK$1,392 million and HK$723 million respectively from January to December 2015. At the end of 31 December 2015, the aircraft leasing business, including its 50% joint venture, has a total fleet of 66 aircraft, which were fully leased and generated steady earnings and cashflow for the Group.

Including the Additional Contributions, total revenue of this division was HK$55,762 million, 23% higher than the total revenue reported by HWL for 2014, and EBITDA of HK$32,291 million and EBIT of HK$23,477 million were 32% and 29% higher than 2014 HWL's results for the division respectively. With its expanded infrastructure asset base post-Reorganisation and the newly acquired businesses, this division is expected to contribute steady recurring earnings to the Group in 2016.

Husky Energy

Husky Energy, our associated company listed in Canada, announced profit attributable to shareholders, before impairment charge and asset write downs, of C$165 million in 2015, 92% below last year primarily due to a depressed oil price environment.

In light of the prolonged low oil price levels, Husky Energy has recognised an after-tax impairment charge and exploration and evaluation asset write downs of C$4,015 million on its crude oil and natural gas assets located in Western Canada in the second half of 2015. As part of the Reorganisation, the Group had to rebase Husky Energy's assets to their fair values on the date of completion of the Reorganisation. Consequently, a lower valuation was assigned to these Western Canadian assets for the Group's financial statements, consistent with prevailing conditions in the relevant energy markets. As a result, the impairment charge and write downs of these assets by Husky Energy had no impact on the Group's reported results.

Average production of 345,700 barrels of oil equivalent per day ("BOEs per day") in 2015, represents a 2% increase from 340,100 BOEs per day in 2014, mainly due to ramp up in production from the Asia Pacific operations and new volumes from the Sunrise Energy and Rush Lake thermal development projects which were partly offset by lower production in Western Canada and the Atlantic Region as a result of natural reservoir declines in mature properties and reduced capital investment.

Husky Energy is continuing to advance its transition into a low sustaining capital business while providing flexibility in ramping up production when commodity prices recover. Several initiatives are in progress to unlock the incremental value and further strengthen the business and its balance sheet, including potential complete or partial sale and dispositions of certain assets. Husky Energy also plans to complete three new heavy oil thermal developments at Edam East, Vawn and Edam West in 2016.

Certain portion of Husky Energy's operations are not directly affected by the commodity price volatility, including the Asia Pacific Region which is delivering solid value through fixed price contracts, and the margin-based Downstream business. Husky Energy will continue to build on its resilience with a focus on growing profitability and further lowering its cost structure to fortify its business in a weak commodity price environment.

Additional Contributions
Post-Reorganisation, the Group's interest in Husky Energy as compared to HWL's interest has increased from 33.96% to 40.18%. Including the Additional Contributions, on a full year pro forma basis, the Group's share of revenue, EBITDA and EBIT before the aforementioned impairment and asset write downs amounted to HK$40,029 million, HK$9,375 million and HK$2,229 million respectively, a 30%, 35% and 65% decrease respectively from the 2014 results as reported by HWL.

3 Group Europe

The Group's active customer base in Europe increased 4% during the year and total over 26.1 million customers. **3** Group Europe continues to improve with revenue and EBITDA growth of 10% and 27% respectively in local currencies. Overall, **3** Group Europe operations reported improved underlying EBITDA performances, particularly in **3** UK from further improvements in net customer service margin, **3** Ireland from a full year of accretive earnings contribution after the acquisition of O_2 Ireland in July 2014 and continued cost synergies realised in **3** Austria. On a full year pro forma basis, EBIT in local currencies improved 92% reflecting both EBITDA growth and lower depreciation and amortisation resulting from the rebasing of telecommunications assets under the Reorganisation. European currency weakness led to a 4% lower revenue in reported currency over last year to HK$62,799 million, while EBITDA and EBIT in reported currency grew by 12% and 69% to HK$17,396 million and HK$11,664 million respectively.

In March 2015, HWL entered into an agreement with Telefónica SA to acquire O_2 UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of **3** UK and O_2 UK of agreed financial targets. Upon completion of the acquisition, the combined business will become the largest mobile operator in the UK. In May 2015, HWL announced that it has entered into agreements with five institutional investors who will acquire approximately 32.98% interest in the combined business of **3** UK and O_2 UK for a total of £3.1 billion. These agreements are conditional on and will occur concurrently with completion of the acquisition of O_2 UK. The Group is considering the sale of a stake in **3** UK to a new investor with a view to further reducing the new cash investment required from the Group to fund the acquisition. Should such new investment proceed, the Group will consider implementing a revised business structure that would maintain the continuity and separation of the **3** UK and O_2 UK businesses. This would be directed to achieving benefits in terms of operational strategy and focus, regulatory approvals and contractual obligations, while preserving financial and operational efficiencies and savings expected from the acquisition of O_2 UK.

In August 2015, the Group announced agreement with VimpelCom Ltd to form an equal joint venture merging **3** Italy and VimpelCom's subsidiary Wind Telecomunicazioni S.p.A. ("Wind") in Italy. On a combined basis, **3** Italy and Wind will become the largest mobile operator in Italy by customer numbers.

The aforementioned transactions are expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in these markets, and in turn, generating accretive earnings to the Group. Completion of these transactions is subject to regulatory approvals.

Hutchison Telecommunications Hong Kong

Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), our Hong Kong listed telecommunications subsidiary operating in Hong Kong and Macau, announced profit attributable to shareholders of HK$915 million and earnings per share of 18.99 HK cents, an increase of 10% compared to last year, reflecting improvements in the mobile operations. As of 31 December 2015, HTHKH had approximately 3.0 million active mobile customers in Hong Kong and Macau.

Additional Contributions
Post-Reorganisation, the Group's interest in HTHKH as compared to HWL's interest increased slightly from 65.01% to 66.09%.

Hutchison Asia Telecommunications

As of 31 December 2015, Hutchison Asia Telecommunications ("HAT") had an active customer base of approximately 72.8 million, a 34% increase from end of 2014. HAT reported total revenue of HK$6,900 million in 2015, a 20% increase over last year. EBITDA of HK$1,176 million in 2015 represents a turnaround from LBITDA of HK$278 million in 2014, mainly due to charges of HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation in 2014. The Indonesian operation continued to improve sales and profitability, particularly in the second half of the year, with customer growth of 23% during the period since June 2015. On a full year pro forma basis, the turnaround to EBIT of HK$1,176 million in 2015 compared to an LBIT of HK$1,465 million in 2014, was also due to the reduced cost and depreciable asset base under the Reorganisation.

With strong network coverage and capacity, the Indonesian business is expected to carry on the growth momentum in 2016.

Finance & Investments and Others

The contribution from this division mainly represents returns earned on the Group's holdings of cash and liquid investments, Hutchison Whampoa (China) Limited, listed associate Tom Group, Hutchison Water, the Marionnaud business and listed associate CK Life Sciences Group. The decrease in EBIT contribution in 2015 was mainly due to one-off gains on disposal of certain listed equity investments and other non-strategic investments in 2014 which did not recur in 2015.

At 31 December 2015, the Group's consolidated cash and liquid investments totalled HK$131,426 million and consolidated debt amounted to HK$304,006 million, resulting in consolidated net debt of HK$172,580 million and net debt to a net total capital ratio of 23.7%.

The Group will continue to closely monitor its liquidity and debt profile with the objective of maintaining its current assigned credit ratings for the foreseeable future.

Outlook

The global economy in 2015 experienced mounting deflationary pressures resulting in a collapse in commodity prices and slow global trade. In addition, volatility in global equity, debt, commodity and currency markets may increase against a background of continued monetary easing in Europe, increased global political uncertainty, economic and refugee issues in Europe, as well as increased geopolitical risk in the Middle East and African regions. With Mainland China initiating the "One Belt, One Road" economic development strategy, Hong Kong should benefit from its geographical proximity, bringing ample opportunities and building a solid foundation for long term economic development. Despite the global uncertainties, the Group will continue to manage its core businesses with prudence to achieve stable growth and sustain profitability. The Group as a matter of policy will maintain its stable financial profile and ensure that all investment activities are consistent with maintaining the current investment grade ratings. As a global conglomerate, the Group will also sustain its competitive advantages through innovation and embracing new technologies initiatives and opportunities.

Barring any unforeseen material adverse external developments, the Group will continue to adhere to these principles in 2016. I have full confidence in the Group's future prospects.

I would like to thank the Board of Directors and all our dedicated employees around the world for their continued loyalty, diligence, professionalism and contributions to the Group.

Li Ka-shing
Chairman
Hong Kong, 17 March 2016

Financial Performance Summary

	CKHH Pro forma Results[1] for the year ended 31 December 2015 HK$ millions	HWL Results[2] for the year ended 31 December 2014 HK$ millions	Change %
Total Revenue [3]			
Ports and related services [3]	**33,767**	35,624	-5%
Retail	**151,903**	157,397	-3%
Infrastructure	**43,844**	45,419	-3%
Husky Energy	**33,824**	57,368	-41%
3 Group Europe	**62,799**	65,623	-4%
Hutchison Telecommunications Hong Kong Holdings	**22,042**	16,296	35%
Hutchison Asia Telecommunications	**6,900**	5,757	20%
Finance & Investments and Others	**19,668**	21,389	-8%
Total Comparable Revenue	**374,747**	404,873	-7%
Additional Contributions [4]	**21,340**	–	NA
Total Revenue	**396,087**	404,873	-2%
EBITDA [3]			
Ports and related services [3]	**11,840**	12,133	-2%
Retail	**14,838**	15,549	-5%
Infrastructure	**24,147**	24,483	-1%
Husky Energy	**7,922**	14,410	-45%
3 Group Europe	**17,396**	15,598	12%
Hutchison Telecommunications Hong Kong Holdings	**2,891**	2,780	4%
Hutchison Asia Telecommunications	**1,176**	(278)	523%
Finance & Investments and Others	**1,786**	3,461	-48%
Total Comparable EBITDA	**81,996**	88,136	-7%
Additional Contributions [4]	**10,097**	–	NA
Total EBITDA before profits on disposal of investments & others	**92,093**	88,136	5%
EBIT [3]			
Ports and related services [3]	**7,887**	7,944	-1%
Retail	**12,328**	13,023	-5%
Infrastructure	**18,101**	18,215	-1%
Husky Energy	**1,884**	6,324	-70%
3 Group Europe	**11,664**	6,892	69%
Hutchison Telecommunications Hong Kong Holdings	**1,448**	1,380	5%
Hutchison Asia Telecommunications	**1,176**	(1,465)	180%
Finance & Investments and Others	**1,540**	3,000	-49%
Total Comparable EBIT before profits on disposal of investments & others	**56,028**	55,313	1%
Additional Contributions [4]	**6,051**	–	NA
Total EBIT before profits on disposal of investments & others	**62,079**	55,313	12%
Interest expenses and other finance costs [3]	**(12,581)**	(13,909)	10%
Profit Before Tax	**49,498**	41,404	20%
Tax [3]			
Current tax	**(6,734)**	(7,907)	15%
Deferred tax	**(463)**	(283)	-64%
	(7,197)	(8,190)	12%
Profit after tax	**42,301**	33,214	27%
Non-controlling interests and perpetual capital securities holders' interests	**(10,173)**	(9,559)	-6%
Profit attributable to ordinary shareholders before profits on disposal of investments & others ("Recurring NPAT")	**32,128**	23,655	36%
- Comparable results	**29,364**	23,655	24%
- Additional Contributions [4]	**2,764**	–	NA
Profits on disposal of investments & others, after tax [6]	**(960)**	10,048	-110%
Profit attributable to ordinary shareholders ("NPAT")	**31,168**	33,703	-8%
- Comparable results	**28,404**	33,703	-16%
- Additional Contributions	**2,764**	–	NA

Reconciliation to reported HWL results for the year ended 31 December 2014

Revenue	Total Comparable results	404,873
	Discontinued businesses results [5]	16,599
	Total HWL results for the year ended 31 December 2014 as reported	421,472
EBITDA	Total Comparable results	88,136
	Discontinued businesses results [5]	10,737
	Total HWL results for the year ended 31 December 2014 as reported	98,873
EBIT	Total Comparable results	55,313
	Discontinued businesses results [5]	10,400
	Total HWL results for the year ended 31 December 2014 as reported	65,713
Recurring NPAT	Total Comparable results	23,655
	Discontinued businesses results [5]	8,353
	Total HWL results for the year ended 31 December 2014 as reported	32,008
NPAT	Total Comparable results	33,703
	Discontinued businesses results [5]	33,453
	Total HWL results for the year ended 31 December 2014 as reported	67,156

Note 1: Unaudited CKHH pro forma results for the year ended 31 December 2015 presented above assume that the Reorganisation was effective as at 1 January 2015. This presentation is consistent with the way the Group manages its businesses and enables the Group's underlying performance to be evaluated on a comparable basis, and has been prepared in accordance with the accounting policies of the Group as set out in note 3 of the financial statements. See Reconciliation from CKHH Statutory Results to CKHH Pro forma Results for the year ended 31 December 2015 for details.

Note 2: Unaudited HWL results for the year ended 31 December 2014 as reported in the Financial Performance Summary presented in HWL's 2014 Annual Report, excluding discontinued property and hotels businesses.

Note 3: Total revenue, earning before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earning before interest expenses and other finance costs ("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 4: To enable a better comparison of underlying performance, comparable revenue, EBITDA, EBIT and recurring NPAT exclude discontinued businesses and Additional Contributions. Full year Additional Contributions are as shown in table below, assuming the Reorganisation was effective as at 1 January 2015 (see (1) above). See note 1 to the financial statements for the details of the Reorganisation.

	Revenue	EBITDA	EBIT	Recurring NPAT
Ports and related services	242	124	70	43
Infrastructure	11,918	8,144	5,376	3,320
Energy	6,205	1,453	345	211
Telecommunications	80	20	(22)	(21)
Finance & Investments and Others	2,895	356	282	(789)
Total Additional Contributions	21,340	10,097	6,051	2,764

Note 5: Discontinued businesses are businesses carried on by HWL in 2014 that are not carried on by CKHH following the Reorganisation, including property and related businesses of HWL.

Note 6: Profits on disposal of investments & others, after tax for the year ended 31 December 2015 is a charge of HK$960 million representing the Group's subsidiary Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia's operating losses. The comparative HWL 2014 of HK$10,048 million gain comprises HWL's share of the gain arising from separate listing of the Hong Kong electricity business of HK$16,066 million, as well as a marked-to-market gain of HK$1,748 million on Cheung Kong Infrastructure Holdings Limited's investment in Australian Gas Networks Limited partly offset by HTAL's losses of HK$1,732 million and certain provisions made for other businesses.

Independent Auditor’s Report

To the Shareholders of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of CK Hutchison Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 16 to 101, which comprise the consolidated and Company statements of financial position as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 17 March 2016

CK Hutchison Holdings Limited
Consolidated Income Statement
for the year ended 31 December 2015

2015 US$ millions		Note	2015 HK$ millions	As reclassified Note 2 2014 HK$ millions
	Continuing operations			
21,380	Revenue	5, 6	**166,760**	1,562
(8,749)	Cost of inventories sold		**(68,243)**	-
(2,587)	Staff costs		**(20,178)**	(990)
(1,585)	Telecommunications customer acquisition costs		**(12,364)**	-
(1,233)	Depreciation and amortisation	6	**(9,618)**	(107)
(4,061)	Other operating income (expenses)		**(31,675)**	535
1,745	Profits on disposal of investments and others	7	**13,613**	-
	Share of profits less losses of:			
954	Associated companies before profits on disposal of investments and others		**7,445**	11,934
793	Joint ventures		**6,187**	1,831
(25)	Associated companies' profits on disposal of investments and others	7	**(196)**	5,020
6,632			**51,731**	19,785
(573)	Interest expenses and other finance costs	9	**(4,470)**	(655)
6,059	**Profit before tax**		**47,261**	19,130
(337)	Current tax credit (charge)	10	**(2,629)**	312
(34)	Deferred tax	10	**(266)**	(7)
5,688	**Profit after tax from continuing operations**		**44,366**	19,435
	Discontinued operations			
10,322	Profit after tax from discontinued operations	11	**80,514**	35,173
16,010	**Profit after tax**		**124,880**	54,608
	Profit attributable to non-controlling interests and holders of perpetual capital securities arises from:			
(792)	Continuing operations		**(6,177)**	(491)
(17)	Discontinued operations	11	**(133)**	(248)
(809)			**(6,310)**	(739)
	Profit attributable to ordinary shareholders arises from:			
4,896	Continuing operations	6	**38,189**	18,944
10,305	Discontinued operations	11	**80,381**	34,925
15,201			**118,570**	53,869
	Earnings per share for profit attributable to ordinary shareholders arises from:			
US$ 1.52	Continuing operations	12	**HK$ 11.89**	HK$ 8.18
US$ 3.21	Discontinued operations	12	**HK$ 25.02**	HK$ 15.08
US$ 4.73			**HK$ 36.91**	HK$ 23.26

Details of distribution paid to the holders of perpetual capital securities, interim dividend paid, proposed final dividend payable and Distribution In Specie to the ordinary shareholders during the year, and the one-off non-cash gain arising from the Distribution In Specie are set out in note 13(a), (b) and (c), respectively.

CK Hutchison Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2015

2015 US$ millions		Note	2015 HK$ millions	As reclassified Note 2 2014 HK$ millions
16,010	**Profit after tax**		**124,880**	54,608
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss:			
(17)	Remeasurement of defined benefit obligations recognised directly in reserves		**(133)**	-
41	Share of other comprehensive income (losses) of associated companies		**323**	(87)
99	Share of other comprehensive income (losses) of joint ventures		**772**	(221)
(5)	Tax relating to items that will not be reclassified to profit or loss	14	**(44)**	-
118			**918**	(308)
	Items that have been reclassified or may be subsequently reclassified to profit or loss:			
	Available-for-sale investments			
(102)	Valuation gains (losses) recognised directly in reserves		**(797)**	462
(131)	Valuation gains previously in reserves recognised in income statement		**(1,021)**	(313)
-	Impairment charged to income statement		**-**	44
90	Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves		**701**	-
264	Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves		**2,060**	1,475
(818)	Losses on translating overseas subsidiaries' net assets recognised directly in reserves		**(6,383)**	(738)
1,657	Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement		**12,925**	-
(1,759)	Share of other comprehensive income (losses) of associated companies		**(13,721)**	(13,082)
(404)	Share of other comprehensive income (losses) of joint ventures		**(3,152)**	(3,035)
(2)	Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	14	**(8)**	-
(1,205)			**(9,396)**	(15,187)
(1,087)	Other comprehensive income (losses) after tax		**(8,478)**	(15,495)
14,923	**Total comprehensive income**		**116,402**	39,113
	Total comprehensive income attributable to non-controlling interests and holders of perpetual capital securities arises from:			
(451)	Continuing operations		**(3,519)**	(491)
(17)	Discontinued operations		**(130)**	(247)
(468)			**(3,649)**	(738)
	Total comprehensive income attributable to ordinary shareholders arises from:			
5,009	Continuing operations		**39,071**	5,302
9,446	Discontinued operations		**73,682**	33,073
14,455			**112,753**	38,375

CK Hutchison Holdings Limited
Consolidated Statement of Financial Position
at 31 December 2015

31 December 2015 US$ millions		Note	31 December 2015 HK$ millions	As reclassified Note 2 31 December 2014 HK$ millions	As reclassified Note 2 1 January 2014 HK$ millions
	ASSETS				
	Non-current assets				
23,058	Fixed assets	15	**179,855**	17,454	9,977
43	Investment properties	16	**334**	33,285	28,777
925	Leasehold land	17	**7,215**	-	-
4,181	Telecommunications licences	18	**32,608**	-	-
10,543	Brand names and other rights	19	**82,233**	-	-
33,519	Goodwill	20	**261,449**	-	-
19,022	Associated companies	21	**148,372**	216,841	196,812
11,849	Interests in joint ventures	22	**92,425**	68,754	65,659
2,691	Deferred tax assets	23	**20,986**	-	-
543	Other non-current assets	24	**4,238**	1,272	1,564
1,315	Liquid funds and other listed investments	25	**10,255**	10,210	8,843
107,689			**839,970**	347,816	311,632
	Current assets				
15,535	Cash and cash equivalents	26	**121,171**	33,179	33,197
-	Liquid funds and other listed investments	25	**-**	918	1,360
6,672	Trade and other receivables	27	**52,042**	2,829	2,864
2,533	Inventories	28	**19,761**	73,199	79,784
24,740			**192,974**	110,125	117,205
	Current liabilities				
12,160	Trade and other payables	29	**94,849**	11,642	11,866
4,233	Bank and other debts	31	**33,016**	18,352	2,438
313	Current tax liabilities		**2,438**	1,356	1,162
16,706			**130,303**	31,350	15,466
8,034	**Net current assets**		**62,671**	78,775	101,739
115,723	**Total assets less current liabilities**		**902,641**	426,591	413,371
	Non-current liabilities				
34,684	Bank and other debts	31	**270,536**	19,522	39,452
619	Interest bearing loans from non-controlling shareholders	32	**4,827**	-	-
3,341	Deferred tax liabilities	23	**26,062**	1,022	986
521	Pension obligations	33	**4,066**	-	-
6,159	Other non-current liabilities	34	**48,039**	-	112
45,324			**353,530**	20,544	40,550
70,399	**Net assets**		**549,111**	406,047	372,821
	CAPITAL AND RESERVES				
495	Share capital	35 (a)	**3,860**	10,489	1,158
31,370	Share premium	35 (a)	**244,691**	-	9,331
4,507	Perpetual capital securities	35 (b)	**35,153**	9,045	9,048
18,575	Reserves		**144,884**	383,656	350,192
54,947	**Total ordinary shareholders' funds and perpetual capital securities**		**428,588**	403,190	369,729
15,452	Non-controlling interests		**120,523**	2,857	3,092
70,399	**Total equity**		**549,111**	406,047	372,821

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

CK Hutchison Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2015

	Attributable to							
	Ordinary shareholders					Total ordinary shareholders' funds and perpetual capital securities		
	Share capital and share premium (c)	Other reserves (d)	Retained profit	Sub-total	Holders of perpetual capital securities	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 1 January 2015	10,489	11,791	371,865	394,145	9,045	403,190	2,857	406,047
Profit for the year	-	-	118,570	118,570	1,363	119,933	4,947	124,880
Other comprehensive income (losses)								
Available-for-sale investments								
Valuation losses recognised directly in reserves	-	(697)	-	(697)	-	(697)	(100)	(797)
Valuation gains previously in reserves recognised in income statement	-	(1,039)	-	(1,039)	-	(1,039)	18	(1,021)
Remeasurement of defined benefit obligations recognised directly in reserves	-	-	(66)	(66)	-	(66)	(67)	(133)
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	-	692	-	692	-	692	9	701
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	-	1,783	-	1,783	-	1,783	277	2,060
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	-	(5,044)	-	(5,044)	-	(5,044)	(1,339)	(6,383)
Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	-	13,729	-	13,729	-	13,729	(804)	12,925
Share of other comprehensive income (losses) of associated companies	-	(13,202)	(34)	(13,236)	-	(13,236)	(162)	(13,398)
Share of other comprehensive income (losses) of joint ventures	-	(2,366)	473	(1,893)	-	(1,893)	(487)	(2,380)
Tax relating to components of other comprehensive income (losses)	-	(6)	(40)	(46)	-	(46)	(6)	(52)
Other comprehensive income (losses)	-	(6,150)	333	(5,817)	-	(5,817)	(2,661)	(8,478)
Total comprehensive income (losses)	-	(6,150)	118,903	112,753	1,363	114,116	2,286	116,402
Cancellation of Cheung Kong shares (e)	(10,489)	(341,336)	-	(351,825)	-	(351,825)	-	(351,825)
Issue of new CK Hutchison shares pursuant to the								
Reorganisation Proposal (e)	351,825	-	-	351,825	-	351,825	-	351,825
Merger Proposal (f)	260,237	-	-	260,237	-	260,237	-	260,237
Relating to acquisition of subsidiary companies	-	-	-	-	39,116	39,116	120,187	159,303
Redemption of perpetual capital securities	-	-	-	-	(13,299)	(13,299)	-	(13,299)
Dividends paid relating to 2014	-	-	(6,985)	(6,985)	-	(6,985)	-	(6,985)
Dividends paid relating to 2015	-	-	(2,702)	(2,702)	-	(2,702)	-	(2,702)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,203)	(2,203)
Distribution paid on perpetual capital securities	-	-	-	-	(1,072)	(1,072)	-	(1,072)
Distribution In Specie (see notes 35(a) and 37(e))	(363,511)	-	-	(363,511)	-	(363,511)	(2,707)	(366,218)
Equity contribution from non-controlling interests	-	-	-	-	-	-	3	3
Equity redemption to non-controlling interests	-	-	-	-	-	-	(148)	(148)
Share option schemes and long term incentive plans of subsidiary companies	-	(11)	-	(11)	-	(11)	(6)	(17)
Unclaimed dividends write back	-	-	5	5	-	5	-	5
Relating to deemed disposal of associated companies (h)	-	(19,823)	19,823	-	-	-	-	-
Relating to purchase of non-controlling interests	-	(14)	-	(14)	-	(14)	(190)	(204)
Relating to partial disposal of subsidiary companies	-	(482)	-	(482)	-	(482)	444	(38)
	238,062	(361,666)	10,141	(113,463)	24,745	(88,718)	115,380	26,662
At 31 December 2015	248,551	(356,025)	500,909	393,435	35,153	428,588	120,523	549,111

CK Hutchison Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2015

	Attributable to							
	Ordinary shareholders							
	Share capital and share premium [(c)]	Other reserves [(d)]	Retained profit	Sub-total	Holders of perpetual capital securities	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 1 January 2014 [(a)]	10,489	7,476	342,716	360,681	9,048	369,729	3,092	372,821
Profit for the year	-	-	53,869	53,869	457	54,326	282	54,608
Other comprehensive income (losses)								
Available-for-sale investments								
Valuation gains recognised directly in reserves	-	462	-	462	-	462	-	462
Valuation gains previously in reserves recognised in income statement	-	(313)	-	(313)	-	(313)	-	(313)
Impairment charged to income statement	-	44	-	44	-	44	-	44
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	-	1,475	-	1,475	-	1,475	-	1,475
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	-	(737)	-	(737)	-	(737)	(1)	(738)
Share of other comprehensive income (losses) of associated companies	-	(13,078)	(91)	(13,169)	-	(13,169)	-	(13,169)
Share of other comprehensive income (losses) of joint ventures	-	(3,035)	(221)	(3,256)	-	(3,256)	-	(3,256)
Other comprehensive income (losses)	-	(15,182)	(312)	(15,494)	-	(15,494)	(1)	(15,495)
Total comprehensive income (losses)	-	(15,182)	53,557	38,375	457	38,832	281	39,113
Dividends paid relating to 2013	-	-	(6,717)	(6,717)	-	(6,717)	-	(6,717)
Dividends paid relating to 2014	-	-	(1,478)	(1,478)	-	(1,478)	-	(1,478)
Special dividends paid	-	-	(16,213)	(16,213)	-	(16,213)	-	(16,213)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(309)	(309)
Distribution paid on perpetual capital securities	-	-	-	-	(460)	(460)	-	(460)
Share of dilution surplus of an associated company [(g)]	-	19,497	-	19,497	-	19,497	-	19,497
Change in non-controlling interests	-	-	-	-	-	-	(207)	(207)
	-	19,497	(24,408)	(4,911)	(460)	(5,371)	(516)	(5,887)
At 31 December 2014 [(b)]	10,489	11,791	371,865	394,145	9,045	403,190	2,857	406,047

(a) Certain amounts and line item descriptions of the comparative consolidated statement of changes in equity have been reclassified / updated to conform to the current year presentation. See note 2 for further details.

(b) Share capital of Cheung Kong (Holdings) Limited ("Cheung Kong") as at 31 December 2014 includes the balance on the share premium account created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) of HK$9,331 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital.

(c) As at 31 December 2015, share capital and share premium comprise share capital of HK$3,860 million and share premium of HK$244,691 million (31 December 2014 and 1 January 2014 - share capital of HK$10,489 million, share capital of HK$1,158 million and share premium of HK$9,331 million respectively).

(d) See note 36 for further details on other reserves.

(e) Under the Reorganisation Proposal, the share capital and the other reserves accounts were reduced by HK$10,489 million and HK$341,336 million, respectively, totalling HK$351,825 million, representing the fair value of Cheung Kong shares cancelled, and at the same time the share capital and the share premium account were increased by HK$2,316 million and HK$349,509 million, respectively, totalling HK$351,825 million, representing the fair value of new CK Hutchison Holdings Limited ("CK Hutchison") shares issued.

(f) Under the Merger Proposal, the share capital and the share premium account were increased by HK$1,544 million and HK$258,693 million, respectively, totalling HK$260,237 million, representing the fair value of new CK Hutchison shares issued.

(g) Share of dilution surplus of an associated company represents the Group's share of increase in reserves of former associated company, Hutchison relating to the dilution of 24.95% equity interest in its Retail division.

(h) Mainly related to deemed disposal of the Group's previously held equity interests in Hutchison and certain interests in co-owned assets.

CK Hutchison Holdings Limited
Consolidated Statement of Cash Flows
for the year ended 31 December 2015

2015 US$ millions		Note	2015 HK$ millions	As reclassified Note 2 2014 HK$ millions
	Operating activities			
	Cash generated from operating activities before interest expenses			
6,400	and other finance costs, tax paid and changes in working capital	37 (a)	**49,924**	31,634
(774)	Interest expenses and other finance costs paid		**(6,038)**	(328)
(278)	Tax paid		**(2,169)**	(1,089)
5,348	**Funds from operations**		**41,717**	30,217
363	Changes in working capital	37 (b)	**2,832**	7,596
5,711	**Net cash from operating activities**		**44,549**	37,813
	Investing activities			
(2,884)	Purchase of fixed assets and investment properties		**(22,494)**	(7,867)
(314)	Additions to telecommunications licences		**(2,448)**	-
(69)	Additions to brand names and other rights		**(540)**	-
14,077	Purchase of subsidiary companies	37 (c)	**109,803**	-
(8)	Additions to other unlisted investments		**(68)**	-
395	Repayments from associated companies and joint ventures		**3,078**	1,711
	Purchase of and advances to (including deposits from)			
(2,721)	associated companies and joint ventures		**(21,225)**	(8,454)
60	Proceeds on disposal of fixed assets		**471**	-
(82)	Proceeds on disposal of subsidiary companies	37 (d)	**(640)**	-
467	Proceeds on disposal of joint ventures		**3,642**	3,298
52	Proceeds on disposal of other unlisted investments		**403**	-
	Cash flows from (used in) investing activities before additions to /			
8,973	disposal of liquid funds and other listed investments		**69,982**	(11,312)
348	Disposal of liquid funds and other listed investments		**2,718**	595
(17)	Additions to liquid funds and other listed investments		**(132)**	(182)
9,304	**Cash flows from (used in) investing activities**		**72,568**	(10,899)
15,015	**Net cash inflow before financing activities**		**117,117**	26,914
	Financing activities			
3,597	New borrowings		**28,065**	-
(8,465)	Repayment of borrowings		**(66,028)**	(3,370)
	Issue of shares by subsidiary companies to non-controlling			
(132)	shareholders and net loans from (to) non-controlling shareholders		**(1,034)**	(207)
3	Proceeds on partial disposal of subsidiary company		**20**	-
(1,705)	Redemption of perpetual capital securities		**(13,299)**	-
5,211	Distribution In Specie	37 (e)	**40,649**	-
(384)	Dividends paid to non-controlling interests		**(2,997)**	(309)
(137)	Distribution paid on perpetual capital securities		**(1,072)**	(460)
(1,242)	Dividends paid to ordinary shareholders		**(9,687)**	(24,408)
(3,254)	**Cash flows used in financing activities**		**(25,383)**	(28,754)
11,761	Increase (decrease) in cash and cash equivalents		**91,734**	(1,840)
3,774	Cash and cash equivalents at 1 January		**29,437**	31,277
15,535	**Cash and cash equivalents at 31 December**		**121,171**	29,437

CK Hutchison Holdings Limited
Consolidated Statement of Cash Flows
for the year ended 31 December 2015

2015 US$ millions		Note	2015 HK$ millions	As reclassified Note 2 2014 HK$ millions
	Additional information:			
	Analysis of net cash flows			
	Operating net cash inflows arises from:			
5,189	Continuing operations		**40,474**	20,958
522	Discontinued operations		**4,075**	16,855
5,711			**44,549**	37,813
	Investing net cash inflows (outflows) arises from:			
9,956	Continuing operations		**77,650**	(10,692)
(652)	Discontinued operations		**(5,082)**	(207)
9,304			**72,568**	(10,899)
	Financing net cash outflows arises from:			
(3,229)	Continuing operations		**(25,183)**	(28,255)
(25)	Discontinued operations		**(200)**	(499)
(3,254)			**(25,383)**	(28,754)
	Total net cash inflows (outflows) arises from:			
11,916	Continuing operations		**92,941**	(17,989)
(155)	Discontinued operations		**(1,207)**	16,149
11,761	Increase (decrease) in cash and cash equivalents		**91,734**	(1,840)
	Analysis of cash, liquid funds and other listed investments			
15,535	Cash and cash equivalents, as above		**121,171**	29,437
-	Bank deposits maturing over three months		**-**	3,742
15,535	Cash and cash equivalents	26	**121,171**	33,179
1,315	Liquid funds and other listed investments	25	**10,255**	11,128
16,850	**Total cash, liquid funds and other listed investments**		**131,426**	44,307
38,975	Total principal amount of bank and other debts and unamortised fair value adjustments arising from acquisitions	31	**304,006**	37,874
619	Interest bearing loans from non-controlling shareholders	32	**4,827**	-
22,744	**Net debt (net cash)**		**177,407**	(6,433)
(619)	Interest bearing loans from non-controlling shareholders		**(4,827)**	-
22,125	**Net debt (net cash) (excluding interest bearing loans from non-controlling shareholders**)		**172,580**	(6,433)

Notes to the Financial Statements

1 Reorganisation and combination of the businesses of the Cheung Kong Group and the Hutchison Group

The Reorganisation Proposal, the Merger Proposal and the Spin-off Proposal announced jointly by the respective boards of directors of Cheung Kong (Holdings) Limited ("Cheung Kong"), the former holding company of the Group, and Hutchison Whampoa Limited ("Hutchison"), a former associated company of the Group, were successfully completed during the year.

With the completion of the Reorganisation Proposal, Cheung Kong and all its subsidiaries became direct and indirect subsidiaries of CK Hutchison Holdings Limited ("CK Hutchison" or the "Company") respectively, CK Hutchison became the new holding company of the Group, and the shares of CK Hutchison are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") while the listing status of Cheung Kong on the Stock Exchange had been withdrawn. The Reorganisation Proposal was not a business combination, but an internal capital reorganisation. Upon completion of the Reorganisation Proposal, CK Hutchison controls and operates the same assets and businesses as Cheung Kong. The Reorganisation Proposal did not involve any change in the beneficial ownership of the Group nor any change to the nature and scale of existing operations, save for changing the place of incorporation of the holding company of the Group from Hong Kong to the Cayman Islands. Accordingly, the consolidated financial statements of CK Hutchison is a continuation of Cheung Kong's existing and on-going activities with assets and liabilities at existing book values, and include Cheung Kong's full results for the year, including comparatives. Further details of the Reorganisation Proposal were set out in a circular issued by Cheung Kong dated 6 February 2015.

The Merger Proposal comprised the Hutchison Proposal and the Husky Share Exchange, under which the Group acquired the remaining 50.03% (which the Group did not previously own) of the issued and outstanding ordinary shares of Hutchison and an approximately 6.23% (in addition to the approximately 33.96% held by Hutchison) of the common shares of Husky Energy Inc. ("Husky"). With the completion of the Merger Proposal, Hutchison and all its subsidiaries became subsidiaries of CK Hutchison and the Group owned an approximately 40.19% of the common shares of Husky. As the completion of the Hutchison Proposal was subject to, amongst others, the completion of the Husky Share Exchange having occurred, they are accounted for together in the consolidated financial statements of CK Hutchison using the acquisition method of accounting. Further details of the Hutchison Proposal and the Husky Share Exchange were set out in a circular issued by CK Hutchison dated 31 March 2015 and a scheme document issued jointly by CK Hutchison, CK Global Investments Limited ("CK Global") and Hutchison dated 31 March 2015.

The Group's entire interest in the Cheung Kong Property Holdings Limited ("Cheung Kong Property") was distributed to shareholders pursuant to the Distribution In Specie under the Spin-off Proposal. The results of the Property and hotels operations are therefore presented as discontinued operations separately from continuing operations in the consolidated income statement and consolidated statement of comprehensive income of CK Hutchison. The Distribution In Specie is accounted for as a distribution of non-cash assets (shares in Cheung Kong Property) to shareholders, where the difference between the distribution liability measured at fair value and the book value of the disposal group (after netting HK$55,000 million received) is recognised in profit or loss in the consolidated financial statements of CK Hutchison upon settlement of the distribution liability. Further details of the Distribution In Specie were set out in a circular issued by CK Hutchison dated 31 March 2015 and a scheme document issued jointly by CK Hutchison, CK Global and Hutchison dated 31 March 2015.

2 Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments which are stated at fair values, as explained in the significant accounting policies set out in note 3.

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2015. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results of operations or financial position.

2 Basis of preparation (continued)

The Merger Proposal and the Spin-off Proposal have introduced significant changes to the nature of the Group's operations. As a result, the Group has updated its presentation of the financial statements to provide more relevant information. Accordingly, certain line item descriptions have been updated and certain comparative amounts have been reclassified to conform to the current year presentation. The reclassifications, based on the new presentation format, where material, are explained in notes (a) to (d) below:

(a) Reclassification - consolidated income statement for the year ended 31 December 2014

	Amounts before reclassification HK$ millions		Reclassifications HK$ millions	Reclassifications HK$ millions (v)	Amounts after reclassification HK$ millions
Continuing operations					
Revenue	24,259	(i)	1,341	(24,038)	1,562
Investment and other income #	2,125	(i)	(1,341)	(784)	-
Cost of inventories sold	(12,980)	(ii)	(5)	12,985	-
Staff costs	(1,515)			525	(990)
Depreciation and amortisation	(393)			286	(107)
Other operating income (expenses)	(468)	(ii)	5	998	535
Share of profits less losses of:					
Associated companies before profits on disposal of investments and others	33,670	(iii)	(5,020)	(16,716)	11,934
Joint ventures	4,666			(2,835)	1,831
Associated companies' profits on disposal of investments and others	-	(iii)	5,020	-	5,020
Profit on disposal of property joint ventures #	2,349			(2,349)	-
Increase in fair value of investment properties #	4,542			(4,542)	-
	56,255			(36,470)	19,785
Interest expenses and other finance costs	(328)			(327)	(655)
Profit before tax	55,927			(36,797)	19,130
Current tax	(1,283)	(iv)		1,595	312
Deferred tax	(36)	(iv)		29	(7)
Profit after tax from continuing operations	54,608			(35,173)	19,435
Discontinued operations					
Profit after tax from discontinued operations	-			35,173	35,173
Profit after tax	54,608			-	54,608
Profit attributable to non-controlling interests and holders of perpetual capital securities arises from:					
Continuing operations	(739)			248	(491)
Discontinued operations	-			(248)	(248)
	(739)			-	(739)
Profit attributable to ordinary shareholders arises from:					
Continuing operations	53,869			(34,925)	18,944
Discontinued operations	-			34,925	34,925
	53,869			-	53,869

(i) Investment and other income of HK$1,341 million previously reported as a separate line item is reclassified and grouped under Revenue.

(ii) Cost of inventories sold of HK$5 million previously reported as a separate line item is reclassified and grouped under Other operating income (expenses).

(iii) Share of associated company's profits on disposal of investments and others of HK$5,020 million, previously grouped under Share of net profit of associates, is presented under the current year presentation as a separate line item Share of profits less losses of associated companies' profits on disposal of investments and others.

(iv) Current tax of HK$1,283 million and Deferred tax of HK$36 million, previously grouped under Taxation, are presented as separate line items.

(v) For separate presentation of discontinued operations. See note 11.

\# line items under the previously published presentation format are shown in italic.

2 Basis of preparation (continued)

(b) Reclassification - consolidated statement of financial position as at 31 December 2014

	Amounts before reclassification HK$ millions		Reclassification HK$ millions	Amounts after reclassification HK$ millions
ASSETS				
Non-current assets				
Fixed assets	17,454			17,454
Investment properties	33,285			33,285
Associated companies	216,841			216,841
Interests in joint ventures	68,754			68,754
Other non-current assets	-	(i)	1,272	1,272
Long term loan receivables #	301	(i)	(301)	-
Derivative financial instruments #	476	(i)	(476)	-
Liquid funds and other listed investments	10,705	(i)	(495)	10,210
	347,816			347,816
Current assets				
Cash and cash equivalents	33,179			33,179
Liquid funds and other listed investments	918			918
Trade and other receivables	2,510	(ii)	319	2,829
Derivative financial instruments #	319	(ii)	(319)	-
Inventories	73,199			73,199
	110,125			110,125
Current liabilities				
Trade and other payables	11,451	(iii)	191	11,642
Derivative financial instruments #	191	(iii)	(191)	-
Bank and other debts	18,352			18,352
Current tax liabilities	1,356			1,356
	31,350			31,350
Net current assets	78,775			78,775
Total assets less current liabilities	426,591			426,591
Non-current liabilities				
Bank and other debts	19,522			19,522
Deferred tax liabilities	1,022			1,022
	20,544			20,544
Net assets	406,047			406,047
CAPITAL AND RESERVES				
Share capital	10,489			10,489
Perpetual capital securities	9,045			9,045
Reserves	383,656			383,656
Total ordinary shareholders' funds and perpetual capital securities	403,190			403,190
Non-controlling interests	2,857			2,857
Total equity	406,047			406,047

(i) Long term loan receivables of HK$301 million, Derivative financial instruments of HK$476 million and Liquid funds and other listed investments of HK$495 million are reclassified and grouped under Other non-current assets.

(ii) Derivative financial instruments of HK$319 million is reclassified and grouped under Trade and other receivables.

(iii) Derivative financial instruments of HK$191 million is reclassified and grouped under Trade and other payables.

line items under the previously published presentation format are shown in italic.

2 Basis of preparation (continued)

(c) Reclassification - consolidated statement of financial position as at 31 December 2013 and 1 January 2014

	Amounts before reclassification HK$ millions		Reclassification HK$ millions	Amounts after reclassification HK$ millions
ASSETS				
Non-current assets				
Fixed assets	9,977			9,977
Investment properties	28,777			28,777
Associated companies	196,812			196,812
Interests in joint ventures	65,659			65,659
Other non-current assets	-	(i)	1,564	1,564
Long term loan receivables #	1,073	(i)	(1,073)	-
Liquid funds and other listed investments	9,334	(i)	(491)	8,843
	311,632			311,632
Current assets				
Cash and cash equivalents	33,197			33,197
Liquid funds and other listed investments	1,360			1,360
Trade and other receivables	2,313	(ii)	551	2,864
Derivative financial instruments #	551	(ii)	(551)	-
Inventories	79,784			79,784
	117,205			117,205
Current liabilities				
Trade and other payables	11,699	(iii)	167	11,866
Derivative financial instruments #	167	(iii)	(167)	-
Bank and other debts	2,438			2,438
Current tax liabilities	1,162			1,162
	15,466			15,466
Net current assets	101,739			101,739
Total assets less current liabilities	413,371			413,371
Non-current liabilities				
Bank and other debts	39,452			39,452
Deferred tax liabilities	986			986
Other non-current liabilities	-	(iv)	112	112
Derivative financial instruments #	112	(iv)	(112)	-
	40,550			40,550
Net assets	372,821			372,821
CAPITAL AND RESERVES				
Share capital	1,158			1,158
Share premium	9,331			9,331
Perpetual capital securities	9,048			9,048
Reserves	350,192			350,192
Total ordinary shareholders' funds and perpetual capital securities	369,729			369,729
Non-controlling interests	3,092			3,092
Total equity	372,821			372,821

(i) Long term loan receivables of HK$1,073 million and Liquid funds and other listed investments of HK$491 million are reclassified and grouped under Other non-current assets.

(ii) Derivative financial instruments of HK$551 million is reclassified and grouped under Trade and other receivables.

(iii) Derivative financial instruments of HK$167 million is reclassified and grouped under Trade and other payables.

(iv) Derivative financial instruments of HK$112 million is reclassified and grouped under Other non-current liabilities.

\# line items under the previously published presentation format are shown in italic.

2 Basis of preparation (continued)

(d) Reclassification - consolidated statement of cash flows for the year ended 31 December 2014

	Amounts before reclassification HK$ millions		Reclassification HK$ millions	Amounts after reclassification HK$ millions
	(i)			
Operating activities				
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	31,634			31,634
Interest expenses and other finance costs paid	-	(ii)	(328)	(328)
Tax paid	(1,089)			(1,089)
Investment in / loan advance to joint ventures #	(3,176)	(iii)	3,176	-
Dividend paid to shareholders of the Company #	(24,408)	(iv)	24,408	-
Dividend paid to non-controlling interests #	(309)	(iv)	309	-
Distribution paid on perpetual securities #	(460)	(iv)	460	-
Funds from operations	2,192			30,217
Changes in working capital	7,972	(ii)	(376)	7,596
Net cash from operating activities	10,164			37,813
Investing activities				
Purchase of fixed assets and investment properties	(7,867)			(7,867)
Repayments from associated companies and joint ventures	1,711			1,711
Purchase of and advances to (including deposits from) associated companies and joint ventures	(5,278)	(iii)	(3,176)	(8,454)
Proceeds on disposal of joint ventures	3,298			3,298
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments	(8,136)			(11,312)
Disposal of liquid funds and other listed investments	595			595
Additions to liquid funds and other listed investments	(182)			(182)
Cash flows used in investing activities	(7,723)			(10,899)
Net cash inflow before financing activities	2,441			26,914
Financing activities				
Repayment of borrowings	(3,370)			(3,370)
Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders	(207)			(207)
Dividends paid to non-controlling interests	-	(iv)	(309)	(309)
Distributions paid on perpetual capital securities	-	(iv)	(460)	(460)
Dividends paid to ordinary shareholders	-	(iv)	(24,408)	(24,408)
Interest and other finance costs paid #	(704)	(ii)	704	-
Cash flows used in financing activities	(4,281)			(28,754)
Decrease in cash and cash equivalents	(1,840)			(1,840)
Cash and cash equivalents at 1 January	31,277			31,277
Cash and cash equivalents at 31 December	29,437			29,437

(i) Additional line items for cash flows arising from operating, investing and financing activities are presented under the new format adopted for the current year.

(ii) Interest expenses and other finance costs paid of HK$328 million and changes in interest payable of HK$376 million, previously reported as financing activities, are reclassified as operating activities.

(iii) Investment in / loan advance to joint ventures of HK$3,176 million, previously reported as operating activities, is reclassified as investing activities.

(iv) Dividend paid to shareholders of the Company of HK$24,408 million, Dividend paid to non-controlling interests of HK$309 million and Distribution paid on perpetual securities of HK$460 million previously reported as operating activities, are reclassified as financing activities.

line items under the previously published presentation format are shown in italic.

3 Significant accounting policies

(a) Basis of consolidation

The financial statements of the Group include the financial statements of the Company and its direct and indirect subsidiary companies and also incorporate the Group's interest in associated companies and joint ventures on the basis set out in notes 3(c) and 3(d) below. Results of subsidiary and associated companies and joint ventures acquired or disposed of during the year are included as from their effective dates of acquisition to 31 December 2015 or up to the dates of disposal as the case may be. The acquisition of subsidiaries is accounted for using the acquisition method.

(b) Subsidiary companies

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the consolidated financial statements, subsidiary companies are accounted for as described in note 3(a) above.

(c) Associated companies

An associate is an entity, other than a subsidiary or a joint venture, in which the Group has a long-term equity interest and over which the Group is in a position to exercise significant influence over its management, including participation in the financial and operating policy decisions.

The results and net assets of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5, Non-current assets held for sale and discontinued operations. The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

(d) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method.

The results and net assets of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5, Non-current assets held for sale and discontinued operations. The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

(e) Fixed assets

Fixed assets are stated at cost less depreciation and any impairment loss. Buildings are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land, whichever is less. The period of the lease includes the period for which a right to renewal is attached. Aircraft are depreciated on a straight-line basis, after taking into account a residual value of 10% of their costs, over an expected useful life of 25 years from their respective dates of first use.

Depreciation of other fixed assets is provided on the straight-line basis to write off their costs over their estimated useful lives. The principal annual rates used for this purposes are as follows:

Motor vehicles	20 - 25%
Plant, machinery and equipment	3 1/3 - 20%
Container terminal equipment	3 - 20%
Telecommunications equipment	2.5 - 20%
Rolling stock and other railway assets	2.9 - 5%
Water and sewerage infrastructure assets	0.5 - 25%
Leasehold improvements	Over the unexpired period of the lease or 15%, whichever is greater

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

3 Significant accounting policies (continued)

(f) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the income statement.

(g) Leasehold land

The acquisition costs and upfront payments made for leasehold land are presented on the face of the statement of financial position as leasehold land and expensed in the income statement on a straight-line basis over the period of the lease.

(h) Telecommunications licences, other licences, brand names, trademarks and other rights

Separately acquired telecommunications licences, other licences, brand names, trademarks and other rights are carried at historical cost. Telecommunications licences, other licences, brand names, trademarks and other rights acquired in a business combination are recognised at fair value at the acquisition date. Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives:

Telecommunications licences and other licences	2 to 20 years
Brand names, trademarks and other rights	2 to 45 years

Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life to the Group are not amortised and are tested for impairment annually and when there is indication that they may be impaired.

(i) Telecommunications customer acquisition costs

Telecommunications customer acquisition costs ("CACs") comprise the net costs to acquire and retain mobile telecommunications customers, which are primarily 3G and LTE customers. Telecommunications CACs are expensed and recognised in the income statement in the period in which they are incurred.

(j) Goodwill

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill on acquisition of a foreign operation is treated as an asset of the foreign operation.

Goodwill is subject to impairment test annually and when there are indications that the carrying value may not be recoverable.

If the cost of acquisition is less than the fair value of the Group's share of the net identifiable assets of the acquired company, the difference is recognised directly in the income statement.

The profit or loss on disposal is calculated by reference to the net assets at the date of disposal including the attributable amount of goodwill but does not include any attributable goodwill previously eliminated against reserves.

(k) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from five to nine years over the expected useful life of the customer relationship.

(l) Deferred tax

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised.

3 Significant accounting policies (continued)

(m) Liquid funds and other listed investments and other unlisted investments

"Liquid funds and other listed investments" are investments in listed / traded debt securities, listed equity securities, long-term deposits and cash and cash equivalents. "Other unlisted investments", disclosed under other non-current assets, are investments in unlisted debt securities, unlisted equity securities and other receivables. These investments are recognised and de-recognised on the date the Group commits to purchase or sell the investments or when they expire. These investments are classified and accounted for as follows:

Loans and receivables

"Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of the reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method less impairment. Interest calculated using the effective interest method is recognised in the income statement.

Held-to-maturity investments

"Held-to-maturity investments" are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. At the end of the reporting period subsequent to initial recognition, held-to-maturity investments are carried at amortised cost using the effective interest method less impairment. Interest calculated using the effective interest method is recognised in the income statement.

Financial assets at fair value through profit or loss

"Financial assets at fair value through profit or loss" are financial assets where changes in fair value are recognised in the income statement in the period in which they arise. At the end of the reporting period subsequent to initial recognition, these financial assets are carried at fair value. In addition, any dividends or interests earned on these financial assets are recognised in the income statement.

Available-for-sale investments

"Available-for-sale investments" are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. At the end of the reporting period subsequent to initial recognition, these financial assets are carried at fair value and changes in fair value are recognised in other comprehensive income and accumulated under the heading of revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Dividends from available-for-sale investments are recognised when the right to receive payment is established. When available-for-sale investments are sold, the cumulative fair value gains or losses previously recognised in revaluation reserve is removed from revaluation reserve and recognised in the income statement.

(n) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in fair value are recognised based on whether certain qualifying criteria under HKAS 39 are satisfied in order to apply hedge accounting, and if so, the nature of the items being hedged.

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges. The Group mainly enters into interest rate swap contracts to swap certain fixed interest rate borrowings into floating interest rate borrowings. Changes in the fair value of these derivative contracts, together with the changes in the fair value of the hedged assets or liabilities attributable to the hedged risk are recognised in the income statement as interest expenses and other finance costs. At the same time, the carrying amount of the hedged asset or liability in the statement of financial position is adjusted for the changes in fair value.

Derivatives designated as hedging instruments to hedge against the cash flows attributable to recognised assets or liabilities or forecast payments may qualify as cash flow hedges. The Group mainly enters into interest rate swap contracts to swap certain floating interest rate borrowings to fixed interest rate borrowings and foreign currency contracts to hedge the currency risk associated with certain forecast foreign currency payments and obligations. Changes in the fair value relating to the effective portion of these derivative contracts are recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised in the income statement as interest expenses and other finance costs. Amounts accumulated are removed from hedging reserve and recognised in the income statement in the periods when the hedged derivative contract matures, except, when the forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the amounts accumulated are transferred from hedging reserve and, then they are included in the initial cost of the asset or liability.

3 Significant accounting policies (continued)

(n) Derivative financial instruments and hedging activities (continued)

Derivatives designated as hedging instruments to hedge the net investment in a foreign operation are accounted for in a way similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion is recognised in other comprehensive income and accumulated under the heading of exchange reserve. The gain or loss relating to the ineffective portion is recognised in the income statement as interest expenses and other finance costs. Amounts accumulated are removed from exchange reserve and recognised in the income statement in the periods when the foreign operation is disposed of.

Derivatives that do not qualify for hedge accounting under HKAS 39 will be accounted for with the changes in fair value being recognised in the income statement.

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Appropriate allowance for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

(p) Inventories

Inventories consist mainly of retail goods and, in relation to prior year, stock of properties. The carrying value of retail stock is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition.

Stock of properties are stated at the lower of cost and net realisable value. Net realisable value is determined with reference to sales proceeds received after the reporting date less selling expenses, or by management estimates based on prevailing market conditions. Costs of properties include acquisition costs, development expenditure, interest and other direct costs attributable to the properties.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(r) Borrowings and borrowing costs

The Group's borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount of borrowings and debt instruments is recognised over the period of the borrowings using effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(s) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(t) Customer loyalty credits

Customer loyalty credits are accounted for as a separate component of the sales transaction in which they are granted.

(u) Share capital

Share capital issued by the holding company of the Group are recorded in equity at the proceeds received, net of direct issue costs.

(v) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

(w) Leased assets

Assets acquired pursuant to finance leases and hire purchase contracts that transfer to the Group substantially all the rewards and risks of ownership are accounted for as if purchased.

3 Significant accounting policies (continued)

(w) Leased assets (continued)

Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest elements. The capital element of the leasing commitment is included as a liability and the interest element is charged to the income statement. All other leases are accounted for as operating leases and the rental payments are charged to the income statement on accrual basis.

(x) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually and when there is indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. Such impairment loss is recognised in the income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease.

(y) Pension plans

Pension plans are classified into defined benefit and defined contribution plans. The pension plans are generally funded by the relevant Group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

The Group's contributions to the defined contribution plans are charged to the income statement in the year incurred.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Pension costs are charged to the income statement within staff costs.

(z) Share-based payments

The Company has no share option scheme but certain of the Company's subsidiary companies and associated companies have issued equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the respective group companies' estimate of their shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of the reporting period.

(aa) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations are translated into Hong Kong dollars using the year end rates of exchange for the statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

3 Significant accounting policies (continued)

(aa) Foreign exchange (continued)

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the Company are transferred out of the exchange reserve and are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the income statement. For all other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and are recognised in the income statement.

All other exchange differences are recognised in the income statement.

(ab) Business combinations

The Group applies the provisions of HKFRS 3, Business combinations, to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. Where the acquisition method of accounting is used to account for business combinations, the consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are generally recognised in profit or loss as incurred. Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

The difference between the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any pre-existing investment in the acquiree over the acquisition date fair value of assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred and the fair value of pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the Group, the difference is recognised as a gain directly in profit or loss by the Group on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the Group's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed as of the acquisition date. The measurement period is the period from the date the Group obtains complete information about the facts and circumstances that existed as of the acquisition date, and ends on 12 months from the date of the acquisition.

(ac) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale or dispose.

When an operation is classified as discontinued, a single amount is presented in the income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operations.

(ad) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

3 Significant accounting policies (continued)

(ad) Revenue recognition (continued)

Ports and related services

Revenue from the provision of ports and related services is recognised when the service is rendered.

Property and hotels

When properties under development are sold, income is recognised when the property development is completed with the relevant occupation permit issued by the authorities and the significant risks and rewards of the properties are passed to the purchasers. Payments received from purchasers prior to this stage are accounted for as customers' deposits received.

Property rental income is recognised on a straight-line basis over the period of the lease. Income from property and project management is recognised when services are rendered. Revenue from hotel and serviced suite operation is recognised upon provision of services.

Retail

Revenue from the sale of retail goods is recognised at point of sales less an estimate for sales return based on past experience where goods are sold with a right to return. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sales, including credit card fees payable for the transaction.

Infrastructure

Income from long-term contracts is recognised according to the stage of completion.

Aircraft leasing income are recognised on a straight-line basis over the period of the lease.

Energy

Revenue associated with the sale of crude oil, natural gas, natural gas liquids, synthetic crude oil, purchased commodities and refined petroleum products is recognised when the title passes to the customer.

Revenue associated with the sale of transportation, processing and natural gas storage services is recognised when the service is provided.

Mobile and fixed-line telecommunications services

Revenue from the provision of mobile telecommunications services with respect to voice, video, internet access, messaging and media services, including data services and information provision, is recognised when the service is rendered and, depending on the nature of the services, is recognised either at gross amount billed to the customer or the amount receivable as commission for facilitating the services.

Revenue from the sale of prepaid mobile calling cards is deferred until such time as the customer uses the card or upon the expiry of the service period.

For bundled transactions under contract comprising of provision of mobile telecommunications services and sale of a device (e.g. handsets), the amount of revenue recognised upon the sale of the device is accrued as determined by considering the estimated fair values of each of the services element and device element of the contract.

Other service income is recognised when the service is rendered.

Customer service revenue is mobile telecommunications service revenue, and where a customer is invoiced for a bundled transaction under contract, the invoiced amount less amounts related to accrued device revenue and also less other service income.

Total revenue arising from mobile and fixed-line telecommunications services comprises of service revenue, other service income and sale of device revenue.

Finance and investments

Dividend income from investments in securities is recognised when the Group’s right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

3 Significant accounting policies (continued)

At the date these financial statements are authorised for issue, the following standards, amendments and interpretations were in issue, and applicable to the Group's financial statements for annual accounting periods beginning on or after 1 January 2016, but not yet effective and have not been early adopted by the Group:

Annual Improvements 2012-2014 Cycle (i)	Improvements to HKFRSs
HKAS 1 (Amendments) (i)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments) (i)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments) (i)	Agriculture: Bearer Plants
HKAS 27 (Amendments) (i)	Equity Method in Separate Financial Statements
HKFRS 9 (2014) (iii)	Financial Instruments
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments) (i)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments) (i)	Accounting for Acquisitions of Interests in Joint Operations
HKAS 7 (Amendments) (ii)	Disclosure Initiative
HKAS 12 (Amendments) (ii)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 15 (iii)	Revenue from Contracts with Customers
HKFRS 16 (iv)	Leases
HKFRS 10 and HKAS 28 (Amendments) (v)	Sale or Contribution of Asset between an Investor and its Associate or Joint Venture

(i) Effective for the Group for annual periods beginning on or after 1 January 2016.
(ii) Effective for the Group for annual periods beginning on or after 1 January 2017.
(iii) Effective for the Group for annual periods beginning on or after 1 January 2018.
(iv) Effective for the Group for annual periods beginning on or after 1 January 2019.
(v) The original effective date of 1 January 2016 has been postponed until further announcement by the HKICPA.

HKFRS 15 will be effective for the Group’s financial statement for annual reporting periods beginning on or after 1 January 2018. HKFRS 15 will replace all existing HKFRS revenue guidance and requirements including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is assessing the impact of HKFRS 15. It is currently anticipated that the application of HKFRS 15 in the future may impact the disclosure to be made in the Group's financial statements. However, it is not practicable to provide a reasonable estimate of the impact of HKFRS 15 as at the date of publication of these financial statements.

HKFRS 16 will be effective for the Group's financial statements for annual reporting periods beginning on or after 1 January 2019. HKFRS 16 specifies how an entity to recognise, measure, present and disclose leases. HKFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance with HKFRS 16's approach to lessor accounting substantially unchanged from its predecessor HKAS 17. The Group is assessing the impact of HKFRS 16 and as a result, it is not practicable to provide a reasonable estimate of the impact of HKFRS 16 as at the date of publication of these financial statements.

The adoption of other standards, amendments and interpretations listed above, in future periods is not expected to have any material impact on the Group's results of operations and financial position.

4 Critical accounting estimates and judgements

Note 3 includes a summary of the significant accounting policies used in the preparation of the financial statements. The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. The Group bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the financial statements.

(a) Basis of consolidation

The determination of the Group's level of control over another entity will require exercise of judgement under certain circumstances. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As such, the classification of the entity as a subsidiary, a joint venture, an associate or a cost investment might require the application of judgement through the analysis of various indicators, such as the percentage of ownership interest held in the entity, the representation on the entity's board of directors and various other factors including, if relevant, the existence of agreement with other shareholders, applicable statutes and regulations and their requirements. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity.

(b) Long-lived assets

Assets that have an indefinite useful life are tested for impairment annually and when there is indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. Such impairment loss is recognised in the income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease and is recognised in other comprehensive income.

Judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to dispose or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions used to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

(c) Depreciation and amortisation

(i) Fixed assets

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

(ii) Telecommunications licences, other licences, brand names, trademarks and other rights

Telecommunications licences, other licences, brand names, trademarks and other rights with a finite useful life are carried at cost less accumulated amortisation and are reviewed for impairment annually. Telecommunications licences, other licences, brand names, trademarks and other rights that are considered to have an indefinite useful life to the Group are not amortised and are tested for impairment annually and when there is indication that they may be impaired.

On the basis of confirmation from the Ministry of the Italian Government that the Group's 3G licence term in Italy can be continuously extended for a period equivalent to the previous term, effectively making it a perpetual licence, and the enactment by the UK Houses of Parliament of a statutory instrument, which inter alia changes the life of the Group's 3G licence to indefinite, the Group's 3G licences in Italy and in the UK are considered to have an indefinite useful life.

4 Critical accounting estimates and judgements (continued)

(c) Depreciation and amortisation (continued)

(ii) Telecommunications licences, other licences, brand names, trademarks and other rights (continued)

Brand names relate to Retail and Telecommunications are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

Judgement is required to determine the useful lives of the Group's telecommunications licences, other licences, brand names, trademarks and other rights. The actual economic lives of these assets may differ from the current contracted or expected usage periods, which could impact the amount of amortisation expense charged to the income statement. In addition, governments from time to time revise the terms of licences to change, amongst other terms, the contracted or expected licence period, which could also impact the amount of amortisation expense charged to the income statement.

(iii) Telecommunications customer acquisition costs

Telecommunications customer acquisition costs (“CACs”) comprise the net costs to acquire and retain mobile telecommunications customers, which are primarily 3G and LTE customers. Telecommunications CACs are expensed and recognised in the income statement in the period in which they are incurred.

Judgement is required to determine the most appropriate accounting policy for telecommunications CACs. Any change in the accounting policy to capitalise these costs will impact the charge to the income statement as these costs will be capitalised and amortised over the contract periods.

(d) Goodwill

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill is recorded as a separate asset or, as applicable, included within investments in associated companies and joint ventures. Goodwill is also subject to the impairment test annually and when there are indications that the carrying value may not be recoverable.

(e) Tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised.

The ultimate realisation of deferred tax assets recognised for certain of the Group's businesses depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. It may be necessary for some or all of the deferred tax assets recognised to be reduced and charged to the income statement if there is a significant adverse change in the projected performance and resulting projected taxable profits of these businesses. Judgement is required to determine key assumptions adopted in the taxable profit and loss projections and changes to key assumptions used can significantly affect these taxable profit and loss projections.

(f) Business combinations and goodwill

As disclosed in note 3(ab), the Group applies the provisions of HKFRS 3 to transactions and other events that meet the definition of a business combination within the scope of HKFRS 3. When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed, including intangible assets, contingent liabilities and commitments, are recognised at their fair value. Judgement is required to determine the fair values of the assets acquired, the liabilities assumed, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired then the difference is recorded as a gain in the income statement. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

4 Critical accounting estimates and judgements (continued)

(g) Provisions for commitments, onerous contracts and other guarantees

The Group has entered into a number of procurement and supply contracts related to specific assets in the ordinary course of its business and provided guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures. Where the unavoidable costs of meeting the obligations under these procurement and supply contracts exceed the associated, expected future net benefits, an onerous contract provision is recognised, or where the borrowing associated companies and joint ventures are assessed to be unable to repay the indebtedness that the Group has guaranteed, a provision is recognised. The calculation of these provisions will involve the use of estimates. These onerous provisions are calculated by taking the unavoidable costs that will be incurred under the contract and deducting any estimate revenues or predicted income to be derived from the assets, or by taking the unavoidable costs that will be incurred under the guarantee and deducting any estimated recoverable value from the investment in such associated companies and joint ventures.

(h) Pension costs

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, Employee Benefits. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in retained profit. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the financial statements in accordance with the HKFRS requirements.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(i) Sale and leaseback transactions

The Group classifies leases into finance leases or operating leases in accordance with the accounting policies stated in note 3(w). Determining whether a lease transaction is a finance lease or an operating lease is a complex issue and requires substantial judgement as to whether the lease agreement transfers substantially all the risks and rewards of ownership to or from the Group. Careful and considered judgement is required on various complex aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether renewal options are included in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease or operating lease determines whether the leased asset is capitalised and recognised on the statement of financial position as set out in note 3(w). In sale and leaseback transactions, the classification of the leaseback arrangements as described above determines how the gain or loss on the sale transaction is recognised. It is either deferred and amortised (finance lease) or recognised in the income statement immediately (operating lease).

(j) Allocation of revenue for bundled telecommunications transactions with customers

The Group has bundled transactions under contract with customers including sales of both services and hardware (for example handsets). The amount of revenue recognised upon the sale of hardware is determined by considering the estimated fair values of each of the service element and hardware element of the contract. Significant judgement is required in assessing fair values of both of these elements by considering inter alia, standalone selling price and other observable market data. Changes in the estimated fair values may cause the revenue recognised for sales of services and hardware to change individually but not the total bundled revenue from a specific customer throughout its contract term. The Group periodically re-assesses the fair value of the elements as a result of changes in market conditions.

5 Revenue

An analysis of revenue of the Company and subsidiary companies is as follows:

	2015	2014
	HK$ millions	HK$ millions
Sales of goods	**99,736**	-
Revenue from services	**64,872**	315
Interest	**2,018**	1,137
Dividends	**134**	110
	166,760	1,562

6 Operating segment information

The Merger Proposal and the Spin-off Proposal have introduced significant changes to the composition of the Group's operating segments. As a result, the Group has updated its presentation of operating segment information. As the Group's former Property and hotels operating segment consisted entirely of discontinued operations, information about property sales, property rental, hotel and serviced suite operation, and property and project management are not presented in the following operating segment information. Set out below is information about the new composition of the Group's operating segment for the current and comparative years:

Ports and related services:
This division had 269 operational berths as at 31 December 2015.

Retail:
The Retail division had 12,400 stores across 25 markets as at 31 December 2015.

Infrastructure:
The Infrastructure division comprises a 75.67% interest in Cheung Kong Infrastructure Holdings Limited ("CKI"), a company listed on the Stock Exchange; interests in certain co-owned infrastructure investments as well as aircraft leasing business is reported under this division.

Husky Energy:
This comprises of the Group's 40.18% interest in Husky, an integrated energy company listed on the Toronto Stock Exchange in Canada.

Telecommunications:
The Group's telecommunications division consists of **3** Group Europe with businesses in 6 countries in Europe, a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange, Hutchison Asia Telecommunications and a 87.87% interest in the Australian Securities Exchange listed Hutchison Telecommunications (Australia) ("HTAL"), which has a 50% interest in a joint venture company, Vodafone Hutchison Australia Pty Limited ("VHA").

HTAL's share of VHA's results are presented as separate items within the income statement line item titled profits on disposal of investments and others (see notes 7(a) and 7(b)).

Finance & Investments and Others is presented to reconcile to the totals included in the Group's income statement and statement of financial position, which covers the activities of other Group areas which are not presented separately and includes Hutchison Water, Hutchison Whampoa (China), Hutchison E-Commerce and corporate head office operations, the Marionnaud business, listed subsidiary Hutchison China MediTech, listed associates TOM Group and CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences"), and returns earned on the Group's holdings of cash and liquid investments.

Save as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the holding company of the Group and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies (including Hutchison's respective items before the completion of the Hutchison Proposal) and joint ventures' respective items, and segments are reported in a manner consistent with internal reporting currently provided to the board of directors of the Company who is responsible for allocating resources and assessing performance of the operating segments.

Revenue from external customers is after elimination of inter-segment revenue. The amounts eliminated mainly attributable to Retail of HK$49 million (2014 - nil), Hutchison Telecommunications Hong Kong Holdings of HK$110 million (2014 - nil) and Hutchison Asia Telecommunications of HK$9 million (2014 - nil).

6 Operating segment information (continued)

(a) The following is an analysis of the Group's revenue by operating segments:

	Revenue							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Ports and related services #	**14,732**	**12,242**	**26,974**	**8%**	-	18,281	18,281	9%
Retail	**74,587**	**47,127**	**121,714**	**38%**	-	78,643	78,643	37%
Infrastructure	**13,085**	**33,102**	**46,187**	**15%**	959	30,060	31,019	15%
Husky Energy	**-**	**29,620**	**29,620**	**9%**	-	28,664	28,664	13%
3 Group Europe	**37,517**	**12,635**	**50,152**	**16%**	-	32,789	32,789	15%
Hutchison Telecommunications Hong Kong Holdings	**12,957**	**4,563**	**17,520**	**6%**	-	8,142	8,142	4%
Hutchison Asia Telecommunications	**4,261**	**1,231**	**5,492**	**2%**	-	2,876	2,876	1%
Finance & Investments and Others	**9,621**	**9,038**	**18,659**	**6%**	603	13,278	13,881	6%
	166,760	**149,558**	**316,318**	**100%**	1,562	212,733	214,295	100%
Non-controlling interests' share of HPH Trust's revenue	**-**	**668**	**668**		-	-	-	
	166,760	**150,226**	**316,986**		1,562	212,733	214,295	

includes the Group's attributable share of HPH Trust's revenue based on the effective shareholdings in HPH Trust during 2015. Revenue reduced by HK$668 million for the period from June to December 2015, being adjustments to exclude non-controlling interests' share of revenue of HPH Trust.

(b) The Group uses two measures of segment results, EBITDA (see note 6(m)) and EBIT (see note 6(n)). The following is an analysis of the Group's results by operating segments by EBITDA:

	EBITDA (LBITDA) (m)							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Ports and related services #	**4,527**	**4,949**	**9,476**	**13%**	-	6,223	6,223	12%
Retail	**8,007**	**4,251**	**12,258**	**17%**	-	7,769	7,769	15%
Infrastructure	**8,324**	**18,358**	**26,682**	**36%**	1,084	16,188	17,272	34%
Husky Energy	**-**	**6,899**	**6,899**	**9%**	-	7,200	7,200	14%
3 Group Europe	**11,174**	**3,078**	**14,252**	**19%**	-	7,793	7,793	16%
Hutchison Telecommunications Hong Kong Holdings	**1,597**	**671**	**2,268**	**3%**	-	1,389	1,389	3%
Hutchison Asia Telecommunications	**869**	**-**	**869**	**1%**	-	(139)	(139)	-
Finance & Investments and Others	**(198)**	**1,525**	**1,327**	**2%**	23	2,779	2,802	6%
EBITDA before profits on disposal of investments and others	**34,300**	**39,731**	**74,031**	**100%**	1,107	49,202	50,309	100%
Profits on disposal of investments and others (see note 7)	**-**	**-**	**-**		-	11,387	11,387	
Non-controlling interests' share of HPH Trust's EBITDA	**-**	**477**	**477**		-	-	-	
EBITDA (see note 37(a))	**34,300**	**40,208**	**74,508**		1,107	60,589	61,696	
Depreciation and amortisation	**(9,618)**	**(15,195)**	**(24,813)**		(107)	(17,815)	(17,922)	
Profits on disposal of investments and others (see note 7)	**14,260**	**(870)**	**13,390**		-	(4,088)	(4,088)	
Interest expenses and other finance costs	**(4,470)**	**(6,308)**	**(10,778)**		(655)	(8,619)	(9,274)	
Current tax	**(2,629)**	**(2,960)**	**(5,589)**		312	(4,116)	(3,804)	
Deferred tax	**(266)**	**65**	**(201)**		(7)	(58)	(65)	
Non-controlling interests	**(6,177)**	**(2,151)**	**(8,328)**		(491)	(7,108)	(7,599)	
	25,400	**12,789**	**38,189**		159	18,785	18,944	

includes the Group's attributable share of HPH Trust's EBITDA based on the effective shareholdings in HPH Trust during 2015. EBITDA reduced by HK$477 million for the period from June to December 2015, being adjustments to exclude non-controlling interests' share of EBITDA of HPH Trust.

6 Operating segment information (continued)

(c) The following is an analysis of the Group's results by operating segments by EBIT:

	EBIT (LBIT) [n]							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Ports and related services #	**2,986**	**3,256**	**6,242**	**12%**	-	4,019	4,019	12%
Retail	**6,826**	**3,420**	**10,246**	**21%**	-	6,507	6,507	20%
Infrastructure	**5,750**	**13,420**	**19,170**	**39%**	991	11,855	12,846	39%
Husky Energy	**-**	**1,796**	**1,796**	**4%**	-	3,160	3,160	10%
3 Group Europe								
EBITDA before the following non-cash items:	**11,174**	**3,078**	**14,252**		-	7,793	7,793	
Depreciation	**(2,784)**	**(1,436)**	**(4,220)**		-	(3,766)	(3,766)	
Amortisation of licence fees and other rights	**(604)**	**(240)**	**(844)**		-	(584)	(584)	
EBIT - **3** Group Europe	**7,786**	**1,402**	**9,188**	**19%**	-	3,443	3,443	11%
Hutchison Telecommunications Hong Kong Holdings	**745**	**351**	**1,096**	**2%**	-	689	689	2%
Hutchison Asia Telecommunications	**869**	**(248)**	**621**	**1%**	-	(732)	(732)	-2%
Finance & Investments and Others	**(280)**	**1,282**	**1,002**	**2%**	9	2,446	2,455	8%
EBIT before profits on disposal of investments and others	**24,682**	**24,679**	**49,361**	**100%**	1,000	31,387	32,387	100%
Profits on disposal of investments and others (see note 7)	**14,260**	**(870)**	**13,390**		-	7,299	7,299	
Non-controlling interests' share of HPH Trust's EBIT	**-**	**334**	**334**		-	-	-	
Interest expenses and other finance costs	**(4,470)**	**(6,308)**	**(10,778)**		(655)	(8,619)	(9,274)	
Current tax	**(2,629)**	**(2,960)**	**(5,589)**		312	(4,116)	(3,804)	
Deferred tax	**(266)**	**65**	**(201)**		(7)	(58)	(65)	
Non-controlling interests	**(6,177)**	**(2,151)**	**(8,328)**		(491)	(7,108)	(7,599)	
	25,400	**12,789**	**38,189**		159	18,785	18,944	

\# includes the Group's attributable share of HPH Trust's EBIT based on the effective shareholdings in HPH Trust during 2015. EBIT reduced by HK$334 million for the period from June to December 2015, being adjustments to exclude non-controlling interests' share of EBIT of HPH Trust.

6 Operating segment information (continued)

(d) The following is an analysis of the Group's depreciation and amortisation by operating segments:

	Depreciation and amortisation					
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions
Ports and related services #	**1,541**	**1,693**	**3,234**	-	2,204	2,204
Retail	**1,181**	**831**	**2,012**	-	1,262	1,262
Infrastructure	**2,574**	**4,938**	**7,512**	93	4,333	4,426
Husky Energy	**-**	**5,103**	**5,103**	-	4,040	4,040
3 Group Europe	**3,388**	**1,676**	**5,064**	-	4,350	4,350
Hutchison Telecommunications Hong Kong Holdings	**852**	**320**	**1,172**	-	700	700
Hutchison Asia Telecommunications	**-**	**248**	**248**	-	593	593
Finance & Investments and Others	**82**	**243**	**325**	14	333	347
	9,618	**15,052**	**24,670**	107	17,815	17,922
Non-controlling interests' share of HPH Trust's depreciation and amortisation	**-**	**143**	**143**	-	-	-
	9,618	**15,195**	**24,813**	107	17,815	17,922

\# includes the Group's attributable share of HPH Trust's depreciation and amortisation based on the effective shareholdings in HPH Trust during 2015. Depreciation and amortisation reduced by HK$143 million for the period from June to December 2015, being adjustments to exclude non-controlling interests' share of depreciation and amortisation of HPH Trust.

(e) The following is an analysis of the Group's capital expenditure by operating segments:

	Capital expenditure							
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2015 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2014 Total HK$ millions
Ports and related services	**2,918**	**-**	**434**	**3,352**	-	-	-	-
Retail	**1,420**	**-**	**-**	**1,420**	-	-	-	-
Infrastructure	**9,881**	**-**	**21**	**9,902**	7,565	-	-	7,565
Husky Energy	-	-	-	-	-	-	-	-
3 Group Europe (o)	**7,130**	**2,447**	**11**	**9,588**	-	-	-	-
Hutchison Telecommunications Hong Kong Holdings	**760**	**1**	**6**	**767**	-	-	-	-
Hutchison Asia Telecommunications	**20**	**-**	**27**	**47**	-	-	-	-
Finance & Investments and Others	**229**	**-**	**41**	**270**	6	-	-	6
	22,358	**2,448**	**540**	**25,346**	7,571	-	-	7,571
Reconciliation item @	**136**	**-**	**-**	**136**	296	-	-	296
	22,494	**2,448**	**540**	**25,482**	7,867	-	-	7,867

@ the reconciliation item represents the capital expenditure of Property and hotels.

6 Operating segment information (continued)

(f) The following is an analysis of the Group's total assets by operating segments:

	Total assets							
	Company and Subsidiaries		**Investments in associated companies and interests in joint ventures**		Company and Subsidiaries		Investments in associated companies and interests in joint ventures	
	Segment assets (p)	**Deferred tax assets**		**2015 Total assets**	Segment assets (p)	Deferred tax assets		2014 Total assets
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	**74,765**	**440**	**27,309**	**102,514**	-	-	-	-
Retail	**193,879**	**902**	**12,409**	**207,190**	-	-	-	-
Infrastructure	**188,413**	**490**	**131,495**	**320,398**	7,772	-	19,806	27,578
Husky Energy	**-**	**-**	**54,434**	**54,434**	-	-	-	-
3 Group Europe (q)	**127,309**	**19,001**	**3**	**146,313**	-	-	-	-
Hutchison Telecommunications Hong Kong Holdings	**26,406**	**128**	**433**	**26,967**	-	-	-	-
Hutchison Asia Telecommunications	**2,615**	**-**	**-**	**2,615**	-	-	-	-
Finance & Investments and Others	**157,770**	**25**	**7,885**	**165,680**	28,465	-	219,892	248,357
	771,157	**20,986**	**233,968**	**1,026,111**	36,237	-	239,698	275,935
Reconciliation item @	**4**	**-**	**6,829**	**6,833**	136,109	-	45,897	182,006
	771,161	**20,986**	**240,797**	**1,032,944**	172,346	-	285,595	457,941

@ the reconciliation item comprises total assets of HTAL and Property and hotels.

(g) The following is an analysis of the Group's total liabilities by operating segments:

	Total liabilities							
	Segment liabilities (r)	**Current & non-current borrowings (s) and other non-current liabilities**	**Current & deferred tax liabilities**	**2015 Total liabilities**	Segment liabilities (r)	Current & non-current borrowings (s) and other non-current liabilities	Current & deferred tax liabilities	2014 Total liabilities
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	**17,166**	**17,085**	**4,900**	**39,151**	-	-	-	-
Retail	**24,366**	**12,832**	**11,008**	**48,206**	-	-	-	-
Infrastructure	**14,883**	**79,748**	**7,826**	**102,457**	585	-	(4)	581
Husky Energy	**-**	**-**	**-**	**-**	-	-	-	-
3 Group Europe	**26,360**	**66,791**	**4**	**93,155**	-	-	-	-
Hutchison Telecommunications Hong Kong Holdings	**4,038**	**4,590**	**508**	**9,136**	-	-	-	-
Hutchison Asia Telecommunications	**4,248**	**16,711**	**1**	**20,960**	-	-	-	-
Finance & Investments and Others	**7,852**	**158,661**	**4,253**	**170,766**	564	37,274	37	37,875
	98,913	**356,418**	**28,500**	**483,831**	1,149	37,274	33	38,456
Reconciliation item @	**2**	**-**	**-**	**2**	10,493	600	2,345	13,438
	98,915	**356,418**	**28,500**	**483,833**	11,642	37,874	2,378	51,894

@ the reconciliation item comprises total liabilities of HTAL and Property and hotels.

6 Operating segment information (continued)

Additional information in respect of geographical locations

(h) Additional disclosures of the Group's revenue by geographical location are shown below:

	Revenue							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Hong Kong	**33,235**	**16,190**	**49,425**	**15%**	-	29,307	29,307	14%
Mainland China	**18,247**	**13,692**	**31,939**	**10%**	94	19,214	19,308	9%
Europe	**82,494**	**65,404**	**147,898**	**47%**	772	98,071	98,843	46%
Canada [t]	**292**	**27,959**	**28,251**	**9%**	8	28,264	28,272	13%
Asia, Australia and others	**22,871**	**17,275**	**40,146**	**13%**	85	24,599	24,684	12%
Finance & Investments and Others	**9,621**	**9,038**	**18,659**	**6%**	603	13,278	13,881	6%
	166,760	**149,558**	**316,318** [1]	**100%**	1,562	212,733	214,295 [1]	100%

(1) see note 6(a) for reconciliation to total revenue included in the Group's income statement.

(i) Additional disclosures of the Group's EBITDA by geographical location are shown below:

	EBITDA (LBITDA) [m]							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Hong Kong	**1,874**	**2,622**	**4,496**	**6%**	(14)	3,140	3,126	6%
Mainland China	**3,474**	**5,593**	**9,067**	**12%**	92	4,885	4,977	10%
Europe	**22,461**	**17,905**	**40,366**	**55%**	770	24,662	25,432	50%
Canada [t]	**167**	**5,115**	**5,282**	**7%**	7	6,625	6,632	13%
Asia, Australia and others	**6,522**	**6,971**	**13,493**	**18%**	229	7,111	7,340	15%
Finance & Investments and Others	**(198)**	**1,525**	**1,327**	**2%**	23	2,779	2,802	6%
EBITDA before profits on disposal of investments and others	**34,300**	**39,731**	**74,031** [2]	**100%**	1,107	49,202	50,309 [2]	100%

(2) see note 6(b) for reconciliation to total EBITDA included in the Group's income statement.

(j) Additional disclosures of the Group's EBIT by geographical location are shown below:

	EBIT (LBIT) [n]							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2015 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%
Hong Kong	**781**	**1,440**	**2,221**	**4%**	(14)	1,672	1,658	5%
Mainland China	**2,876**	**3,832**	**6,708**	**14%**	52	3,544	3,596	11%
Europe	**15,974**	**12,445**	**28,419**	**58%**	748	16,190	16,938	52%
Canada [t]	**92**	**924**	**1,016**	**2%**	7	2,902	2,909	9%
Asia, Australia and others	**5,239**	**4,756**	**9,995**	**20%**	198	4,633	4,831	15%
Finance & Investments and Others	**(280)**	**1,282**	**1,002**	**2%**	9	2,446	2,455	8%
EBIT before profits on disposal of investments and others	**24,682**	**24,679**	**49,361** [3]	**100%**	1,000	31,387	32,387 [3]	100%

(3) see note 6(c) for reconciliation to total EBIT included in the Group's income statement.

6 Operating segment information (continued)

(k) Additional disclosures of the Group's capital expenditure by geographical location are shown below:

	Capital expenditure							
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2015 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2014 Total HK$ millions
Hong Kong	**1,027**	**1**	**27**	**1,055**	247	-	-	247
Mainland China	**875**	**-**	**-**	**875**	3,395	-	-	3,395
Europe	**13,125**	**2,447**	**11**	**15,583**	1,919	-	-	1,919
Canada	**893**	**-**	**-**	**893**	255	-	-	255
Asia, Australia and others	**6,345**	**-**	**461**	**6,806**	2,045	-	-	2,045
Finance & Investments and Others	**229**	**-**	**41**	**270**	6	-	-	6
	22,494 #	**2,448**	**540**	**25,482**	7,867 #	-	-	7,867

included in the balance are amount relating to Property and hotels HK$136 million (2014 - HK$296 million).

(l) Additional disclosures of the Group's total assets by geographical location are shown below:

	Total assets							
	Company and Subsidiaries		**Investments in associated companies and interests in joint ventures**		Company and Subsidiaries		Investments in associated companies and interests in joint ventures	
	Segment assets (p) HK$ millions	**Deferred tax assets HK$ millions**	**HK$ millions**	**2015 Total assets HK$ millions**	Segment assets (p) HK$ millions	Deferred tax assets HK$ millions	HK$ millions	2014 Total assets HK$ millions
Hong Kong	**74,107**	**169**	**42,209**	**116,485**	126,860	-	5,430	132,290
Mainland China	**54,277**	**566**	**27,132**	**81,975**	7,658	-	38,299	45,957
Europe	**392,250**	**19,984**	**72,039**	**484,273**	1,930	-	16,854	18,784
Canada (t)	**4,371**	**5**	**47,485**	**51,861**	254	-	10	264
Asia, Australia and others	**88,386**	**237**	**44,047**	**132,670**	7,179	-	5,110	12,289
Finance & Investments and Others	**157,770**	**25**	**7,885**	**165,680**	28,465	-	219,892	248,357
	771,161	**20,986**	**240,797**	**1,032,944**	172,346 *	-	285,595 *	457,941

* as at 31 December 2014, included in the Segment assets and Investments in associated companies and interests in joint ventures are amounts relating to Property and hotels of HK$136,109 million and HK$45,897 million respectively.

(m) EBITDA (LBITDA) represents the EBITDA (LBITDA) of the Company and subsidiary companies as well as the Group's share of the EBITDA (LBITDA) of associated companies and joint ventures except for HPH Trust which are included based on the Group's effective share of EBITDA for this operation. EBITDA (LBITDA) is defined as earnings (losses) before interest expenses and other finance costs, tax, depreciation and amortisation, and includes profits on disposal of investments and other earnings of a cash nature. Information concerning EBITDA (LBITDA) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of gross cash flow generation. The Group considers EBITDA (LBITDA) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBITDA (LBITDA) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBITDA (LBITDA) is not a measure of cash liquidity or financial performance under generally accepted accounting principles in Hong Kong and the EBITDA (LBITDA) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBITDA (LBITDA) should not necessarily be construed as an alternative to cash flows or results from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

(n) EBIT (LBIT) represents the EBIT (LBIT) of the Company and subsidiary companies as well as the Group's share of the EBIT (LBIT) of associated companies and joint ventures except for HPH Trust which are included based on the Group's effective share of EBIT for this operation. EBIT (LBIT) is defined as earnings (losses) before interest expenses and other finance costs and tax. Information concerning EBIT (LBIT) has been included in the Group's financial information and consolidated financial statements and is used by many industries and investors as one measure of results from operations. The Group considers EBIT (LBIT) to be an important performance measure which is used in the Group's internal financial and management reporting to monitor business performance. EBIT (LBIT) is therefore presented as a measure of segment results in accordance with HKFRS 8. EBIT (LBIT) is not a measure of financial performance under generally accepted accounting principles in Hong Kong and the EBIT (LBIT) measures used by the Group may not be comparable to other similarly titled measures of other companies. EBIT (LBIT) should not necessarily be construed as an alternative to results from operations as determined in accordance with generally accepted accounting principles in Hong Kong.

6 Operating segment information (continued)

(o) Included in capital expenditures of **3** Group Europe for the year ended 31 December 2015 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2015 which has an effect of decreasing total expenditures by HK$505 million (2014 - nil).

(p) Segment assets comprise fixed assets, investment properties, leasehold land, telecommunications licences, brand names and other rights, goodwill, other non-current assets, liquid funds and other listed investments, cash and cash equivalents and other current assets. As additional information, non-current assets (excluding financial instruments, deferred tax assets, post-employment benefits assets and assets from insurance contracts) for Hong Kong, Mainland China, Europe, Canada, and Asia, Australia and others amounted to HK$129,905 million (2014 - HK$267,380 million), HK$88,208 million (2014 - HK$42,814 million), HK$419,494 million (2014 - HK$18,750 million), HK$51,711 million (2014 - HK$10 million) and HK$115,173 million (2014 - HK$7,380 million) respectively.

(q) Included in total assets of **3** Group Europe is an unrealised foreign currency exchange loss arising on 31 December 2015 of HK$3,275 million (2014 - nil) from the translation of overseas subsidiaries' financial statements to Hong Kong dollars with an offsetting amount recorded in other reserves.

(r) Segment liabilities comprise trade and other payables and pension obligations.

(s) Current and non-current borrowings comprise bank and other debts and interest bearing loans from non-controlling shareholders.

(t) Include contribution from the United States of America for Husky Energy.

7 Profits on disposal of investments and others

	Attributable to: Ordinary shareholders[(h)] HK$ millions	Holders of perpetual capital securities HK$ millions	Non-controlling interests HK$ millions	Total HK$ millions
Year ended 31 December 2015				
Profits on disposal of investments				
Net gain on remeasurement of the Group's previously held equity interest in Hutchison and certain interests in co-owned assets	**14,260**	**-**	**-**	**14,260**
Others				
HTAL - share of operating losses of joint venture VHA [(a)]	**(568)**	**-**	**(79)**	**(647)**
	13,692	**-**	**(79)**	**13,613**
Share of former associated company, Hutchison's profits on disposal of investments and others [(b)]	**(196)**	**-**	**-**	**(196)**
Year ended 31 December 2014				
Share of former associated company, Hutchison's profit on disposal of investments and others				
Share of an associated company's gain on disposal [(c)]	8,026	-	-	8,026
Impairment of goodwill and store closure provision [(d)]	(325)	-	-	(325)
Mark-to-market gain on CKI's investments in AGN [(e)]	873	-	-	873
Provisions relating to the restructuring of **3** Ireland business [(f)]	(1,693)	-	-	(1,693)
Impairment charge on certain port assets and related provisions [(g)]	(290)	-	-	(290)
HTAL - share of operating losses of joint venture VHA [(b)]	(865)	-	-	(865)
Share of Husky Energy's impairment charge on certain crude oil and natural gas assets	(706)	-	-	(706)
	5,020	-	-	5,020

(a) It represents the Group's indirect subsidiary, HTAL's share of operating losses of a joint venture VHA.

(b) It represents the Group's share of former associated company, Hutchison's share of operating losses of HK$223 million (2014 - HK$985 million) net of non-controlling interests of HK$27 million (2014 - HK$120 million) of a joint venture VHA.

(c) It represents the Group's share of former associated company, Hutchison's gain arising from its listed associated company, Power Assets Holdings Limited's separate listing of its Hong Kong electricity businesses on the Stock Exchange of HK$10,269 million net of non-controlling interests in the associates of HK$2,243 million.

(d) It represents the Group's share of former associated company, Hutchison's provision on impairment of goodwill and store closures of the Marionnaud businesses to exit Poland and down size operations in Portugal and Spain.

(e) It represents the Group's share of former associated company, Hutchison's marked-to-market gain of HK$1,118 million net of non-controlling interests in the associates of HK$245 million on CKI's investments in Australian Gas Networks Limited ("AGN") realised upon CKI's disposal of its interest in AGN to a joint venture on the AGN acquisition.

(f) It represents the Group's share of former associated company, Hutchison's provisions relating to the restructuring of **3** Ireland business on the acquisition of O_2 Ireland.

(g) It represents the Group's share of former associated company, Hutchison's impairment charges on certain port assets and related provisions of HK$379 million net of non-controlling interests in the associates of HK$89 million.

(h) Ordinary shareholders refer to the ordinary shareholders of the holding company of the Group, i.e. CK Hutchison for the current year and Cheung Kong for the comparative year.

8 Directors' emoluments

	2015	2014
	HK$ millions	HK$ millions
Directors' emoluments	**554**	245

Directors’ emoluments comprise payments to directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The emoluments exclude amounts received from the Company’s listed subsidiaries and paid to the Company. The amounts disclosed above are the amounts recognised as directors’ emolument expenses in the Group’s income statement for 2015 and 2014 and do not include the amounts paid to directors as directors’ emoluments by Hutchison and its subsidiaries (the “Hutchison Group”) before the completion of the Merger Proposal, as under the accounting standards such amounts paid by the Hutchison Group during the period Hutchison was an associated company are not consolidated and reported as directors’ emolument expenses in the Group's income statement.

Further details of the directors' emoluments of HK$554.24 million (2014: HK$244.63 million) are set out in note 8(a).

As additional information, payments by the Hutchison Group in 2015 and 2014 to directors, who were directors of Hutchison up to the completion of the Merger Proposal, amounted to HK$488.34 million (2014: HK$443.84 million), of which HK$467.43 million (2014: nil) were included in the amount disclosed above and in note 8(a) below and represented the amounts paid by the Hutchison Group during the period Hutchison is a subsidiary of the Group, and further details of these payments are set out in note 8(b).

The Company does not have an option scheme for the purchase of ordinary shares in the Company. None of the directors have received any share-based payments from the Company or any of its subsidiaries during the year (2014 - nil).

In 2015 and 2014, the five individuals whose emoluments were the highest for the year were five directors of the Company.

8 Directors' emoluments (continued)

(a) Directors' emolument expenses recognised in the Group's income statement:

	2015					
Name of directors	**Director's fees HK$ millions**	**Basic salaries, allowances and benefits-in-kind HK$ millions**	**Discretionary bonuses HK$ millions**	**Provident fund contributions HK$ millions**	**Inducement or compensation fees HK$ millions**	**Total emoluments HK$ millions**
LI Ka-shing [(1) (10)]	**0.01**	-	-	-	-	**0.01**
LI Tzar Kuoi, Victor [(2)]						
Paid by the Company	**0.22**	**21.30**	**55.39**	**1.85**	-	**78.76**
Paid by CKI	**0.08**	-	**28.15**	-	-	**28.23**
	0.30	**21.30**	**83.54**	**1.85**	-	**106.99**
FOK Kin Ning, Canning [(3)]	**0.22**	**6.41**	**202.51**	**1.33**	-	**210.47**
CHOW WOO Mo Fong, Susan [(3) (7)]	**0.13**	**4.69**	**45.22**	**0.96**	-	**51.00**
Frank John SIXT [(3)]	**0.22**	**4.69**	**43.77**	**0.42**	-	**49.10**
IP Tak Chuen, Edmond [(4)]						
Paid by the Company	**0.22**	**7.43**	**9.86**	**0.74**	-	**18.25**
Paid by CKI	**0.08**	**1.05**	**10.60**	-	-	**11.73**
	0.30	**8.48**	**20.46**	**0.74**	-	**29.98**
KAM Hing Lam [(5)]						
Paid by the Company	**0.22**	**10.42**	**9.59**	**0.91**	-	**21.14**
Paid by CKI	**0.08**	**2.45**	**10.60**	-	-	**13.13**
	0.30	**12.87**	**20.19**	**0.91**	-	**34.27**
LAI Kai Ming, Dominic [(3) (7)]	**0.13**	**3.12**	**43.19**	**0.61**	-	**47.05**
CHOW Kun Chee, Roland [(6)]	**0.22**	-	-	-	-	**0.22**
LEE Yeh Kwong, Charles [(6)]	**0.22**	-	-	-	-	**0.22**
LEUNG Siu Hon [(6)]	**0.22**	-	-	-	-	**0.22**
George Colin MAGNUS [(6)]						
Paid by the Company	**0.22**	-	-	-	-	**0.22**
Paid by CKI	**0.08**	-	-	-	-	**0.08**
	0.30	-	-	-	-	**0.30**
KWOK Tun-li, Stanley [(8) (9) (10) (13)]	**0.38**	-	-	-	-	**0.38**
CHENG Hoi Chuen, Vincent [(7) (8) (9) (10)]	**0.24**	-	-	-	-	**0.24**
Michael David KADOORIE [(7) (8)]	**0.13**	-	-	-	-	**0.13**
LEE Wai Mun, Rose [(7) (8)]	**0.13**	-	-	-	-	**0.13**
William SHURNIAK [(7) (8) (9)]	**0.20**	-	-	-	-	**0.20**
WONG Chung Hin [(7) (8) (9) (10)]	**0.23**	-	-	-	-	**0.23**
WONG Yick-ming, Rosanna [(8) (10)]	**0.28**	-	-	-	-	**0.28**
CHUNG Sun Keung, Davy [(11)]	**0.09**	**4.61**	-	**0.46**	-	**5.16**
PAU Yee Wan, Ezra [(11)]	**0.09**	**5.23**	-	**0.52**	-	**5.84**
WOO Chia Ching, Grace [(11)]	**0.09**	**5.23**	-	**0.52**	-	**5.84**
CHIU Kwok Hung, Justin [(11)]	**0.09**	**4.69**	-	**0.47**	-	**5.25**
YEH Yuan Chang, Anthony [(8) (11)]	**0.09**	-	-	-	-	**0.09**
Simon MURRAY [(8) (11)]	**0.09**	-	-	-	-	**0.09**
CHOW Nin Mow, Albert [(8) (11)]	**0.09**	-	-	-	-	**0.09**
HUNG Siu-lin, Katherine [(8) (9) (11) (12)]	**0.14**	-	-	-	-	**0.14**
CHEONG Ying Chew, Henry [(8) (9) (11) (12)]						
Paid by the Company	**0.14**	-	-	-	-	**0.14**
Paid by CKI	**0.18**	-	-	-	-	**0.18**
	0.32	-	-	-	-	**0.32**
Total	**5.25**	**81.32**	**458.88**	**8.79**	-	**554.24**

8 Directors' emoluments (continued)

(a) Directors' emolument expenses recognised in the Group's income statement (continued):

	2014					
Name of directors	Director's fees HK$ millions	Basic salaries, allowances and benefits-in-kind HK$ millions	Discretionary bonuses HK$ millions	Provident fund contributions HK$ millions	Inducement or compensation fees HK$ millions	Total emoluments HK$ millions
LI Ka-shing (1) (10)	0.01	-	-	-	-	0.01
LI Tzar Kuoi, Victor (2)	0.22	41.85	23.41	4.18	-	69.66
KAM Hing Lam (5)	0.22	20.43	0.88	2.04	-	23.57
IP Tak Chuen, Edmond (4)	0.22	16.75	10.24	1.67	-	28.88
CHUNG Sun Keung, Davy	0.22	10.40	18.27	1.04	-	29.93
PAU Yee Wan, Ezra	0.22	11.79	14.50	1.18	-	27.69
WOO Chia Ching, Grace	0.22	11.80	18.20	1.18	-	31.40
CHIU Kwok Hung, Justin	0.22	10.57	18.28	1.05	-	30.12
LEUNG Siu Hon (6)	0.22	-	-	-	-	0.22
FOK Kin Ning, Canning (6)	0.22	-	-	-	-	0.22
Frank John SIXT (6)	0.22	-	-	-	-	0.22
CHOW Kun Chee, Roland (6)	0.22	-	-	-	-	0.22
George Colin MAGNUS (6)	0.22	-	-	-	-	0.22
LEE Yeh Kwong, Charles (6)	0.22	-	-	-	-	0.22
KWOK Tun-li, Stanley (8) (9) (10)	0.41	-	-	-	-	0.41
YEH Yuan Chang, Anthony (8)	0.22	-	-	-	-	0.22
Simon MURRAY (8)	0.22	-	-	-	-	0.22
CHOW Nin Mow, Albert (8)	0.22	-	-	-	-	0.22
HUNG Siu-lin, Katherine (8) (9)	0.35	-	-	-	-	0.35
WONG Yick-ming, Rosanna (8) (10)	0.28	-	-	-	-	0.28
CHEONG Ying Chew, Henry (8) (9)	0.35	-	-	-	-	0.35
Total	4.92	123.59	103.78	12.34	-	244.63

(1) No remuneration was paid to Mr Li Ka-shing during the year other than a director's fee of HK$5,000 (2014 - HK$5,000). The amount of director's fee shown above is a result of rounding. The director's fee of HK$20,958 (2014 - HK$50,000) received by Mr Li Ka-shing from Hutchison was paid to the Company. This amount was received during the period Hutchison was an associated company and therefore is not reflected in the amounts above.

(2) Part of the directors' emoluments in the sum of HK$1,699,719 (2014 - HK$3,864,000) received by Mr Li Tzar Kuoi, Victor from Hutchison was paid to the Company. This amount was received during the period Hutchison was an associated company and therefore is not reflected in the amounts above. In 2014, directors' fees of HK$75,000 received by him from listed associate, CK Life Sciences was paid to the Company and therefore is not reflected in the amounts above.

(3) Directors' fees received by these directors from the Company's listed subsidiaries during the period they served as directors that have been paid to the Company are not included in the amounts above.

(4) Part of the directors' emoluments in the sum of HK$750,000 (2014 - HK$1,875,000) received by Mr Ip Tak Chuen, Edmond from CKI was paid to the Company. This amount was received during the period Hutchison (the parent company of CKI) was an associated company and therefore is not reflected in the amounts above. In 2014, directors' emoluments in the sum of HK$1,875,000 received by him from listed associate, CK Life Sciences was paid to the Company and therefore is not reflected in the amounts above.

(5) Part of the directors' emoluments in the sum of HK$736,219 (2014 - HK$1,620,000) received by Mr Kam Hing Lam from Hutchison was paid to the Company. This amount was received during the period Hutchison was an associated company and therefore is not reflected in the amounts above. In 2014, directors' emoluments in the sum of HK$3,575,000 received by him from listed associate, CK Life Sciences was paid to the Company and therefore is not reflected in the amounts above.

(6) Non-executive director.

(7) Appointed on 3 June 2015.

(8) Independent non-executive director. The total emoluments of the independent non-executive directors of the Company are HK$2.32 million (2014 - HK$2.05 million).

(9) Member of the Audit Committee.

(10) Member of the Remuneration Committee.

(11) Resigned on 3 June 2015.

(12) Resigned on 3 June 2015 as Member of the Audit Committee.

(13) Resigned on 3 June 2015 as Member of the Remuneration Committee.

8 Directors' emoluments (continued)

(b) Directors' emolument payments made by the Hutchison Group:

	2015					
Name of directors of Hutchison	**Director's fees HK$ millions**	**Basic salaries, allowances and benefits-in-kind HK$ millions**	**Discretionary bonuses HK$ millions**	**Provident fund contributions HK$ millions**	**Inducement or compensation fees HK$ millions**	**Total emoluments HK$ millions**
LI Ka-shing [14] [21] [27]	**0.02**	**-**	**-**	**-**	**-**	**0.02**
LI Tzar Kuoi, Victor [15]						
Paid by Hutchison	**0.09**	**4.70**	**55.39**	**-**	**-**	**60.18**
Paid by CKI	**0.08**	**-**	**28.15**	**-**	**-**	**28.23**
	0.17	**4.70**	**83.54**	**-**	**-**	**88.41**
FOK Kin Ning, Canning [16]	**0.09**	**11.10**	**202.51**	**2.28**	**-**	**215.98**
CHOW WOO Mo Fong, Susan [16]	**0.09**	**8.17**	**45.22**	**1.64**	**-**	**55.12**
Frank John SIXT [16]	**0.09**	**8.19**	**43.77**	**0.71**	**-**	**52.76**
LAI Kai Ming, Dominic [16]	**0.09**	**5.64**	**43.19**	**1.04**	**-**	**49.96**
KAM Hing Lam [17]						
Paid by Hutchison	**0.09**	**2.35**	**9.59**	**-**	**-**	**12.03**
Paid by CKI	**0.08**	**4.20**	**10.60**	**-**	**-**	**14.88**
Paid to Hutchison	**-**	**(1.75)**	**-**	**-**	**-**	**(1.75)**
	0.17	**4.80**	**20.19**	**-**	**-**	**25.16**
LEE Yeh Kwong, Charles [18] [22]	**0.09**	**-**	**-**	**-**	**-**	**0.09**
George Colin MAGNUS [18] [22]						
Paid by Hutchison	**0.09**	**-**	**-**	**-**	**-**	**0.09**
Paid by CKI	**0.08**	**-**	**-**	**-**	**-**	**0.08**
	0.17	**-**	**-**	**-**	**-**	**0.17**
CHENG Hoi Chuen, Vincent [19] [20] [21] [22] [26] [27]	**0.17**	**-**	**-**	**-**	**-**	**0.17**
Michael David KADOORIE [19] [23]	**0.09**	**-**	**-**	**-**	**-**	**0.09**
LEE Wai Mun, Rose [19] [22]	**0.09**	**-**	**-**	**-**	**-**	**0.09**
William SHURNIAK [19] [20] [22] [26]	**0.15**	**-**	**-**	**-**	**-**	**0.15**
WONG Chung Hin [19] [20] [21] [22] [26] [27]	**0.17**	**-**	**-**	**-**	**-**	**0.17**
Total	**1.65**	**42.60**	**438.42**	**5.67**	**-**	**488.34**

8 Directors' emoluments (continued)

(b) Directors' emolument payments made by the Hutchison Group (continued):

Name of directors of Hutchison	2014 Director's fees HK$ millions	Basic salaries, allowances and benefits-in-kind HK$ millions	Discretionary bonuses HK$ millions	Provident fund contributions HK$ millions	Inducement or compensation fees HK$ millions	Total emoluments HK$ millions
LI Ka-shing (14) (21)	0.05	-	-	-	-	0.05
LI Tzar Kuoi, Victor (15)						
Paid by Hutchison	0.12	4.59	50.35	-	-	55.06
Paid by CKI	0.08	-	24.01	-	-	24.09
Paid to Hutchison	(0.08)	-	-	-	-	(0.08)
	0.12	4.59	74.36	-	-	79.07
FOK Kin Ning, Canning (16)	0.12	10.84	183.12	2.22	-	196.30
CHOW WOO Mo Fong, Susan (16)	0.12	8.01	41.11	1.59	-	50.83
Frank John SIXT (16)	0.12	8.03	39.83	0.69	-	48.67
LAI Kai Ming, Dominic (16)	0.12	5.45	39.26	1.01	-	45.84
KAM Hing Lam (17)						
Paid by Hutchison	0.12	2.30	8.96	-	-	11.38
Paid by CKI	0.08	4.20	10.27	-	-	14.55
Paid to Hutchison	(0.08)	(4.20)	-	-	-	(4.28)
	0.12	2.30	19.23	-	-	21.65
LEE Yeh Kwong, Charles (18)	0.12	-	-	-	-	0.12
George Colin MAGNUS (18)						
Paid by Hutchison	0.12	-	-	-	-	0.12
Paid by CKI	0.08	-	-	-	-	0.08
	0.20	-	-	-	-	0.20
CHENG Hoi Chuen, Vincent (19) (20) (21) (24)	0.15	-	-	-	-	0.15
Michael David KADOORIE (19)	0.12	-	-	-	-	0.12
Holger KLUGE (19) (20) (21) (25)	0.16	-	-	-	-	0.16
LEE Wai Mun, Rose (19)	0.12	-	-	-	-	0.12
William SHURNIAK (19) (20)	0.25	-	-	-	-	0.25
WONG Chung Hin (19) (20) (21)	0.31	-	-	-	-	0.31
Total	2.20	39.22	396.91	5.51	-	443.84

(14) No remuneration was paid to Mr Li Ka-shing by Hutchison during the year other than a director's fee of HK$20,958 which he paid to the Company. In 2014, director's fee of HK$50,000 received by him was paid to the Company.
(15) In 2015, part of the directors' emoluments in the sum of HK$1,699,719 received by Mr Li Tzar Kuoi, Victor from Hutchison was paid to the Company. In 2014, part of the directors' emoluments in the sum of HK$3,864,000 received by him from Hutchison was paid to the Company.
(16) Directors' fees received by these directors from Hutchison's listed subsidiaries during the period they served as directors that have been paid to Hutchison are not included in the amounts above.
(17) In 2015, part of the directors' emoluments in the sum of HK$736,219 received by Mr Kam Hing Lam from Hutchison was paid to the Company. In 2014, part of the directors' emoluments in the sum of HK$1,620,000 received by him from Hutchison was paid to the Company.
(18) Non-executive director.
(19) Independent non-executive director. The total emoluments of the independent non-executive directors of Hutchison are HK$0.67 million (2014 - HK$1.11 million).
(20) Member of the Audit Committee of Hutchison.
(21) Member of the Remuneration Committee of Hutchison.
(22) Resigned on 8 June 2015.
(23) Resigned on 24 July 2015.
(24) Appointed on 10 July 2014.
(25) Resigned on 10 July 2014.
(26) Ceased as Member of the Audit Committee of Hutchison on 8 June 2015.
(27) Ceased as Member of the Remuneration Committee of Hutchison on 8 June 2015.

9 Interest expenses and other finance costs

	2015 HK$ millions	2014 HK$ millions
Bank loans and overdrafts	**974**	297
Other loans	**118**	-
Notes and bonds	**4,914**	345
	6,006	642
Interest bearing loans from non-controlling shareholders	**198**	-
	6,204	642
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	**15**	-
Notional non-cash interest adjustments [(a)]	**(1,708)**	-
Other finance costs	**55**	13
	4,566	655
Less: interest capitalised [(b)]	**(96)**	-
	4,470	655

(a) Notional non-cash interest adjustments represent notional adjustments to the carrying amount of certain obligations recognised in the statement of financial position to the present value of the estimated future cash flows expected to be required for their settlement in the future.

(b) Borrowing costs have been capitalised at various applicable rates ranging from 0.5% to 5.6% per annum (2014 - nil).

10 Tax

	2015 HK$ millions	2014 HK$ millions
Current tax charge (credit)		
Hong Kong	**150**	34
Outside Hong Kong	**2,479**	(346)
	2,629	(312)
Deferred tax charge		
Hong Kong	**79**	-
Outside Hong Kong	**187**	7
	266	7
	2,895	(305)

Hong Kong profits tax has been provided for at the rate of 16.5% (2014 - 16.5%) on the estimated assessable profits less estimated available tax losses. Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The differences between the Group's expected tax charge (credit), calculated at the domestic rates applicable to the country concerned, and the Group's tax charge (credit) for the years were as follows:

	2015 HK$ millions	2014 HK$ millions
Tax calculated at the domestic rates applicable in the country concerned	**7,403**	(88)
Tax effect of:		
Tax losses not recognised	**1,278**	-
Tax incentives	**(108)**	-
Income not subject to tax	**(2,730)**	(257)
Expenses not deductible for tax purposes	**1,874**	80
Recognition of previously unrecognised tax losses	**(1,863)**	-
Utilisation of previously unrecognised tax losses	**(693)**	(22)
Over provision in prior years	**(512)**	(18)
Deferred tax assets written off	**(14)**	-
Other temporary differences	**(951)**	-
Effect of change in tax rate	**(789)**	-
Total tax for the year	**2,895**	(305)

11 Discontinued operations

As disclosed in note 1, the results of the Property and hotels operations are presented as discontinued operations separately from continuing operations in the consolidated income statement and consolidated statement of comprehensive income. An analysis of the results of discontinued operations, and the results recognised on the remeasurement of assets of disposal group, is set out below:

	2015	2014
	HK$ millions	HK$ millions
Revenue	**9,334**	24,822
Increase in fair value of investment properties	**526**	4,542
Expenses	**(4,468)**	(12,118)
Share of profits less losses of associated company	**3,166**	16,716
Share of profits less losses of joint ventures	**(158)**	2,835
Pre-tax profit before remeasurement of assets	**8,400**	36,797
Tax	**(745)**	(1,624)
After tax profit before remeasurement of assets	**7,655**	35,173
Pre-tax gain recognised on remeasurement of assets of the disposal group	**72,859**	-
Tax	**-**	-
After tax gain recognised on remeasurement of assets of the disposal group [(a)]	**72,859**	-
Profit after tax from discontinued operations	**80,514**	35,173
Profit from discontinued operations attributable to:		
Non-controlling interests and holders of perpetual capital securities	**(133)**	(248)
Ordinary shareholders	**80,381**	34,925

(a) Analysis of gain on remeasurement of assets

		Arising from	
	Remeasurement of assets [(b)]	**Distribution In Specie [(c)]**	**Total**
	HK$ millions	**HK$ millions**	**HK$ millions**
One-off non-cash gains before reclassification adjustments (see note 37(e))	**18,351**	**48,004**	**66,355**
Reclassification adjustments	**3,578**	**2,926**	**6,504**
One-off non-cash gains after reclassification adjustments	**21,929**	**50,930**	**72,859**

(b) Upon completion of the Hutchison Proposal, entities co-owned by CK Hutchison and Hutchison over which CK Hutchison has control became indirectly owned subsidiaries of the Group. These entities formed part of the Cheung Kong Property Group which was distributed to shareholders pursuant to the Distribution In Specie. One-off non-cash gain on remeasurement of these assets represents the difference between their fair value and the book value, including gains previously in exchange and other reserves related to these entities reclassified to profit or loss in the current year.

(c) See note 13(c).

12 Earnings per share for profit attributable to ordinary shareholders

	2015	2014
Earnings per share for profit attributable to ordinary shareholders arises from:		
Continuing operations	**HK$ 11.89**	HK$ 8.18
Discontinued operations `	**HK$ 25.02**	HK$ 15.08
	HK$ 36.91	HK$ 23.26

The calculation of earnings per share is based on profit attributable to ordinary shareholders and on weighted average number of shares outstanding during 2015 and 2014 as follows:

	2015	2014
	HK$ millions	HK$ millions
Profit attributable to ordinary shareholders arises from:		
Continuing operations	**38,189**	18,944
Discontinued operations	**80,381**	34,925
	118,570	53,869
Weighted average number of shares outstanding during 2015 and 2014	**3,212,671,194**	2,316,164,338

The Company has no share option scheme. Certain of the Company's subsidiary and associated companies have employee share options outstanding as at 31 December 2015. The employee share options of these subsidiary and associated companies outstanding as at 31 December 2015 did not have a dilutive effect on earnings per share.

13 Distributions and dividends

(a) Distribution paid on perpetual capital securities

	2015	2014
	HK$ millions	HK$ millions
Distribution paid on perpetual capital securities	**1,072**	460

(b) Dividends

	2015	2014
	HK$ millions	HK$ millions
First interim dividend, paid of HK$0.70 per share (2014 - HK$0.638 per share)	**2,702**	1,478
Second interim dividend, nil declared, (2014 - HK$3.016 per share, in lieu of final dividend)	**-**	6,985
Final dividend, proposed of HK$1.85 per share (2014 - nil)	**7,140**	-
	9,842	8,463
Special dividend, nil declared (2014 - HK$7.00 per share)	**-**	16,213
	9,842	24,676

In 2015, the calculation of the interim dividend and final dividend is based on 3,859,678,500 shares in issue. In 2014, the calculation of the first interim, the second interim dividend in lieu of final dividend and special dividend is based on 2,316,164,338 shares in issue.

(c) Other distributions

	2015	2014
	HK$ millions	HK$ millions
Distribution In Specie	**363,511**	-

The Group's entire interest in Cheung Kong Property was distributed to shareholders pursuant to the Distribution In Specie under the Spin-off Proposal and Cheung Kong Property became a separate listed company on the Main Board of the Stock Exchange. The Distribution In Specie is accounted for as a distribution of non-cash assets to shareholders, where the difference between the distribution liability measured at fair value and the book value of the disposal group (after netting off HK$55,000 million received) is recognised in the consolidated financial statements of CK Hutchison upon settlement of the distribution liability. This resulted in an one-off non-cash gain of approximately HK$50,930 million recognised and reported as part of the results from discontinued operations (see note 11(a)).

14 Other comprehensive income (losses)

	2015		
	Before-tax amount HK$ millions	**Tax effect HK$ millions**	**Net-of-tax amount HK$ millions**
Available-for-sale investments:			
Valuation losses recognised directly in reserves	**(797)**	**-**	**(797)**
Valuation gains previously in reserves recognised in income statement	**(1,021)**	**-**	**(1,021)**
Remeasurement of defined benefit obligations recognised directly in reserves	**(133)**	**(44)**	**(177)**
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	**701**	**(8)**	**693**
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	**2,060**	**-**	**2,060**
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	**(6,383)**	**-**	**(6,383)**
Losses previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	**12,925**	**-**	**12,925**
Share of other comprehensive income (losses) of associated companies	**(13,398)**	**-**	**(13,398)**
Share of other comprehensive income (losses) of joint ventures	**(2,380)**	**-**	**(2,380)**
	(8,426)	**(52)**	**(8,478)**

	2014		
	Before-tax amount HK$ millions	Tax effect HK$ millions	Net-of-tax amount HK$ millions
Available-for-sale investments:			
Valuation gains recognised directly in reserves	462	-	462
Valuation gains previously in reserves recognised in income statement	(313)	-	(313)
Impairment charged to income statement	44	-	44
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	1,475	-	1,475
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(738)	-	(738)
Share of other comprehensive income (losses) of associated companies	(13,169)	-	(13,169)
Share of other comprehensive income (losses) of joint ventures	(3,256)	-	(3,256)
	(15,495)	-	(15,495)

15 Fixed assets

	Hotels and serviced suites HK$ millions	Land and buildings HK$ millions	Telecom-munications network assets HK$ millions	Aircraft HK$ millions	Other assets [i] HK$ millions	Total HK$ millions
Cost						
At 1 January 2014	12,849	-	-	-	1,367	14,216
Additions	180	-	-	7,599	105	7,884
Disposals	-	-	-	-	(99)	(99)
Exchange translation differences	(2)	-	-	-	(1)	(3)
At 31 December 2014 and 1 January 2015	**13,027**	**-**	**-**	**7,599**	**1,372**	**21,998**
Additions	**49**	**1,140**	**810**	**6,675**	**13,820**	**22,494**
Relating to subsidiaries acquired (see note 37(c))	**-**	**27,225**	**25,265**	**-**	**114,550**	**167,040**
Disposals	**-**	**(316)**	**(4)**	**-**	**(663)**	**(983)**
Relating to subsidiaries disposed (see note 37(d))	**-**	**(764)**	**-**	**-**	**(821)**	**(1,585)**
Distribution In Specie (see note 37(e))	**(12,985)**	**-**	**-**	**-**	**(1,073)**	**(14,058)**
Transfer to other assets	**-**	**-**	**-**	**-**	**(76)**	**(76)**
Transfer between categories	**-**	**8**	**4,353**	**-**	**(4,361)**	**-**
Exchange translation differences	**(91)**	**(999)**	**(333)**	**-**	**(5,545)**	**(6,968)**
At 31 December 2015	**-**	**26,294**	**30,091**	**14,274**	**117,203**	**187,862**
Accumulated depreciation and impairment						
At 1 January 2014	3,001	-	-	-	1,238	4,239
Charge for the year	242	-	-	93	58	393
Disposals	-	-	-	-	(86)	(86)
Exchange translation differences	(1)	-	-	-	(1)	(2)
At 31 December 2014 and 1 January 2015	**3,242**	**-**	**-**	**93**	**1,209**	**4,544**
Charge for the year	**102**	**559**	**1,979**	**530**	**5,390**	**8,560**
Disposals	**-**	**-**	**-**	**-**	**(321)**	**(321)**
Relating to subsidiaries disposed (see note 37(d))	**-**	**(3)**	**-**	**-**	**(50)**	**(53)**
Distribution In Specie (see note 37(e))	**(3,341)**	**-**	**-**	**-**	**(864)**	**(4,205)**
Transfer to other assets	**-**	**5**	**-**	**-**	**2**	**7**
Transfer between categories	**-**	**-**	**(77)**	**-**	**77**	**-**
Exchange translation differences	**(3)**	**(119)**	**95**	**-**	**(498)**	**(525)**
At 31 December 2015	**-**	**442**	**1,997**	**623**	**4,945**	**8,007**
Net book value						
At 31 December 2015	**-**	**25,852**	**28,094**	**13,651**	**112,258**	**179,855**
At 31 December 2014	9,785	-	-	7,506	163	17,454
At 1 January 2014	9,848	-	-	-	129	9,977

(i) Cost and net book value of other assets include HK$18,993 million (2014 - nil) and HK$18,131 million (2014 - nil) respectively relate to the business of Ports and related services, and HK$75,624 million (2014 - nil) and HK$74,002 million (2014 - nil) respectively relate to the business of Infrastructure.

The analysis of the Group's aggregate future minimum lease payments receivable under non-cancellable operating leases of fixed assets is as follows:

	2015 HK$ millions	2014 HK$ millions
Within 1 year	**5,620**	753
After 1 year, but within 5 years	**14,360**	2,751
After 5 years	**5,546**	1,241

16 Investment properties

	2015 HK$ millions	2014 HK$ millions
Valuation		
At 1 January	**33,285**	28,777
Additions / cost adjustments	**-**	(34)
Relating to subsidiaries acquired (see note 37(c))	**305**	-
Increase in fair value of investment properties	**555**	4,542
Distribution In Specie (see note 37(e))	**(33,811)**	-
At 31 December	**334**	33,285

Investment properties have been fair valued as at 31 December 2015 and 31 December 2014 by DTZ Debenham Tie Leung Limited, professional valuers.

Investment properties as at 31 December 2015 were acquired as part of the acquisition of Hutchison pursuant to the Merger Proposal. As at 31 December 2015, the fair value of investment properties which reflects the highest and best use was arrived at by reference to comparable market transactions and also taking reference of capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the properties.

Investment properties as at 31 December 2014 were transferred during the current year to Cheung Kong Property pursuant to the Spin-off Proposal. The fair value of investment properties as at 31 December 2014 were generally derived using the income capitalisation method which was based on the capitalisation of net income and reversionary income potential by appropriate capitalisation rates; the capitalisation rates adopted, ranging between 4% to 8% generally and inversely related to the values derived, were based on analysis of relevant sale transactions and interpretation of prevailing market expectations and capitalisation rates adopted for major investment properties were as follows:

(i)	The Center (commercial office property)	5.00%
(ii)	1881 Heritage (retail shopping mall)	5.25%

There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into / out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

At 31 December, the analysis of the Group's aggregate future minimum lease payments receivable under non-cancellable operating leases is as follows:

	2015 HK$ millions	2014 HK$ millions
Within 1 year	**-**	1,210
After 1 year, but within 5 years	**-**	1,022

17 Leasehold land

	2015 HK$ millions	2014 HK$ millions
Net book value		
At 1 January	**-**	-
Relating to subsidiaries acquired (see note 37(c))	**7,861**	-
Amortisation for the year	**(189)**	-
Relating to subsidiaries disposed (see note 37(d))	**(327)**	-
Exchange translation differences	**(130)**	-
At 31 December	**7,215**	-

18 Telecommunications licences

	2015	2014
	HK$ millions	HK$ millions
Net book value		
At 1 January	**-**	-
Additions	**2,448**	-
Relating to subsidiaries acquired (see note 37(c))	**31,571**	-
Amortisation for the year	**(352)**	-
Exchange translation differences	**(1,059)**	-
At 31 December	**32,608**	-
Cost	**32,960**	-
Accumulated amortisation and impairment	**(352)**	-
	32,608	-

At 31 December 2015, the carrying amount of the Group’s telecommunications licences in Italy and the UK which are considered to have an indefinite useful life is €1,051 million (2014 - nil) and £1,357 million (2014 - nil) respectively.

In accordance with the Group's accounting policy on asset impairment (see note 3(x)), the carrying values of telecommunications licences were reviewed and tested for impairment as at 31 December 2015. The results of the reviews and tests undertaken as at 31 December 2015 indicated no impairment charge was necessary.

19 Brand names and other rights

	Brand names	**Other rights**	**Total**
	HK$ millions	**HK$ millions**	**HK$ millions**
Net book value			
At 1 January 2014, 31 December 2014 and 1 January 2015	**-**	**-**	**-**
Additions	**-**	**540**	**540**
Relating to subsidiaries acquired (see note 37(c))	**66,740**	**16,795**	**83,535**
Transfer from other assets	**-**	**65**	**65**
Amortisation for the year	**(7)**	**(632)**	**(639)**
Exchange translation differences	**(561)**	**(707)**	**(1,268)**
At 31 December	**66,172**	**16,061**	**82,233**
Cost	**66,179**	**16,658**	**82,837**
Accumulated amortisation	**(7)**	**(597)**	**(604)**
	66,172	**16,061**	**82,233**

The carrying amount of brand names and other rights primarily arises from the acquisition of Hutchison and its subsidiaries under the Merger Proposal. Brand names relate to Retail of approximately HK$52 billion and Telecommunications of approximately HK$14 billion are considered to have an indefinite useful life.

Other rights, which include rights of use of telecommunications network infrastructure sites of HK$927 million (2014 - nil), operating and service content rights of HK$11,786 million (2014 - nil), resource consents and customer lists of HK$3,180 million (2014 - nil) are amortised over their finite useful lives.

20 Goodwill

	2015 HK$ millions	2014 HK$ millions
Cost		
At 1 January	**-**	-
Relating to subsidiaries acquired (see note 37(c))	**264,051**	-
Exchange translation differences	**(2,602)**	-
At 31 December	**261,449**	-

Goodwill primarily arises from the acquisition of the Hutchison's businesses pursuant to the Merger Proposal. The carrying amount of goodwill has been allocated to the businesses of the Ports and related services of approximately HK$13 billion, Retail of approximately HK$114 billion, Infrastructure of approximately HK$69 billion, **3** Group Europe of approximately HK$26 billion, Hutchison Telecommunications Hong Kong Holdings of approximately HK$10 billion and Finance & Investments and Others of approximately HK$30 billion.

Goodwill and assets with indefinite useful lives (telecommunication licences and brand names) are allocated to business units and divisions as described in notes 18, 19 and in this note. In assessing whether these assets have suffered any impairment, the carrying value of the respective business unit or division on which these assets are allocated is compared with its recoverable amount. The results of the tests undertaken as at 31 December 2015 indicated no impairment charge was necessary.

As additional information,

(i) the recoverable amount for the purpose of impairment testing for the Retail division and Hutchison Telecommunications Hong Kong Holdings are based on its value in use which utilises cash flow projections based on the latest approved financial budgets for 5 years discounted to present value at a pre-tax rate of 6% to 9% and 3% to 4% respectively and where applicable, in the calculation, the cash flows beyond the 5 year period have been extrapolated using a growth rate of 1% to 3% per annum;

(ii) the recoverable amount for the purpose of impairment testing for the other respective business units and divisions are based on their fair value less costs of disposal. Their fair value is by reference, where available, to the quoted market value / share price or estimated using a value / EBITDA multiple approach or a price to earnings multiple approach (Level 3 of the HKFRS 13 fair value hierarchy) based on the latest approved financial budget for 5 years. The value / EBITDA multiple and price to earnings multiple are derived from observable market data for broadly comparable businesses with due consideration for market development expectations; and

(iii) the Group prepared the financial budgets reflecting current and prior year performances, market development expectations and where available and relevant, observable market data. There are a number of assumptions and estimates involved for the preparation of the budget, the cash flow projections for the period covered by the approved budget and, for the value in use calculation, the estimated terminal value. Key assumptions include the expected growth in revenues and gross margin, inventory level, volume and operating costs, timing of future capital expenditures, growth rates and selection of discount rates and, for the fair value less cost of disposal calculation, the EBITDA and earnings multiple that can be realised for the estimated fair value. A reasonably possible change in a key assumption would not cause the recoverable amount to fall below the carrying value of the respective business units and divisions.

21 Associated companies

	2015 HK$ millions	2014 HK$ millions
Unlisted shares	**8,667**	6
Listed shares, Hong Kong	**65,803**	28,132
Listed shares, outside Hong Kong	**77,405**	-
Share of undistributed post acquisition reserves	**(8,712)**	187,889
	143,163	216,027
Amounts due from associated companies	**5,209**	814
	148,372	216,841

The market value of the above listed investments at 31 December 2015 was HK$113,173 million (2014 - HK$193,562 million), inclusive of HK$31,467 million and HK$59,026 million for material associated companies, namely Husky and Power Assets Holdings Limited ("Power Assets") respectively (2014 - inclusive of HK$190,121 million and HK$3,441 million for material associated companies, namely Hutchison and CK Life Sciences respectively).

21 Associated companies (continued)

There are no material contingent liabilities relating to the Group's interests in the associated companies, save as for those disclosed in note 41.

Set out below are additional information in respect of the Group's material associated companies in 2015:

	2015		
	Material associated companies		
	Hutchison [(a)] HK$ millions	Husky HK$ millions	Power Assets HK$ millions
Dividends received from associated companies	**3,739**	**2,717**	**2,232**
Gross amount of the following items of the associated companies [(b) (c)]:			
Total revenue	**106,157**	**54,780**	**1,308**
EBITDA	**32,880**	**12,662**	**16,829**
EBIT	**19,914**	**4,122**	**12,424**
Other comprehensive income (losses)	**(11,756)**	**(16,629)**	**(1,482)**
Total comprehensive income (losses)	**(3,698)**	**(14,767)**	**6,250**
Current assets	**-**	**16,202**	**68,544**
Non-current assets	**-**	**222,390**	**103,674**
Current liabilities	**-**	**21,328**	**2,119**
Non-current liabilities	**-**	**79,035**	**9,642**
Net assets (net of preferred shares, perpetual capital securities and non-controlling interests)	**-**	**133,842**	**160,457**
Reconciliation to the carrying amount of the Group's interests in associated companies:			
Group's interest	**-**	**40.2%**	**38.9%**
Group's share of net assets	**-**	**53,774**	**62,370**
Amounts due from associated companies	**-**	**660**	**-**
Carrying amount	**-**	**54,434**	**62,370**

	Hutchison [(a)] HK$ millions	Husky HK$ millions	Power Assets HK$ millions	Other associated companies HK$ millions	2015 Total HK$ millions
Group's share of the following items of the associated companies [(b)]:					
Profits less losses after tax (before profits on disposal of investments and others)	**4,222**	**751**	**1,639**	**833**	**7,445**
Profits on disposal of investments and others	**(196)**	**-**	**-**	**-**	**(196)**
Other comprehensive income (losses)	**(5,372)**	**(6,681)**	**(364)**	**(781)**	**(13,198)**
Total comprehensive income (losses)	**(1,346)**	**(5,930)**	**1,275**	**52**	**(5,949)**

21 Associated companies (continued)

Set out below are additional information in respect of the Group's material associated companies in 2014:

	2014 Material associated companies	
	Hutchison HK$ millions	CK Life Sciences HK$ millions
Dividends received from associated companies	19,939	30
Gross amount of the following items of the associated companies [(b) (c)]:		
Total revenue	265,060	5,267
EBITDA	88,136	591
EBIT	55,313	455
Other comprehensive income (losses)	(25,001)	(375)
Total comprehensive income (losses)	8,702	(111)
Current assets	211,178	3,000
Non-current assets	672,257	7,297
Current liabilities	132,425	1,142
Non-current liabilities	231,948	4,280
Net assets (net of preferred shares, perpetual capital securities and non-controlling interests)	426,580	4,663
Reconciliation to the carrying amount of the Group's interests in associated companies:		
Group's interest	49.9%	45.3%
Group's share of net assets	213,119	2,113
Adjustment to cost of investment	799	(5)
Carrying amount	213,918	2,108

	Hutchison HK$ millions	CK Life Sciences HK$ millions	Other associated companies HK$ millions	2014 Total HK$ millions
Group's share of the following items of the associated companies [(b)]:				
Profits less losses after tax (before profits on disposal of investments and others)	11,815	119	-	11,934
Profits on disposal of investments and others	5,020	-	-	5,020
Other comprehensive income (losses)	(12,490)	(169)	-	(12,659)
Total comprehensive income (losses)	4,345	(50)	-	4,295

(a) As Hutchison became a wholly owned subsidiary of the Group during the current year, Hutchison’s respective profit and loss items are included in the summarised financial information for the Group’s material associated companies above up to the effective date it became a wholly owned subsidiary, and Hutchison’s respective statement of financial position items as at 31 December 2015 are not included above as it is no longer an associated company and its assets and liabilities are consolidated in the Group’s statement of financial position as at that date.

(b) after translation into Hong Kong dollars and consolidation adjustments.

(c) As additional information, the gross amount of profits less losses after tax arising from discontinued operations of Hutchison for the year ended 31 December 2015 and 2014 amounted to HK$6,334 million and HK$33,453 million respectively.

Particulars regarding the principal associated companies are set forth on pages 99 to 101.

22 Interests in joint ventures

	2015 HK$ millions	2014 HK$ millions
Joint ventures		
Unlisted shares	**75,984**	25,712
Share of undistributed post acquisition reserves	**(474)**	25,213
	75,510	50,925
Amounts due from joint ventures	**16,915**	17,829
	92,425	68,754

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save as for those disclosed in note 41.

Set out below are the aggregate amount of the Group's share of the following items of joint ventures:

	2015 HK$ millions	2014 HK$ millions
Profits less losses after tax [(a)]	**6,187**	1,831
Other comprehensive income (losses)	**(2,349)**	(1,625)
Total comprehensive income	**3,838**	206
Capital commitments	**1,469**	-

(a) From the second half of 2012, VHA is undergoing a shareholder-sponsored restructuring under the leadership of the other shareholder under the applicable terms of the shareholders' agreement. Since then, HTAL's share of VHA's results is presented as a separate item under profits on disposal of investments and others (see note 7(a) and 7(b)) to separately identify it from the recurring earnings profile.

Particulars regarding the principal joint ventures are set forth on pages 99 to 101.

23 Deferred tax

	2015 HK$ millions	2014 HK$ millions
Deferred tax assets	**20,986**	-
Deferred tax liabilities	**26,062**	1,022
Net deferred tax liabilities	**(5,076)**	(1,022)

Movements in net deferred tax assets (liabilities) are summarised as follows:

	2015 HK$ millions	2014 HK$ millions
At 1 January	**(1,022)**	(986)
Relating to subsidiaries acquired (see note 37(c))	**(4,344)**	-
Distribution In Specie (see note 37(e))	**1,013**	-
Relating to subsidiaries disposed (see note 37(d))	**(81)**	-
Transfer to current tax	**(7)**	-
Net charge to other comprehensive income	**(52)**	-
Net credit (charge) to the income statement		
Unused tax losses	**(302)**	-
Accelerated depreciation allowances	**1,550**	(90)
Fair value adjustments arising from acquisitions	**(197)**	-
Withholding tax on undistributed earnings	**(71)**	(7)
Other temporary differences	**(1,257)**	61
Exchange translation differences	**(306)**	-
At 31 December	**(5,076)**	(1,022)

Analysis of net deferred tax assets (liabilities):

	2015 HK$ millions	2014 HK$ millions
Unused tax losses	**18,110**	-
Accelerated depreciation allowances	**(10,749)**	(900)
Fair value adjustments arising from acquisitions	**(9,665)**	-
Revaluation of investment properties and other investments	**86**	-
Withholding tax on undistributed earnings	**(499)**	(42)
Other temporary differences	**(2,359)**	(80)
	(5,076)	(1,022)

The Group is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the worldwide provision for income taxes. To the extent that dividends distributed from investments in subsidiaries, branches and associates, and interests in joint ventures are expected to result in additional taxes, appropriate amounts have been provided for. No deferred tax has been provided for the temporary differences arising from undistributed profits of these companies to the extent that the undistributed profits are considered permanently employed in their businesses and it is probable that such temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The amounts shown in the consolidated statement of financial position are determined after appropriate offset.

At 31 December 2015, the Group has recognised accumulated deferred tax assets amounting to HK$20,986 million (2014 - nil) of which HK$19,001 million (2014 - nil) relates to **3** Group Europe.

Note 4(e) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unused tax losses carried forward.

The Group has not recognised deferred tax assets of HK$22,037 million at 31 December 2015 (2014 - HK$462 million) in respect of unutilised tax losses, tax credits and deductible temporary differences totalling HK$99,244 million (2014 - HK$2,727 million). These unutilised tax losses, tax credits and deductible temporary differences can be carried forward against future taxable income. Of this amount, HK$72,464 million (2014 - HK$2,727 million) can be carried forward indefinitely and the balances expire in the following years:

	2015 HK$ millions	2014 HK$ millions
In the first year	**5,000**	-
In the second year	**2,441**	-
In the third year	**6,455**	-
In the fourth year	**3,720**	-
After the fourth year	**9,164**	-
	26,780	-

24 Other non-current assets

	2015 HK$ millions	2014 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	**436**	-
Loan and other receivables	**-**	301
	436	301
Available-for-sale investments		
Unlisted equity securities	**1,518**	177
Unlisted debt securities	**-**	318
Fair value hedges		
Interest rate swaps	**256**	-
Cash flow hedges		
Interest rate swaps	**76**	-
Net investment hedges	**1,902**	476
Other derivative financial instruments	**50**	-
	4,238	1,272

The carrying value of the unlisted debt securities approximates the fair value as these investments bear floating interest rates and are repriced within one to six-month periods at the prevailing market interest rates. The weighted average effective interest rate of unlisted debt securities as at 31 December 2015 is 1.8% (2014 - 3.3%).

Unlisted equity securities where there is a history of dividends are carried at fair value based on the discounted present value of expected future dividends. The value of the remaining unlisted equity securities are not significant to the Group.

25 Liquid funds and other listed investments

	2015 HK$ millions	2014 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	**4,773**	-
Listed / traded debt securities, outside Hong Kong	**1,177**	23
Listed equity securities, Hong Kong	**2,029**	6,594
Listed equity securities, outside Hong Kong	**2,181**	3,593
	10,160	10,210
Financial assets at fair value through profit or loss	**95**	-
Held-for-trading investments		
Listed debt securities, outside Hong Kong	**-**	620
Listed equity securities, Hong Kong	**-**	116
Listed equity securities, outside Hong Kong	**-**	182
	-	918
	10,255	11,128

Liquid funds and other listed investments are analysed as:

	2015 HK$ millions	2014 HK$ millions
Current portion	**-**	918
Non-current portion	**10,255**	10,210
	10,255	11,128

Components of managed funds, outside Hong Kong are as follows:

	2015 HK$ millions	2014 HK$ millions
Listed debt securities	**4,606**	-
Listed equity securities	**153**	-
Cash and cash equivalents	**14**	-
	4,773	-

25 Liquid funds and other listed investments (continued)

Included in listed / traded debt securities outside Hong Kong as at 31 December 2015 (2014 - nil) are notes issued by listed associated company, Husky at a principal amount of US$25 million mature in 2019.

The fair value of the available-for-sale investments, financial assets designated as "at fair value through profit or loss" and held-for-trading investments are based on quoted market prices.

At 31 December, liquid funds and other listed investments are denominated in the following currencies:

	2015		2014	
	Available-for-sale investments Percentage	**Financial assets at fair value through profit or loss Percentage**	Available-for-sale investments Percentage	Held-for-trading investments Percentage
HK dollars	**30%**	**-**	82%	13%
US dollars	**54%**	**36%**	11%	20%
Other currencies	**16%**	**64%**	7%	67%
	100%	**100%**	100%	100%

Listed / traded debt securities as at 31 December presented above are analysed as follows:

	2015 Percentage	2014 Percentage
Credit ratings		
Aaa / AAA	**14%**	-
Aa1 / AA+	**66%**	-
Aa3 / AA-	**2%**	-
A2 / A	**-**	96%
Other investment grades	**4%**	4%
Unrated	**14%**	-
	100%	100%
Sectorial		
US Treasury notes	**61%**	-
Government and government guaranteed notes	**18%**	-
Husky notes	**4%**	-
Financial institutions notes	**2%**	96%
Others	**15%**	4%
	100%	100%
Weighted average maturity	**2.0 years**	0.9 years
Weighted average effective yield	**1.88%**	3.20%

26 Cash and cash equivalents

	2015 HK$ millions	2014 HK$ millions
Cash at bank and in hand	**28,107**	4,064
Short term bank deposits	**93,064**	25,373
Bank deposits maturing over three months	**-**	3,742
	121,171	33,179

The carrying amount of cash and cash equivalents approximates their fair value.

27 Trade and other receivables

	2015 HK$ millions	2014 HK$ millions
Trade receivables	**19,165**	1,781
Less: provision for estimated impairment losses for bad debts	**(3,767)**	-
Trade receivables - net	**15,398**	1,781
Loan receivables	**-**	13
Other receivables and prepayments	**35,672**	716
Fair value hedges		
Interest rate swaps	**547**	-
Cash flow hedges		
Forward foreign exchange contracts	**2**	-
Net investment hedges	**423**	-
Other derivative financial instruments	**-**	319
	52,042	2,829

Trade and other receivables are stated at the expected recoverable amount, net of any estimated impairment losses for bad debts where it is deemed that a receivable may not be fully recoverable. The carrying amount of these assets approximates their fair value.

Trade receivables exposures are managed locally in the operating units where they arise and credit limits are set as deemed appropriate for the customer. The Group has established credit policies for customers in each of its core businesses. The average credit period granted for trade receivables ranges from 30 to 45 days. As stated above trade receivables which are past due at the end of the reporting period are stated at the expected recoverable amount, net of provision for estimated impairment losses for bad debts. Given the profile of our customers and the Group's different types of businesses, the Group generally does not hold collateral over these balances.

The Group's five largest customers contributed less than 4% of the Group's turnover for the year ended 31 December 2015 (2014 - less than 30%).

(a) At 31 December, the ageing analysis of the trade receivables presented based on the invoice date, is as follows:

	2015 HK$ millions	2014 HK$ millions
Less than 31 days	**10,262**	1,718
Within 31 to 60 days	**1,843**	28
Within 61 to 90 days	**673**	16
Over 90 days	**6,387**	19
	19,165	1,781

(b) As at 31 December 2015, out of the trade receivables of HK$19,165 million (2014 - HK$1,781 million), HK$11,808 million (2014 - nil) are impaired and it is assessed that portion of these receivables is expected to be recoverable. The amount of the provision for estimated impairment losses for bad debts is HK$3,767 million (2014 - nil). The ageing analysis of these trade receivables is as follows:

	2015 HK$ millions	2014 HK$ millions
Not past due	**3,920**	-
Past due less than 31 days	**651**	-
Past due within 31 to 60 days	**517**	-
Past due within 61 to 90 days	**407**	-
Past due over 90 days	**6,313**	-
	11,808	-

Movements on the provision for estimated impairment losses for bad debts are as follows:

	2015 HK$ millions	2014 HK$ millions
At 1 January	**-**	-
Additions	**4,137**	-
Utilisations	**(224)**	-
Write back	**(220)**	-
Relating to subsidiaries disposed	**(8)**	-
Exchange translation differences	**82**	-
At 31 December	**3,767**	-

27 Trade and other receivables (continued)

The ageing analysis of trade receivables not impaired is as follows:

	2015	2014
	HK$ millions	HK$ millions
Not past due	**5,024**	1,667
Past due less than 31 days	**1,451**	56
Past due within 31 to 60 days	**422**	25
Past due within 61 to 90 days	**168**	15
Past due over 90 days	**292**	18
	7,357	1,781

28 Inventories

	2015	2014
	HK$ millions	HK$ millions
Retail stock	**19,761**	-
Properties for / under development	**-**	47,232
Joint development projects	**-**	21,903
Properties for sale	**-**	4,064
	19,761	73,199

At 31 December 2014, properties for / under development and joint development projects amounting to HK$43,175 million were not scheduled for completion within twelve months.

29 Trade and other payables

	2015	2014
	HK$ millions	HK$ millions
Trade payables	**20,393**	1,663
Other payables and accruals	**72,366**	3,797
Customers' deposits received	**-**	5,991
Provisions (see note 30)	**1,017**	-
Interest free loans from non-controlling shareholders	**951**	-
Cash flow hedges		
Forward foreign exchange contracts	**1**	-
Net investment hedges	**121**	-
Other derivative financial instruments	**-**	191
	94,849	11,642

The Group's five largest suppliers accounted for less than 29% of the Group's cost of purchases for the year ended 31 December 2015 (2014 - less than 49%).

At 31 December, the ageing analysis of the trade payables is as follows:

	2015	2014
	HK$ millions	HK$ millions
Less than 31 days	**12,948**	1,605
Within 31 to 60 days	**3,234**	13
Within 61 to 90 days	**2,067**	12
Over 90 days	**2,144**	33
	20,393	1,663

30 Provisions

	Provision for commitments, onerous contracts and other guarantees HK$ millions	Restructuring and closure provision HK$ millions	Assets retirement obligation HK$ millions	Others HK$ millions	Total HK$ millions
At 1 January 2014, 31 December 2014 and 1 January 2015	-	-	-	-	-
Additions	-	44	9	294	347
Relating to subsidiaries acquired	36,179	457	887	316	37,839
Interest accretion	-	2	14	-	16
Utilisations	(1,459)	(13)	(65)	(16)	(1,553)
Write back	-	(3)	-	(65)	(68)
Exchange translation differences	(487)	6	(28)	(5)	(514)
At 31 December 2015	34,233	493	817	524	36,067

Provisions are analysed as:

	2015 HK$ millions	2014 HK$ millions
Current portion (see note 29)	1,017	-
Non-current portion (see note 34)	35,050	-
	36,067	-

The provision for restructuring and closure obligations represents costs to execute restructuring plans and store closures. The provision for assets retirement obligations represents the present value of the estimated future costs of dismantling and removing fixed assets when they are no longer used and restoring the sites on which they are located. The provision for commitments, onerous contracts and other guarantees represents the unavoidable costs of meeting these commitments and obligations after deducting the associated, expected future benefits and / or estimated recoverable value.

31 Bank and other debts

The carrying amount of bank and other debts comprises of items measured at amortised cost and an element of fair value which is due to movements in interest rates. The following is an analysis of the carrying amount of the bank and other debts:

	2015			2014		
	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Bank loans	9,663	75,410	85,073	12,409	12,891	25,300
Other loans	214	2,573	2,787	250	350	600
Notes and bonds	22,357	177,386	199,743	5,693	6,281	11,974
Total principal amount of bank and other debts	32,234	255,369	287,603	18,352	19,522	37,874
Unamortised fair value adjustments arising from acquisitions	1,020	15,383	16,403	-	-	-
Total bank and other debts before the following items (i)	33,254	270,752	304,006	18,352	19,522	37,874
Unamortised loan facilities fees and premiums or discounts related to debts	-	(197)	(197)	-	-	-
Unrealised loss on bank and other debts pursuant to interest rate swap contracts	(238)	(19)	(257)	-	-	-
	33,016	270,536	303,552	18,352	19,522	37,874

(i) See note 35(c)(i).

31 Bank and other debts (continued)

Analysis of principal amount of bank and other debts:

	2015			2014		
	Current portion HK$ millions	**Non-current portion HK$ millions**	**Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Bank loans	**9,663**	**75,410**	**85,073**	12,409	12,891	25,300
Other loans	**214**	**2,573**	**2,787**	250	350	600
Notes and bonds						
HK$500 million notes, 4.4% due 2015	**-**	**-**	**-**	500	-	500
HK$150 million notes, 5.1% due 2016	**150**	**-**	**150**	-	150	150
HK$330 million notes, 2.45% due 2016	**330**	**-**	**330**	-	330	330
HK$377 million notes, 2.56% due 2016	**377**	**-**	**377**	-	377	377
HK$500 million notes, 4.88% due 2018	**-**	**500**	**500**	-	500	500
HK$500 million notes, 4.3% due 2020	**-**	**500**	**500**	-	500	500
HK$500 million notes, 4.35% due 2020	**-**	**500**	**500**	-	500	500
HK$300 million notes, 3.9% due 2020	**-**	**300**	**300**	-	300	300
HK$400 million notes, 3.45% due 2021	**-**	**400**	**400**	-	400	400
HK$300 million notes, 3.35% due 2021	**-**	**300**	**300**	-	300	300
HK$260 million notes, 4% due 2027	**-**	**260**	**260**	-	-	-
US$500 million notes, LIBOR* + 1.5% due 2015	**-**	**-**	**-**	3,877	-	3,877
US$300 million notes, LIBOR* + 0.7% due 2017	**-**	**2,340**	**2,340**	-	-	-
US$492 million notes-Series B, 7.45% due 2017	**-**	**3,837**	**3,837**	-	-	-
US$1,000 million notes, 2% due 2017	**-**	**7,800**	**7,800**	-	-	-
US$1,000 million notes, 3.5% due 2017	**-**	**7,800**	**7,800**	-	-	-
US$2,000 million notes, 1.625% due 2017	**-**	**15,600**	**15,600**	-	-	-
US$1,000 million notes, 5.75% due 2019	**-**	**7,800**	**7,800**	-	-	-
US$1,500 million notes, 7.625% due 2019	**-**	**11,700**	**11,700**	-	-	-
US$1,500 million notes, 4.625% due 2022	**-**	**11,700**	**11,700**	-	-	-
US$500 million notes, 3.25% due 2022	**-**	**3,900**	**3,900**	-	-	-
US$1,500 million notes, 3.625% due 2024	**-**	**11,700**	**11,700**	-	-	-
US$329 million notes-Series C, 7.5% due 2027	**-**	**2,565**	**2,565**	-	-	-
US$1,039 million notes, 7.45% due 2033	**-**	**8,107**	**8,107**	-	-	-
US$25 million notes-Series D, 6.988% due 2037	**-**	**196**	**196**	-	-	-
SGD225 million notes, 2.25% due 2015	**-**	**-**	**-**	1,316	-	1,316
SGD180 million notes, 2.585% due 2016	**994**	**-**	**994**	-	1,053	1,053
SGD320 million notes, 3.408% due 2018	**-**	**1,767**	**1,767**	-	1,871	1,871
EUR669 million notes, 4.625% due 2016	**5,667**	**-**	**5,667**	-	-	-
EUR1,750 million notes, 4.75% due 2016	**14,822**	**-**	**14,822**	-	-	-
EUR1,250 million notes, 2.5% due 2017	**-**	**10,588**	**10,588**	-	-	-
EUR1,500 million notes, 1.325% due 2021	**-**	**12,705**	**12,705**	-	-	-
EUR750 million notes, 3.625% due 2022	**-**	**6,353**	**6,353**	-	-	-
GBP113 million bonds, 5.625% due 2017	**-**	**1,305**	**1,305**	-	-	-
GBP300 million bonds, 6% due 2017	**-**	**3,462**	**3,462**	-	-	-
GBP300 million bonds, 5.831% due 2020	**-**	**3,462**	**3,462**	-	-	-
GBP100 million notes, 5.82% due 2021	**-**	**1,154**	**1,154**	-	-	-
GBP350 million bonds, 6.875% due 2023	**-**	**4,039**	**4,039**	-	-	-
GBP400 million bonds, 6.359% due 2025	**-**	**4,616**	**4,616**	-	-	-
GBP303 million bonds, 5.625% due 2026	**-**	**3,496**	**3,496**	-	-	-
GBP90 million notes, 3.54% due 2030	**-**	**1,039**	**1,039**	-	-	-
GBP350 million bonds, 5.625% due 2033	**-**	**4,039**	**4,039**	-	-	-
GBP248 million bonds, 5.87526% due 2034	**8**	**2,849**	**2,857**	-	-	-
GBP400 million bonds, 6.697% due 2035	**-**	**4,616**	**4,616**	-	-	-
GBP50 million notes, 5.01% due 2036	**-**	**577**	**577**	-	-	-
GBP100 million notes, LIBOR* + 2.33% due 2036	**-**	**1,154**	**1,154**	-	-	-
GBP204 million bonds, RPI# + 2.033% due 2036	**-**	**2,364**	**2,364**	-	-	-
GBP60 million bonds, 6.627% due 2037	**9**	**680**	**689**	-	-	-
GBP80 million bonds, RPI# + 1.6274% due 2041	**-**	**930**	**930**	-	-	-
GBP360 million bonds, 5.125% due 2042	**-**	**4,154**	**4,154**	-	-	-
GBP133 million bonds, RPI# + 1.7118% due 2049	**-**	**1,540**	**1,540**	-	-	-
GBP133 million bonds, RPI# + 1.7484% due 2053	**-**	**1,540**	**1,540**	-	-	-
JPY3,000 million notes, 1.75% due 2019	**-**	**192**	**192**	-	-	-
JPY15,000 million notes, 2.6% due 2027	**-**	**960**	**960**	-	-	-
	22,357	**177,386**	**199,743**	5,693	6,281	11,974
	32,234	**255,369**	**287,603**	18,352	19,522	37,874

* LIBOR represents the London Interbank Offered Rates
# RPI represents UK Retail Price Index

31 Bank and other debts (continued)

Bank and other debts at principal amount are repayable as follows:

	2015			2014		
	Current portion HK$ millions	**Non-current portion HK$ millions**	**Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Bank loans						
Current portion	**9,663**	**-**	**9,663**	12,409	-	12,409
After 1 year, but within 2 years	**-**	**22,594**	**22,594**	-	4,300	4,300
After 2 years, but within 5 years	**-**	**46,556**	**46,556**	-	8,591	8,591
After 5 years	**-**	**6,260**	**6,260**	-	-	-
	9,663	**75,410**	**85,073**	12,409	12,891	25,300
Other loans						
Current portion	**214**	**-**	**214**	250	-	250
After 1 year, but within 2 years	**-**	**790**	**790**	-	50	50
After 2 years, but within 5 years	**-**	**735**	**735**	-	300	300
After 5 years	**-**	**1,048**	**1,048**	-	-	-
	214	**2,573**	**2,787**	250	350	600
Notes and bonds						
Current portion	**22,357**	**-**	**22,357**	5,693	-	5,693
After 1 year, but within 2 years	**-**	**52,750**	**52,750**	-	1,910	1,910
After 2 years, but within 5 years	**-**	**26,807**	**26,807**	-	2,371	2,371
After 5 years	**-**	**97,829**	**97,829**	-	2,000	2,000
	22,357	**177,386**	**199,743**	5,693	6,281	11,974
	32,234	**255,369**	**287,603**	18,352	19,522	37,874

The bank and other debts of the Group as at 31 December 2015 are secured to the extent of HK$22,948 million (2014 - nil).

Borrowings with principal amount of HK$92,384 million (2014 - HK$29,777 million) bear interest at floating interest rates and borrowings with principal amount of HK$195,219 million (2014 - HK$8,097 million) bear interest at fixed interest rates.

Borrowings at principal amount are denominated in the following currencies:

	2015 Percentage	2014 Percentage
US dollars	**36%**	14%
Euro	**25%**	5%
HK dollars	**7%**	62%
British Pounds	**25%**	8%
Other currencies	**7%**	11%
	100%	100%

31 Bank and other debts (continued)

Derivative financial instruments are principally utilised by the Group in the management of its foreign currency and interest rate exposures. The Group has entered into interest rate swap agreements with banks and other financial institutions mainly to swap fixed interest rate borrowings to floating interest rate borrowings to manage the fixed and floating interest rate mix of the Group's total debt portfolio. At 31 December 2015, the notional amount of the outstanding interest rate swap agreements with financial institutions amounted to HK$47,973 million (2014 - HK$2,450 million).

In addition, interest rate swap agreements with notional amount of HK$6,061 million (2014 - nil) was entered to swap floating interest rate borrowings to fixed interest rate borrowings to mainly mitigate interest rate exposures to certain infrastructure project related borrowings.

(a) The analysis of derivative financial instruments utilised by the Group in the management of its interest rate and foreign currency exposures are as follows:

	2015			2014		
	Current portion HK$ millions	**Non-current portion HK$ millions**	**Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Fair value hedges						
Derivative financial assets						
Interest rate swaps (see notes 24 and 27)	**547**	**256**	**803**	-	-	-
	547	**256**	**803**	-	-	-
Cash flow hedges						
Derivative financial assets						
Interest rate swaps (see note 24)	**-**	**76**	**76**	-	-	-
Forward foreign exchange contracts (see note 27)	**2**	**-**	**2**	-	-	-
	2	**76**	**78**	-	-	-
Derivative financial liabilities						
Interest rate swaps (see note 34)	**-**	**(160)**	**(160)**	-	-	-
Forward foreign exchange contracts (see note 29)	**(1)**	**-**	**(1)**	-	-	-
Other contracts (see note 34)	**-**	**(433)**	**(433)**	-	-	-
	(1)	**(593)**	**(594)**	-	-	-
	1	**(517)**	**(516)**	-	-	-
Net investment hedges						
Derivative financial assets (see notes 24 and 27)	**423**	**1,902**	**2,325**	-	476	476
Derivative financial liabilities (see notes 29 and 34)	**(121)**	**(19)**	**(140)**	-	-	-
	302	**1,883**	**2,185**	-	476	476

32 Interest bearing loans from non-controlling shareholders

	2015 HK$ millions	2014 HK$ millions
Interest bearing loans from non-controlling shareholders	**4,827**	-

At 31 December 2015, these loans bear interest at rates ranging from Stockholm Interbank Offered Rate ("STIBOR")+1.73% to 11% per annum (2014 - nil). The carrying amount of the borrowings approximates their fair value.

33 Pension plans

	2015 HK$ millions	2014 HK$ millions
Defined benefit assets	-	-
Defined benefit liabilities	4,066	-
Net defined benefit liabilities	4,066	-

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

(a) Defined benefit plans

The Group's major defined benefit plans are in Hong Kong, the United Kingdom and the Netherlands. The plans are either contributory final salary pension plans or non-contributory guaranteed return defined contribution plans. No other post-retirement benefits are provided.

The Group's major plans were valued by Towers Watson, qualified actuaries as at 31 December 2015 using the projected unit credit method to account for the Group's pension accounting costs.

The principal actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	2015	2014
Discount rates	0.57%-3.95%	Not applicable
Future salary increases	0.5%-3.0%	Not applicable
Interest credited on two principal plans in Hong Kong	5.0%-6.0%	Not applicable

The amount recognised in the consolidated statement of financial position is determined as follows:

	2015 HK$ millions	2014 HK$ millions
Present value of defined benefit obligations	28,823	-
Fair value of plan assets	24,760	-
	4,063	-
Restrictions on assets recognised	3	-
Net defined benefit liabilities	4,066	-

Movements in net defined benefit liabilities and its components are as follows:

	Present value of defined benefit obligations HK$ millions	Fair value of plan assets HK$ millions	Asset ceiling HK$ millions	Net defined benefit liabilities HK$ millions
At 1 January 2015	-	-	-	-
Relating to subsidiaries acquired (see note 37(c))	30,974	(26,605)	3	4,372
Net charge (credit) to the income statement				
Current service cost	411	32	-	443
Past service cost and gains and losses on settlements	13	-	-	13
Interest cost (income)	534	(456)	-	78
	958	(424)	-	534
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	397	-	-	397
Actuarial gain arising from change in financial assumptions	(1,978)	-	-	(1,978)
Actuarial loss arising from experience adjustment	635	-	-	635
Return on plan assets excluding interest income	-	1,120	-	1,120
Exchange translation differences	(1,164)	999	-	(165)
	(2,110)	2,119	-	9
Contributions paid by the employer	-	(514)	-	(514)
Contributions paid by the employee	57	(57)	-	-
Benefits paid	(698)	698	-	-
Relating to subsidiaries disposed (see note 37(d))	(336)	-	-	(336)
Transfer from (to) other liabilities	(22)	23	-	1
At 31 December 2015	28,823	(24,760)	3	4,066

33 Pension plans (continued)

There is no immediate requirement for the Group to fund the deficit between the fair value of defined benefit plan assets and the present value of the defined benefit plan obligations disclosed as at 31 December 2015. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. The realisation of the deficit is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. Funding requirements of the Group's major defined benefit plans are detailed below.

The Group operates two principal plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and a benefit derived by a formula based on the final salary and years of service. A formal independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance (“ORSO”), at 1 August 2015 reported a funding level of 127% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 6% per annum and salary increases of 4% per annum. The valuation was performed by Tian Keat Aun, a Fellow of The Institute of Actuaries, of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2015, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$11 million (2014 - nil) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2015 (2014 - nil) to reduce future years' contributions.

The Group operates three contributory defined benefit plans in the United Kingdom for its ports division, of which the Port of Felixstowe Pension Plan is the principal plan. The plans are all final salary in nature and were closed to new entrants in June 2003. On the assumptions adopted at the last formal actuarial valuation using the projected unit method at 31 December 2012, the ratio of assets to liabilities for the Felixstowe Scheme was 78%. Contributions to fund the deficit were increased and the shortfall was expected to be eliminated by June 2023. The main assumptions in the valuation are an investment return of (i) 5.90% per annum (pre-retirement), (ii) 5.30% per annum and 3.25% per annum (post-retirement for non-pensioners and pensioners respectively), pensionable salary increases of 2.75% per annum and pension increases for pensioners of 2.65% per annum (for service before 6 April 1997), 2.3% per annum (for service between 6 April 1997 and 5 April 2005) and 1.70% per annum (for service after 5 April 2005). The valuation was performed by Lloyd Cleaver, a Fellow of the Institute of Actuaries, of Towers Watson Limited.

The Group's defined benefit pension plans for its ports and retail operations in the Netherlands are guaranteed contracts undertaken by insurance companies to provide defined benefit pensions in return for actuarially agreed contributions. The risk of providing past pension benefits is underwritten by the insurance companies. The Group does not carry funding risk relating to past service. The funding rate to provide current year benefits varies in accordance with annual actuarial calculations.

The Group operates a defined benefit pension plan for part of its retail operation in the United Kingdom. It is not open to new entrants. The latest formal valuation for funding purposes was carried out on 31 March 2012. This allowed for the cessation of accrual of future defined benefits for all active members on 28 February 2010, from which date final salary linkage was also severed. On the assumptions adopted at the valuation using the projected unit method, the ratio of actual asset value to the target asset value being funded for past service benefits was 75%. The sponsoring employer will make further additional contributions of £3.7 million per annum up to 30 September 2016 towards the shortfall being corrected by 30 September 2016, assuming the market conditions as at 31 March 2012 remain unchanged. The main assumptions in the valuation are an investment return of 4.1% to 5.7% per annum and pensionable salary increases of 2.0% to 3.2% per annum. The valuation was performed by David Lindsay, a Fellow of the Institute and Faculty of Actuaries, of Aon Hewitt Limited.

33 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2015 Percentage	2014 Percentage
Equity instruments		
Consumer markets and manufacturing	**10%**	-
Energy and utilities	**3%**	-
Financial institutions and insurance	**9%**	-
Telecommunications and information technology	**3%**	-
Units trust and equity instrument funds	**3%**	-
Others	**12%**	-
	40%	-
Debt instruments		
US Treasury notes	**1%**	-
Government and government guaranteed notes	**11%**	-
Financial institutions notes	**3%**	-
Others	**7%**	-
	22%	-
Qualifying insurance policies	**18%**	-
Properties	**2%**	-
Other assets	**18%**	-
	100%	-

The debt instruments are analysed by issuers' credit rating as follows:

	2015 Percentage	2014 Percentage
Aaa/AAA	**29%**	-
Aa1/AA+	**12%**	-
Aa2/AA	**16%**	-
Aa3/AA-	**2%**	-
A1/A+	**2%**	-
A2/A	**12%**	-
Other investment grades	**25%**	-
No investment grades	**2%**	-
	100%	-

The fair value of the above equity instruments and debt instruments are determined based on quoted market prices.

Fair value of plan assets of HK$24,760 million (2014 - nil) includes investments in the Company's shares with a fair value of HK$93 million (2014 - nil).

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, and the liquidity requirements of the plans.

33 Pension plans (continued)

(a) Defined benefit plans (continued)

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2015 is 17 years (2014 - nil).

The Group expects to make contributions of HK$863 million (2014 - nil) to the defined benefit plans next year.

HKAS 19 "Employee Benefits" requires disclosure of a sensitivity analysis for the significant actuarial assumptions, used to determine the present value of the defined benefit obligations, that shows the effects of a hypothetical change in the relevant actuarial assumption at the end of the reporting period on defined benefit obligations.

The effect that is disclosed in the following assumes that (a) a hypothetical change of the relevant actuarial assumption had occurred at the end of the reporting period and had applied to the relevant actuarial assumption in existence on that date; and (b) the sensitivity analysis for each type of actuarial assumption does not reflect inter-dependencies between different assumptions.

The preparation and presentation of the sensitivity analysis for significant actuarial assumptions is solely for compliance with HKAS 19 disclosure requirements in respect of defined benefit obligations. The sensitivity analysis measures changes in the defined benefit obligations from hypothetical instantaneous changes in one actuarial assumption (e.g. discount rate or future salary increase), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analyses are for illustration purposes only and it should be noted that in practice actuarial assumptions rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the markets which may cause fluctuations in actuarial assumptions (e.g. discount rate or future salary increase) to vary and therefore it is important to note that the hypothetical amounts so generated do not present a projection of likely future events and profits or losses.

If the discount rate is 0.25% higher or lower, the defined benefit obligation would decrease by 4.1% or increase by 4.2% respectively (2014 - nil).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.6% or decrease by 0.6% respectively (2014 - nil).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK$732 million (2014 - HK$138 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$1 million (2014 - HK$4 million) were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2015 (2014 - nil) to reduce future years' contributions.

34 Other non-current liabilities

	2015	2014
	HK$ millions	HK$ millions
Cash flow hedges		
Interest rate swaps	**160**	-
Other contracts	**433**	-
Net investment hedges	**19**	-
Other derivative financial instruments	**1,172**	-
Obligations for telecommunications licences and other rights	**6,588**	-
Other non-current liabilities	**4,617**	-
Provisions (see note 30)	**35,050**	-
	48,039	-

35 Share capital, share premium, perpetual capital securities and capital management

(a) Share capital and share premium

	Number of shares	Share capital HK$ millions	Share premium HK$ millions	Total HK$ millions
At 1 January 2014 - Cheung Kong	2,316,164,338	1,158	9,331	10,489
Transition to no-par value regime [(i)]	-	9,331	(9,331)	-
At 31 December 2014 - Cheung Kong	2,316,164,338	10,489	-	10,489
At 1 January 2015 - Cheung Kong	**2,316,164,338**	**10,489**	**-**	**10,489**
Cancellation of the shares of Cheung Kong pursuant to the Reorganisaton Proposal	**(2,316,164,338)**	**(10,489)**	**-**	**(10,489)**
Issue of new CK Hutchison shares [(ii)]:				
On incorporation	**1**	**-**	**-**	**-**
Pursuant to the Reorganisaton Proposal	**2,316,164,337**	**2,316**	**349,509**	**351,825**
Pursuant to the Merger Proposal	**1,543,514,162**	**1,544**	**258,693**	**260,237**
Distribution In Specie	**-**	**-**	**(363,511)**	**(363,511)**
At 31 December 2015 – CK Hutchison	**3,859,678,500**	**3,860**	**244,691**	**248,551**

(i) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, the amounts standing to the credit of the share premium account created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) have become part of the Cheung Kong's share capital.

(ii) CK Hutchison was incorporated in the Cayman Islands on 11 December 2014 with an authorised share capital of HK$380,000 divided into 380,000 shares of HK$1 par value each. The authorised share capital of CK Hutchison was subsequently increased to HK$8,000,000,000 by the creation of 7,999,620,000 shares of HK$1 par value each on 2 March 2015. On the date of incorporation, 1 share was issued and allotted. During the year, 2,316,164,337 and 1,543,514,162 shares were issued and allotted pursuant to the Reorganisation Proposal and the Merger Proposal respectively.

(b) Perpetual capital securities

	2015 **HK$ millions**	2014 HK$ millions
SGD730 million issued in 2011 [(i) (iv)]	**4,643**	4,647
HK$1,000 million issued in 2012 [(i) (iv)]	**1,025**	1,025
US$425.3 million issued in 2013 [(i) (iv)]	**3,373**	3,373
US$1,705 million issued in 2010 [(ii) (iii)]	**-**	-
US$1,000 million issued in 2012 [(ii) (iv)]	**7,870**	-
EUR1,750 million issued in 2013 [(ii) (iv)]	**18,242**	-
	35,153	9,045

(i) In September 2011, July 2012 and January 2013, wholly owned subsidiary companies of the Group issued perpetual capital securities with nominal amounts of SGD730 million (approximately HK$4,578 million), HK$1,000 million and US$500 million (approximately HK$3,875 million) respectively for cash.

(ii) With completion of the Hutchison Proposal, the Group consolidates perpetual capital securities that were issued by wholly owned subsidiary companies of Hutchison in October 2010, May 2012 and May 2013 with nominal amounts of US$2,000 million (approximately HK$15,600 million), US$1,000 million (approximately HK$7,800 million) and EUR1,750 million (approximately HK$17,879 million) respectively for cash.

(iii) During the year ended 31 December 2015, the Group had redeemed the full amount of the remaining outstanding nominal amount of perpetual capital securities that were originally issued in October 2010.

(iv) These securities are perpetual, subordinated and the coupon payment is optional in nature. Therefore, perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

35 Share capital, share premium, perpetual capital securities and capital management (continued)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

At 31 December 2015, total equity amounted to HK$549,111 million (2014 - HK$406,047 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$172,580 million (2014 - net cash of HK$6,433 million). As at 31 December 2015, the Group's net debt to net total capital ratio is 23.7%.

As additional information, the following table shows the net debt to net total capital ratios calculated on the basis of including loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at the end of the reporting period.

Net debt / Net total capital ratios[(i)] at 31 December 2015:

	2015
A1 - excluding interest-bearing loans from non-controlling shareholders from debt	**23.7%**
A2 - as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**24.2%**
B1 - including interest-bearing loans from non-controlling shareholders as debt	**24.4%**
B2 - as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**24.9%**

(i) Net debt is defined on the Consolidated Statement of Cash Flows. With effect from 1 January 2015, total bank and other debts is 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.

36 Other reserves

	Attributable to ordinary shareholders		
	Exchange reserve HK$ millions	**Others (a) HK$ millions**	**Total HK$ millions**
At 1 January 2015	**(10,334)**	**22,125**	**11,791**
Other comprehensive income (losses)			
Available-for-sale investments			
Valuation losses recognised directly in reserves	**-**	**(697)**	**(697)**
Valuation gains previously in reserves recognised in income statement	**-**	**(1,039)**	**(1,039)**
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised in reserves	**-**	**692**	**692**
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	**1,783**	**-**	**1,783**
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	**(5,044)**	**-**	**(5,044)**
Losses (gains) previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	**16,097**	**(2,368)**	**13,729**
Share of other comprehensive income (losses) of associated companies	**(13,604)**	**402**	**(13,202)**
Share of other comprehensive income (losses) of joint ventures	**(2,880)**	**514**	**(2,366)**
Tax relating to components of other comprehensive income (losses)	**-**	**(6)**	**(6)**
Other comprehensive income (losses)	**(3,648)**	**(2,502)**	**(6,150)**
Cancellation of Cheung Kong shares (b)	**-**	**(341,336)**	**(341,336)**
Share option schemes and long term incentive plans of subsidiary companies	**-**	**(11)**	**(11)**
Relating to deemed disposal of associated companies	**-**	**(19,823)**	**(19,823)**
Relating to purchase of non-controlling interests	**-**	**(14)**	**(14)**
Relating to partial disposal of subsidiary companies	**(4)**	**(478)**	**(482)**
At 31 December 2015	**(13,986)**	**(342,039)**	**(356,025)**
At 1 January 2014	3,234	4,242	7,476
Other comprehensive income (losses)			
Available-for-sale investments			
Valuation gains recognised directly in reserves	-	462	462
Valuation gains previously in reserves recognised in income statement	-	(313)	(313)
Impairment charged to income statement	-	44	44
Gains on net investment hedges arising from forward foreign currency contracts recognised directly in reserves	1,475	-	1,475
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(737)	-	(737)
Share of other comprehensive income (losses) of associated companies	(12,379)	(699)	(13,078)
Share of other comprehensive income (losses) of joint ventures	(2,531)	(504)	(3,035)
Other comprehensive income (losses)	(14,172)	(1,010)	(15,182)
Share of dilution surplus of an associated company (c)	604	18,893	19,497
At 31 December 2014	(10,334)	22,125	11,791

(a) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 31 December 2015, revaluation reserve deficit amounted to HK$763 million (1 January 2015 - surplus of HK$2,918 million and 1 January 2014 - surplus of HK$3,538 million), hedging reserve surplus amounted to HK$673 million (1 January 2015 - deficit of HK$35 million and 1 January 2014 - surplus of HK$359 million) and other capital reserves deficit amounted to HK$341,949 million (1 January 2015 - surplus of HK$19,242 million and 1 January 2014 - surplus of HK$345 million). Revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities which are available for sale are included in the revaluation reserve. Fair value changes arising from the effective portion of hedging instruments designated as cash flow hedges are included in the hedging reserve.

(b) See note (e) on the consolidated statement of changes in equity.

(c) See note (g) on the consolidated statement of changes in equity.

37 Notes to consolidated statement of cash flows

(a) Reconciliation of profit after tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2015 HK$ millions	2014 HK$ millions
Profit after tax	**124,880**	54,608
Less: share of profits less losses of		
Associated companies before profits on disposal of investments and others	**(10,611)**	(28,650)
Joint ventures	**(6,029)**	(4,666)
Associated companies' profits on disposal of investments and others	**196**	(5,020)
	108,436	16,272
Adjustments for:		
Current tax charge	**3,363**	1,283
Deferred tax charge	**277**	36
Interest expenses and other finance costs	**4,346**	328
Depreciation and amortisation	**9,740**	393
Profits on disposal of investments and others (see notes 7 and 11)	**(86,472)**	-
EBITDA of Company and subsidiaries (i)	**39,690**	18,312
Loss on disposal of other unlisted investments	**24**	-
Loss on disposal of fixed assets	**192**	-
Dividends received from associated companies and joint ventures	**12,192**	21,873
Profit on disposal of joint ventures	**(1,377)**	(2,349)
Increase in bank deposits maturing over three months	**-**	(1,822)
Other non-cash items	**(797)**	(4,380)
	49,924	31,634

(i) Reconciliation of EBITDA from continuing operations:

	2015 HK$ millions	2014 HK$ millions
EBITDA of Company and subsidiaries from continuing and discontinued operations	**39,690**	18,312
Less: EBITDA of Company and subsidiaries from discontinued operations	**(5,390)**	(17,205)
EBITDA of Company and subsidiaries from continuing operations	**34,300**	1,107
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses of		
Associated companies before profits on disposal of investments and others	**7,445**	11,934
Joint ventures	**6,187**	1,831
Associated companies' profits on disposal of investments and others	**(196)**	5,020
Adjustments for:		
Depreciation and amortisation	**15,195**	17,815
Interest expenses and other finance costs	**6,308**	8,619
Current tax charge	**2,960**	4,116
Deferred tax charge (credit)	**(65)**	58
Non-controlling interests	**2,151**	7,108
Profits on disposal of investments and others (see note 7)	**223**	4,088
	40,208	60,589
EBITDA (see notes 6(b) and 6(m))	**74,508**	61,696

(b) Changes in working capital

	2015 HK$ millions	2014 HK$ millions
Decrease in inventories	**2,158**	6,944
Decrease in debtors and prepayments	**5,455**	1,324
Decrease in creditors	**(3,065)**	(672)
Other non-cash items	**(1,716)**	-
	2,832	7,596

37 Notes to consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies

With the completion of the Merger Proposal, the Group completed its acquisition of the remaining 50.03% (which the Group did not previously own) of the issued and outstanding ordinary share capital of Hutchison and an approximately 6.23% (in addition to the approximately 33.96% held by Hutchison) of the common shares of Husky.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised for acquisitions completed during the years.

	Merger Proposal HK$ millions	**Others HK$ millions**	**2015 Total HK$ millions**	2014 Total HK$ millions
Fair value				
Fixed assets	**89,596**	**77,444**	**167,040**	-
Investment properties	**305**	**-**	**305**	-
Leasehold land	**7,861**	**-**	**7,861**	-
Telecommunications licences	**31,571**	**-**	**31,571**	-
Brand names and other rights	**74,121**	**9,414**	**83,535**	-
Associated companies	**152,041**	**-**	**152,041**	-
Interests in joint ventures	**97,551**	**67**	**97,618**	-
Deferred tax assets	**20,589**	**-**	**20,589**	-
Other non-current assets	**3,382**	**-**	**3,382**	-
Cash and cash equivalents	**106,313**	**3,490**	**109,803**	-
Liquid funds and other listed investments	**11,970**	**-**	**11,970**	-
Assets held for distribution	**191,122**	**-**	**191,122**	-
Trade and other receivables	**52,192**	**3,102**	**55,294**	-
Inventories	**20,981**	**55**	**21,036**	-
Creditors and current tax liabilities	**(93,127)**	**(9,830)**	**(102,957)**	-
Bank and other debts	**(252,516)**	**(61,681)**	**(314,197)**	-
Interest bearing loans from non-controlling shareholders	**(3,151)**	**(2,538)**	**(5,689)**	-
Deferred tax liabilities	**(17,411)**	**(7,522)**	**(24,933)**	-
Pension obligations	**(3,229)**	**(1,143)**	**(4,372)**	-
Other non-current liabilities	**(47,073)**	**(543)**	**(47,616)**	-
Liabilities held for distribution	**(14,286)**	**-**	**(14,286)**	-
Net identifiable assets acquired	**428,802**	**10,315**	**439,117**	-
Non-controlling interests	**(116,575)**	**(3,612)**	**(120,187)**	-
Perpetual capital securities	**(39,116)**	**-**	**(39,116)**	-
	273,111	**6,703**	**279,814**	-
Goodwill	**232,785**	**31,266**	**264,051**	-
Total consideration	**505,896**	**37,969**	**543,865**	-
Purchase consideration transferred:				
Shares issued, at fair value	**260,236**	**-**	**260,236**	-
Fair value of investments held by the Company prior to acquisition	**245,660**	**18,979**	**264,639**	-
Cost of investments held by Hutchison prior to acquisition	**-**	**18,990**	**18,990**	-
	505,896	**37,969**	**543,865**	-
Net cash inflow arising from acquisition:				
Cash payment	**-**	**-**	**-**	-
Cash and cash equivalents acquired	**(106,313)**	**(3,490)**	**(109,803)**	-
Total net cash inflow	**(106,313)**	**(3,490)**	**(109,803)**	-

Pursuant to the Merger Proposal, Hutchison and all its subsidiaries became subsidiaries of CK Hutchison. Further details of the acquisition of the remaining 50.03% (which the Group did not previously own) of the issued and outstanding ordinary shares of Hutchison and an approximately 6.23% (in addition to the approximately 33.96% held by Hutchison) of the common shares of Husky, and the nature and financial effects of this acquisition were set out in a circular issued by CK Hutchison dated 31 March 2015, and a scheme document jointly issued by CK Hutchison, CK Global and Hutchison dated 31 March 2015, and in respect of the completion of this acquisition were set out in an announcement jointly issued by CK Hutchison, Cheung Kong Property, CK Global and Hutchison dated 3 June 2015, and an announcement jointly issued by CK Hutchison, CK Global and Hutchison dated 19 May 2015.

As a result of the acquisition of the Hutchison's businesses, the Group becomes a multinational conglomerate of significant size and scale, operating in over 50 countries, in the businesses of the Ports and Related Services, Retail, Infrastructure, Energy, Telecommunication and Finance & Investments and Others. The goodwill recognised is attributable to a number of factors including the expected synergies arising from the enhanced size and scale.

37 Notes to consolidated statement of cash flows (continued)

(c) Purchase of subsidiary companies (continued)

The fair values are provisional due to the complexity of the process. The finalisation of the fair value of the acquired assets and liabilities will be completed in the first half of 2016. The assets acquired and liabilities assumed are recognised at the acquisition date fair value and are recorded at the consolidation level. No fair value adjustments arising from acquisitions are recognised at the underlying companies' separate financial statements. Goodwill arising on these acquisitions is recorded at the consolidation level and is not expected to be deductible for tax purposes.

Acquisition related costs of approximately HK$640 million had been charged to income statement during the year and included in the line item titled profits on disposal of investments and others (HK$500 million) and profit after tax from discontinued operations (HK$140 million).

These operations contributed HK$164,309 million of revenue and HK$25,935 million to profit before tax. Also see note 7.

If the combinations had been effective 1 January 2015, the operations would have contributed additional revenue of HK$110,557 million and an increase in profit before tax from continuing operations for the Group of HK$12,715 million.

(d) Disposal of subsidiary companies

	2015	2014
	HK$ millions	HK$ millions
Aggregate net assets disposed at the date of disposal (excluding cash and cash equivalents):		
Fixed assets	**1,532**	-
Leasehold land	**327**	-
Deferred tax assets	**81**	-
Trade and other receivables	**148**	-
Inventories	**63**	-
Creditors and current tax liabilities	**(364)**	-
Bank and other debts	**(117)**	-
Pension obligations	**(336)**	-
Non-controlling interests	**(804)**	-
	530	-
Loss on disposal*	**(9)**	-
	521	-
Less: Investments retained subsequent to disposal	**(1,161)**	-
	(640)	-
Satisfied by:		
Cash and cash equivalents received as consideration	**18**	-
Less: Cash and cash equivalents sold	**(658)**	-
Total net cash consideration	**(640)**	-

* The loss on disposal for the year ended 31 December 2015 is recognised in the consolidated income statement and are included in the line item titled other operating expenses.

The effect on the Group's results from the subsidiaries disposed is not material for the year ended 31 December 2015.

37 Notes to consolidated statement of cash flows (continued)

(e) Distribution In Specie to shareholders

Pursuant to the Spin-off Proposal, the Group distributed the Group's entire interests in Cheung Kong Property to the shareholders. Details are set out below.

	2015 HK$ millions
Breakdown of net assets disposed of:	
Assets acquired net of liabilities assumed arising from acquisition of Hutchison (see note 37(c))	**176,836**
Fixed assets	**9,853**
Investment properties	**33,811**
Associated companies	**3**
Interests in joint ventures	**51,074**
Liquid funds and other listed investments	**7,823**
Current assets (including bank balances and cash of HK$14,351 million)	**88,523**
Current liabilities	**(12,047)**
Deferred tax liabilities	**(1,013)**
Non-controlling interests	**(2,707)**
Book value of net assets distributed	**352,156**
Deduct cash received	**(55,000)**
	297,156
One-off non-cash gain recognised on remeasurement of assets (see note 11(a))	**18,351**
One-off non-cash gain recognised on Distribution In Specie (see note 11(a) and 13(c))	**48,004**
Distribution In Specie	**363,511**
Analysis of net cash inflow arising from Distribution In Specie:	
Intercompany loans repaid	**55,000**
Bank balances and cash disposed	**(14,351)**
	40,649

38 Share-based payments

The Company has no share option scheme but certain of the Company’s subsidiary companies and associated companies have issued equity-settled and cash-settled share-based payments to certain employees. The aggregate amount of the share-based payments recognised by these companies are not material to the Group.

39 Financial risk management

The Group's major financial assets and financial liabilities include cash and cash equivalents, liquid funds and other listed investments and borrowings. Details of these financial assets and financial liabilities are disclosed in the respective notes. The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

(a) Cash management and funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

The Group continues to maintain a robust financial position. Cash, liquid funds and other listed investments ("liquid assets") amounted to HK$131,426 million at 31 December 2015 (2014 - HK$44,307 million). Liquid assets were denominated as to 28% in HK dollars, 40% in US dollars, 8% in Renminbi, 5% in Euro, 11% in British Pounds and 8% in other currencies (2014 - 54% were denominated in HK dollars, 16% in US dollars, 26% in Renminbi and 4% in other currencies).

Cash and cash equivalents represented 92% (2014 - 75%) of the liquid assets, US Treasury notes and listed / traded debt securities 4% (2014 - 1%) and listed equity securities 4% (2014 - 24%).

The US Treasury notes and listed / traded debt securities, including those held under managed funds, consisted of US Treasury notes of 61% (2014 - nil), government and government guaranteed notes of 18% (2014 - nil), notes issued by the Group's associated company, Husky Energy of 4% (2014 - nil), notes issued by financial institutions of 2% (2014 - 96%), and others of 15% (2014 - 4%). Of these US Treasury notes and listed / traded debt securities, 80% (2014 - nil) are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 2.0 years (2014 - 0.9 years) on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

(b) Interest rate exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2015, approximately 32% (2014 - approximately 79%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% (2014 - approximately 21%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$47,973 million (2014 - approximately HK$2,450 million) principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$6,061 million (2014 - nil) principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 47% (2014 - approximately 85%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 53% (2014 - approximately 15%) were at fixed rates at 31 December 2015. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

39 Financial risk management (continued)

(c) Foreign currency exposure

For overseas subsidiaries, associated companies and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in overseas subsidiaries and associates, except in relation to certain infrastructure investments.

The Group has operations in over 50 countries and conducts businesses in 46 currencies. The Group's functional currency for reporting purposes is Hong Kong Dollars and the Group's reported results in Hong Kong Dollars are exposed to exchange translation gains or losses on its foreign currency earnings. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings. At times of significant exchange rate volatility and where appropriate opportunities arise, the Group may prudently enter into forward foreign currency contracts and currency swaps for selective foreign currencies for a portion of its budgeted foreign currency earnings to limit potential downside foreign currency exposure on its earnings.

The Group's total principal amount of bank and other debts are denominated as follows: 36% in US dollars, 25% in Euro, 7% in HK dollars, 25% in British Pounds and 7% in other currencies (2014 - 14% in US dollars, 5% in Euro, 62% in HK dollars, 8% in British Pounds and 11% in other currencies).

(d) Credit exposure

The Group's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, particularly in its ports and aircraft leasing businesses. Such risks are continuously monitored by the local operational management.

(e) Market price risk

The Group's main market price risk exposures relate to listed / traded debt and equity securities described in "liquid assets" above and the interest rate swaps as described in "interest rate exposure" above. The Group's holding of listed / traded debt and equity securities represented approximately 8% (2014 - approximately 24%) of the liquid assets. The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

(f) Market risks sensitivity analyses

For the presentation of financial assets and financial liabilities market risks (including interest rate risk, currency risk and other price risk) information, HKFRS 7 "Financial Instruments: Disclosures" requires disclosure of a sensitivity analysis for each type of financial market risk that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period on profit for the year and on total equity.

The effect that is disclosed in the following sections assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of financial market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on financial market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial assets and financial liabilities. The sensitivity analysis measures changes in the fair value and/or cash flows of the Group's financial assets and financial liabilities from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are "what-if" forward-looking estimates. The sensitivity analyses are for illustration purposes only and it should be noted that in practice market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

39 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

(i) Interest rate sensitivity analysis

Interest rate risk as defined by HKFRS 7 arises on interest-bearing financial assets and financial liabilities.

The interest rate sensitivity analysis is based on the following assumptions:

In the cases of non-derivative financial assets and financial liabilities with fixed interest rates, changes in market interest rates only affect profit for the year or total equity if these financial assets and financial liabilities are measured at fair value. Accordingly, all non-derivative financial assets and financial liabilities with fixed interest rates that are carried at amortised cost are excluded from the interest rate sensitivity analysis as they are not subject to interest rate risk as defined in HKFRS 7.

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging interest rate risks, changes in market interest rates affect their fair value. All interest rate hedges are expected to be highly effective. Changes in the fair value of fair value interest rate hedges and changes in the fair value of the hedged items that are attributable to interest rate movements effectively balance out with each other in income statement in the same period. Accordingly, these hedging instruments and hedged items are excluded from the interest rate sensitivity analysis as they are not exposed to interest rate risk as defined in HKFRS 7. Changes in the fair value of cash flow interest rate hedges resulting from market interest rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair value (arising from gain or loss from remeasurement of these interest rate derivatives to fair value) resulting from market interest rate movements affect profit for the year and total equity, and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the interest rate sensitivity analysis include:

- cash and cash equivalents (see note 26)
- some of the listed debt securities and managed funds (see note 25) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 25) that bear interest at floating rate
- some of the bank and other debts (see note 31) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 32)

Under these assumptions, the impact of a hypothetical 100 basis points (2014 - 100 basis points) increase in market interest rate at 31 December 2015, with all other variables held constant:

- profit for the year would decrease by HK$384 million (2014 - HK$152 million) due to increase in interest expense;
- total equity would decrease by HK$384 million (2014 - HK$152 million) due to increase in interest expense; and
- total equity would have no material impact due to change in fair value of interest rate swaps (2014 - nil).

(ii) Foreign currency exchange rate sensitivity analysis

Currency risk as defined by HKFRS 7 arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. Therefore, non-monetary financial assets and financial liabilities, monetary financial assets and financial liabilities denominated in the entity's functional currency and differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are therefore not taken into consideration for the purpose of the sensitivity analysis for currency risk.

The foreign currency exchange rate sensitivity analysis is based on the following assumptions:

Major non-derivative monetary financial assets and financial liabilities are either directly denominated in the functional currency or are transferred to the functional currency through the use of foreign currency swaps and forward currency contracts. Exchange fluctuations of these monetary financial assets and financial liabilities therefore have no material effects on profit for the year and total equity.

39 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

(ii) Foreign currency exchange rate sensitivity analysis (continued)

In the cases of derivative financial assets and financial liabilities designated as hedging instruments for hedging currency risks, changes in foreign exchange rates affect their fair value. All currency hedges are expected to be highly effective. Changes in the fair value of foreign currency fair value hedges and changes in the fair value of the hedged items effectively balance out with each other in income statement in the same period. As a consequence, these hedging instruments and hedged items are excluded from the foreign currency exchange rate sensitivity analysis as they are not exposed to currency risk as defined in HKFRS 7. Changes in the fair value of cash flow currency hedges resulting from market exchange rate movements affect total equity and are therefore taken into consideration in the sensitivity analysis.

Major financial assets and financial liabilities for the purpose of the foreign currency exchange rate sensitivity analysis include:

- some of the cash and cash equivalents (see note 26)
- some of the liquid funds and other listed investments (see note 25)
- some of the bank and other debts (see note 31)

Under these assumptions, the impact of a hypothetical 5% weakening of HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group’s profit for the year and total equity is set out in the table below.

	2015		2014	
	Hypothetical increase (decrease) in profit after tax HK$ millions	**Hypothetical increase (decrease) in total equity HK$ millions**	Hypothetical increase (decrease) in profit after tax HK$ millions	Hypothetical increase (decrease) in total equity HK$ millions
Euro	**(61)**	**(197)**	-	-
British Pounds	**(11)**	**(1,297)**	-	(148)
Australian dollars	**106**	**(294)**	-	-
Renminbi	**190**	**202**	447	447
US dollars	**940**	**940**	-	-
Japanese Yen	**(96)**	**(96)**	-	-

(iii) Other price sensitivity analysis

Other price risk as defined by HKFRS 7 arises from changes in market prices (other than those arising from interest rate risk and currency risk as detailed in “interest rate exposure” and “foreign currency exposure” paragraphs above) on financial assets and financial liabilities.

The other price sensitivity analysis is based on the assumption that changes in market prices (other than those arising from interest rate risk and currency risk) of financial assets and financial liabilities only affect profit for the year or total equity if these financial assets and financial liabilities are measured at the fair value. Accordingly, all non-derivative financial assets and financial liabilities carried at amortised cost are excluded from the other price sensitivity analysis as they are not subject to other price risk as defined in HKFRS 7.

Major financial assets and financial liabilities for the purpose of the other price sensitivity analysis include:

- available-for-sale investments (see note 25)
- financial assets at fair value through profit or loss (see note 25)

Under these assumptions, the impact of a hypothetical 5% increase in the market price of the Group's available-for-sale investments and financial assets at fair value through profit or loss at the end of the reporting period, with all other variables held constant:

- profit for the year would increase by HK$5 million (2014 - HK$63 million) due to increase in gains on financial assets at fair value through profit or loss;
- total equity would increase by HK$5 million (2014 - HK$63 million) due to increase in gains on financial assets at fair value through profit or loss; and
- total equity would increase by HK$508 million (2014 - HK$527 million) due to increase in gains on available-for-sale investments which are recognised in other comprehensive income.

39 Financial risk management (continued)

(g) Contractual maturities of financial liabilities

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date the Group can be required to pay:

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ millions	After 1 year, but within 5 years HK$ millions	After 5 years HK$ millions	Total undiscounted cash flows HK$ millions	Difference from carrying amounts HK$ millions	Carrying amounts HK$ millions
At 31 December 2015						
Trade payables	**20,393**	**-**	**-**	**20,393**	**-**	**20,393**
Other payables and accruals	**72,366**	**-**	**-**	**72,366**	**-**	**72,366**
Interest free loans from non-controlling shareholders	**951**	**-**	**-**	**951**	**-**	**951**
Bank loans	**9,663**	**69,150**	**6,260**	**85,073**	**(343)**	**84,730**
Other loans	**214**	**1,525**	**1,048**	**2,787**	**10**	**2,797**
Notes and bonds	**22,357**	**79,557**	**97,829**	**199,743**	**16,282**	**216,025**
Interest bearing loans from non-controlling shareholders	**-**	**2,415**	**2,412**	**4,827**	**-**	**4,827**
Obligations for telecommunications licences and other rights	**1,163**	**3,028**	**2,970**	**7,161**	**(573)**	**6,588**
	127,107	**155,675**	**110,519**	**393,301**	**15,376**	**408,677**

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$10,563 million in "within 1 year" maturity band, HK$28,650 million in "after 1 year, but within 5 years" maturity band, and HK$38,153 million in "after 5 years" maturity band. These estimates are calculated assuming effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

Derivative financial liabilities:

	Contractual maturities			
	Within 1 year HK$ millions	After 1 year, but within 5 years HK$ millions	After 5 years HK$ millions	Total undiscounted cash flows HK$ millions
At 31 December 2015				
Cash flow hedges:				
Interest rate swaps				
Net outflow	**(76)**	**(139)**	**(2)**	**(217)**
Forward foreign exchange contracts				
Inflow	**18**	**-**	**-**	**18**
Outflow	**(20)**	**-**	**-**	**(20)**
Other contracts				
Net outflow	**(8)**	**(176)**	**(297)**	**(481)**
Net investment hedges				
Inflow	**3,140**	**1,143**	**1,713**	**5,996**
Outflow	**(3,235)**	**(1,154)**	**(1,685)**	**(6,074)**
Other derivative financial instruments				
Net outflow	**(164)**	**(1,090)**	**(801)**	**(2,055)**

39 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year HK$ millions	After 1 year, but within 5 years HK$ millions	After 5 years HK$ millions	Total undiscounted cash flows HK$ millions	Difference from carrying amounts HK$ millions	Carrying amounts HK$ millions
At 31 December 2014						
Trade payables	1,663	-	-	1,663	-	1,663
Other payables and accruals	3,797	-	-	3,797	-	3,797
Bank loans	12,409	12,891	-	25,300	-	25,300
Other loans	250	350	-	600	-	600
Notes and bonds	5,693	4,281	2,000	11,974	-	11,974
	23,812	17,522	2,000	43,334	-	43,334

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$575 million in "within 1 year" maturity band, HK$867 million in "after 1 year, but within 5 years" maturity band, and HK$49 million in "after 5 years" maturity band. These estimates are calculated assuming effect of hedging transactions and interest rates with respect to variable rate financial liabilities remain constant and there is no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

(h) In accordance with the disclosure requirement of HKFRS 7, other gains and losses recognised in income statement include the following items:

	2015 **HK$ millions**	2014 HK$ millions
Change in fair value of financial assets at fair value through profit or loss	**(108)**	28
Losses arising on derivatives in a designated fair value hedge	**(391)**	-
Gains arising on adjustment for hedged items in a designated fair value hedge	**391**	-
Interest income on available-for-sale financial assets	**99**	55

39 Financial risk management (continued)

(i) Carrying amounts and fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

	2015 Carrying amounts HK$ millions	**2015 Fair values HK$ millions**	2014 Carrying amounts HK$ millions	2014 Fair values HK$ millions
Financial assets				
Loans and receivables *				
Trade receivables (see note 27)	**15,398**	**15,398**	1,781	1,781
Loan receivables (see note 27)	**-**	**-**	13	13
Other receivables and prepayments (see note 27)	**35,672**	**35,672**	716	716
Unlisted debt securities (see note 24)	**436**	**436**	-	-
Loan and other receivables (see note 24)	**-**	**-**	301	301
	51,506	**51,506**	2,811	2,811
Available-for-sale investments #				
Unlisted equity securities (see note 24)	**1,518**	**1,518**	177	177
Unlisted debt securities (see note 24)	**-**	**-**	318	318
Managed funds, outside Hong Kong (see note 25)	**4,773**	**4,773**	-	-
Listed / traded debt securities, outside Hong Kong (see note 25)	**1,177**	**1,177**	23	23
Listed equity securities, Hong Kong (see note 25)	**2,029**	**2,029**	6,594	6,594
Listed equity securities, outside Hong Kong (see note 25)	**2,181**	**2,181**	3,593	3,593
Financial assets at fair value through profit or loss # (see note 25)	**95**	**95**	-	-
Held-for-trading investments # (see note 25)	**-**	**-**	918	918
	11,773	**11,773**	11,623	11,623
Fair value hedges #				
Interest rate swaps (see notes 24 and 27)	**803**	**803**	-	-
Cash flow hedges #				
Interest rate swaps (see note 24)	**76**	**76**	-	-
Forward foreign exchange contracts (see note 27)	**2**	**2**	-	-
Net investment hedges # (see notes 24 and 27)	**2,325**	**2,325**	476	476
Other derivative financial instruments # (see notes 24 and 27)	**50**	**50**	319	319
	3,256	**3,256**	795	795
	66,535	**66,535**	15,229	15,229
Financial liabilities				
Financial liabilities *				
Trade payables (see note 29)	**20,393**	**20,393**	1,663	1,663
Other payables and accruals (see note 29)	**72,366**	**72,366**	3,797	3,797
Bank and other debts (see note 31)	**303,552**	**307,074**	37,874	38,066
Interest free loans from non-controlling shareholders (see note 29)	**951**	**951**	-	-
Interest bearing loans from non-controlling shareholders (see note 32)	**4,827**	**4,827**	-	-
Obligations for telecommunications licences and other rights (see note 34)	**6,588**	**6,588**	-	-
	408,677	**412,199**	43,334	43,526
Cash flow hedges #				
Interest rate swaps (see note 34)	**160**	**160**	-	-
Forward foreign exchange contracts (see note 29)	**1**	**1**	-	-
Other contracts (see note 34)	**433**	**433**	-	-
Net investment hedges # (see notes 29 and 34)	**140**	**140**	-	-
Other derivative financial instruments # (see notes 29 and 34)	**1,172**	**1,172**	191	191
	1,906	**1,906**	191	191
	410,583	**414,105**	43,525	43,717

* carried at amortised costs (see note 39(j)(ii) below)

\# carried at fair value (see note 39(j)(i) below)

39 Financial risk management (continued)

(j) Fair value measurements

(i) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

	Level 1 HK$ millions	**Level 2 HK$ millions**	**Level 3 HK$ millions**	**Total HK$ millions**
At 31 December 2015				
Available-for-sale investments				
Unlisted equity securities (see note 24)	**-**	**-**	**1,518**	**1,518**
Managed funds, outside Hong Kong (see note 25)	**4,773**	**-**	**-**	**4,773**
Listed / traded debt securities, outside Hong Kong (see note 25)	**323**	**854**	**-**	**1,177**
Listed equity securities, Hong Kong (see note 25)	**2,029**	**-**	**-**	**2,029**
Listed equity securities, outside Hong Kong (see note 25)	**2,181**	**-**	**-**	**2,181**
Financial assets at fair value through profit or loss (see note 25)	**-**	**95**	**-**	**95**
	9,306	**949**	**1,518**	**11,773**
Fair value hedges				
Interest rate swaps (see notes 24 and 27)	**-**	**803**	**-**	**803**
Cash flow hedges				
Interest rate swaps (see note 24)	**-**	**76**	**-**	**76**
Forward foreign exchange contracts (see note 27)	**-**	**2**	**-**	**2**
Net investment hedges (see notes 24 and 27)	**-**	**2,325**	**-**	**2,325**
Other derivative financial instruments (see note 24)	**-**	**50**	**-**	**50**
	-	**3,256**	**-**	**3,256**
Cash flow hedges				
Interest rate swaps (see note 34)	**-**	**(160)**	**-**	**(160)**
Forward foreign exchange contracts (see note 29)	**-**	**(1)**	**-**	**(1)**
Other contracts (see note 34)	**-**	**(433)**	**-**	**(433)**
Net investment hedges (see notes 29 and 34)	**-**	**(140)**	**-**	**(140)**
Other derivative financial instruments (see note 34)	**-**	**(1,172)**	**-**	**(1,172)**
	-	**(1,906)**	**-**	**(1,906)**

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2014				
Available-for-sale investments				
Unlisted equity securities (see note 24)	-	13	164	177
Unlisted debt securities (see note 24)	-	318	-	318
Listed debt securities, outside Hong Kong (see note 25)	23	-	-	23
Listed equity securities, Hong Kong (see note 25)	6,594	-	-	6,594
Listed equity securities, outside Hong Kong (see note 25)	3,593	-	-	3,593
Held-for-trading investments (see note 25)	918	-	-	918
	11,128	331	164	11,623
Net investment hedges (see note 24)	-	476	-	476
Other derivative financial instruments (see note 27)	-	319	-	319
	-	795	-	795
Other derivative financial instruments (see note 29)	-	(191)	-	(191)
	-	(191)	-	(191)

39 Financial risk management (continued)

(j) Fair value measurements (continued)

(i) Financial assets and financial liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair value of financial assets and financial liabilities that are not traded in active market is determined by using valuation techniques. Specific valuation techniques used to value financial assets and financial liabilities include discounted cash flow analysis, are used to determine fair value for the financial assets and financial liabilities.

During the year ended 31 December 2015 and 2014, there were no transfers between the Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 from or to Level 1 or Level 2 fair value measurements.

Level 3 fair values

The movements of the balance of financial assets and financial liabilities measured at fair value based on Level 3 are as follows:

	2015	2014
	HK$ millions	HK$ millions
At 1 January	**164**	181
Total gains (losses) recognised in		
Income statement	**(1)**	-
Other comprehensive income	**(442)**	(47)
Additions	**68**	42
Relating to subsidiaries acquired	**1,771**	-
Disposals	**(13)**	(12)
Exchange translation differences	**(29)**	-
At 31 December	**1,518**	164
Total losses recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(1)**	-

The fair value of financial assets and financial liabilities that are grouped under Level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial assets and financial liabilities.

Changing unobservable inputs used in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

(ii) Financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required

Except for bank and other debts as detailed in the table (i) above, the carrying amounts of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Fair value hierarchy

The table below analyses the fair value measurements disclosures for bank and other debts. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**
At 31 December 2015				
Bank and other debts	**210,377**	**96,697**	**-**	**307,074**

	Level 1	Level 2	Level 3	Total
	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2014				
Bank and other debts	-	38,066	-	38,066

The fair value of the bank and other debts included in level 2 category above are estimated using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

39 Financial risk management (continued)

(k) Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:

(1) are offset in the Group's consolidated statement of financial position; or

(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities) HK$ millions	Gross amounts offset in the consolidated statement of financial position HK$ millions	Net amounts presented in the consolidated statement of financial position HK$ millions	Related amounts not offset in the consolidated statement of financial position		Net amounts HK$ millions
				Financial assets (liabilities) HK$ millions	Cash collateral pledged (received) HK$ millions	
At 31 December 2015						
Financial assets						
Trade receivables	**83**	**(63)**	**20**	**-**	**-**	**20**
Other receivables and prepayments	**709**	**(411)**	**298**	**-**	**-**	**298**
Cash flow hedges						
Interest rate swaps	**60**	**-**	**60**	**(17)**	**-**	**43**
Net investment hedges	**375**	**-**	**375**	**(140)**	**-**	**235**
Other derivative financial instruments	**50**	**-**	**50**	**(32)**	**-**	**18**
	1,277	**(474)**	**803**	**(189)**	**-**	**614**
Financial liabilities						
Trade payables	**(3,967)**	**429**	**(3,538)**	**-**	**-**	**(3,538)**
Other payables and accruals	**(53)**	**45**	**(8)**	**-**	**-**	**(8)**
Cash flow hedges						
Interest rate swaps	**(17)**	**-**	**(17)**	**17**	**-**	**-**
Net investment hedges	**(140)**	**-**	**(140)**	**140**	**-**	**-**
Other derivative financial instruments	**(200)**	**-**	**(200)**	**32**	**-**	**(168)**
	(4,377)	**474**	**(3,903)**	**189**	**-**	**(3,714)**

40 Pledge of assets

At 31 December 2015, assets of the Group totalling HK$28,828 million (2014 - nil) were pledged as security for bank and other debts.

41 Contingent liabilities

At 31 December 2015, CK Hutchison Holdings Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures of HK$3,797 million (2014 - HK$3,423 million).

The amount utilised by its associated companies and joint ventures are as follows:

	2015	2014
	HK$ millions	HK$ millions
To associated companies		
Other businesses	**2,355**	-
To joint ventures		
Property businesses	**-**	1,243
Other businesses	**533**	1,335
	533	2,578

At 31 December 2015, the Group had provided performance and other guarantees of HK$3,557 million (2014 - HK$1,024 million).

42 Commitments

In March 2015, Hutchison entered into an agreement with Telefónica SA to acquire O_2 UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of **3** UK and O_2 UK of agreed financial targets. The completion of this transaction is subject to regulatory approval.

Other than the aforementioned commitments, the Group's outstanding commitments contracted for at 31 December 2015, where material, not provided for in the financial statements at 31 December 2015 are as follows:

Capital commitments

(i) Ports and related services - HK$164 million (2014 - nil)
(ii) **3** Group Europe - HK$1,770 million (2014 - nil)
(iii) Telecommunications, Hong Kong and Asia - HK$634 million (2014 - nil)
(iv) Investment in joint ventures - nil (2014 - HK$853 million)
(v) Investment in associated companies - nil (2014 - HK$693 million)
(vi) Other fixed assets - HK$148 million (2014 - HK$7,185 million)
(vii) Others - nil (2014 - HK$63 million)

42 Commitments (continued)

Operating lease commitments - future aggregate minimum lease payments for land and buildings leases

(a) In the first year - HK$11,508 million (2014 - HK$180 million)
(b) In the second to fifth years inclusive - HK$19,550 million (2014 - HK$248 million)
(c) After the fifth year - HK$32,937 million (2014 - HK$6 million)

Operating lease commitments - future aggregate minimum lease payments for other assets

(a) In the first year - HK$1,173 million (2014 - HK$7 million)
(b) In the second to fifth years inclusive - HK$3,772 million (2014 - nil)
(c) After the fifth year - HK$676 million (2014 - nil)

43 Related parties transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the year are not significant to the Group. The outstanding balances with associated companies and joint ventures as disclosed in notes 21 and 22 are unsecured. Balances totalling HK$18,216 million (2014 - HK$9,349 million) are interest bearing. In addition, during the year, the acquisition of Hutchison resulted in the consolidation of traded debt securities outside Hong Kong issued by listed associated company, Husky with a principal amount of US$25 million which will mature in 2019.

No transactions have been entered with the directors of the Company (being the key management personnel) during the year other than the emoluments paid to them (being the key management personnel compensation).

44 Legal proceedings

As at 31 December 2015, the Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

45 Subsequent events

In March 2016, CKI issued new ordinary shares in connection with an issue of perpetual capital securities for an aggregate principal amount of US$1,200 million. Because these new shares are issued to and held by the fiduciary in connection with the issue of perpetual capital securities these new shares are ignored for the purpose of determining the number of shares held by the public and therefore the Group's profit sharing in CKI continues to be 75.67%.

46 US dollar equivalents

Amounts in these financial statements are stated in Hong Kong dollars (HK$), the functional currency of the Company. The translation into US dollars of these financial statements as of, and for the year ended, 31 December 2015, is for convenience only and has been made at the rate of HK$7.80 to US$1. This translation should not be construed as a representation that the Hong Kong dollar amounts actually represented have been, or could be, converted into US dollars at this or any other rate.

47 Profit before tax

Profit before tax is shown after crediting and charging the following items:

	2015	2014
	HK$ millions	HK$ millions
Credits:		
Share of profits less losses of associated companies (including share of profits on disposal of investments and others of HK$196 million of associated companies in 2015 (2014 - HK$5,020 million))		
Listed	**6,984**	16,954
Unlisted	**265**	-
	7,249	16,954
Dividend and interest income from managed funds and other investments		
Listed	**394**	148
Unlisted	**65**	17
Charges:		
Depreciation and amortisation		
Fixed assets	**8,438**	107
Leasehold land	**189**	-
Telecommunications licences	**352**	-
Brand names and other rights	**639**	-
	9,618	107
Inventories write-off	**247**	-
Operating leases		
Properties	**10,923**	147
Hire of plant and machinery	**1,307**	-
Auditors' remuneration		
Audit and audit related work - PricewaterhouseCoopers	**159**	2
- other auditors	**28**	-
Non-audit work - PricewaterhouseCoopers	**56**	-
- other auditors	**16**	-

48 Statement of financial position of the Company, as at 31 December 2015

	2015 HK$ millions	2014 HK$ millions
Assets		
Non-current assets		
Subsidiary companies - Unlisted shares [(a)]	**355,164**	-
Current assets		
Amounts due from subsidiary companies [(b)]	**9,362**	-
Current liabilities		
Other payables and accruals	**2**	-
Net current assets	**9,360**	-
Net assets	**364,524**	-
Capital and reserves		
Share capital (see note 35(a))	**3,860**	-
Share premium	**244,691**	-
Reserves [(c)]	**115,973**	-
Shareholders' funds	**364,524**	-

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

48 Statement of financial position of the Company, as at 31 December 2015 (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 99 to 101.

(b) Amounts due to subsidiary companies are interest-free, unsecured and repayable on demand.

(c) Reserves

	Retained profit HK$ millions
At 11 December 2014 (date of incorporation)	-
Profit for the period	-
At 31 December 2014	-
Profit for the year	**118,675**
Dividends paid relating to 2015	**(2,702)**
At 31 December 2015	**115,973**

(d) The Company does not have an option scheme for the purchase of ordinary shares in the Company.

(e) The net profit of the Company is HK$118,675 million (2014 - loss of HK$51,000) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(f) At 31 December 2015, the Company's share premium and retained profit amounted to HK$244,691 million (2014 – nil) and HK$115,973 million (2014 – accumulated loss of HK$51,000) respectively, and subject to a solvency test, they are available for distribution to shareholders.

49 Approval of financial statements

The financial statements set out on pages 16 to 101 were approved and authorised for issue by the Board of Directors on 17 March 2016.

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2015

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Ports and related services					
#	Alexandria International Container Terminals Company S.A.E.	Egypt	USD	30,000,000	40	Container terminal operating
	Amsterdam Port Holdings B.V.	Netherlands	EUR	170,704	56	Holding Company
	Brisbane Container Terminals Pty Limited	Australia	AUD	34,100,000	80	Container terminal operating
	Buenos Aires Container Terminal Services S.A.	Argentina	ARS	31,628,668	80	Container terminal operating
	ECT Delta Terminal B.V.	Netherlands	EUR	18,000	71	Stevedoring activities
	Ensenada Cruiseport Village, S.A. de C.V.	Mexico	MXP	145,695,000	80	Cruise terminal operating
	Ensenada International Terminal, S.A. de C.V.	Mexico	MXP	160,195,000	80	Container terminal operating
	Europe Container Terminals B.V.	Netherlands	EUR	45,000,000	75	Holding company
	Euromax Terminal Rotterdam B.V.	Netherlands	EUR	18,000	75	Stevedoring activities
	Freeport Container Port Limited	Bahamas	BSD	2,000	41	Container terminal operating
	Gdynia Container Terminal S.A.	Poland	PLN	11,379,300	79	Container terminal operating
	Harwich International Port Limited	United Kingdom	GBP	16,812,002	80	Container terminal operating
✡	Hongkong United Dockyards Limited	Hong Kong	HKD	76,000,000	50	Ship repairing, general engineering and tug operations
✡	Huizhou Port Industrial Corporation Limited	China	RMB	300,000,000	27	Container terminal operating
✡ ⌘	Huizhou Quanwan Port Development Co., Ltd.	China	RMB	359,300,000	40	Port related land development
⌘	Huizhou International Container Terminals Limited	China	RMB	685,300,000	64	Container terminal operating
	Hutchison Ajman International Terminals Limited - F.Z.E.	United Arab Emirates	AED	60,000,000	80	Container terminal operating
	Hutchison Port Holdings Limited	British Virgin Islands / Hong Kong	USD	26,000,000	80	Operation, management and development of ports and container terminals, and investment holding
	Hutchison Korea Terminals Limited	South Korea	WON	4,107,500,000	80	Container terminal operating
	Hutchison Laemchabang Terminal Limited	Thailand	THB	1,000,000,000	64	Container terminal operating
✧ * #	Hutchison Port Holdings Trust	Singapore / China	USD	8,797,780,935	30	Container port business trust
	Hutchison Port Investments Limited	Cayman Islands	USD	74,870,807	80	Holding company
	Hutchison Ports Investments S.à r.l.	Luxembourg	EUR	12,750	80	Operation, management and development of ports and container terminals, and investment holding
	Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	Mexico	MXP	138,623,200	80	Container terminal operating
	International Ports Services Co. Ltd.	Saudi Arabia	SAR	2,000,000	41	Container terminal operating
✡ ⌘	Jiangmen International Container Terminals Limited	China	USD	14,461,665	40	Container terminal operating
	Karachi International Container Terminal Limited	Pakistan	PKR	1,109,384,220	80	Container terminal operating
	Korea International Terminals Limited	South Korea	WON	45,005,000,000	71	Container terminal operating
	L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	Mexico	MXP	67,000,000	80	Container terminal operating
	Maritime Transport Services Limited	United Kingdom	GBP	13,921,323	64	Container terminal operating
✡ ⌘	Nanhai International Container Terminals Limited	China	USD	42,800,000	40	Container terminal operating
✡ ⌘	Ningbo Beilun International Container Terminals Limited	China	RMB	700,000,000	39	Container terminal operating
	Oman International Container Terminal L.L.C.	Oman	OMR	4,000,000	52	Container terminal operating
	Panama Ports Company, S.A.	Panama	USD	10,000,000	72	Container terminal operating
	Port of Felixstowe Limited	United Kingdom	GBP	100,002	80	Container terminal operating
✡	PT Jakarta International Container Terminal	Indonesia	IDR	221,450,406,000	39	Container terminal operating
✡	River Trade Terminal Co. Ltd.	British Virgin Islands / Hong Kong	USD	1	40	River trade terminal operation
	Saigon International Terminals Vietnam Limited	Vietnam	USD	80,084,000	56	Container terminal operating
✡ ⌘ +	Shanghai Mingdong Container Terminals Limited	China	RMB	4,000,000,000	40	Container terminal operating
⌘	Shantou International Container Terminals Limited	China	USD	88,000,000	56	Container terminal operating
	South Asia Pakistan Terminals Limited	Pakistan	PKR	5,763,773,300	72	Container terminal operating
	Sydney International Container Terminals Pty Ltd	Australia	AUD	49,000,001	80	Container terminal operating
	Talleres Navales del Golfo, S.A. de C.V.	Mexico	MXP	143,700,000	80	Marine construction and ship repair yard
+	Tanzania International Container Terminal Services Limited	Tanzania	TZS	2,208,492,000	53	Container terminal operating
	Terminal Catalunya, S.A.	Spain	EUR	2,342,800	80	Container terminal operating
	Thai Laemchabang Terminal Co., Ltd.	Thailand	THB	800,000,000	70	Container terminal operating
	Thamesport (London) Limited	United Kingdom	GBP	2	64	Container terminal operating
* # +	Westports Holdings Berhad	Malaysia	MYR	341,000,000	19	Holding company
✡ ⌘	Xiamen Haicang International Container Terminals Limited	China	RMB	555,515,000	39	Container terminal operating
✡ ⌘	Xiamen International Container Terminals Limited	China	RMB	1,148,700,000	39	Container terminal operating

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2015

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Retail					
	A.S. Watson (Europe) Retail Holdings B.V.	Netherlands	EUR	18,001	75	Investment holding in retail businesses
	A. S. Watson Retail (HK) Limited	Hong Kong	HKD	100,000,000	75	Retailing
✡ +	Dirk Rossmann GmbH	Germany	EUR	12,000,000	30	Retailing
⌘	Guangzhou Watson's Personal Care Stores Ltd.	China	HKD	71,600,000	71	Retailing
	PARKnSHOP (HK) Limited	Hong Kong	HKD	100,000,000	75	Supermarket operating
✡	Rossmann Supermarkety Drogeryjne Polska Sp. z o.o.	Poland	PLN	26,442,892	53	Retailing
	Superdrug Stores plc	United Kingdom	GBP	22,000,000	75	Retailing
⊕	Wuhan Watson's Personal Care Stores Co., Limited	China	RMB	55,930,000	75	Retailing
	Infrastructure and energy					
	Accipiter Holdings Limited	Ireland	US$	124,398,379	100	Holding company in aircraft leasing
✡	Australian Gas Networks Limited	Australia	AUD	879,082,753	34	Natural gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	61	Producing energy from waste
* +	Cheung Kong Infrastructure Holdings Limited	Bermuda / Hong Kong	HKD	2,519,610,945	76	Holding Company
✡ +	Enviro Waste Services Limited	New Zealand	NZD	84,768,736	76	Waste management services
* # +	Husky Energy Inc.	Canada	CAD	7,000,410,359	40	Investment in oil and gas
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	71,670,980	36	Gas distribution
+	Northumbrian Water Group Limited	United Kingdom	GBP	161	70	Water & sewerage businesses
* # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	29	Investment holdings in power and utility-related businesses
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	10,000,000	30	Electricity distribution
+	UK Rails S.à r.l.	Luxembourg / United Kingdom	GBP	24,762	88	Holding company in leasing of rolling stock
✡ +	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	290,272,506	53	Gas distribution
	Telecommunications					
	3 Italia S.p.A.	Italy	EUR	3,047,756,290	97	Mobile telecommunications services
	Hi3G Access AB	Sweden	SEK	10,000,000	60	Mobile telecommunications services
	Hi3G Denmark ApS	Denmark	DKK	64,375,000	60	Mobile telecommunications services
	Hutchison Drei Austria GmbH	Austria	EUR	34,882,960	100	Mobile telecommunications services
	Hutchison 3G Ireland Holdings Limited	United Kingdom	EUR	2	100	Holding company of mobile telecommunications services
	Hutchison 3G UK Limited	United Kingdom	GBP	201	100	Mobile telecommunications services
	Hutchison Global Communications Limited	Hong Kong	HKD	20	66	Fixed-line communications
*	Hutchison Telecommunications (Australia) Limited	Australia	AUD	4,204,487,847	88	Holding company
*	Hutchison Telecommunications Hong Kong Holdings Limited	Cayman Islands / Hong Kong	HKD	1,204,724,052	66	Holding company of mobile and fixed-line telecommunications businesses
	Hutchison Telecommunications (Vietnam) S.à.r.l.	Luxembourg / Vietnam	USD	20,000	100	Investment holdings in mobile telecommunications business
	Hutchison Telephone Company Limited	Hong Kong	HKD	2,730,684,340	50	Mobile telecommunications services
	PT. Hutchison 3 Indonesia	Indonesia	IDR	651,156,000,000	65	Mobile telecommunications services
✡ +	Vodafone Hutchison Australia Pty Limited	Australia	AUD	6,046,889,713	44	Telecommunications services

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2015

	Subsidiary and associated companies and joint ventures	Place of incorporation / principal place of operations	Nominal value of issued ordinary share capital **/ registered capital		Percentage of equity attributable to the Group	Principal activities
	Finance & investments and others					
	Cheung Kong (Holdings) Limited	Hong Kong	HKD	10,488,733,666	100	Holding company
* # +	CK Life Sciences Int'l., (Holdings) Inc.	Cayman Islands / Hong Kong	HKD	961,107,240	45	Holding company of healthcare businesses
	CK Hutchison Global Investments Limited	British Virgin Islands	US$	2	100	Holding company
	Hutchison International Limited	Hong Kong	HKD	727,966,525	100	Holding company & corporate
	Hutchison Whampoa Europe Investments S.à r.l.	Luxembourg	EUR	1,764,026,975	100	Holding company
	Hutchison Whampoa Limited	Hong Kong	HKD	29,424,795,590	100	Holding company
✡ ⌘	Guangzhou Aircraft Maintenance Engineering Company Limited	China	USD	65,000,000	50	Aircraft maintenance
*	Hutchison China MediTech Limited	Cayman Islands / China	USD	56,533,118	65	Holding company of healthcare businesses
	Hutchison Water Holdings Limited	Cayman Islands	USD	100,000	80	Investment holding in water businesses
	Hutchison Whampoa (China) Limited	Hong Kong	HKD	15,000,000	100	Investment holding & China businesses
	Marionnaud Parfumeries S.A.S.	France	EUR	76,575,832	100	Investment holding in perfume retailing businesses
✡	Metro Broadcast Corporation Limited	Hong Kong	HKD	1,000,000	50	Radio broadcasting
* #	TOM Group Limited	Cayman Islands / Hong Kong	HKD	389,327,056	37	Cross media

The above table lists the principal subsidiary and associated companies and joint ventures of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiary and associated companies and joint ventures would, in the opinion of the directors, result in particulars of excessive length.

Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation.

Except Cheung Kong (Holdings) Limited and CK Hutchsion Global Investments Limited which are 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

* Company listed on the Stock Exchange of Hong Kong except Hutchison Port Holdings Trust which is listed on Singapore Stock Exchange, Westports Holdings Berhad which is listed on the Bursa Malaysia Securities Berhad, Husky Energy Inc. which is listed on the Toronto Stock Exchange, Hutchison Telecommunications (Australia) Limited which is listed on the Australian Securities Exchange and Hutchison China MediTech Limited which is listed on the AIM of the London Stock Exchange.

** For Hong Kong incorporated companies, this represents issued ordinary share capital.

\# Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

✟ Wholly owned foreign enterprise (WOFE) registered under PRC law

✧ The share capital of Hutchison Port Holdings Trust is in a form of trust units.

\+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate net assets and turnover (excluding share of associated companies and joint ventures) attributable to shareholders of these companies not audited by PricewaterhouseCoopers amounted to approximately 26% and 9% of the Group's respective items.

INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Board of Directors of CK Hutchison Holdings Limited

(incorporated in the Cayman Islands with limited liability)

We have completed our assurance engagement to report on the compilation of Unaudited CKHH Pro Forma Results of CK Hutchison Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") set out on pages 13 and 105 (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 13 and 105.

The Unaudited Pro Forma Financial Information has been compiled by the directors to provide additional information to illustrate how certain financial information of the Group for the year ended 31 December 2015 might have been affected as if the Reorganisation was effective on 1 January 2015 and the financial information had been compiled on the basis set out on pages 13 and 105. As part of this process, the unadjusted financial information about the Group's financial performance for the year ended 31 December 2015 has been extracted by the directors from the Company's 2015 Financial Statements, on which an auditor's report has been issued. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Company's 2015 annual results announcement.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with the basis set out on pages 13 and 105 and ensuring the basis is consistent with the accounting policies of the Group as set out in note 3 of the Company's 2015 Financial Statements.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion on the Unaudited Pro Forma Financial Information and to report our opinion to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with “Hong Kong Standard on Assurance Engagement 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (“HKSAE 3000 (Revised)”), issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with the basis set out on pages 13 and 105 and whether the basis is consistent with the accounting policies of the Group as set out in note 3 of the Company’s 2015 Financial Statements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information is solely to provide additional information to illustrate how certain financial information of the Group for the year ended 31 December 2015 might have been affected as if the Reorganisation was effective on 1 January 2015 and the financial information had been compiled on the basis set out on pages 13 and 105. Accordingly, we do not provide any assurance that the actual outcome of the financial information would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria and whether the basis is consistent with the accounting policies of the Group consists primarily of procedures such as a) obtaining an understanding of the principal accounting policies of the Group and the basis of preparation of the Unaudited Pro Forma Financial Information through inquires primarily of persons responsible for financial and accounting matters, b) obtaining an understanding of the internal controls relevant to the application of accounting policies and basis of preparation and compilation of the Unaudited Pro Forma Financial Information, c) checking solely the arithmetical calculations relating to the financial numbers presented in the Unaudited Pro Forma Financial Information, and such other procedures that we considered necessary in the circumstances in accordance with HKSAE 3000 (Revised).

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group and its accounting policies, and the basis on which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated on pages 13 and 105 and such basis is consistent with the accounting policies of the Group as set out in note 3 of the Company's 2015 Financial Statements.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 17 March 2016

Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results

For the year ended 31 December 2015

		Adjustments to CKHH Pro forma [2]						
	CKHH Operating segment information – statutory basis [1]	50.03% share of HWL [3]	Accounting for co-owned entities and investments [4]	Additional 6.23% share of Husky	Fair value adjustment on acquisition [5]	CKHH Operating segment information – pro forma basis [2]	Presentation adjustments	CKHH Financial Performance Summary – pro forma basis [2]
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Total Revenue								
Ports and related services	26,974	6,938	97	–	–	34,009	(242)	33,767
Retail	121,714	30,189	–	–	–	151,903	–	151,903
Infrastructure	46,187	9,107	468	–	–	55,762	(11,918)	43,844
Husky Energy	29,620	7,616	–	2,793	–	40,029	(6,205)	33,824
3 Group Europe	50,152	12,647	–	–	–	62,799	–	62,799
Hutchison Telecommunications Hong Kong Holdings	17,520	4,570	32	–	–	22,122	(80)	22,042
Hutchison Asia Telecommunications	5,492	1,408	–	–	–	6,900	–	6,900
Finance & Investments and Others	18,659	3,951	(47)	–	–	22,563	(2,895)	19,668
Total Comparable Revenue	**316,318**	**76,426**	**550**	**2,793**	**–**	**396,087**	**(21,340)**	**374,747**
Additional Contributions	–	–	–	–	–	–	21,340	21,340
Total Revenue [6]	**316,318**	**76,426**	**550**	**2,793**	**–**	**396,087**	**–**	**396,087**
EBITDA								
Ports and related services	9,476	2,410	45	–	33	11,964	(124)	11,840
Retail	12,258	2,580	–	–	–	14,838	–	14,838
Infrastructure	26,682	5,058	542	–	9	32,291	(8,144)	24,147
Husky Energy	6,899	1,812	–	664	–	9,375	(1,453)	7,922
3 Group Europe	14,252	3,082	–	–	62	17,396	–	17,396
Hutchison Telecommunications Hong Kong Holdings	2,268	636	7	–	–	2,911	(20)	2,891
Hutchison Asia Telecommunications	869	(1)	–	–	308	1,176	–	1,176
Finance & Investments and Others	1,327	873	(58)	–	–	2,142	(356)	1,786
Total Comparable EBITDA	**74,031**	**16,450**	**536**	**664**	**412**	**92,093**	**(10,097)**	**81,996**
Additional Contributions	–	–	–	–	–	–	10,097	10,097
Total EBITDA before profits on disposal of investments & others	**74,031**	**16,450**	**536**	**664**	**412**	**92,093**	**–**	**92,093**
EBIT								
Ports and related services	6,242	1,611	23	–	81	7,957	(70)	7,887
Retail	10,246	2,082	–	–	–	12,328	–	12,328
Infrastructure	19,170	3,852	382	–	73	23,477	(5,376)	18,101
Husky Energy	1,796	138	–	88	207	2,229	(345)	1,884
3 Group Europe	9,188	1,403	–	–	1,073	11,664	–	11,664
Hutchison Telecommunications Hong Kong Holdings	1,096	340	(10)	–	–	1,426	22	1,448
Hutchison Asia Telecommunications	621	(248)	–	–	803	1,176	–	1,176
Finance & Investments and Others	1,002	785	(45)	–	80	1,822	(282)	1,540
Total Comparable EBIT before profits on disposal of investments & others	**49,361**	**9,963**	**350**	**88**	**2,317**	**62,079**	**(6,051)**	**56,028**
Additional Contributions	–	–	–	–	–	–	6,051	6,051
Total EBIT before profits on disposal of investments & others	**49,361**	**9,963**	**350**	**88**	**2,317**	**62,079**	**–**	**62,079**
Interest Expenses and finance costs	(10,778)	(2,746)	(217)	(40)	1,200	(12,581)	–	(12,581)
Profit Before Tax	38,583	7,217	133	48	3,517	49,498	–	49,498
Tax								
Current tax	(5,589)	(1,155)	75	(65)	–	(6,734)	–	(6,734)
Deferred tax	(201)	52	(46)	119	(387)	(463)	–	(463)
	(5,790)	(1,103)	29	54	(387)	(7,197)	–	(7,197)
Profit after tax	32,793	6,114	162	102	3,130	42,301	–	42,301
Non-controlling interests and perpetual capital securities holders' interests	(7,994)	(1,855)	(143)	–	(48)	(10,040)	(133)	(10,173)
Profit attributable to ordinary shareholders before profits on disposal of investments & others	**24,799**	**4,259**	**19**	**102**	**3,082**	**32,261**	**(133)**	**32,128**
– Comparable results	24,799	4,259	19	102	3,082	32,261	(2,897)	29,364
– Additional Contributions	–	–	–	–	–	–	2,764	2,764
Profits on disposal of investments & others, after tax	**13,390**	**(14,483)**	**–**	**–**	**–**	**(1,093)**	**133**	**(960)**
Profit attributable to ordinary shareholders	**38,189**	**(10,224)**	**19**	**102**	**3,082**	**31,168**	**–**	**31,168**
– Comparable results	38,189	(10,224)	19	102	3,082	31,168	(2,764)	28,404
– Additional Contributions	–	–	–	–	–	–	2,764	2,764
Profit attributable to ordinary shareholders								
– Discontinued Operations	80,381							
	118,570							

(1) CKHH's statutory results for the year ended 31 December 2015 reflects the Reorganisation that occurred on 3 June 2015. See note 6 of the financial statements for the operating segmental information disclosure on a statutory basis.

(2) The CKHH pro forma results assume that the Reorganisation was effective as at 1 January 2015 and the pro forma adjustments made to the statutory basis represent the additional five months effect on the Group's results. Accordingly, the cost of Reorganisation of HK$640 million was not included in the above pro forma results. This presentation is consistent with the way the Group manages the businesses and enables the Group's underlying performance to be evaluated on a comparable basis and has been prepared in accordance with the accounting policies of the Group as set out in note 3 of the financial statements.

(3) The 50.03% share of HWL adjustments represent the Group's additional share of 50.03% of HWL (Total 100% share of the results of HWL's business continued by CKHH from January 2015 to May 2015 is included in the pro forma results) assuming the Reorganisation was effective from 1 January 2015. The net gain arising on the Group's re-measurement of 49.97% of HWL upon Reorganisation, as reported under the statutory basis, was not included under the Pro forma results.

(4) The Accounting for co-owned entities and investments adjustments mainly represent the consolidation of three co-owned infrastructure assets: Northumbrian Water, Park'N Fly as subsidiary companies effective from 1 January 2015; and UK Rails as subsidiary company effective upon acquisition in April 2015.

(5) The Fair value adjustment on acquisition represents the additional five-month impact on the Group's results as a result of the fair value adjustments on the carrying values of the identifiable assets and liabilities of HWL that mainly resulted in lower depreciation and amortisation of telecommunication and other assets, lower effective interest rates as well as other consolidation adjustments.

(6) As additional information, total pro forma revenue of HK$396,087 million disclosed above is comprised of revenue from company and subsidiaries of HK$277,317 million and the Group's share of associates and joint ventures' revenues of HK$118,770 million.

Group Capital Resources and Liquidity

Treasury Management

The Group's treasury function sets financial risk management policies in accordance with policies and procedures that are approved by the Executive Directors, and which are also subject to periodic review by the Group's internal audit function. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks. The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost-efficient funding to the Group and its companies. It manages the majority of the Group's funding needs, interest rate, foreign currency and credit risk exposures. It is the Group's policy not to have credit rating triggers that would accelerate the maturity dates of the Group's borrowings. The Group uses interest rate and foreign currency swaps and forward contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's exposure to interest rate and foreign exchange rate fluctuations. It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Cash Management and Funding

The Group operates a central cash management system for all of its unlisted subsidiaries. Except for listed and certain overseas entities conducting businesses in non-HK or non-US dollar currencies, the Group generally obtains long-term financing at the Group level to on-lend or contribute as equity to its subsidiaries and associated companies to meet their funding requirements and provide more cost-efficient financing. These borrowings include a range of capital market issues and bank borrowings, for which the proportions will change depending upon financial market conditions and projected interest rates. The Group regularly and closely monitors its overall debt position and reviews its funding costs and maturity profile to facilitate refinancing.

Interest Rate Exposure

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group uses derivatives such as interest rate swaps and forward rate agreements to manage its interest rate exposure. The Group's main interest rate exposure relates to US dollar, British Pound, Euro and HK dollar borrowings.

At 31 December 2015, approximately 32% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 68% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$47,973 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$6,061 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 47% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 53% were at fixed rates at 31 December 2015. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

Foreign Currency Exposure

For overseas subsidiaries, associated companies and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to its underlying businesses is minimised by using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. The Group generally does not enter into foreign currency hedges in respect of its long-term equity investments in overseas subsidiaries and associated companies, except in relation to certain infrastructure investments.

The Group has operations in over 50 countries and conducts businesses in 46 currencies. The Group's functional currency for reporting purposes is Hong Kong Dollars and the Group's reported results in Hong Kong Dollars are exposed to exchange translation gains or losses on its foreign currency earnings. The Group generally does not enter into foreign currency hedges in respect of its foreign currency earnings. At times of significant exchange rate volatility and where appropriate opportunities arise, the Group may prudently enter into forward foreign currency contracts and currency swaps for selective foreign currencies for a portion of its budgeted foreign currency earnings to limit potential downside foreign currency exposure on its earnings.

The Group's total principal amount of bank and other debts are denominated as follows: 25% in Euro, 36% in US dollars, 7% in HK dollars, 25% in British Pounds and 7% in other currencies.

Treasury Management (continued)

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, interest rate and foreign currency swaps and forward currency contracts with financial institutions expose the Group to credit risk of counterparties. The Group controls its credit risk to non-performance by its counterparties through monitoring their equity share price movements and credit ratings as well as setting approved counterparty credit limits that are regularly reviewed.

The Group is also exposed to counterparties credit risk from its operating activities, particularly in its ports and aircraft leasing businesses. Such risks are continuously monitored by the local operational management.

Credit Profile

The Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings of A3 on the Moody's Investor Service scale, A- on the Standard & Poor's Rating Services scale and A- on the Fitch Ratings scale. Actual credit ratings may depart from these levels from time to time due to economic circumstances.

After the completion of the reorganisation of Cheung Kong (Holdings) Limited ("Cheung Kong") and Hutchison Whampoa Limited ("HWL") on the 3 June 2015, the Group was assigned long-term credit ratings of A3 from Moody's on 3 June 2015, A- from Standard & Poor's on 6 July 2015 and A- from Fitch on 13 July 2015. All three agencies have also assigned stable outlooks on the Group's ratings. On these same dates, HWL's long-term credit ratings were withdrawn by the three agencies. At 31 December 2015, these ratings and outlooks remain unchanged.

Market Price Risk

The Group's main market price risk exposures relate to listed/traded debt and equity securities described in "Liquid Assets" below and the interest rate swaps as described in "Interest Rate Exposure" above. The Group's holding of listed/traded debt and equity securities represented approximately 8% of the cash, liquid funds and other listed investments ("liquid assets"). The Group controls this risk through active monitoring of price movements and changes in market conditions that may have an impact on the value of these financial assets and instruments.

Reorganisation

The reorganisation of Cheung Kong and HWL, which merged their assets and businesses into CK Hutchison Holdings Limited and simultaneously reallocated them between the Group and Cheung Kong Property Holdings Limited (the "Reorganisation") was completed on 3 June 2015.

As part of the Reorganisation, HWL became a wholly owned subsidiary of the Group upon the completion. In accordance with HKFRS 3 "Business Combinations", the identifiable assets and liabilities of HWL have been re-measured and accounted for at fair value and consolidated into the financial results of the Group.

Furthermore, upon completion of the Reorganisation, certain entities, including Northumbrian Water, Park'N Fly and UK Rails (the "New Consolidated Businesses"), previously co-owned by Cheung Kong and HWL and which the Group now controls, have been accounted for at fair value and consolidated into the financial results of the Group.

Interests in Dutch Enviro Energy (formerly known as AVR), Australian Gas Networks and Wales & West Utilities, acquired as part of the Reorganisation continue to be accounted for using the equity method of accounting as interests in joint venture under HKFRS 11 "Joint Arrangements" and are not consolidated into the financial results of the Group.

Significant Acquisitions and Disposals for Continuing Operations

As part of the Reorganisation, the Group issued approximately 1,544 million of new shares to acquire, through an all share exchange, the remaining 50.03% of the issued and outstanding equity of HWL, as well as, an additional 6.23% interest in Husky Energy's shares. The total cash acquired from the acquisition of HWL amounted to HK$106,313 million.

As part of the Reorganisation, the Group's enlarged property businesses held by Cheung Kong Property Holdings Limited was separately listed following a distribution in specie of Cheung Kong Property Holdings Limited shares. This increased the Group's liquidity by an aggregate amount of HK$40,649 million comprising cash of HK$55,000 million from Cheung Kong Property Holdings Limited for settlement of certain intercompany loans, and netting off the bank balances and cash retained by Cheung Kong Property Holdings Limited of HK$14,351 million of which the interest has been distributed.

Significant Acquisitions and Disposals for Continuing Operations (continued)

In April, prior to the Reorganisation, Cheung Kong and Cheung Kong Infrastructure Holdings Limited both advanced £559 million each (approximately HK$6,407 million each) to UK Rails, a 50/50 joint venture with Cheung Kong Infrastructure Holdings Limited. UK Rails subsequently acquired a 100% interest in Eversholt Rail Group at an enterprise value of approximately £2,500 million (approximately HK$29,300 million).

Subsequent to the Reorganisation, in July, the Group has spent HK$1,839 million on the concession extension of Jakarta International Container Terminal, and, in November, Cheung Kong Infrastructure Holdings Limited advanced €164 million (approximately HK$1,375 million) to Portugal Renewable Energy, a 50/50 joint venture with Power Assets Holdings Limited, to acquire the entire share capital of Iberwind-Desenvolvimento e Projectos, S.A., the largest wind farm operator in Portugal.

Capital and Net Debt

The Group's total ordinary shareholders' funds and perpetual capital securities amounted to HK$428,588 million at 31 December 2015.

The cash and cash equivalents of the Group, including the cash and cash equivalents consolidated from HWL and the New Consolidated Businesses and the increased liquidity resulting from the separate listing of Cheung Kong Property Holdings Limited, amounted to HK$131,426 million as at 31 December 2015. Correspondingly, the Group's consolidated principal amount of bank and other debts including unamortised fair value adjustments from acquisitions, comprising those consolidated from HWL and the New Consolidated Businesses amounted to HK$304,006 million at 31 December 2015.

At 31 December 2015, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, was HK$172,580 million. The Group's net debt to net total capital ratio at 31 December 2015 was 23.7%. The Group's consolidated cash and liquid investments as at 31 December 2015 were sufficient to repay all outstanding consolidated Group's principal amount of debt maturing before 2019.

Changes in Debt Financing and Perpetual Capital Securities

The significant financing activities for the Group including those for HWL in 2015 were as follows:

- In March, obtained a five-year floating rate term loan facility of HK$500 million;
- In March, obtained a five-year floating rate revolving loan facility of HK$500 million;
- In March, obtained a five-year floating rate loan facility of £245 million (approximately HK$2,801 million) and repaid on maturity a floating rate loan facility of the same amount;
- In March, obtained a one-year floating rate loan facility of £6,000 million (approximately HK$69,240 million);
- In March, repaid a floating rate loan facility of HK$400 million on maturity;
- In March, prepaid a floating rate loan facility of HK$1,000 million maturing in August 2015;
- In March, prepaid a floating rate loan facility of HK$1,800 million maturing in October 2015;
- In March, prepaid a floating rate loan facility of HK$400 million maturing in August 2017;
- In April, prepaid a floating rate term loan facility of HK$500 million maturing in August 2015;
- In April, prepaid a floating rate revolving loan facility of HK$500 million maturing in August 2015;
- In April, obtained a five-year floating rate loan facility of £250 million (approximately HK$2,907 million);
- In April, repaid HK$500 million principal amount of fixed rate notes on maturity;
- In June, repaid US$500 million (approximately HK$3,900 million) principal amount of floating rate notes on maturity;
- In June, repaid €603 million (approximately HK$5,233 million) principal amount of fixed notes on maturity;
- In June, repaid a floating rate loan facility of THB4,455 million (approximately HK$1,022 million) on maturity;
- In June, obtained a five-year floating rate loan facility of THB4,500 million (approximately HK$1,032 million);
- In June, obtained a three-year floating rate loan facility of US$165 million (approximately HK$1,287 million);

Changes in Debt Financing and Perpetual Capital Securities (continued)

- In July, repaid a floating rate loan facility of HK$500 million on maturity;
- In July, repaid a floating rate loan facility of HK$640 million on maturity;
- In July, repaid a floating rate loan facility of US$82 million (approximately HK$640 million) on maturity;
- In July, repaid a floating rate loan facility of HK$1,250 million on maturity;
- In July, prepaid a floating rate loan facility of US$200 million (approximately HK$1,560 million) maturing in August 2015;
- In July, prepaid a floating rate loan facility of HK$1,000 million maturing in September 2015;
- In July, prepaid a floating rate loan facility of HK$250 million maturing in December 2015;
- In July, prepaid a floating rate loan facility of HK$650 million maturing in February 2017;
- In July, prepaid a floating rate loan facility of HK$4,000 million maturing in July 2017;
- In July, prepaid a floating rate loan facility of HK$700 million maturing in October 2017;
- In July, obtained a five-year floating rate loan facility of US$237 million (approximately HK$1,845 million);
- In August, repaid a floating rate loan facility of HK$700 million on maturity;
- In September, obtained a five-year floating rate loan facility of US$300 million (approximately HK$2,340 million);
- In September, repaid US$2,189 million (approximately HK$17,077 million) principal amount of fixed rate notes on maturity;
- In October, obtained a three-year floating rate loan facility of €300 million (approximately HK$2,583 million) to refinance existing indebtedness;
- In October, obtained a ten-year floating rate loan facility of £150 million (approximately HK$1,782 million);
- In November, obtained a five-year floating rate loan facility of £325 million (approximately HK$3,751 million);
- In November, issued fifteen-year £90 million (approximately HK$1,039 million) fixed rate notes;
- In November, prepaid a floating rate loan facility of £100 million (approximately HK$1,154 million) maturing in November 2018;
- In November, repaid S$225 million (approximately HK$1,240 million) principal amount of fixed rate notes on maturity;
- In December, obtained a three-year floating rate term loan facility of HK$1,000 million to refinance existing indebtedness;
- In December, repaid a floating rate loan facility of HK$1,000 million on maturity;
- In December, repaid a floating rate loan facility of HK$1,000 million on maturity;
- In December, repaid £325 million (approximately HK$3,751 million) principal amount of fixed rate notes on maturity; and
- In December, obtained a five-year floating rate loan facility of €300 million (approximately HK$2,541 million) to refinance existing indebtedness.

In addition, in October, the Group had redeemed outstanding balance of US$1,705 million (approximately HK$13,299 million) of the US$2,000 million (approximately HK$15,600 million) nominal amount of perpetual capital securities that were originally issued in 2010.

Furthermore, the significant debt financing activities and perpetual capital securities undertaken by the Group following the year ended 31 December 2015 were as follows:

- In January, repaid a floating rate loan facility of HK$1,000 million on maturity; and
- In March, listed subsidiary Cheung Kong Infrastructure Holdings Limited issued US$1,200 million perpetual capital securities.

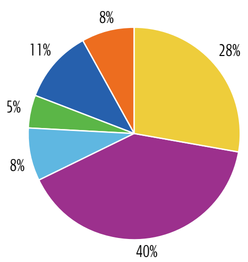
Liquid Assets

The Group continues to maintain a robust financial position. Liquid assets amounted to HK$131,426 million at 31 December 2015. Liquid assets were denominated as to 28% in HK dollars, 40% in US dollars, 8% in Renminbi, 5% in Euro, 11% in British Pounds and 8% in other currencies.

Cash and cash equivalents represented 92% of the liquid assets, US Treasury notes and listed/traded debt securities 4% and listed equity securities 4%.

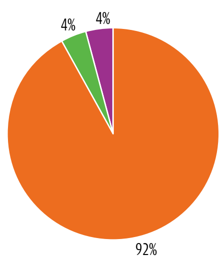
The US Treasury notes and listed/traded debt securities, including those held under managed funds, consisted of US Treasury notes of 61%, government and government guaranteed notes of 18%, notes issued by the Group's associated company, Husky Energy of 4%, notes issued by financial institutions of 2%, and others of 15%. Of these US Treasury notes and listed/traded debt securities, 80% are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 2.0 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

Liquid Assets by Currency Denomination at 31 December 2015



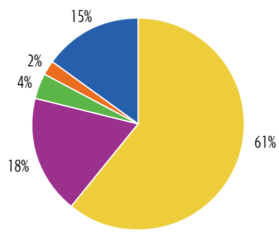
Total: HK$131,426 million

Liquid Assets by Type at 31 December 2015



Total: HK$131,426 million

US Treasury Notes and Listed/ Traded Debt Securities by Type at 31 December 2015



Total: HK$5,783 million

Debt Maturity and Currency Profile

The Group's total bank and other debts including unamortised fair value adjustments from acquisitions at 31 December 2015 amounted to HK$304,006 million which comprises principal amount of bank and other debts of HK$287,603 million, and unamortised fair value adjustments arising from acquisitions of HK$16,403 million. The Group's total principal amount of bank and other debts at 31 December 2015 of HK$287,603 million consist of 69% notes and bonds and 31% bank and other loans. Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK$4,827 million at 31 December 2015.

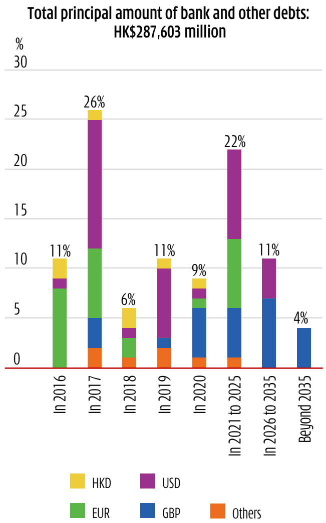
The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2015 is set out below:

	HK$	US$	Euro	GBP	Others	**Total**
In 2016	2%	1%	8%	–	–	**11%**
In 2017	1%	13%	7%	3%	2%	**26%**
In 2018	2%	1%	2%	–	1%	**6%**
In 2019	1%	7%	–	1%	2%	**11%**
In 2020	1%	1%	1%	5%	1%	**9%**
In 2021 - 2025	–	9%	7%	5%	1%	**22%**
In 2026 - 2035	–	4%	–	7%	–	**11%**
Beyond 2035	–	–	–	4%	–	**4%**
Total	**7%**	**36%**	**25%**	**25%**	**7%**	**100%**

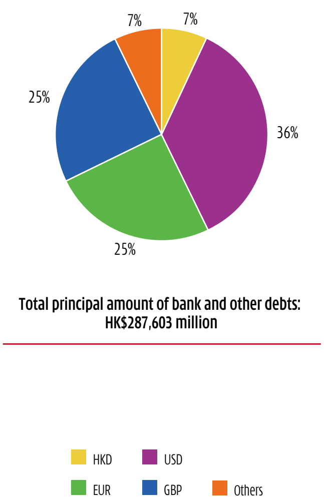
Debt Maturity and Currency Profile (continued)

The non-HK dollar and non-US dollar denominated loans are either directly related to the Group's businesses in the countries of the currencies concerned, or the loans are balanced by assets in the same currencies. None of the Group's consolidated borrowings have credit rating triggers that would accelerate the maturity dates of any outstanding consolidated Group debt.

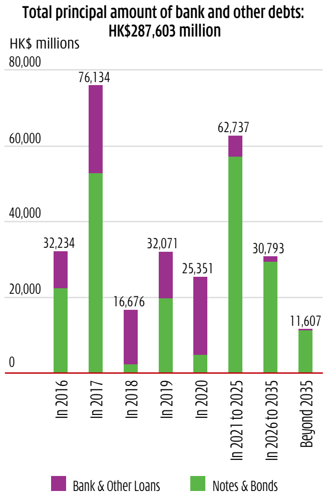
Debt Maturity Profile by Year and Currency Denomination at 31 December 2015



Debt Profile by Currency Denomination at 31 December 2015



Debt Maturity Profile by Notes & Bonds and Bank & Other Loans at 31 December 2015



Secured Financing

At 31 December 2015, assets of the Group totalling HK$28,828 million were pledged as security for bank and other debts.

Borrowing Facilities Available

Committed borrowing facilities available to Group companies but not drawn at 31 December 2015 amounted to the equivalent of HK$81,423 million, including £6,000 million facility available on completion of the acquisition of O_2 UK for a term of one year from drawdown.

Contingent Liabilities

At 31 December 2015, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK$3,797 million, of which HK$2,888 million has been drawn down as at 31 December 2015, and also provided performance and other guarantees of HK$3,557 million.

Employee

CK Hutchison has grown both organically and through acquisitions in 2015 and the CK Hutchison family now numbers over 270,000 employees in over 50 countries worldwide. The new additions join a Group that is committed to investing and rewarding employees according to their performance and productivity. CK Hutchison's team of highly motivated employees has enabled the Group to take advantage of opportunities locally and globally as they arise. Remuneration packages are reviewed individually every year to ensure that they are fair and competitive. The Group provides comprehensive medical, life and disability insurance coverage and retirement benefits. Employees also enjoy a wide range of product and service discounts offered by various Group companies. CK Hutchison's Employment Policy includes policies on employment, remuneration, training and development, work environment and grievance procedures. Individual businesses may develop additional human resource procedures and guidelines in accordance with their specific business nature and needs.

Many of our businesses are recognised for their employee programmes, such as "Best Companies to Work for in Asia 2015" for A S Watson Group, "Employer of the Year" for SA Power Networks in Australia, "National Champion – Employer of the Year" for **3** Sweden, and "Asia's Best Employer Brand" for Hutchison Telecommunications Hong Kong Holdings.

Development and Training

As technology advances by leaps and bounds, CK Hutchison is committed to providing staff training and development programmes designed to help our employees enhance their knowledge and skills to meet the challenges of a changing era. Dedicated and motivated employees across the Group are provided with development and advancement opportunities as the Group expands its businesses worldwide.

Each division is responsible for creating and developing their own training programmes to meet specific business requirements. Trainings including internal and external courses, workshops, e-learning modules, with a view of challenging employees' capabilities, broaden their skill sets and provide on-the-job training.

In addition, CK Hutchison provides continuous professional development training for its directors and senior management to develop and refresh their knowledge and expertise on matters relevant to the business of the Group. These include seminars and workshops on leadership development, corporate governance practices as well as updates on legal, regulatory and compliance topics.

Investing in the Group's most important asset, the employees, is essential to future success.

Share Option Schemes

The Company or Cheung Kong (as appropriate) does not have any operating share option schemes during the year ended 31 December 2015 but certain of the Company's subsidiary companies, namely Hutchison 3G UK Holdings Limited, Hutchison China MediTech Limited, Hutchison Telecommunications (Australia) Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hydrospin Monitoring Solutions Ltd and Aquarius Spectrum Ltd have adopted share option schemes for their employees.

Purchase, Sale or Redemption of Listed Shares

During the year ended 31 December 2015, neither the Company or Cheung Kong (as appropriate) nor any of its subsidiaries has purchased or sold any of the listed shares of the Company or Cheung Kong (as appropriate). In addition, the Company or Cheung Kong (as appropriate) has not redeemed any of its listed shares during the year.

Compliance with the Corporate Governance Code

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value.

The Company or Cheung Kong (as appropriate) has complied throughout the year ended 31 December 2015 with all the code provisions of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those in respect of the nomination committee. The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for the Directors, including the Chairman of the Board and the Group Co-Managing Directors.

Compliance with the Model Code for Securities Transactions by Directors

The Board of Directors of the Company or Cheung Kong (as appropriate) has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company or Cheung Kong. In response to specific enquiries made, all Directors have confirmed that they have complied with such code in their securities transactions throughout their tenure during the year.

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2015 have been audited by the Company's auditor, PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unqualified auditor's report is set out in page 14. The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2015 have also been reviewed by the Audit Committee of the Company.

Assurance Report on Pro Forma Results

The unaudited pro forma financial results of the Company and its subsidiary companies for the year ended 31 December 2015 set out in the section headed Financial Performance Summary, prepared for illustrative purposes as if the reorganisation was effective on 1 January 2015, have been reported on by PricewaterhouseCoopers in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by HKICPA. PricewaterhouseCoopers' independent assurance report is set out on page 102. The unaudited pro forma financial results of the Company and its subsidiary companies for the year ended 31 December 2015 have also been reviewed by the Audit Committee of the Company.

A waiver from compliance with the requirements under rule 4.29 of the Listing Rules in relation to the unaudited pro forma financial results included in the 2015 annual results announcement has been granted by the Stock Exchange, as it would be unduly onerous upon the Company if that rule is required to be fully complied with in the present situation.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 10 May 2016 to Friday, 13 May 2016 (both days inclusive) for the purpose of determining shareholders' entitlement to attend and vote at the 2016 Annual General Meeting.

In order to be eligible to attend and vote at the 2016 Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Monday, 9 May 2016.

Record Date for Proposed Final Dividend

The record date for the purpose of determining shareholders' entitlement to the proposed final dividend is Thursday, 19 May 2016.

In order to qualify for the proposed final dividend payable on Wednesday, 1 June 2016, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Thursday, 19 May 2016.

Annual General Meeting

The Annual General Meeting of the Company will be held on Friday, 13 May 2016. Notice of the 2016 Annual General Meeting will be published and issued to shareholders in due course.

Corporate Strategy

The primary objective of the Company is to enhance long-term total return for our shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earnings growth and maintaining the Group's strong financial profile. The Chairman's Statement and the Operations Review contain discussions and analyses of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objective.

Pro Forma Results

The unaudited pro forma financial results of the Company and its subsidiary companies for the year ended 31 December 2015 included in the 2015 annual results announcement assume the reorganisation was effective on 1 January 2015 and also include a number of assumptions and estimates and have been prepared for additional information and illustrative purposes only. Due to their hypothetical nature, they may not reflect the actual financial results of the Group had the reorganisation become effective on 1 January 2015. The pro forma financial results are no guarantee of the future results of the Group.

The unaudited pro forma financial results should be read in conjunction with other financial information included elsewhere in the 2015 annual results announcement.

Past Performance and Forward Looking Statements

The performance and the results of the operations of the Group contained within the 2015 annual results announcement 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 the 2015 annual results announcement 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 the 2015 annual results announcement; 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.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr LI Ka-shing (*Chairman*)
Mr LI Tzar Kuoi, Victor
(Group Co-Managing Director and Deputy Chairman)
Mr FOK Kin Ning, Canning
(Group Co-Managing Director)
Mrs CHOW WOO Mo Fong, Susan
(Group Deputy Managing Director)
Mr Frank John SIXT
(Group Finance Director and Deputy Managing Director)
Mr IP Tak Chuen, Edmond
(Deputy Managing Director)
Mr KAM Hing Lam
(Deputy Managing Director)
Mr LAI Kai Ming, Dominic
(Deputy Managing Director)

Non-executive Directors:
Mr CHOW Kun Chee, Roland
Mr LEE Yeh Kwong, Charles
Mr LEUNG Siu Hon
Mr George Colin MAGNUS

Independent Non-executive Directors:
Mr KWOK Tun-li, Stanley
Mr CHENG Hoi Chuen, Vincent
The Hon Sir Michael David KADOORIE
Ms LEE Wai Mun, Rose
Mr William Elkin MOCATTA
(Alternate to The Hon Sir Michael David Kadoorie)
Mr William SHURNIAK
Mr WONG Chung Hin
Dr WONG Yick-ming, Rosanna

長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock code: 0001

A NEW CHAPTER BEGINS

2015 Annual Results

Operations Analysis

Ports and Related Services | Retail | Infrastructure | Energy | Telecommunications

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, and of certain pro forma financial information of the Group to illustrate how certain financial information of the Group for the year ended 31 December 2015 might have been affected as if the Reorganisation was effective on 1 January 2015. 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 2015 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 unaudited pro forma financial information of the Group contained within this Presentation have been prepared for additional information and illustrative purpose only, and there is no assurance that the actual outcome of the Reorganisation at 1 January 2015 would have been as presented. 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.

CKHH Statutory Results in 2015

	CKHH 2015
Total Revenue	HK$316.3 billion
Profit attributable to ordinary shareholders from continuing business	HK$38.2billion
Profit attributable to ordinary shareholders from discontinued business	HK$80.4 billion
Profit attributable to ordinary shareholders [(2)]	HK$118.6 billion
Earnings Per Share - statutory [(3)]	HK$36.91

Note (1): Statutory results of CK Hutchison Holdings Limited ("CKHH" or the "Group") for the year ended 31 December 2015 include the one-time effects of the Reorganisation that occurred on 3 June 2015. Total revenue and results include share of associated companies and joint ventures' respective items.

Note (2): CKHH profit attributable to ordinary shareholders for the year ended 31 December 2015 under statutory basis included one-time re-measurement gains arising from the Reorganisation of HK$87,119 million, of which HK$14,260 million arising from continuing business and HK$72,859 million from discontinued business. Excluding these re-measurement gains, profit attributable to ordinary shareholders from operating businesses was HK$31,451 million.

Note (3): Earnings per share for the statutory results is calculated based on the profit attributable to ordinary shareholders of HK$118,570 million and on the CKHH weighted average number of shares outstanding during the year ended 31 December 2015 of 3,212,671,194.

CKHH Pro Forma Results in 2015

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

(Compared to HWL's results for businesses continued by CKHH)	CKHH 2015 Pro forma[(1)]	*Change vs HWL 2014[(1)]*	*Change in local currency*
Total Revenue	**HK$396.1 billion**	***-2%***	
- Comparable Revenue	HK$374.8 billion	*-7%*	*+2%*
- Additional Contributions	HK$21.3 billion	*N/A*	
Total EBITDA	**HK$92.1 billion**	***+5%***	
- Comparable EBITDA	HK$82.0 billion	*-7%*	*+2%*
- Additional Contributions	HK$10.1 billion	*N/A*	
Total EBIT	**HK$62.1 billion**	***+12%***	
- Comparable EBIT	HK$56.0 billion	*+1%*	*+11%*
- Additional Contributions	HK$6.1 billion	*N/A*	
Total Recurring Earnings[(2)]	**HK$32.1 billion**	***+36%***	
- Comparable Recurring Earnings	HK$29.4 billion	*+24%*	
- Additional Contributions	HK$2.7 billion	*N/A*	
Recurring Earnings Per Share - pro forma[(2)]	**HK$8.32**		
	CKHH 2015		
Full year dividend per share	**HK$2.55**		

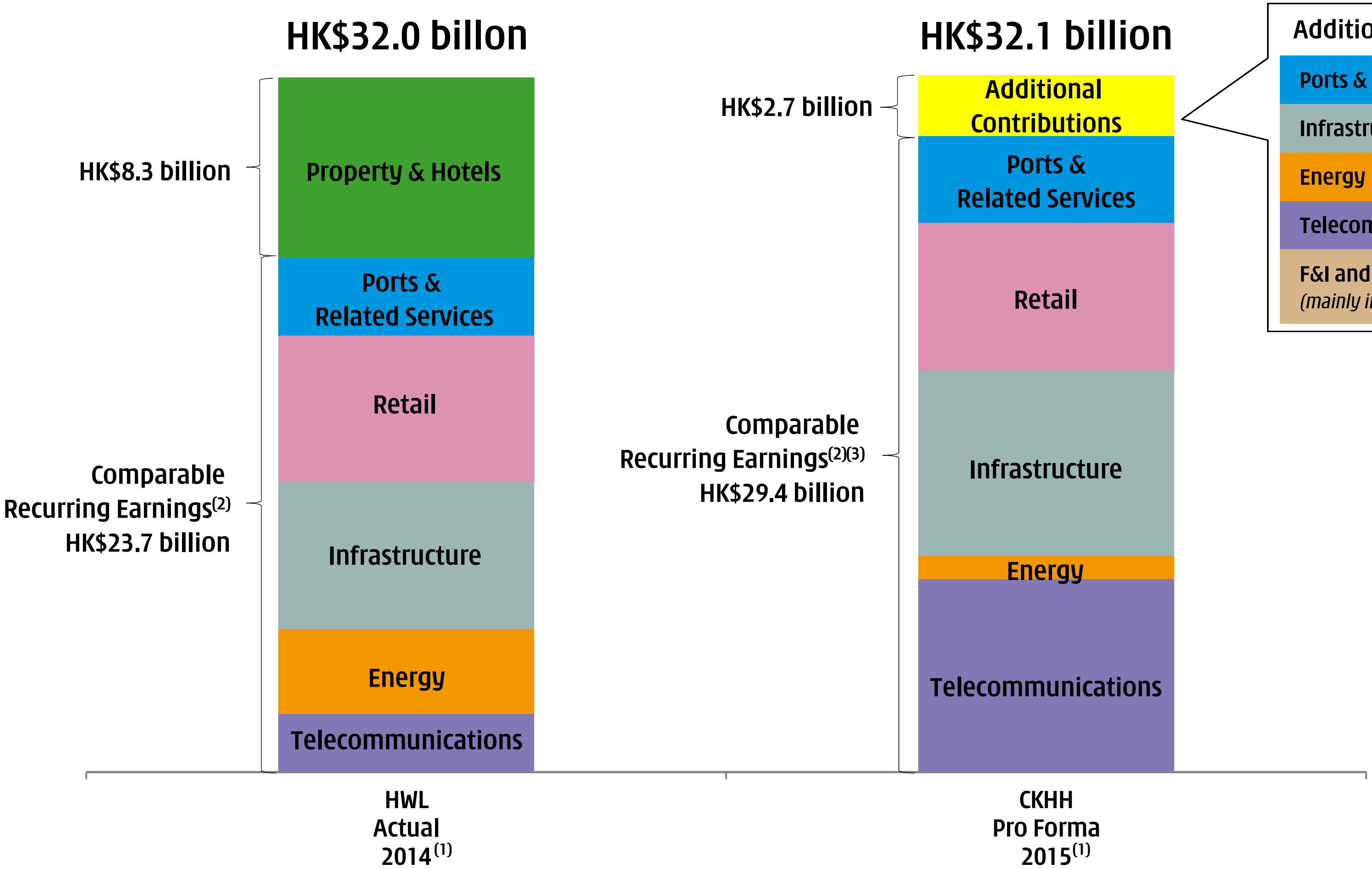
Note (1): On 3 June 2015, Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited ("HWL") merged their assets and businesses into CKHH (the "Group") and simultaneously reallocated them between the Group and Cheung Kong Property Holdings Limited (the "Reorganisation"). CKHH 2015 pro forma results have been prepared as if the Reorganisation was effective on 1 January 2015 (the "Pro Forma Results") and include contributions from comparable interests in businesses carried on by HWL in 2014 ("Comparable Contributions") and contributions from additional interests in such businesses and interests in new businesses acquired as a result of the Reorganisation ("Additional Contributions"). This presentation is consistent with the way that the Group manages its businesses and enables the Group's underlying performance to be evaluated on a comparable basis. The pro forma results have been prepared in accordance with the accounting policies of the Group as set out in note 3 of the financial statements. See Reconciliation from CKHH Statutory Results to CKHH Pro Forma Results for the year ended 31 December 2015 for details. 2014 comparatives represent HWL's 2014 results as reported in HWL's 2014 Annual Report, excluding discontinued Property and Hotels businesses. Contribution in 2014 from property and hotels businesses carried on by HWL and that have been discontinued following the Reorganisation was HK$8,353 million, before change in fair value of investment properties of HK$25,100 million. Contribution in 2015 from new or additional interests in businesses acquired as a result of the Reorganisation was HK$2,764 million.

Note (2): On a full year pro forma basis, recurring earnings and recurring EPS are calculated based on profits attributable to ordinary shareholders before profits on disposal of investments & others, after tax, excluding discontinued property and hotels businesses. 2015 CKHH pro forma recurring EPS was calculated based on CKHH's issued shares outstanding as at 31 December 2015 of 3,859,678,500. Profits on disposal of investments & others, after tax in 2015 is a charge of HK$960 million representing the Group's subsidiary Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA")'s operating losses. HWL's profit on disposal of investments & others, after tax in 2014 of HK$10,048 million comprised of HWL's share of the gain arising from separate listing of the Hong Kong electricity business of HK$16,066 million, as well as the marked-to-market gain of HK$1,748 million on Cheung Kong Infrastructure Holdings Limited ("CKI")'s investment in Australian Gas Networks Limited ("AGN"), partly offset by HTAL's losses of HK$1,732 million and certain provisions made for other businesses.

Overview of CKHH

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

Contribution of Total Recurring Earnings



Additional Contributions:	
Ports & Related Services	+HK$43 million
Infrastructure	+HK$3,320 million
Energy	+HK$211 million
Telecommunications	-HK$21 million
F&I and Others *(mainly interest expenses)*	-HK$789 million

Note (1): CKHH 2015 pro forma results assume that the Reorganisation was effective on 1 January 2015. 2014 comparatives represent HWL 2014 results as reported in HWL's 2014 Annual Report.

Note (2): Includes contribution from Finance & Investments and Others .

Note (3): Includes the lower depreciation and amortisation and interest expenses as a result of the fair value adjustments on the carrying value of the identifiable assets and liabilities of HWL.

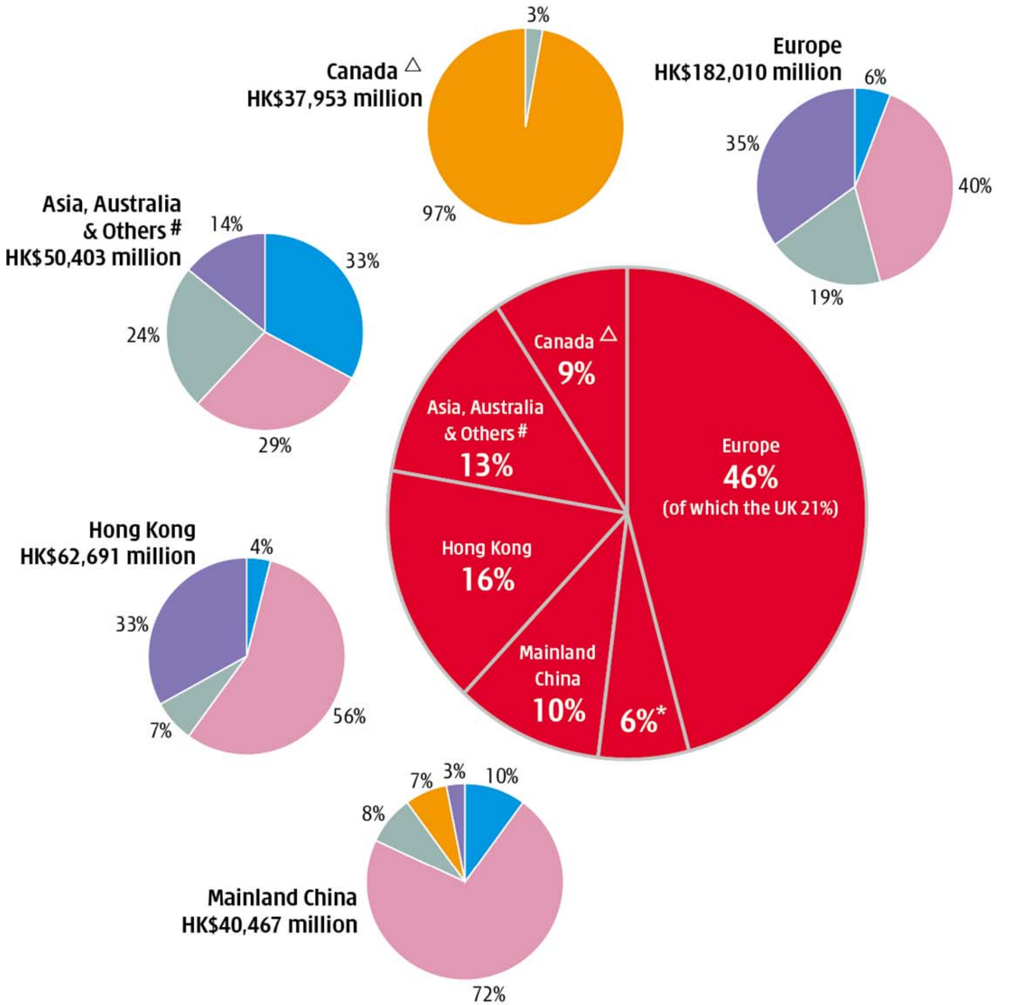
Business & Geographical Diversification

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

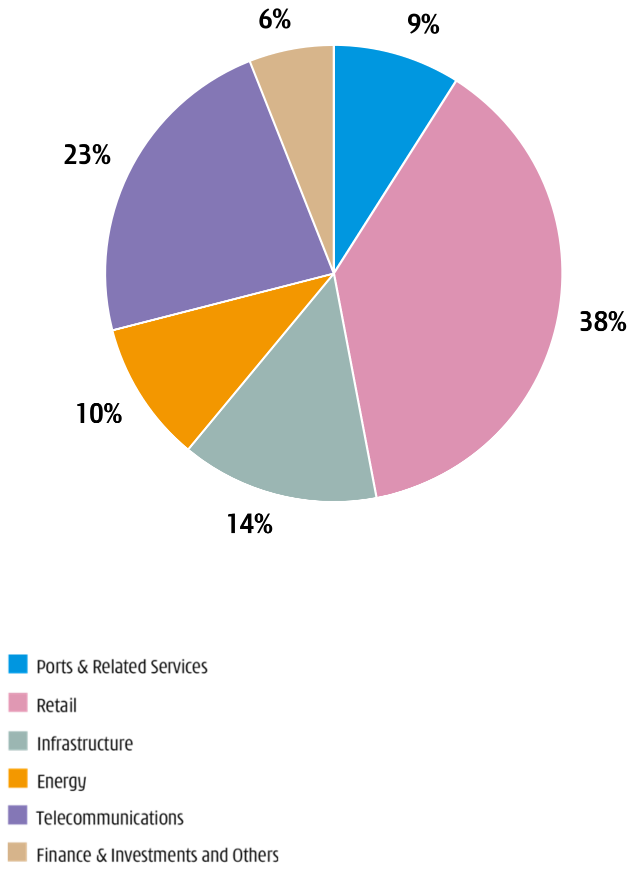
Total Revenue

2015 Pro forma Total Revenue : HK$396,087 million

By Geographical Location



By Division



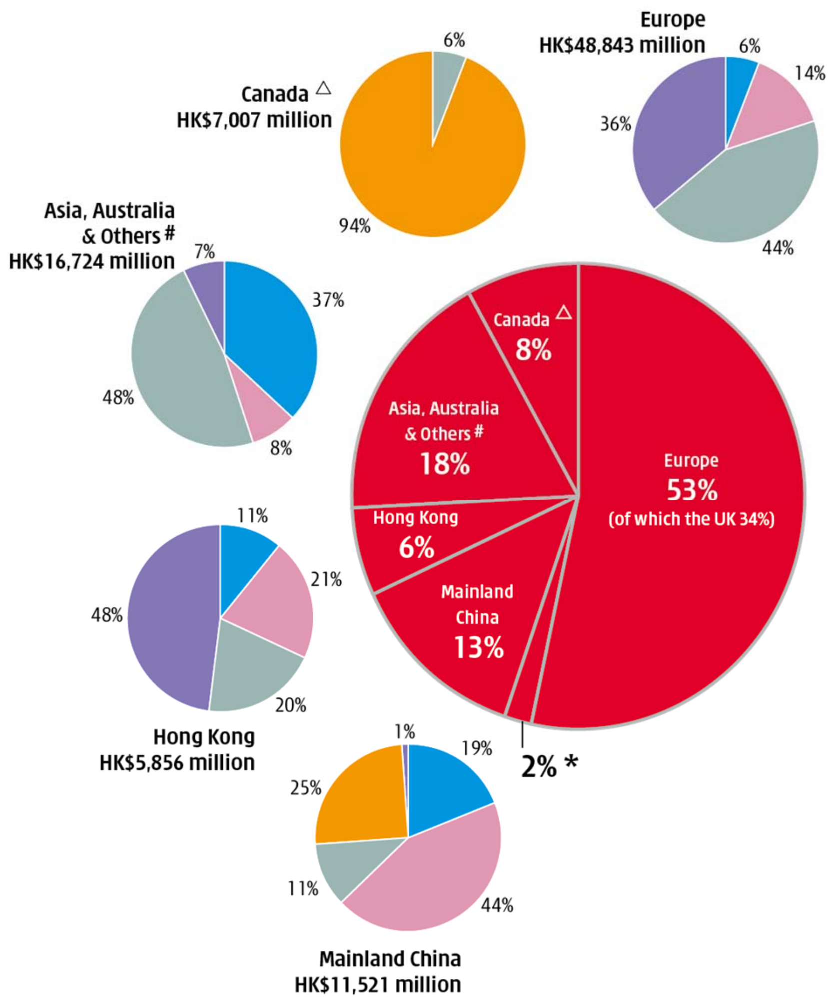
* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

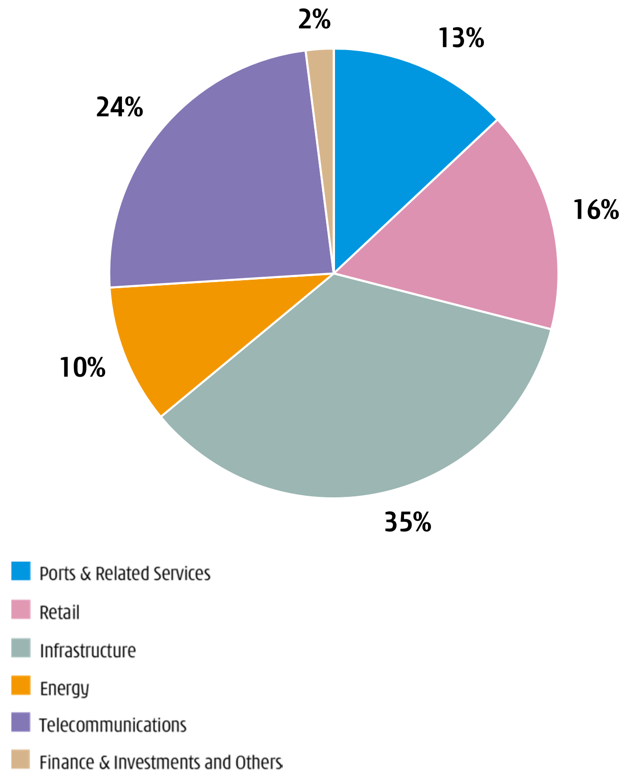
Total EBITDA

2015 Pro forma Total EBITDA : HK$92,093 million

By Geographical Location



By Division

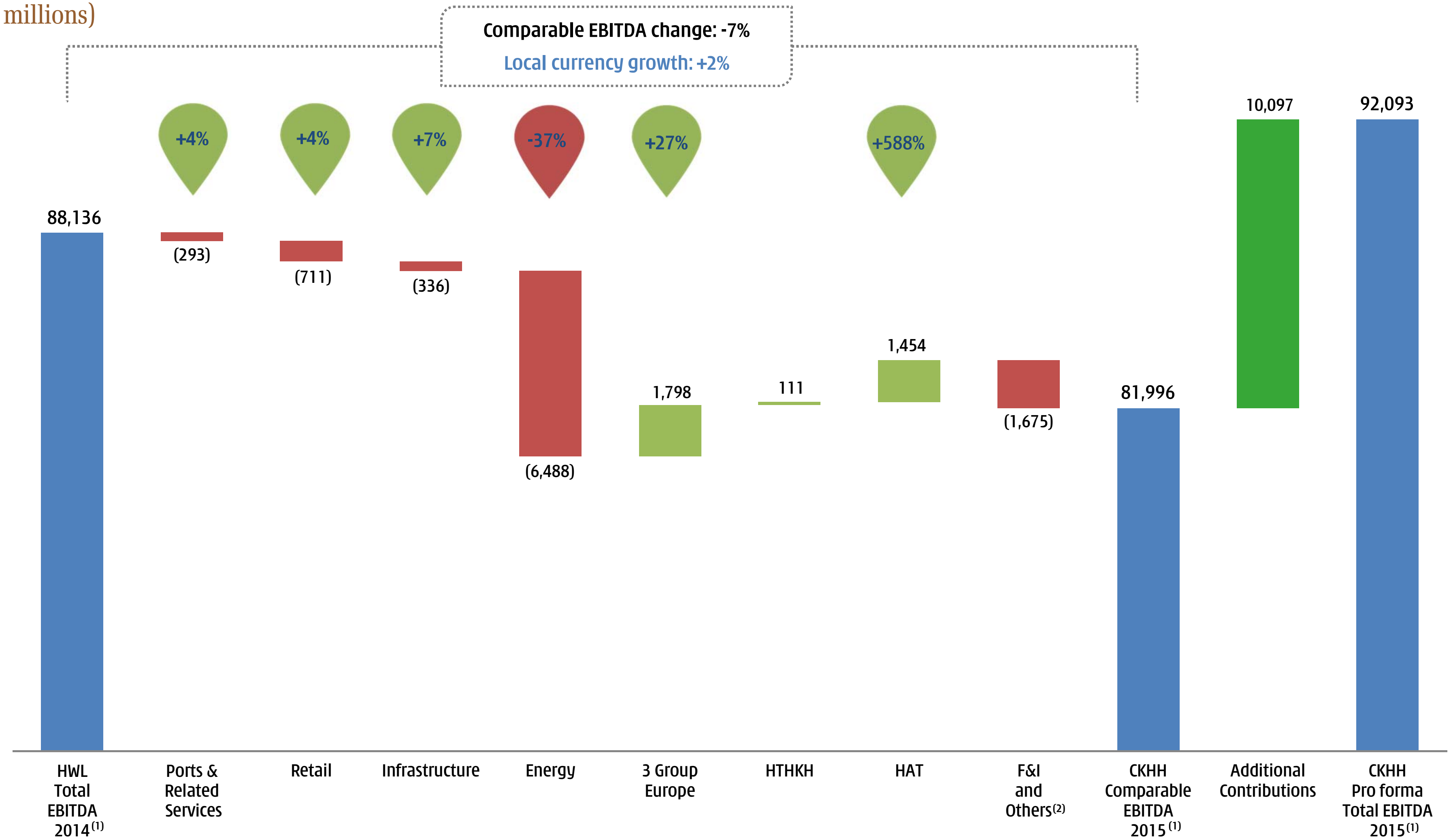


* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

Pro forma Total EBITDA

(HK$ millions)



Note (1): CKHH 2015 pro forma results assume that the Reorganisation was effective on 1 January 2015. For a like-for-like comparison, 2015 Comparable EBITDA excludes the full year pro forma additional contributions arising from the Reorganisation. HWL 2014 Total EBITDA is as reported in HWL's 2014 Annual Report, excluding discontinued Property & Hotels businesses.

Note (2): F&I and Others includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business and corporate overheads and expenses.

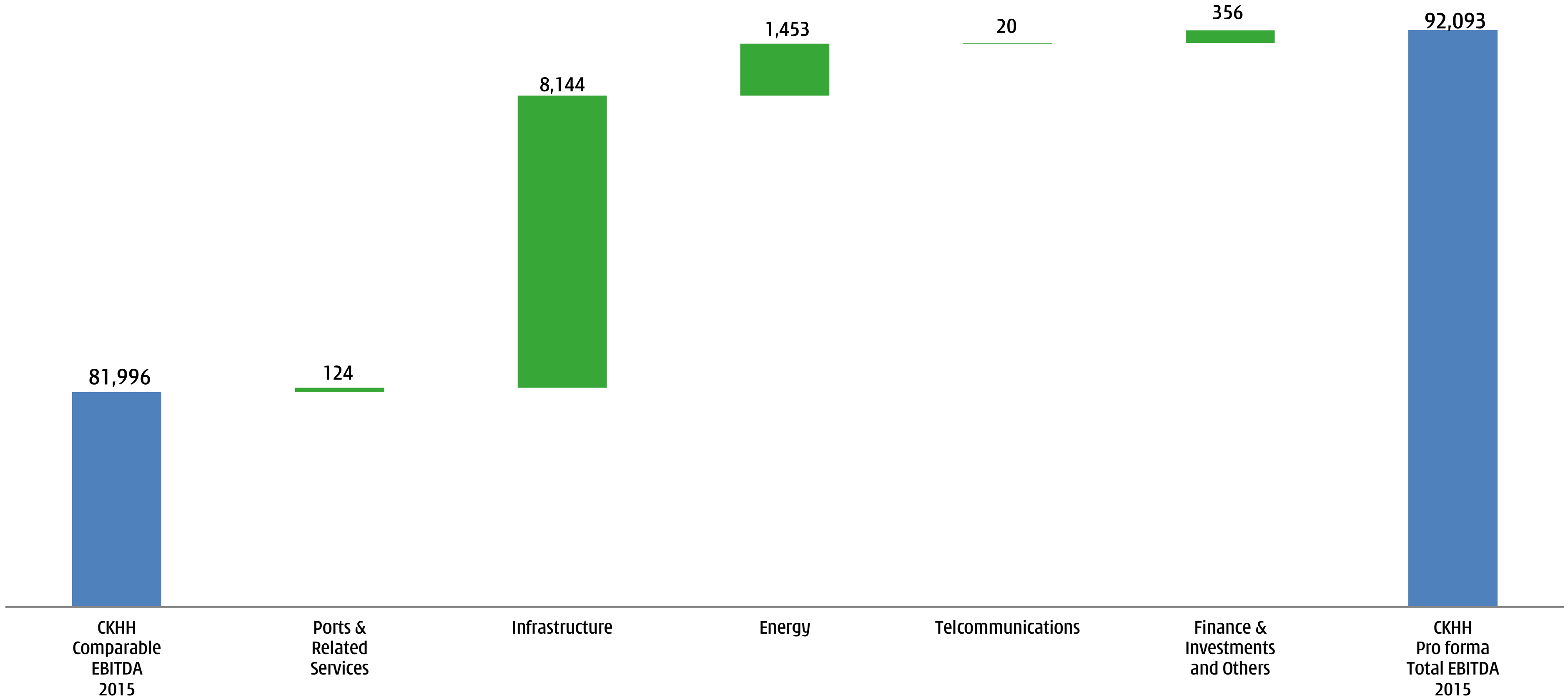
- *Represents local currency change %*

Business & Geographical Diversification

EBITDA – Additional Contributions

2015 Additional EBITDA Contributions

(HK$ millions)



- Ports & Related Services:
  - *Additional Interest in HPH Trust*
- Infrastructure:
  - *Additional interest in 6 co-owned JVs with CKI* (1)
  - *Aircraft Leasing*
- Energy:
  - *Additional interest in Husky Energy*
- Telcommunications:
  - *Additional Interest in HTHKH & its JV*
- Finance & Investments and Others:
  - *Additional interest in Tom Group*
  - *CK Life Sciences*
  - *Other Investments*

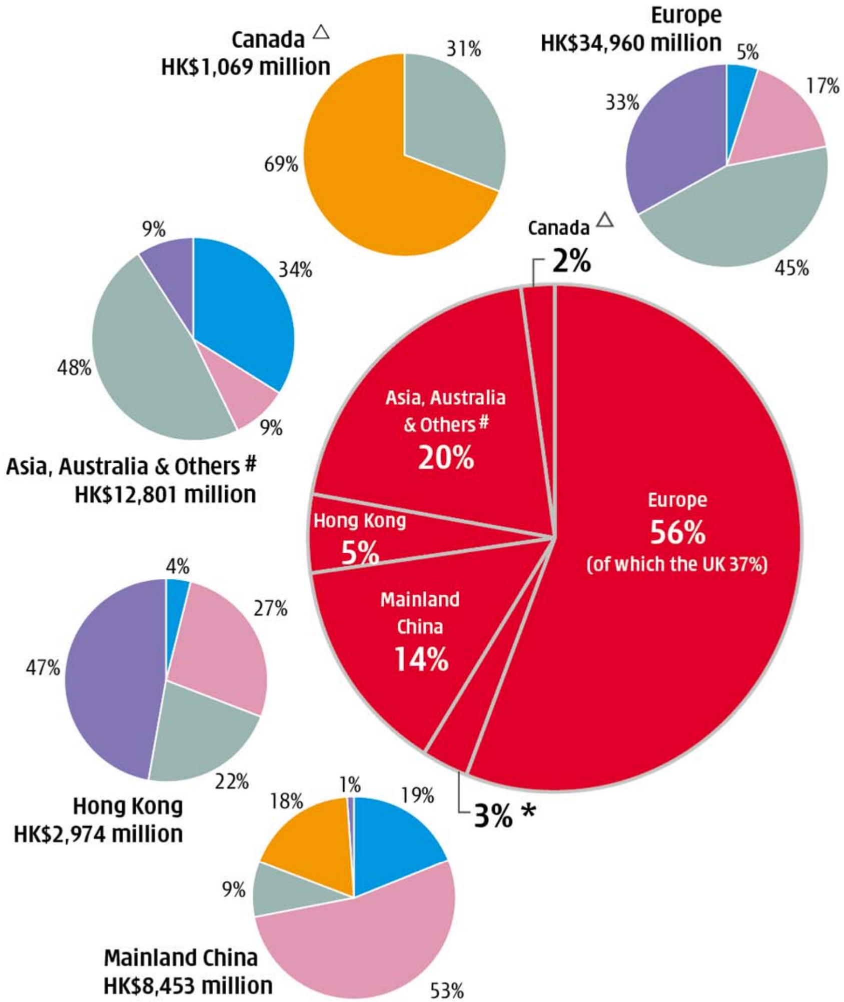
Note (1): Additional interest in 6 co-owned JVs with CKI includes Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy (formerly AVR), Wales & West Utilities and UK Rails (formerly Eversholt).

Business & Geographical Diversification

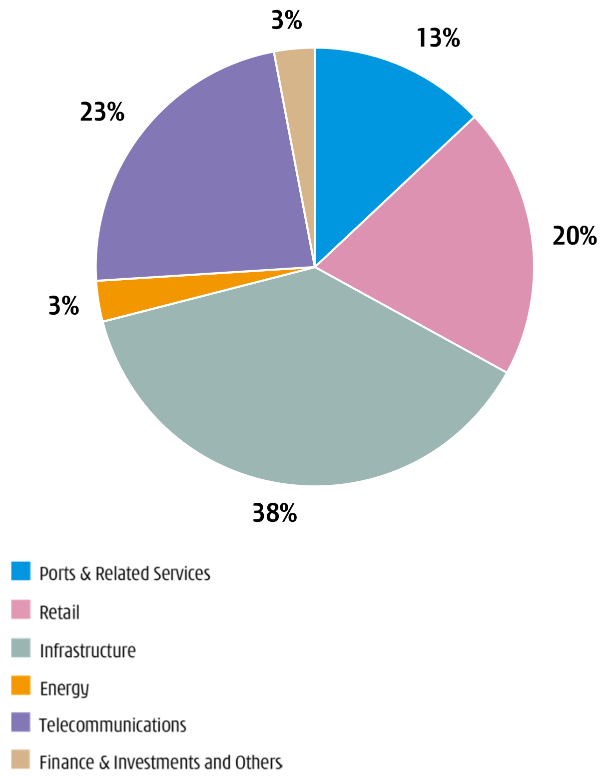
Total EBIT

2015 Pro forma Total EBIT: HK$62,079 million

By Geographical Location



By Division



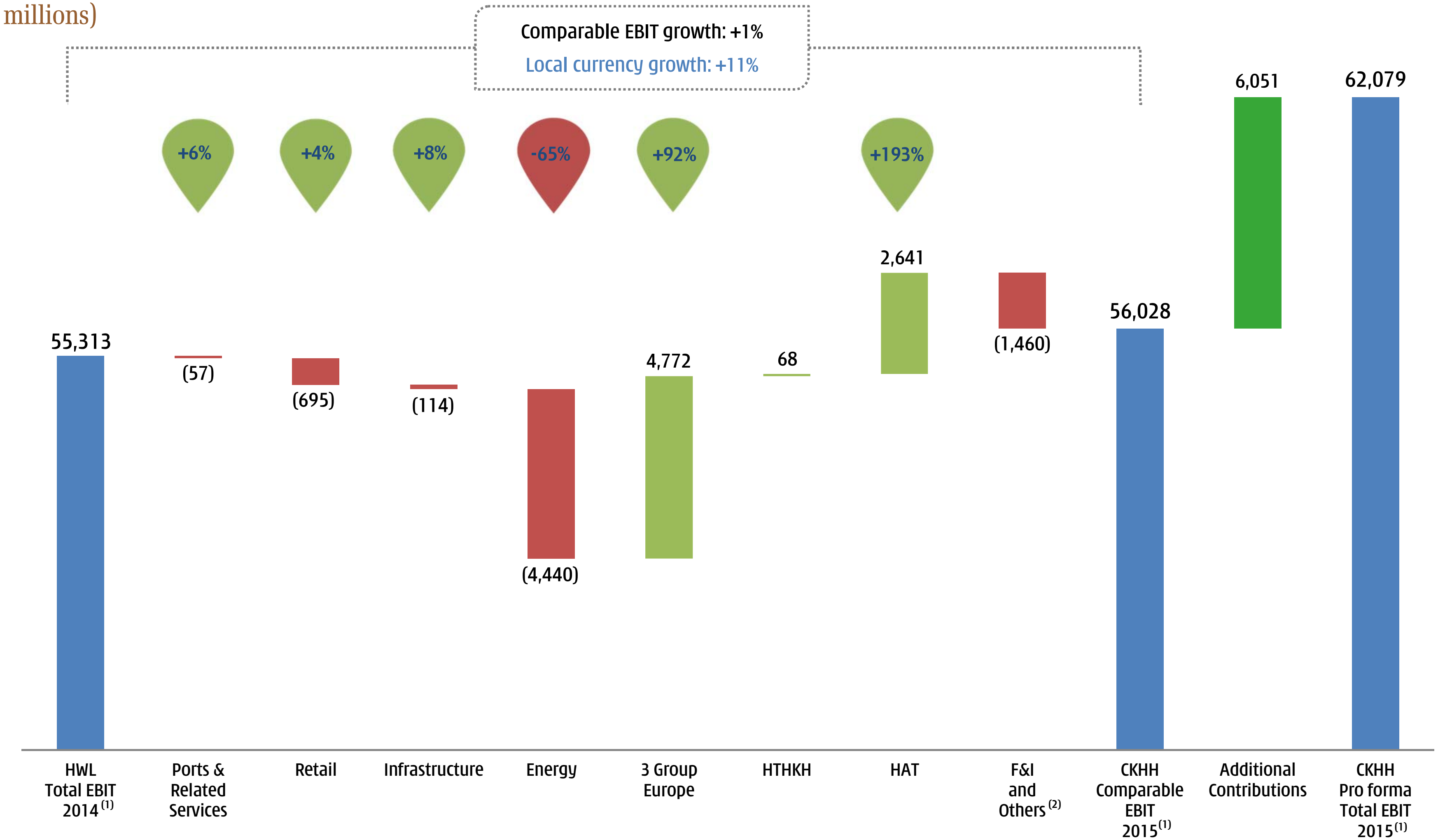
* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

长江和记实业有限公司
CK HUTCHISON HOLDINGS LIMITED

Pro forma Total EBIT

(HK$ millions)



Note (1): CKHH 2015 pro forma results assume that the Reorganisation was effective on 1 January 2015. For a like-for-like comparison, 2015 Comparable EBIT excludes the full year pro forma additional contributions arising from the Reorganisation. HWL 2014 Total EBIT is as reported in HWL's 2014 Annual Report, excluding discontinued Property & Hotel businesses.

Note (2): F&I and Others includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business and corporate overheads and expenses.

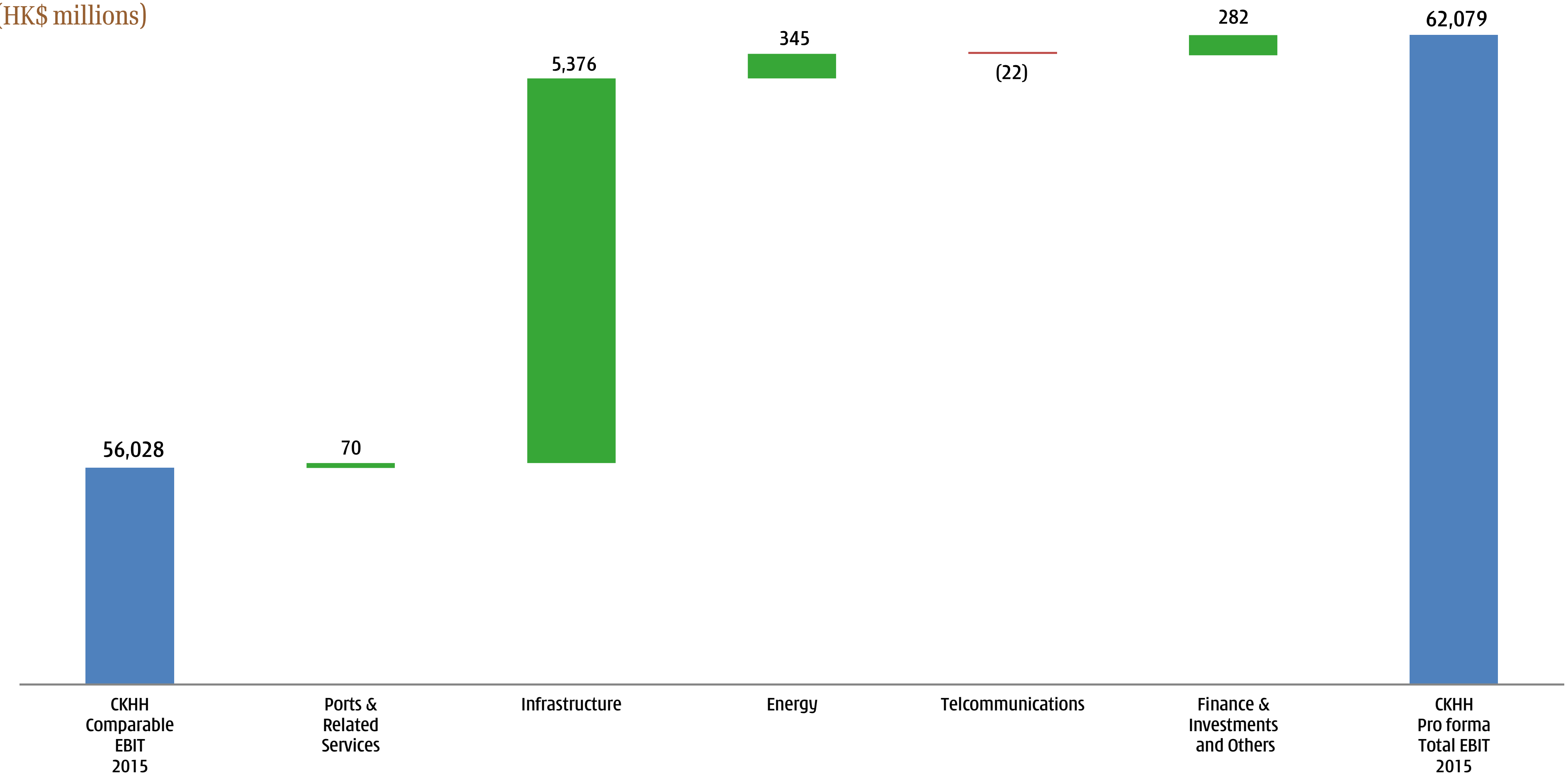
- Represents local currency change %

Business & Geographical Diversification

Total EBIT – Additional Contributions

2015 Additional EBIT Contributions

(HK$ millions)



- *Additional Interest in HPH Trust*
- *Additional interest in 6 co-owned JVs with CKI [(1)]*
- *Aircraft Leasing*
- *Additional interest in Husky Energy*
- *Additional Interest in HTHKK & its JV*
- *Additional interest in Tom Group*
- *CK Life Sciences*
- *Other Investments*

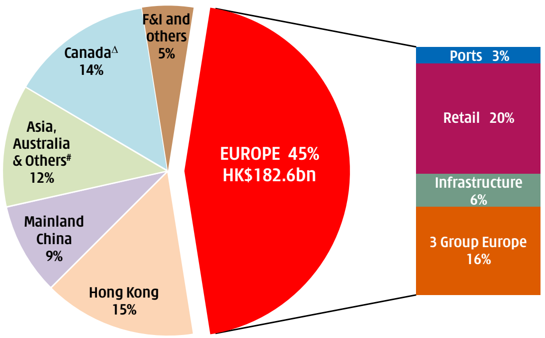
Note (1): Additional interest in 6 co-owned JVs with CKI includes Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy (formerly AVR), Wales & West Utilities and UK Rails (formerly Eversholt).

European Contribution

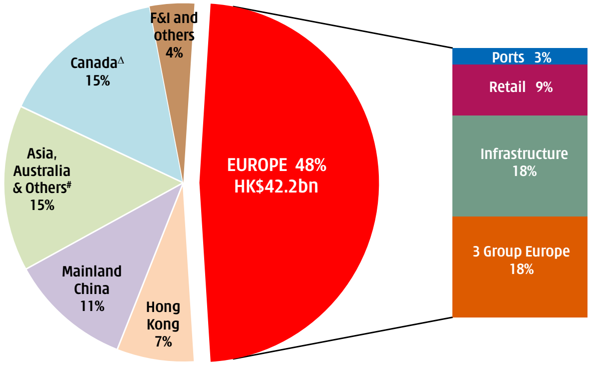
Total Revenue, EBITDA & EBIT

HWL 2014 (1)

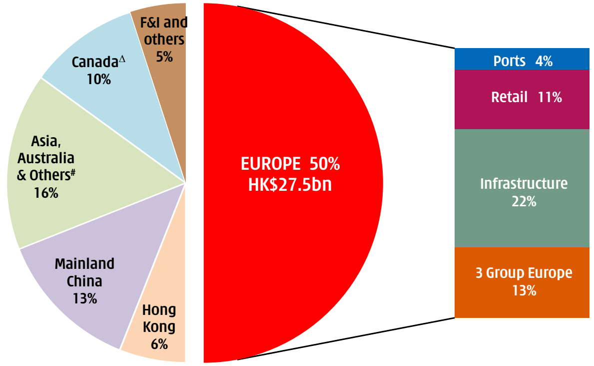
Total Revenue: HK$404.9 billion



Total EBITDA: HK$88.1 billion

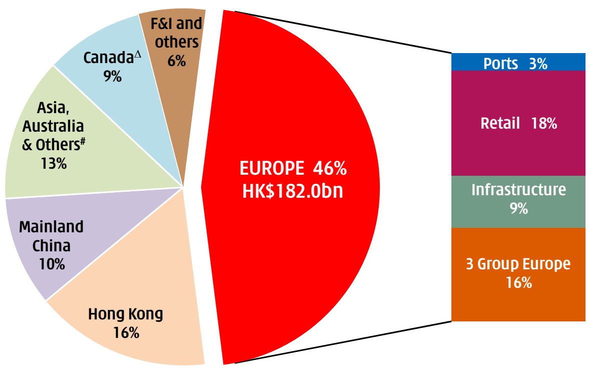


Total EBIT: HK$55.3 billion

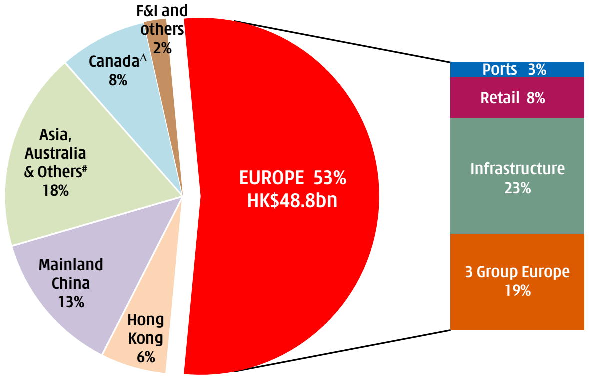


CKHH 2015 Pro forma (1)

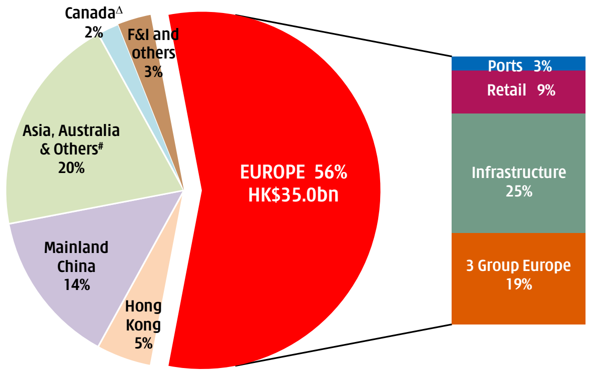
Total Revenue: HK$396.1 billion



Total EBITDA: HK$92.1 billion



Total EBIT: HK$62.1 billion



Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

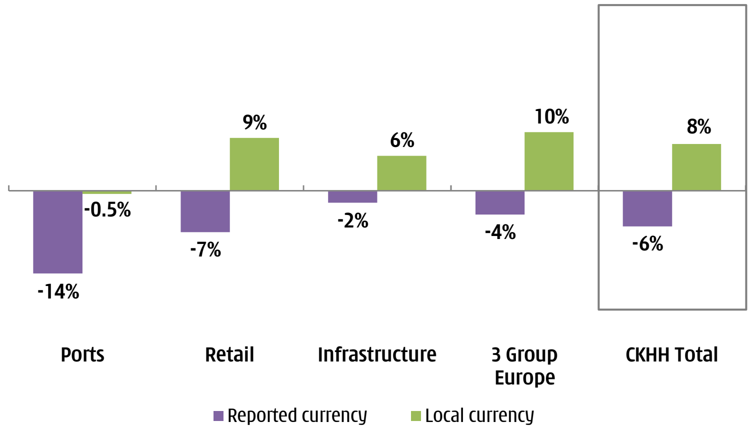
Note (1): CKHH 2015 pro forma results assume that the Reogranisation was effective on 1 January 2015. 2015 Total Revenue, EBITDA and EBIT include the full year contributions from comparable interests in businesses carried on by HWL in 2014 and contributions from additional interest in such businesses and interests in new businesses acquired as a result of the Reorganisation. HWL 2014 results are as reported in HWL's 2014 Annual Report, excluding discontinued Property and Hotels businesses.

European Contribution

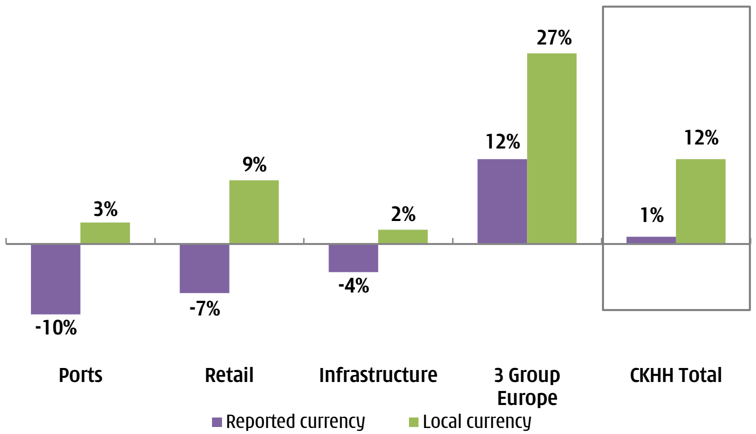
Comparable Revenue, EBITDA & EBIT

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

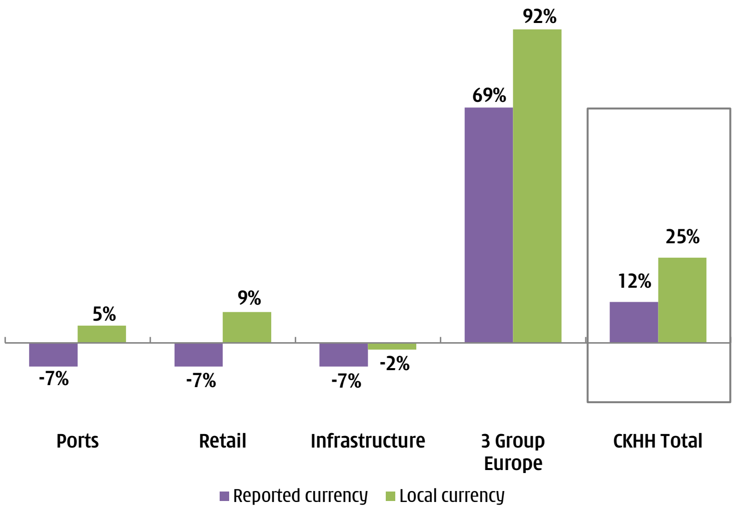
Comparable Revenue (1) - European growth by division (%)



Comparable EBITDA(1) - European growth by division (%)



Comparable EBIT (1) - European growth by division (%)



Note (1): CKHH 2015 pro forma results assume that the Reograniasation was effective on 1 January 2015. For a like-for-like comparison, 2015 Comparable Revenue, EBITDA and EBIT exclude the full year pro forma additional contributions arising from the Reorganisation.

Ports and Related Services

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

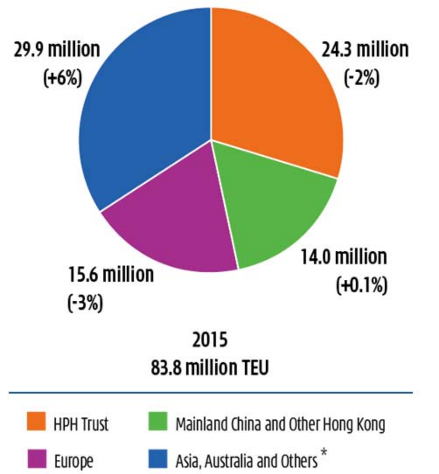
	2015[1] HK$ millions	2014[1] HK$ millions	Change %	Change % in local currency
Comparable Revenue	33,767	35,624	-5%	+2%
Comparable EBITDA	11,840	12,133	-2%	+4%
Comparable EBIT	7,887	7,944	-1%	+6%
Throughput	83.8 million TEU	82.9 million TEU	+1%	NA

Results including Additional Contributions:

	2015[1] HK$ millions	2014[1] HK$ millions	Change %
Total Revenue	**34,009**	**35,624**	**-5%**
Comparable Revenue	*33,767*	*35,624*	*-5%*
Additional Contributions - Revenue	*242*	*-*	*NA*
Total EBITDA	**11,964**	**12,133**	**-1%**
Comparable EBITDA	*11,840*	*12,133*	*-2%*
Additional Contributions - EBITDA	*124*	*-*	*NA*
Total EBIT	**7,957**	**7,944**	**-**
Comparable EBIT	*7,887*	*7,944*	*-1%*
Additional Contributions - EBIT	*70*	*-*	*NA*

- Throughput increased 1% to 83.8 million TEU in 2015, reflecting modest growth in all key markets, except in Hong Kong due to weaker Intra-Asia and transshipment cargoes and in Rotterdam due to competition.
- In local currencies, Comparable EBITDA and EBIT grew 4% and 6% respectively, reflecting higher margin, lower power and fuel costs and better cost controls, partly offset by the deconsolidation impact of the Jakarta operations which became a joint venture subsequent to the dilution of interests by the Group and lower profitability in the Rotterdam ports in 2015.
- The division had 269 operating berths as at 31 December 2015, representing a net decrease of 13 berths during the year mainly due to the disposal or cessation of operations of certain loss-making ports, partly offset by the new berths commencing operations in Dammam, Saudi Arabia, in Barcelona, Spain, and in Felixstowe, the UK.
- Post-Reorganisation, the shareholding in HPH Trust increased from 27.62% to 30.07%.

Total Container Throughput (+1%)
by Subdivision



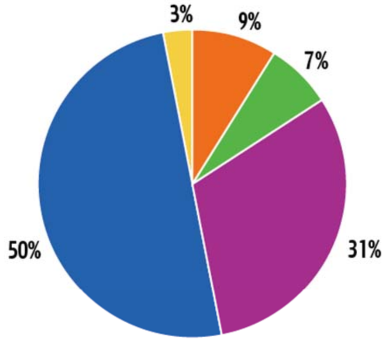
* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note (1): Revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust. To reflect the underlying performance of the Ports and Related Services division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HPH Trust that arose from the Reorganisation. Comparable EBITDA and EBIT include full year pro forma consolidation adjustments that arose from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2015 pro forma total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in HPH Trust. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

Ports and Related Services

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

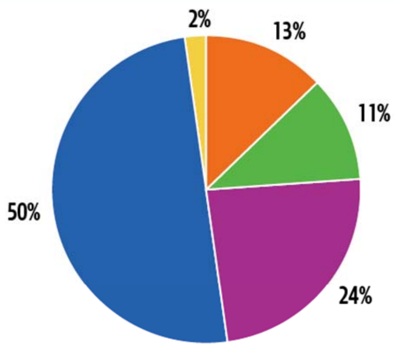
Total Revenue (-5% in reported currency) by Subdivision



CKHH Basis
2015
HK$34,009 million
- Comparable revenue HK$33,767 million
- Additional contribution HK$242 million

- HPH Trust
- Mainland China and Other Hong Kong
- Europe
- Asia, Australia and Others *
- Other port related services

Total EBITDA (-1% in reported currency) by Subdivision



CKHH Basis
2015
HK$11,964 million
- Comparable EBITDA HK$11,840 million
- Additional contribution HK$124 million

- HPH Trust
- Mainland China and Other Hong Kong
- Europe
- Asia, Australia and Others *
- Corporate costs & other port related services

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

Outlook

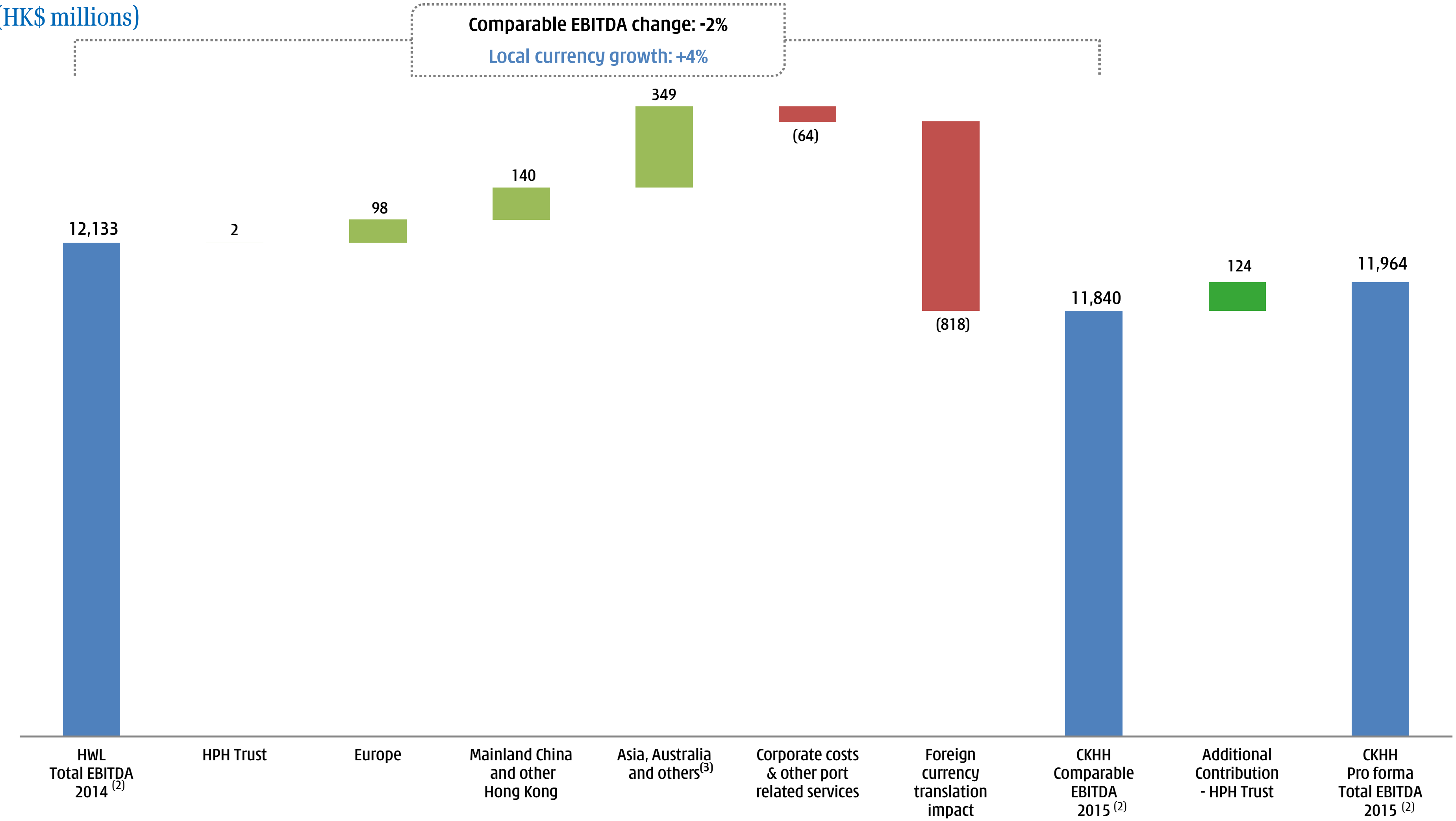
- An increase of 8 berths is expected in 2016 from new berths commencing operations in Yantian (4) and Huizhou (2) in the Mainland, Karachi in Pakistan (1) and Klang in Malaysia (1).
- In light of the challenging global trade conditions, this division will continue to focus on cost efficiency and margin growth to maintain a stable contribution in 2016.

Ports and Related Services

EBITDA Growth

2015 Pro Forma Total EBITDA[1]

(HK$ millions)



Note (1): EBITDA has been adjusted to exclude non-controlling interests' share of results of HPH Trust.

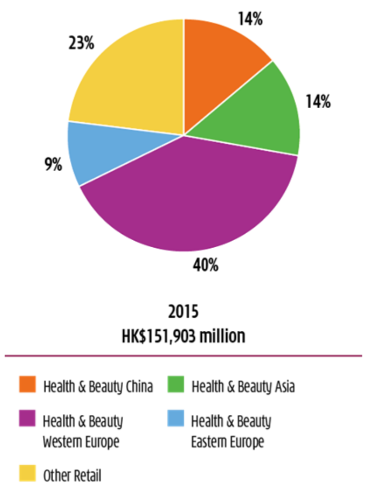
Note (2): CKHH pro forma results assume that the Reorganisation was effective on 1 January 2015. For a like-for-like comparison, 2015 Comparable EBITDA excludes the full year pro forma contribution from additional interest in HPH Trust that arose from the Reorganisation. HWL 2014 Total EBITDA is as presented in HWL's 2014 Annual Report.

Note (3): Asia, Australia and others includes Panama, Mexico and the Middle East.

Retail

	2015(1) HK$ millions	2014(1) HK$ millions	Change %	Change % in local currency
Total Revenue	**151,903**	157,397	-3%	+5%
Total EBITDA	**14,838**	15,549	-5%	+4%
Total EBIT	**12,328**	13,023	-5%	+4%
Total Store Numbers	**12,400**	11,435	+8%	NA

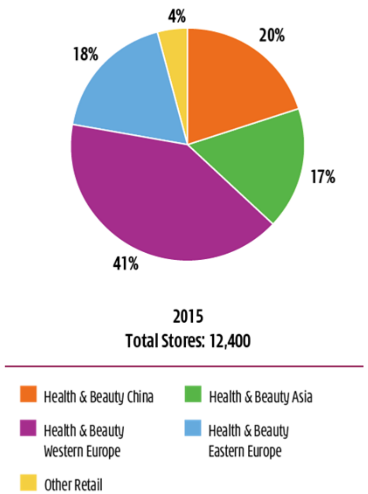
Total Revenue (-3% in reported currency) by Subdivision



Total Revenue	2015 HK$ millions	2014 HK$ millions	Change %	Change % in local currency
Health & Beauty China	**21,713**	20,408	+6%	+9%
Health & Beauty Asia	**20,793**	20,843	-0.2%	+4%
Health & Beauty China & Asia Subtotal	**42,506**	41,251	+3%	+6%
Health & Beauty Western Europe	**60,045**	64,505	-7%	+7%
Health & Beauty Eastern Europe	**13,378**	14,348	-7%	+16%
Health & Beauty Subtotal	**115,929**	120,104	-3%	+8%
Other Retail(2)	**35,974**	37,293	-4%	-3%
Total Retail	**151,903**	157,397	-3%	+5%
- Asia	**78,480**	78,544	-	+2%
- Europe	**73,423**	78,853	-7%	+9%

	Store Numbers			Comparable Store Sales Growth(3) (%)	
	2015 Stores	2014 Stores	Change %	2015	2014
Health & Beauty China	**2,483**	2,088	+19%	**-5.1%**	+3.9%
Health & Beauty Asia	**2,159**	1,940	+11%	**+0.8%**	+4.6%
Health & Beauty China & Asia Subtotal	**4,642**	4,028	+15%	**-2.1%**	+4.3%
Health & Beauty Western Europe	**5,056**	4,868	+4%	**+4.0%**	+3.1%
Health & Beauty Eastern Europe	**2,208**	2,027	+9%	**+5.9%**	+2.5%
Health & Beauty Subtotal	**11,906**	10,923	+9%	**+2.2%**	+3.4%
Other Retail(2)	**494**	512	-4%	**+0.4%**	-1.9%
Total Retail	**12,400**	11,435	+8%	**+1.9%**	+2.3%
- Asia	**5,136**	4,540	+13%	**-1.0%**	+1.4%
- Europe	**7,264**	6,895	+5%	**+4.3%**	+3.0%

Total Retail Store Numbers (+8%) by Subdivision



Note (1): The Reorganisation has no impact to the Retail division's 2015 results. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report. The reported results for both periods are presented on a comparable basis.

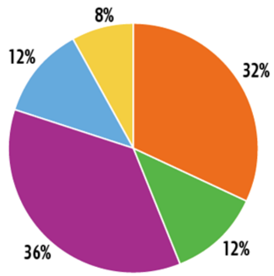
Note (2): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses. 2014 Revenue includes HK$1.1 billion from the airport concession operation which was disposed of in July 2014.

Note (3): Comparable store sales growth represents the percentage 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.

Retail

EBITDA by segment

EBITDA
(-5% in reported currency)
by Subdivision



EBITDA	2015 HK$ millions	EBITDA Margin %	2014 HK$ millions	EBITDA Margin %	Change %	Change % in local currency
Health & Beauty China	4,756	22%	4,179	20%	+14%	+16%
Health & Beauty Asia	1,825	9%	1,865	9%	-2%	+5%
Health & Beauty China & Asia Subtotal	6,581	15%	6,044	15%	+9%	+13%
Health & Beauty Western Europe	5,277	9%	5,709	9%	-8%	+6%
Health & Beauty Eastern Europe	1,835	14%	1,900	13%	-3%	+19%
Health & Beauty Subtotal	13,693	12%	13,653	11%	+0.3%	+11%
Other Retail(1)	1,145	3%	1,546	4%	-26%	-26%
EBITDA before one-off	14,838	10%	15,199	10%	-2%	+7%
Gain on disposal of airport concession operation	-	-	350	-	-100%	-100%
Total Retail	14,838	10%	15,549	10%	-5 %	+4%
- Asia	7,726	10%	7,940	10%	-3%	+0.1%
- Europe	7,112	10%	7,609	10%	-7%	+9%

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

- H&B Segment, which represents 92% of the division's EBITDA, reported an 11% EBITDA growth in local currencies, driven by 2.2% comparable store sales growth and a 9% increase in store numbers to 11,906 stores in 2015, reflecting continued growth momentum of the resilient H&B format.
- The H&B segment overall has a net opening of around 980 new stores in 2015, primarily in the Mainland and certain Asian and Eastern European countries. New store payback of less than 10 months in 2015 is an encouraging indicator for the continued organic growth of this division.
- H&B China continued to focus on extending its geographical penetration across the country which resulted in an EBITDA growth of 16% in local currency. EBITDA margin improved to 22% reflecting the continued promotion of higher margin products.
- The H&B European operations also performed well, revenue and EBITDA both grew 9% in local currencies, mainly due to the continued expansion in store portfolio and improved operational disciplines.

Outlook

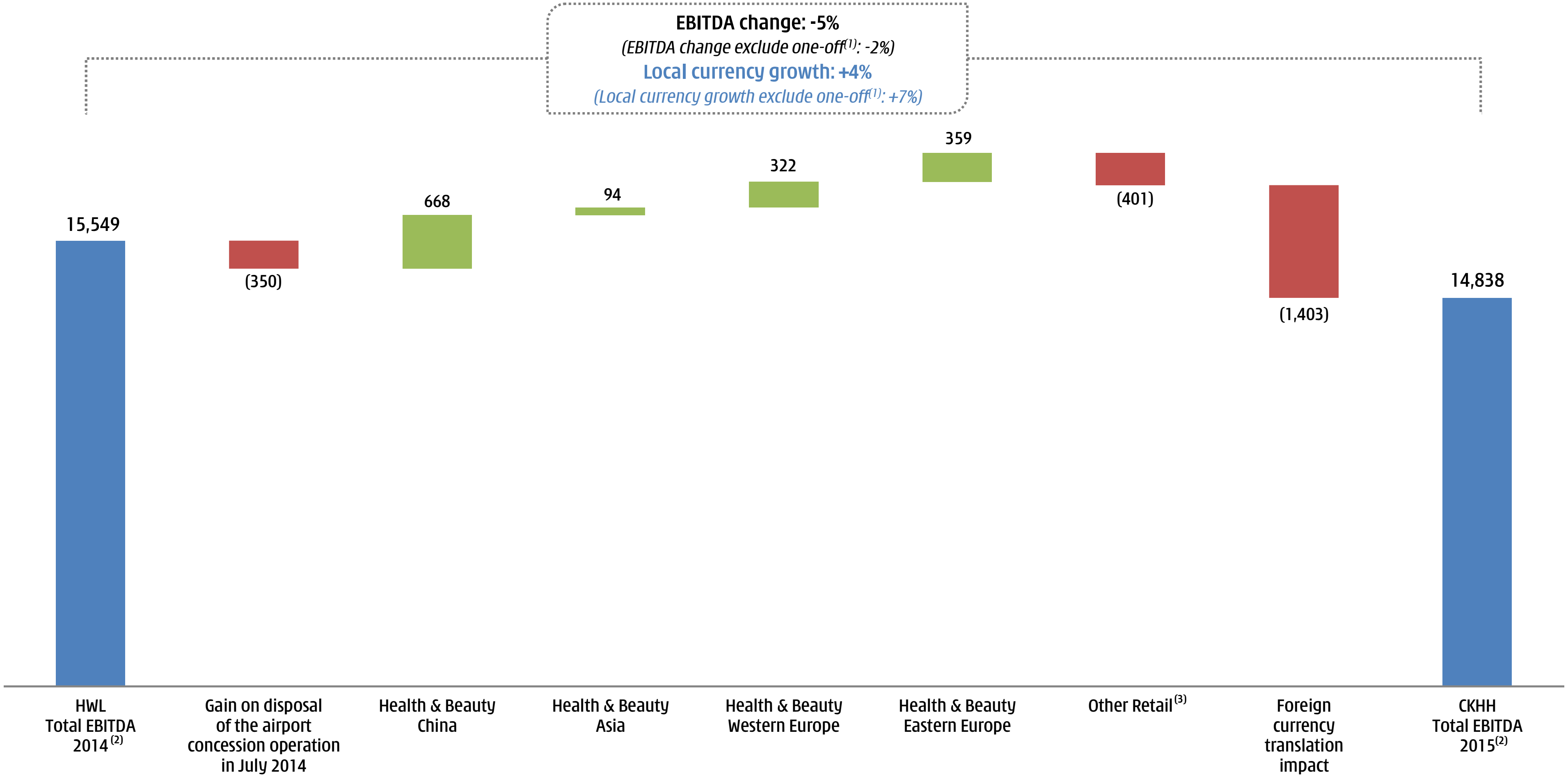
- Looking into 2016 and beyond, the Group will continue to expand its portfolio of retail stores, targeting to grow organically and plans to add around 1,300 stores on a gross basis and over 1,000 stores on a net basis in 2016.

Retail

EBITDA Growth

2015 Total EBITDA

(HK$ millions)



Note (1): Exclude gain on disposal of airport concession operation in July 2014 of HK$350 million.

Note (2): The Reorganisation has no impact to the Retail division's 2015 results. 2014 Total EBITDA is as presented in HWL's 2014 Annual Report.

Note (3): Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

Infrastructure

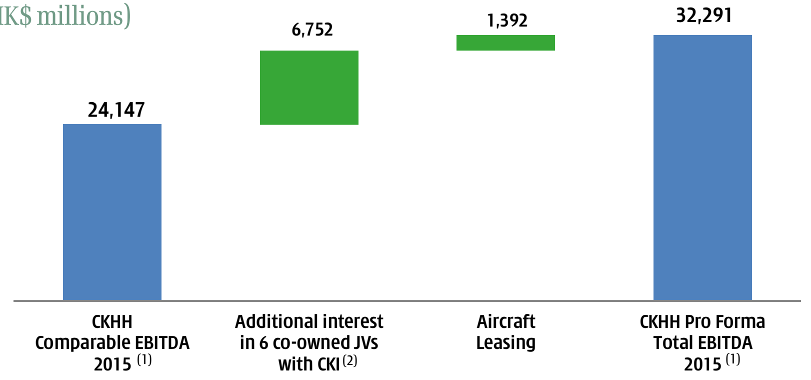
	2015(1) HK$ millions	2014(1) HK$ millions	Change %	Change % in local currency
Comparable Revenue	43,844	45,419	-3%	+4%
Comparable EBITDA	24,147	24,483	-1%	+7%
Comparable EBIT	18,101	18,215	-1%	+8%

Results including Additional Contributions:

	2015(1) HK$ millions	2014(1) HK$ millions	Change %
Total Revenue	**55,762**	**45,419**	**+23%**
Comparable Revenue	*43,844*	*45,419*	*-3%*
Additional Contributions - Revenue	*11,918*	*-*	*N/A*
Total EBITDA	**32,291**	**24,483**	**+32%**
Comparable EBITDA	*24,147*	*24,483*	*-1%*
Additional Contributions - EBITDA	*8,144*	*-*	*N/A*
Total EBIT	**23,477**	**18,215**	**+29%**
Comparable EBIT	*18,101*	*18,215*	*-1%*
Additional Contributions - EBIT	*5,376*	*-*	*N/A*

2015 Additional EBITDA Contributions

(HK$ millions)



Note (1): To reflect the underlying performance of the Infrastructure division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contributions from additional interests in 6 co-owned JVs with CKI and from the Aircraft Leasing operations arising from the Reorganisation. 2015 pro forma total Revenue, EBITDA and EBIT include the full year pro forma contributions from the co-owned JVs and the Aircraft Leasing operations. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

Note (2): Additional interest in 6 co-owned JVs with CKI includes Northumbrian Water, Park'N Fly, Australian Gas Networks, Dutch Enviro Energy (formerly AVR), Wales & West Utilities and UK Rails (formerly Eversholt).

Cheung Kong Infrastructure ("CKI")

- CKI's announced earnings for 2015 of HK$11,162 million was lower than the HK$31,782 million for 2014. Excluding one-time items of HK$19,557 million share of gain from Power Assets' separate listing of its Hong Kong electricity business and HK$2,236 million gain upon completion of the AGN transaction in 2014, CKI's earnings increased by 12% due to the overall growth of the underlying operations, the accretive contributions from Park'N Fly, AGN, UK Rails and Portugal Renewable Energy, which were acquired during 2014 and 2015, as well as the deferred tax benefit from the reduction in UK tax rates, partly offset by the weaknesses of the British Pound and Australian dollar that resulted in lower reported results on translation to Hong Kong dollars.
- In January 2016, UK Rails entered into a contract to procure and lease out 281 new trains worth £490 million to Arriva Rail North Limited.
- In March 2016, CKI issued perpetual capital securities with a nominal amount of US$1,200 million for general corporate funding purposes, including the redemption of existing US$1,000 million perpetual capital securities.

Aircraft Leasing

- At the end of December 2015, the aircraft leasing business, including its 50% joint venture, has a total fleet of 66 aircraft which were fully leased.

Outlook

- CKI will continue to actively seek suitable opportunities to expand its portfolio, and continue to focus on high quality investments in stable, well-regulated infrastructure assets.
- The aircraft leasing business will continue to monitor the existing portfolio to maintain its steady earnings and cashflow contribution to the Group.
- With its expanded infrastructure asset base post-Reorganisation and the newly acquired businesses, this division is expected to contribute steady recurring earnings to the Group in 2016.

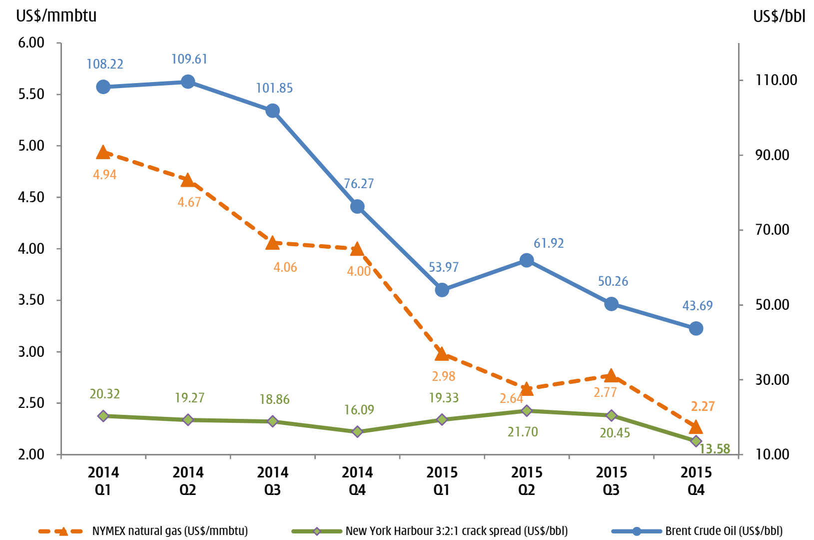
Energy

	2015[1] HK$ millions	2014[1] HK$ millions	Change %	Change % in local currency
Comparable Revenue	33,824	57,368	-41%	-32%
Comparable EBITDA	7,922	14,410	-45%	-37%
Comparable EBIT	1,884	6,324	-70%	-65%
Production	345.7 mboe/day	340.1 mboe/day	+2%	NA

Results including Additional Contributions:

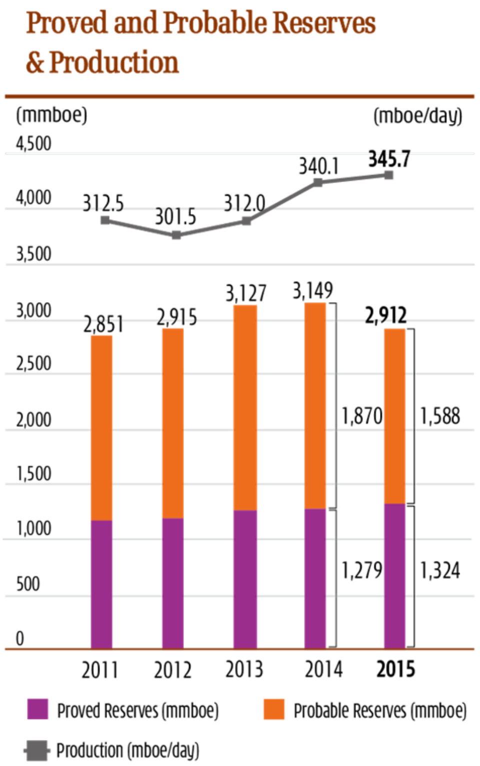
	2015[1] HK$ millions	2014[1] HK$ millions	Change %
Total Revenue	40,029	57,368	-30%
Comparable Revenue	*33,824*	*57,368*	*-41%*
Additional Contributions - Revenue	*6,205*	*-*	*N/A*
Total EBITDA	9,375	14,410	-35%
Comparable EBITDA	*7,922*	*14,410*	*-45%*
Additional Contributions - EBITDA	*1,453*	*-*	*N/A*
Total EBIT	2,229	6,324	-65%
Comparable EBIT	*1,884*	*6,324*	*-70%*
Additional Contributions - EBIT	*345*	*-*	*N/A*

Average Benchmark



- Husky Energy's announced net earnings, before impairment charge and asset write downs, of C$165 million in 2015, a 92% decline when compared to 2014 due to a depressed oil price environment.
- In light of the prolonged low oil price levels, Husky Energy has recognised an after-tax property, plant and equipment impairment charges, goodwill impairment charges, exploration and evaluation asset write-downs and inventory write-downs of C$4,015 million on its crude oil and natural gas assets located in Western Canada in the second half of 2015. As part of the Reorganisation, the Group had to rebase Husky Energy's assets to their fair values on the date of completion of the Reorganisation. Consequently, a lower valuation was assigned to these Western Canadian assets for the Group's financial statements, consistent with prevailing conditions in the relevant energy markets. As a result, the impairment charge and write downs of these assets by Husky Energy had no impact on the Group's reported results.
- On a full year pro forma basis, the Group's share of comparable EBITDA and EBIT, including consolidation adjustments, decreased by 37% and 65% respectively in local currency, as the average realised crude oil and North American natural gas prices were negatively impacted by the prolonged weak market benchmarks. On a full year pro forma basis, the adverse EBITDA variances were partly offset by lower depletion, depreciation and amortisation charges resulting from the rebasing of depreciable energy assets under the Reorganisation.
- Post-Reorganisation, the shareholding in Husky Energy increased from 33.96% to currently 40.18%.

Note (1): To reflect the underlying performance of the Energy division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in Husky Energy arising from the Reorganisation but includes the full year pro forma adjustment of the depletion, depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2015 pro forma total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in Husky Energy. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.



- Average production increased 2% to 345.7 mboe/day in 2015, mainly due to ramp up in production from the Asia Pacific Region and new volumes from the Sunrise Energy and Rush Lake thermal development projects which were partly offset by lower production in Western Canada and the Atlantic Region as a result of natural reservoir declines in mature properties and reduced capital investment.

Outlook

- Certain portion of Husky Energy's operations are not directly affected by the commodity price volatility, including the Asia Pacific Region, which is delivering solid value through fixed price contracts and the margin-based Downstream business.
- Husky Energy is continuing to advance its transition into a low sustaining capital business while providing flexibility in ramping up production when commodity prices recover. Several initiatives are in progress to unlock the incremental value and further strengthen the business and the balance sheet, including potential complete or partial sale of certain midstream pipelines and storage facilities in the Lloydminster region and dispositions of certain legacy oil and natural gas assets in its Western Canada portfolio. Husky Energy will continue to take actions to allow the company to emerge from the current low oil price cycle as a more resilient and more profitable company.

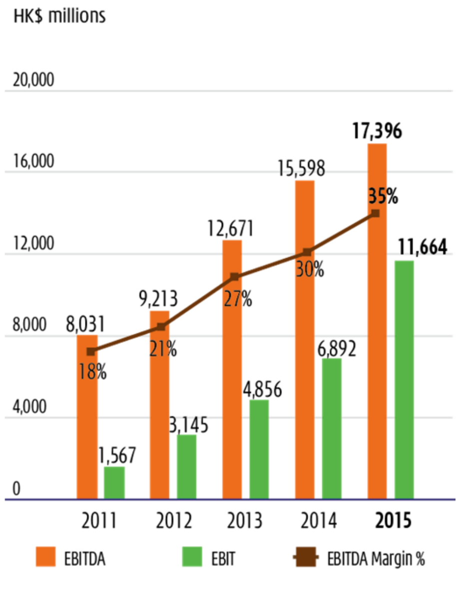
Telecommunications – 3 Group Europe

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

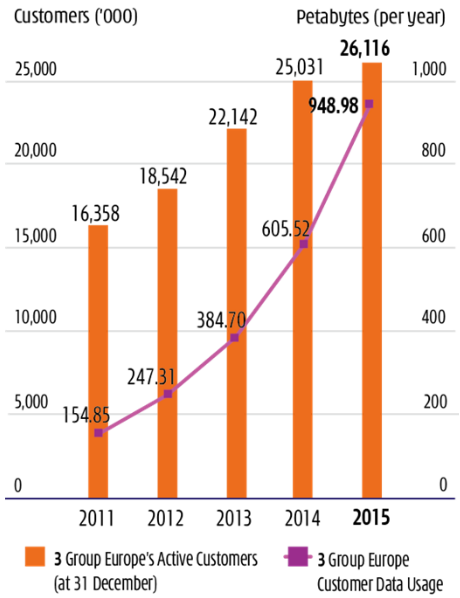
	2015[1] HK$ millions	2014[1] HK$ millions	Change %	Change % in local currency
Total Revenue	62,799	65,623	-4%	+10%
Total EBITDA	17,396	15,598	+12%	+27%
Total EBIT	11,664	6,892	+69%	+92%

Note (1): 2015 pro forma total EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

3 Group Europe - EBITDA & EBIT in reported currency



3 Group Europe's Active Customers and Data Usage

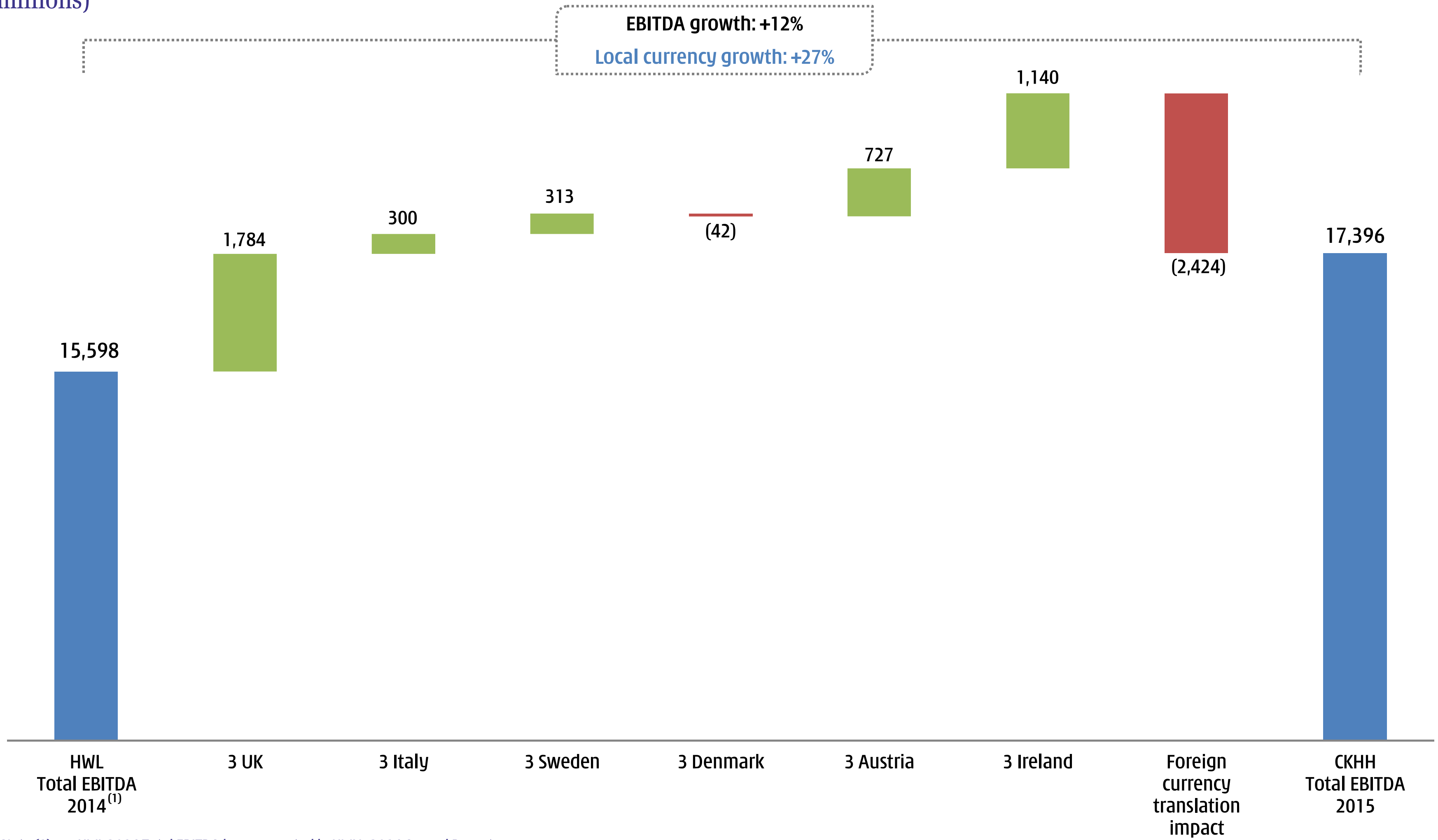


- Overall 3 Group Europe operations reported improved underlying EBITDA performances, particularly in 3 UK from a further improved net customer service margin, 3 Ireland from a full year of accretive earnings contribution following the O_2 Ireland acquisition in July 2014 and continued cost synergies realised in 3 Austria.
- On a full year pro forma basis, EBITDA and EBIT in local currencies increased 27% and 92% respectively due to margin growth, lower customer acquisition costs. EBIT improvement was also due to lower depreciation and amortisation resulting from the rebasing of telecommunication assets under the Reorganisation.
- In March 2015, HWL entered into an agreement with Telefónica SA to acquire O_2 UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of 3 UK and O_2 UK of agreed financial targets. Upon completion of the acquisition, the combined business will become the largest mobile operator in the UK. In May 2015, HWL announced that it has entered into agreements with 5 institutional investors who will acquire approximately 32.98% interest in the combined business of 3 UK and O_2 UK for a total of £3.1 billion. These agreements are conditional on and will occur concurrently with the completion of the acquisition of O_2 UK. The Group is considering the sale of a stake in 3 UK to a new investor with a view to further reducing the new cash investment required from the Group to fund the acquisition. Should such new investment proceed, the Group will consider implementing a revised business structure that would maintain the continuity and separation of the 3 UK and O_2 UK businesses. This would be directed to achieving benefits in terms of operational strategy and focus, regulatory approvals and contractual obligations, while preserving financial and operational efficiencies and savings expected from the acquisition of O_2 UK.
- In August 2015, the Group announced agreement with VimpelCom Ltd to form an equal joint venture merging 3 Italy and VimpelCom's subsidiary ("Wind") in Italy. On a combined basis, 3 Italy and Wind will become the largest mobile operator in Italy by customer numbers.
- The above transactions are expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in these markets, and in turn, generating accretive earnings to the Group. Completion of these transactions is subject to regulatory approval.

Telecommunications – 3 Group Europe

EBITDA Growth

2015 Total EBITDA
(HK$ millions)



Note (1): HWL 2014 Total EBITDA is as presented in HWL's 2014 Annual Report.

Telecommunications – 3 Group Europe

Results by operations

In millions	UK		Italy		Sweden		Denmark		Austria		Ireland		3 Group Europe	
	GBP		EURO		SEK		DKK		EURO		EURO		HK$	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total Revenue	**2,195**	2,063	**1,825**	1,739	**7,019**	6,407	**2,078**	2,046	**736**	686	**689**	436	**62,799**	65,623
% Improvement (Reduction)	*6%*		*5%*		*10%*		*2%*		*7%*		*58%*		*-4%*	
												Local currency change %	*10%*	
- Net Customer Service Revenue	1,573	1,459	1,478	1,376	4,657	4,286	1,802	1,799	613	564	549	358	47,713	49,480
% Improvement (Reduction)	*8%*		*7%*		*9%*		*-*		*9%*		*53%*		*-4%*	
												Local currency change %	*11%*	
- Handset Revenue	549	577	297	308	2,073	1,893	178	178	99	99	79	47	12,696	14,372
- Other Revenue	73	27	50	55	289	228	98	69	24	23	61	31	2,390	1,771
Net Customer Service Margin(1)	**1,363**	1,169	**1,153**	1,052	**3,995**	3,664	**1,571**	1,566	**514**	464	**448**	292	**39,825**	39,714
% Improvement	*17%*		*10%*		*9%*		*-*		*11%*		*53%*		*-*	
												Local currency change %	*15%*	
Net Customer Service Margin %	87%	80%	78%	76%	86%	85%	87%	87%	84%	82%	82%	82%	83%	80%
Other margin	**18**	10	**48**	53	**101**	65	**52**	32	**16**	17	**30**	6	**1,187**	1,008
TOTAL CACs	(764)	(807)	(560)	(551)	(2,806)	(2,543)	(433)	(416)	(132)	(123)	(127)	(87)	(19,169)	(21,514)
Less: Handset Revenue	549	577	297	308	2,073	1,893	178	178	99	99	79	47	12,696	14,372
Total CACs (net of handset revenue)	**(215)**	(230)	**(263)**	(243)	**(733)**	(650)	**(255)**	(238)	**(33)**	(24)	**(48)**	(40)	**(6,473)**	(7,142)
Operating Expenses	**(480)**	(402)	**(662)**	(614)	**(1,338)**	(1,333)	**(664)**	(626)	**(181)**	(212)	**(256)**	(194)	**(17,143)**	(17,982)
Opex as a % of net customer service margin	35%	34%	57%	58%	33%	36%	42%	40%	35%	46%	57%	66%	43%	45%
EBITDA	**686**	547	**276**	248	**2,025**	1,746	**704**	734	**316**	245	**174**	64	**17,396**	15,598
% Improvement (Reduction)	*25%*		*11%*		*16%*		*-4%*		*29%*		*172%*		*12%*	
												Local currency change %	*27%*	
EBITDA margin %(2)	42%	37%	18%	17%	41%	39%	37%	39%	50%	42%	29%	16%	35%	30%
Depreciation & Amortisation	**(225)**	(233)	**(119)**	(294)	**(653)**	(752)	**(274)**	(309)	**(64)**	(75)	**(65)**	(64)	**(5,732)**	(8,706)
EBIT	**461**	314	**157**	(46)	**1,372**	994	**430**	425	**252**	170	**109**	0.1	**11,664**	6,892
% Improvement	*47%*		*441%*		*38%*		*1%*		*48%*		*108900%*		*69%*	
												Local currency change %	*92%*	
Capex (excluding licence)	**(358)**	(322)	**(446)**	(404)	**(809)**	(790)	**(161)**	(187)	**(116)**	(135)	**(132)**	(126)	**(10,930)**	(11,271)
EBITDA less Capex	**328**	225	**(170)**	(156)	**1,216**	956	**543**	547	**200**	110	**42**	(62)	**6,466**	4,327
Licence	**(212)**	(1)	**-**	(2)	**-**	-	**-**	-	**-**	-	**-**	-	**(2,447)**	(38)

Note (1): Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note (2): EBITDA margin % represents EBITDA as a % of Total revenue excluding handset revenue.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe
Customer Base - Registered Customers at 31 December 2015 ('000)							
Postpaid	6,193	5,503	1,762	760	2,485	1,168	17,871
% Variance (December 2015 vs December 2014)	*2%*	*9%*	*6%*	*1%*	*-1%*	*-*	*4%*
Prepaid	4,598	4,579	253	414	1,301	1,577	12,722
% Variance (December 2015 vs December 2014)	*9%*	*-8%*	*13%*	*11%*	*18%*	*10%*	*3%*
Total	10,791	10,082	2,015	1,174	3,786	2,745	30,593
% Variance (December 2015 vs December 2014)	*5%*	*-*	*7%*	*4%*	*5%*	*6%*	*4%*

	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe
Customer Base - Active Customers[1] at 31 December 2015 ('000)							
Postpaid	6,068	5,396	1,762	760	2,471	1,141	17,598
% Variance (December 2015 vs December 2014)	*2%*	*9%*	*6%*	*1%*	*-*	*1%*	*4%*
Prepaid	2,898	3,723	163	394	447	893	8,518
% Variance (December 2015 vs December 2014)	*17%*	*-2%*	*22%*	*17%*	*3%*	*-3%*	*5%*
Total	8,966	9,119	1,925	1,154	2,918	2,034	26,116
% Variance (December 2015 vs December 2014)	*7%*	*4%*	*7%*	*6%*	*-*	*-1%*	*4%*

Note (1): An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding 3 months.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
12-month Trailing Average Revenue per Active User ("ARPU")[1] to 31 December 2015							
Postpaid ARPU[1]	£26.93	€17.87	SEK305.42	DKK168.77	€22.33	€31.25	€27.84
Prepaid ARPU[1]	£5.23	€8.47	SEK127.25	DKK99.11	€9.77	€16.52	€9.29
Blended Total ARPU[1]	£20.10	€13.89	SEK290.95	DKK146.36	€20.46	€24.73	€21.77
% Variance compared to 31 December 2014	*-3%*	*2%*	*1%*	*-5%*	*4%*	*-4%*	*4%*
12-month Trailing Net Average Revenue per Active User ("Net ARPU")[2] to 31 December 2015							
Postpaid Net ARPU[2]	£19.41	€17.87	SEK216.27	DKK152.10	€19.03	€27.48	€22.44
Prepaid Net ARPU[2]	£5.23	€8.47	SEK127.25	DKK99.11	€9.77	€16.52	€9.29
Blended Total Net ARPU[2]	£14.95	€13.89	SEK209.05	DKK135.06	€17.65	€22.63	€18.14
% Variance compared to 31 December 2014	*-1%*	*2%*	*-*	*-6%*	*8%*	*-5%*	*5%*
12-month Trailing Net Average Margin per Active User ("Net AMPU")[3] to 31 December 2015							
Postpaid Net AMPU[3]	£16.80	€13.78	SEK185.57	DKK131.85	€15.92	€23.03	€18.77
Prepaid Net AMPU[3]	£4.56	€6.82	SEK107.56	DKK87.43	€8.39	€12.70	€7.66
Blended Total Net AMPU[3]	£12.95	€10.83	SEK179.24	DKK117.56	€14.80	€18.46	€15.14
% Variance compared to 31 December 2014	*7%*	*4%*	*-*	*-6%*	*10%*	*-5%*	*10%*

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

Note (2): Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note (3): Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid 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.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

2015	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	**57%**	**55%**	**87%**	**65%**	**66%**	**43%**	**58%**
Contract customers' contribution to the net customer service revenue base (%)	**89%**	**74%**	**95%**	**76%**	**92%**	**68%**	**83%**
Average monthly churn rate of the total contract registered customer base (%)	**1.5%**	**2.7%**	**1.5%**	**2.8%**	**0.4%**	**1.6%**	**1.8%**
Active contract customers as a % of the total contract registered customer base	**98%**	**98%**	**100%**	**100%**	**99%**	**98%**	**98%**
Active customers as a % of the total registered customer base	**83%**	**90%**	**96%**	**98%**	**77%**	**74%**	**85%**
Full year data usage per active customer (Gigabyte)							**38.1**

2014	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	59%	50%	88%	67%	69%	45%	58%
Contract customers' contribution to the net customer service revenue base (%)	90%	74%	96%	76%	93%	69%	84%
Average monthly churn rate of the total contract registered customer base (%)	1.6%	2.3%	1.4%	2.7%	0.6%	1.5%	1.7%
Active contract customers as a % of the total contract registered customer base	98%	98%	100%	100%	99%	98%	98%
Active customers as a % of the total registered customer base	82%	87%	95%	97%	81%	79%	85%
Full year data usage per active customer (Gigabyte)							25.4

Telecommunications – HTHKH

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

	2015(1) HK$ millions	2014(1) HK$ millions	Change %
Comparable Revenue	22,042	16,296	+35%
Comparable EBITDA	2,891	2,780	+4%
Comparable EBIT	1,448	1,380	+5%

Results including additional contributions:

	2015(1) HK$ millions	2014(1) HK$ millions	Change %
Total Revenue	**22,122**	16,296	+36%
Comparable Revenue	*22,042*	*16,296*	*+35%*
Additional contributions - Revenue	*80*	*-*	*N/A*
Total EBITDA	**2,911**	2,780	+5%
Comparable EBITDA	*2,891*	*2,780*	*+4%*
Additional contributions - EBITDA	*20*	*-*	*N/A*
Total EBIT	**1,426**	1,380	+3%
Comparable EBIT	*1,448*	*1,380*	*+5%*
Additional contributions - LBIT	*(22)*	*-*	*N/A*

Note (1): To reflect the underlying performance of HTHKH in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HTHKH and its JV that arose from the Reorganisation. 2015 pro forma total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in HTHKH and its JV. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

- HTHKH announced profit attributable to shareholders of HK$915 million and earnings per share of 18.99 HK cents, an increase of 10% compared to last year, reflecting improvements in the mobile operations.
- HTHKH had a combined active mobile customer base of approximately 3.0 million in Hong Kong and Macau.
- Significant increase in announced revenue from 2014 was mainly due to higher hardware sales with low profit margin.
- Announced EBITDA and EBIT improved by 4% and 5% respectively from 2014, mainly driven by the growth in mobile business from lower acquisition and retention costs, improvement in operational efficiency, as well as higher hardware sales, partially offset by a lower contribution from the fixed line business.
- The mobile business has expanded its high speed 4G LTE network which facilitates the upselling activities to its existing customer base for achieving a higher net AMPU.
- 4G LTE service was launched in Macau in December 2015.
- Lower year-on-year performance of the fixed line business was primarily attributable to reduced demand in IDD, partially offset by higher revenue generated from corporate and business segments.
- Post-Reorganisation, the shareholding in HTHKH increased slightly from 65.01% to 66.09%.

Telecommunications – HAT & HTAL , Share of VHA

HAT

	2015(1) HK$ millions	2014(1) HK$ millions	Change %	Change % in local currency
Total Revenue	6,900	5,757	+20%	+34%
Total EBITDA/(LBITDA)	1,176	(278)	+523%	+588%
Total EBIT/(LBIT)	1,176	(1,465)	+180%	+193%

Note (1): 2015 pro forma total EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, LBITDA and LBIT are as presented in HWL's 2014 Annual Report.

- HAT had an active customer base of approximately 72.8 million with operations in Indonesia, Vietnam and Sri Lanka.
- The Indonesian operation continued to improve sales and profitability, particularly in the second half of the year, with customer growth of 23% during the period since June 2015.
- EBITDA of HK$1,176 million in 2015 represents a turnaround from LBITDA of HK$278 million in 2014, mainly due to charges of HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation in 2014.
- On a full year pro forma basis, the turnaround to EBIT of HK$1,176 million in 2015 compared to a LBIT of HK$1,465 million in 2014, was also due to the reduced cost and depreciable asset base under the Reorganisation.
- With strong network coverage and capacity, the Indonesian business is expected to carry on the growth momentum in 2016.

HTAL, including share of VHA

HTAL's announced annual results

	2015 A$ millions	2014 A$ millions	Change %
Announced Total Revenue	1,826	1,748	+4%
Announced EBITDA	406	386	+5%
Announced Loss Attributable to Shareholders	(183)	(286)	+36%

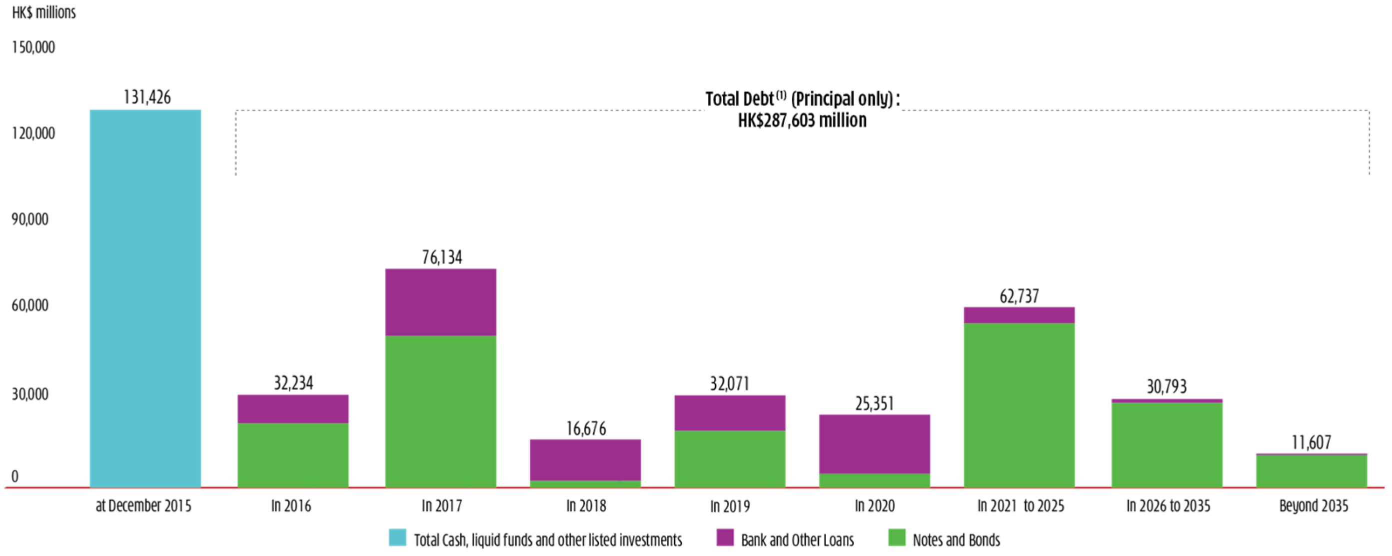
- HTAL owns 50% of VHA and announced total revenue and EBITDA of A$1,826 million and A$406 million, a 4% and 5% increase respectively over last year driven by growth in the customer base as well as continued stringent cost controls.
- HTAL also announced a A$183 million loss attributable to shareholders in 2015, a 36% improvement as compared to last year, mainly due to the improved EBITDA performance and lower depreciation charges following the one-off accelerated depreciation recorded in 2014.
- VHA's active customer base increased 3% to over 5.4 million (including MVNOs) at 31 December 2015.
- VHA's 4G LTE coverage reaches 97% of the Australian metropolitan population while deployment of Voice over LTE commenced in 2015.
- VHA's operating losses continue to be included as a P&L charge under "Others" of the Group's profits on disposal of investments and others line as VHA continues to operate under the leadership of Vodafone under the applicable terms of our shareholders' agreement since 2H 2012.

Financial profile

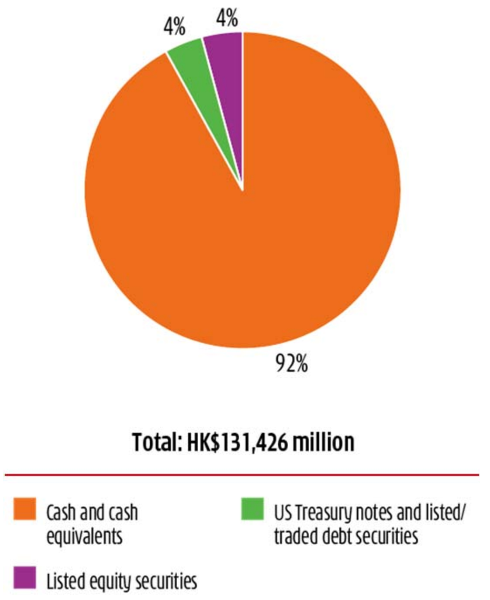
Healthy maturity and liquidity profile

CK HUTCHISON HOLDINGS LIMITED

Debt[1] Maturity Profile at 31 December 2015



Liquid Assets by Type at 31 December 2015



Net Debt at 31 December 2015

Net debt[2] (HK$ million)	172,580
Net debt to net total capital ratio[2] (%)	23.7%

Note (1): Excludes unamortised fair value adjustments arising from acquisition of HK$16,403 million.

Note (2): Net debt is defined on the Consolidated Statement of Cash Flows. With effect from 1 January 2015, total bank and other debts is 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

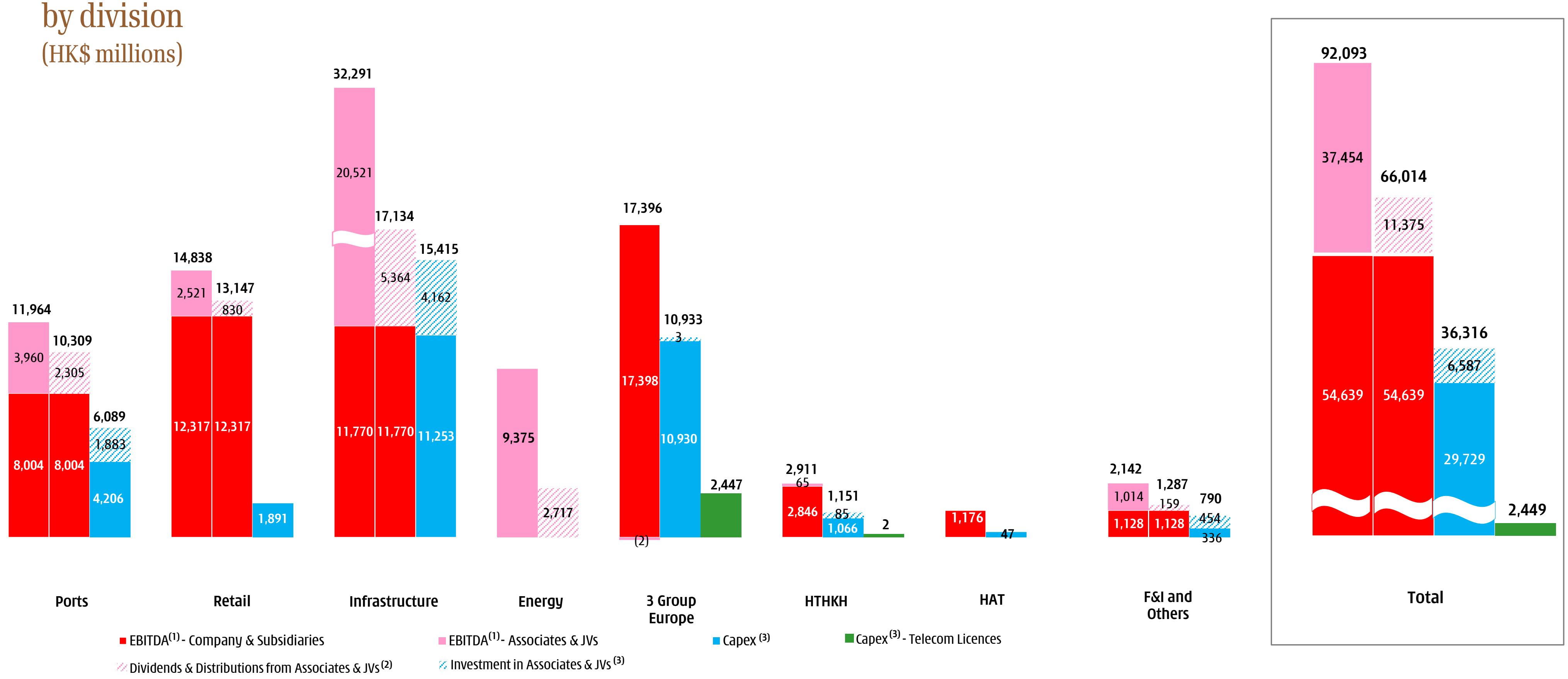
長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

2015 EBITDA , Dividends and distributions from Associates & JVs less Capex of Company & Subsidiaries and Investments in Associates & JVs

CKHH Pro forma basis

by division

(HK$ millions)



Note (1): EBITDA excludes (i) non-controlling interests' share of results of HPH Trust and (ii) profits on disposal of investments & others.

Note (2): Dividends and distributions represent dividends and distributions of HWL businesses continued by CKHH in the year ended 31 December 2015 as well as 12 months pro forma additional dividends and distributions in FY2015 arising from the Reorganisation.

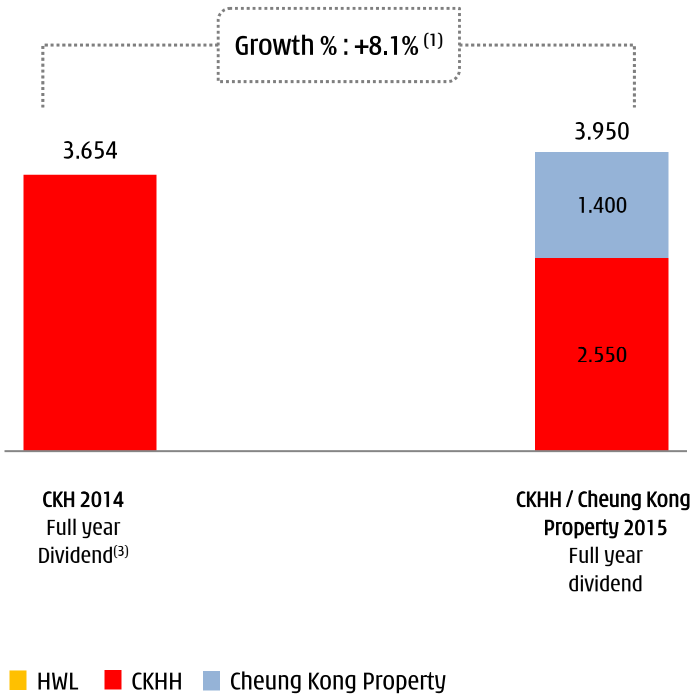
Note (3): Capex and investments in Associates & JVs represent capex spending of HWL businesses continued by CKHH in the year ended 31 December 2015 and 12 months proforma additional capex and investments in FY2015 arising from the Reorganisation. As the acquisition of UK Rails is treated as an acquisition of subsidiary company (CKHH: 50% share ; CKI: 50% share) under CKHH pro forma basis, the capex and investments in Associates & JVs shown above do not include the acquisition cost.

CKHH / Cheung Kong Property

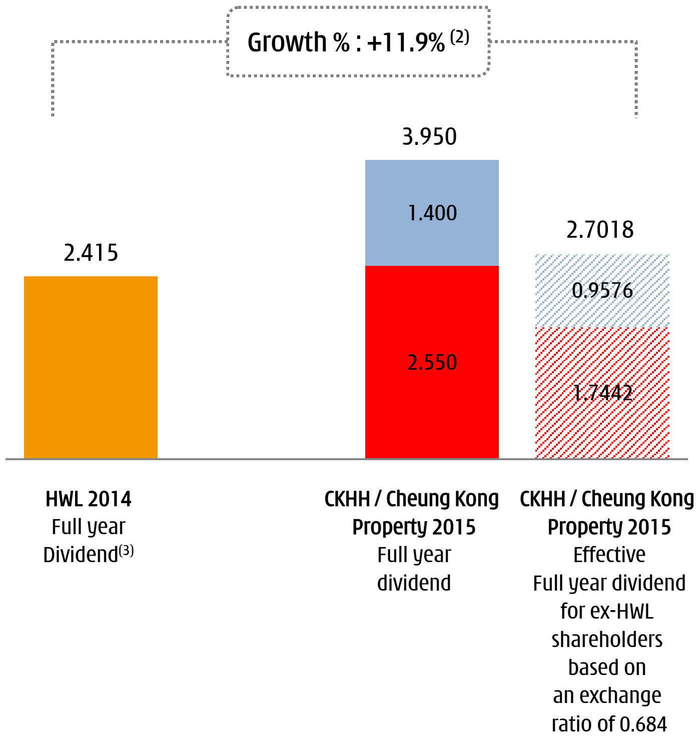
Full Year Dividend Growth

(in HK$)

Ex-CKH Shareholders



Ex-HWL Shareholders



Note (1): Growth % represents % increase in full year dividend per share assuming CKHH shareholders hold both their existing CKHH shares and the Cheung Kong Property shares received through the Reorganisation on the shareholders full year dividend entitlement record date for both companies.

Note (2): Growth % represents % increase in full year dividend per share assuming ex-HWL shareholders hold both CKHH and Cheung Kong Property shares received through the Reorganisation on the shareholder's full year dividend entitlement record date for both companies.

Note (3): Exclude special dividend of HK$7.00 per share in 2014.

Ports
and Related Services

Europe Container Terminals is one of the most advanced container terminal operators in Europe, handling a majority of the containers at the port of Rotterdam.


Germany
The Netherlands
Sweden
Thailand
Mainland China
Hong Kong
The Bahamas
United Kingdom
Poland
Myanmar
South Korea
United Arab Emirates
Pakistan
Australia
Mexico
Spain
Oman
Indonesia
Panama
Belgium
Saudi Arabia
Vietnam
Argentina
Egypt
Tanzania
Malaysia
CSAV
OOCL
Hapag-Lloyd
CMA CGM
EVERGREEN

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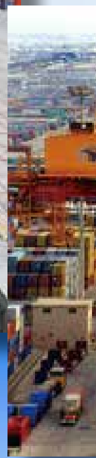

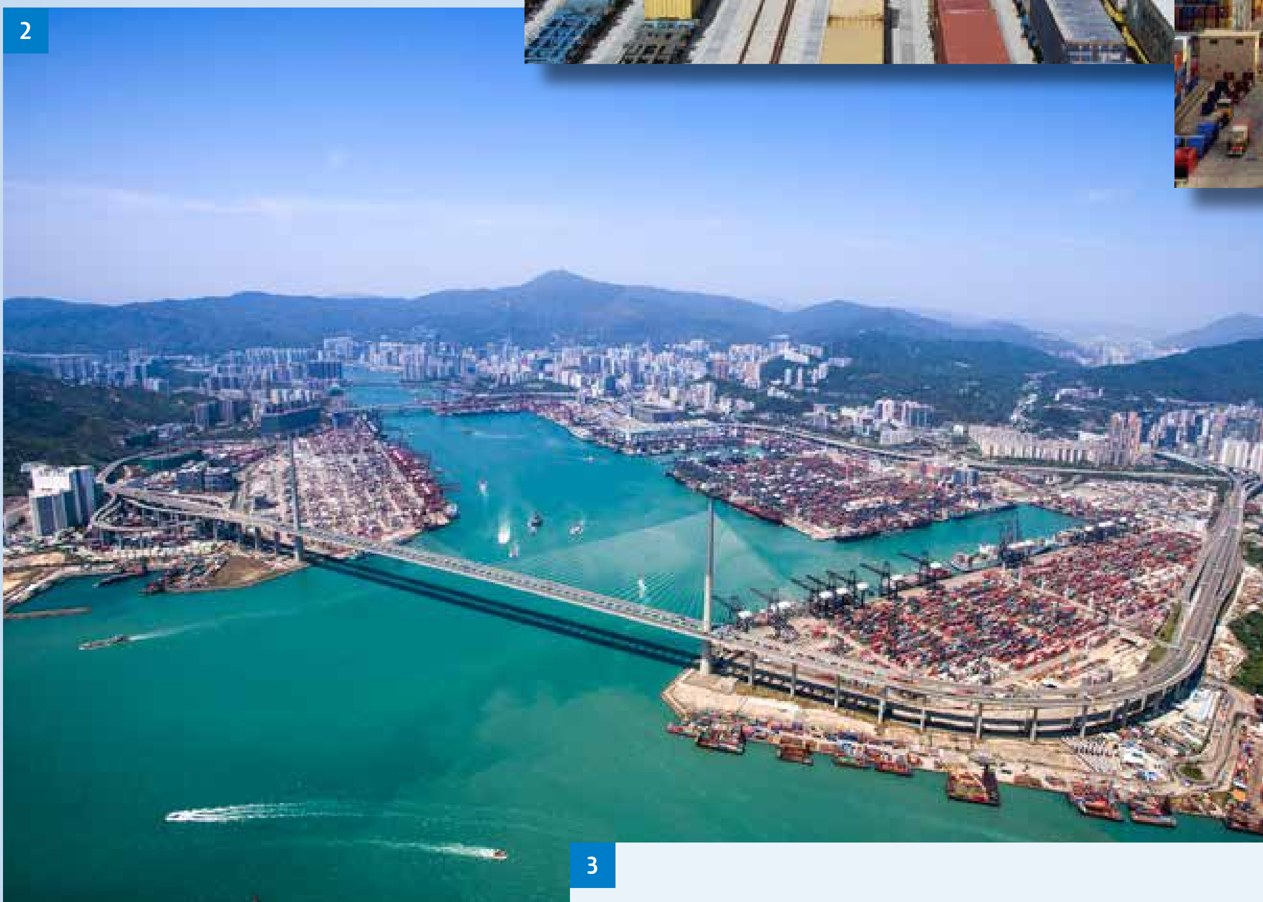

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1. Barcelona Europe South Terminal moves 15,000 TEU via rail, breaking its record of 13,000 TEU.
2. Hutchison Port Holdings Trust's cumulative throughput in Hong Kong reaches 200 million TEU.
3. Yantian International Container Terminals simultaneously services three mega-vessels, each with a carrying capacity in excess of 18,000 containers.
4. In Saudi Arabia, International Ports Services' semi-automated remote controlled quay cranes enhance the port's efficiency with the latest technology.
5. Oman International Container Terminal development blueprint includes the fast-tracking development at Terminal C, plans for Terminal D and the expansion of hinterland connections.
6. Panama Ports Company becomes the first port in the country to re-export rice packaged in the terminal.

This division is one of the world's leading port investors, developers and operators, and has interests in 48 ports comprising 269 operational berths in 25 countries.

Group Performance

The Group operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 83.8 million twenty-foot equivalent units ("TEU") in 2015.

	2015 (1) HK$ millions	2014 (1) HK$ millions	Change	Change in Local Currency
Comparable Revenue (2)	**33,767**	35,624	-5%	+2%
Comparable EBITDA (2)	**11,840**	12,133	-2%	+4%
Comparable EBIT (2)	**7,887**	7,944	-1%	+6%
Throughput (million TEU)	**83.8**	82.9	+1%	

Results including Additional Contributions:

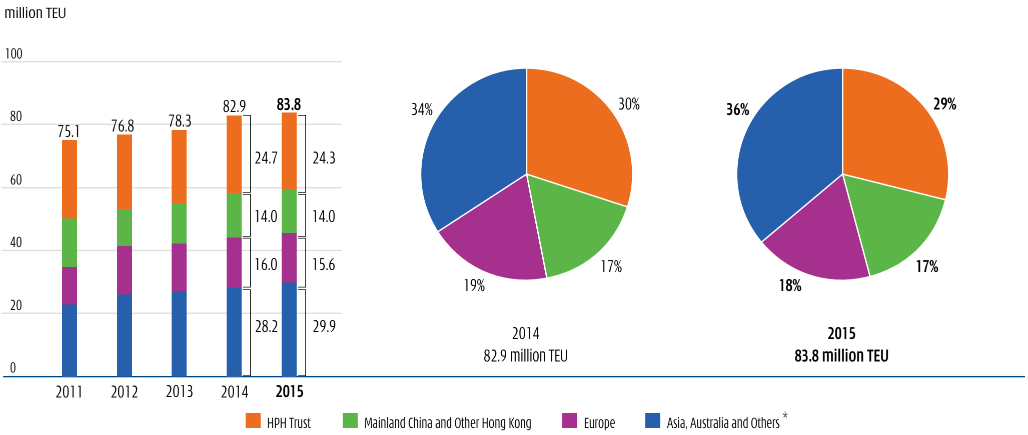
	2015 (1) HK$ millions	2014 (1) HK$ millions	Change
Total Revenue (2)	**34,009**	35,624	-5%
Total EBITDA (2)	**11,964**	12,133	-1%
Total EBIT (2)	**7,957**	7,944	-

Note 1: To reflect the underlying performance of the Ports and Related Services division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HPH Trust that arose from the Reorganisation. Comparable EBITDA and EBIT include full year pro forma consolidation adjustments that arose from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2015 pro forma Total Revenue, EBITDA and EBIT include full year pro forma contribution from the additional interest in HPH Trust. Revenue, EBITDA and EBIT for 2014 are as presented in HWL's 2014 Annual Report.

Note 2: Revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Overall throughput increased 1% to 83.8 million TEU in 2015, reflecting modest growth in all key markets, except in Hong Kong due to weaker Intra-Asia and transshipment cargoes and in Rotterdam due to competition.

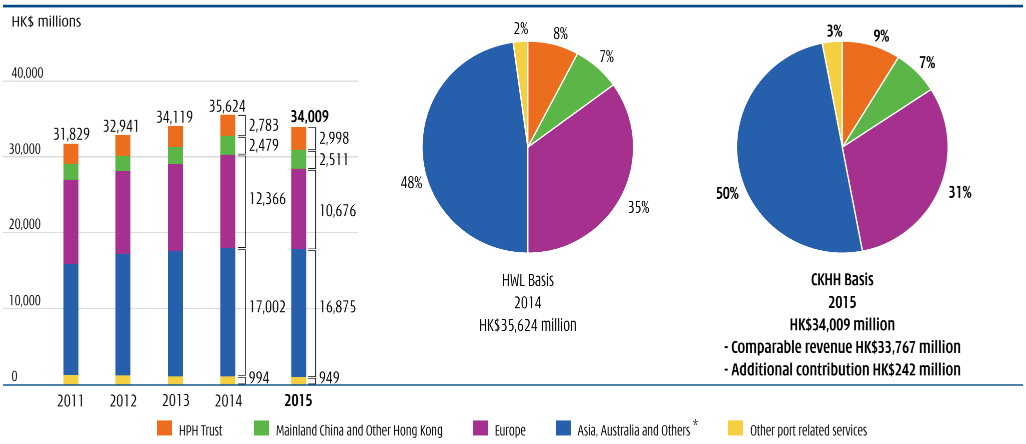
Total Container Throughput (+1%)
by Subdivision



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

Comparable revenue, before Additional Contributions, decreased 5% to HK$33,767 million in 2015 principally due to the adverse foreign currency translation to Hong Kong dollars, the deconsolidation impact of the Jakarta operations, which became a joint venture following the dilution of interests, as well as the lower contribution from Europe Container Terminals ("ECT") in Rotterdam due to the entrance of new competitors during the year, partly offset by higher contributions from ports in Mexico, Oman, Malaysia and Shanghai. In local currencies, revenue was 2% higher than the comparable results of 2014.

Total Revenue (3)
by Subdivision

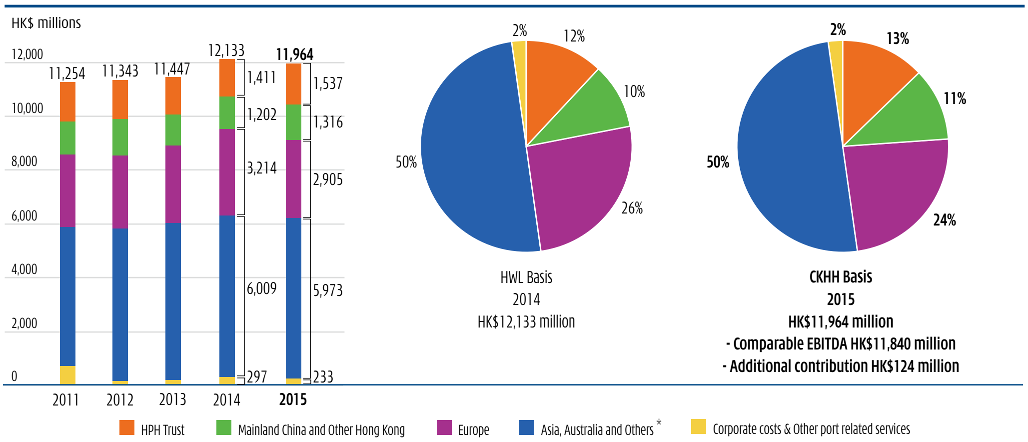


* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

Comparable EBITDA and EBIT, before Additional Contributions, for the division decreased 2% and 1% to HK$11,840 million and HK$7,887 million respectively in 2015, but increased 4% and 6% respectively in local currencies, primarily due to the higher margin from the throughput growth previously mentioned, the lower power and fuel costs, together with the continued focus on better cost control through improvements in productivity and efficiency. These improvements in underlying performance, however, were partly offset by the deconsolidation impact of the Jakarta operations as well as the lower profitability in the Rotterdam ports during the year as mentioned previously.

Total EBITDA (4)
by Subdivision



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

Note 4: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

The division had 269 operating berths as at 31 December 2015, representing a net decrease of 13 berths during the year mainly due to the disposal or cessation of operations of certain loss-making ports, partly offset by the new berths commencing operations in Dammam, Saudi Arabia, in Barcelona, Spain, and in Felixstowe, the UK.

Segment Performance

HPH Trust

	2015 HK$ millions	2014 HK$ millions	Change
Comparable Revenue [5]	**2,756**	2,783	-1%
Comparable EBITDA [5]	**1,413**	1,411	-
Comparable EBIT [5]	**808**	812	-
Throughput (million TEU)	**24.3**	24.7	-2%

Results including Additional Contributions:

	2015 HK$ millions	2014 HK$ millions	Change
Total Revenue [5]	**2,998**	2,783	+8%
Total EBITDA [5]	**1,537**	1,411	+9%
Total EBIT [5]	**878**	812	+8%

Note 5: Revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust. Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HPH Trust that arose from the Reorganisation but include full year pro forma consolidation adjustments that arose from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contributions from additional interest in HPH Trust. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

Overall throughput decreased 2% and comparable revenue of the ports operated by HPH Trust decreased 1% during 2015, mainly attributable to weaker transshipment and intra-Asia cargoes in Hong Kong, partly offset by continuing throughput growth in outbound cargoes to the US, transshipment and empty cargoes for the Yantian port operations. Despite the lower revenue, the Group's share of comparable EBITDA and EBIT was broadly in line with the results reported for 2014.

Mainland China and Other Hong Kong

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**2,511**	2,479	+1%	+3%
Total EBITDA	**1,316**	1,202	+9%	+12%
Total EBIT	**980**	838	+17%	+19%
Throughput (million TEU)	**14.0**	14.0	+0.1%	

The improvement in performance from Mainland China and other Hong Kong segment was mainly due to the growth in contributions from the division's ports in Shanghai, Ningbo and Xiamen, partly offset by the disposal of the port operations in Gaolan and Jiuzhou during the second half of 2015.

Europe

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**10,676**	12,366	-14%	-
Total EBITDA	**2,905**	3,214	-10%	+3%
Total EBIT	**1,846**	1,989	-7%	+5%
Throughput (million TEU)	**15.6**	16.0	-3%	

The decline in performance in the Europe segment during the year is primarily attributable to the weakness of the Euro and the British Pound that has resulted in lower reported results on translation to Hong Kong dollars. In local currencies, the overall improvement in performance is mainly due to the growth reported by the ports in the UK, partially offset by the impact of new competitors in Rotterdam, the Netherlands.

Asia, Australia and Others

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**16,875**	17,002	-1%	+5%
Total EBITDA	**5,973**	6,009	-1%	+6%
Total EBIT	**4,262**	4,262	-	+7%
Throughput (million TEU)	**29.9**	28.2	+6%	

The adverse impact of exchange rate movements resulted in a decline in the contribution from the Asia, Australia and others segment during 2015. In local currencies, revenue, EBITDA and EBIT increased by 5%, 6% and 7% respectively mainly due to the throughput-driven growth of the port operations in Mexico, Oman and Malaysia, partly offset by the deconsolidation impact of the Jakarta operations as mentioned previously.

Additional Contributions

Post-Reorganisation, the Group's interest in HPH Trust as compared to HWL's interest increased from 27.62% to currently 30.07%. Including the Additional Contributions, total revenue and EBITDA amounted to HK$34,009 million and HK$11,964 million respectively, a decrease of 5% and 1% respectively from the 2014 results as reported by HWL, whereas EBIT, including Additional Contributions, of HK$7,957 million remained broadly in line.

Retail

Superdrug extends wellbeing store format to Watford High Street, Leicester and Aberdeen.

Czech Republic
Germany
Poland
The Netherlands
Lithuania
Belgium
Latvia
Thailand
United Kingdom
Mainland China
Russia
Ireland
Hong Kong
Taiwan
South Korea
Malaysia
Turkey
Singapore
Ukraine
Macau
Luxembourg
Albania
The Philippines
Hungary
Indonesia
wellbeing
pharmacy
JOOP!

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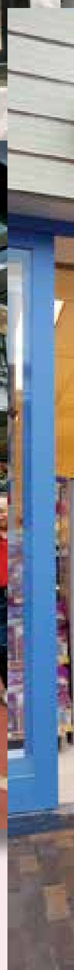

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1. ICI PARIS XL has over 250 stores in the Benelux market and Germany.
2. A S Watson Group opens its flagship Watsons store in Hong Kong, marking its 12,000th retail store in the world.
3. Celebrating its 40th anniversary, Kruidvat now has over 1,100 stores in the Netherlands and Belgium.
4. Customers can find designer fragrances at affordable prices and professional advice from warm and friendly consultants at The Perfume Shop.
5. Trekpleister is the neighbourhood drugstore, its customers can count on for great value and warm service.

The retail division consists of the A S Watson ("ASW") group of companies, the largest health and beauty retailer in Asia and Europe in terms of store numbers.

Group Performance

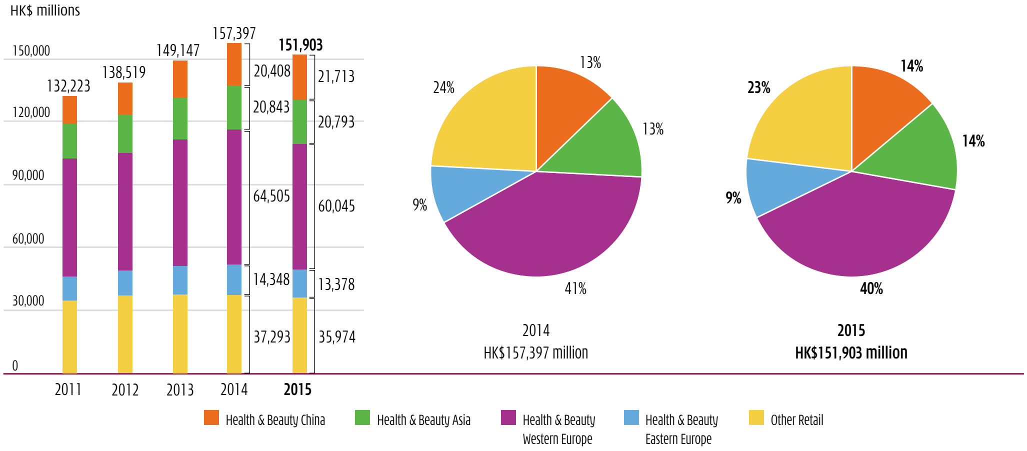
ASW currently operates 13 retail brands with 12,400 stores in 25 markets worldwide, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. ASW also manufactures and distributes bottled water and other beverages in Hong Kong and the Mainland.

	2015[1] HK$ millions	2014[1] HK$ millions	Change	Change in Local Currency
Total Revenue	**151,903**	157,397	-3%	+5%
EBITDA	**14,838**	15,549	-5%	+4%
EBIT	**12,328**	13,023	-5%	+4%
Total Store Numbers	**12,400**	11,435	+8%	

Note 1: The Reorganisation has no impact to the Retail division's 2015 results. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report. The reported results for both periods are presented on a comparable basis.

Total reported revenue of HK$151,903 million was 3% lower than 2014. In local currencies, revenue increased by 5%, driven by 1.9% comparable store sales growth and an 8% increase in store numbers compared to 2014. Excluding the one-time gain on the disposal of the airport concession operation in July 2014, EBITDA and EBIT of HK$14,838 million and HK$12,328 million in 2015, were 2% and 3% lower than 2014 in reported currency respectively, but were both 7% higher in local currencies.

Total Revenue
by Subdivision



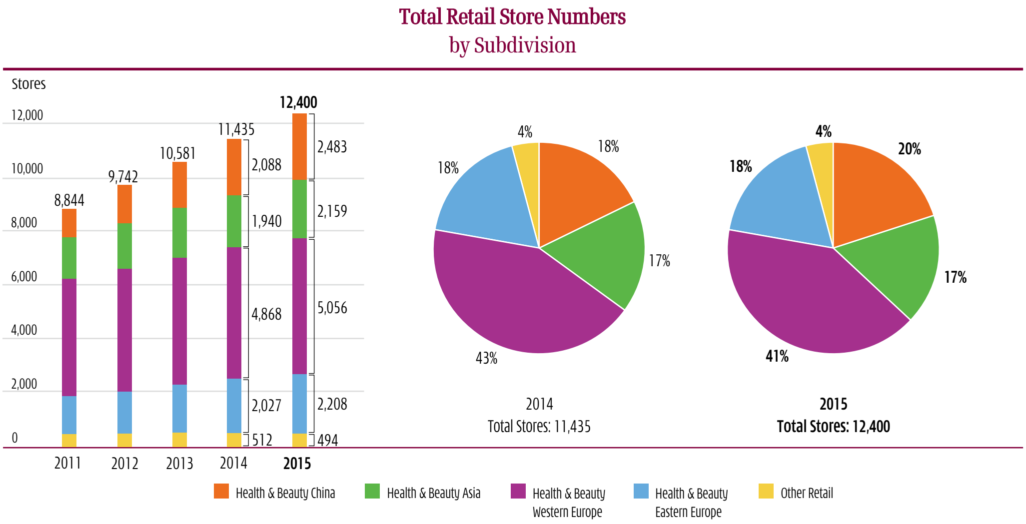
Total Revenue	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Health & Beauty China	**21,713**	20,408	+6%	+9%
Health & Beauty Asia	**20,793**	20,843	-0.2%	+4%
Health & Beauty China & Asia Subtotal	**42,506**	41,251	+3%	+6%
Health & Beauty Western Europe	**60,045**	64,505	-7%	+7%
Health & Beauty Eastern Europe	**13,378**	14,348	-7%	+16%
Health & Beauty Subtotal	**115,929**	120,104	-3%	+8%
Other Retail (2)	**35,974**	37,293	-4%	-3%
Total Retail	**151,903**	157,397	-3%	+5%
- Asia	*78,480*	*78,544*	-	*+2%*
- Europe	*73,423*	*78,853*	*-7%*	*+9%*

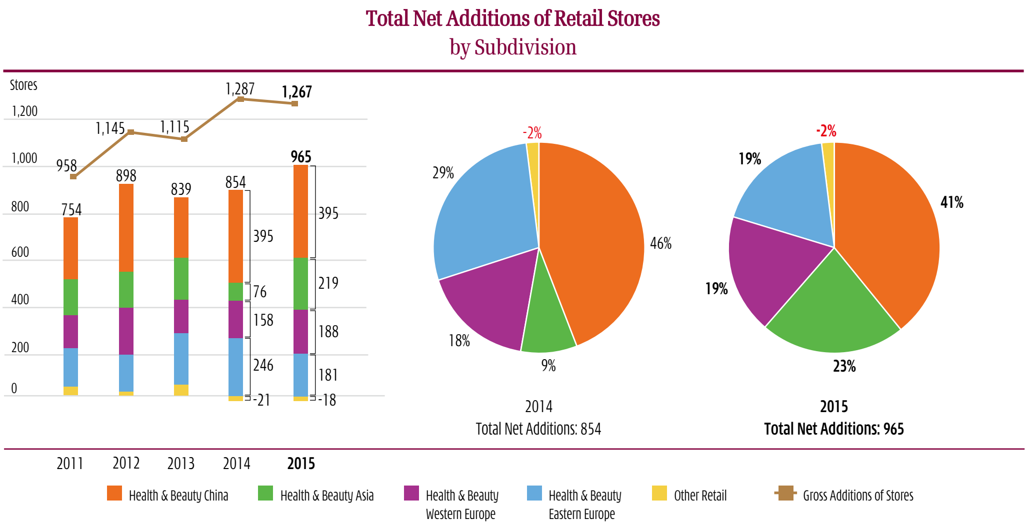
Comparable Store Sales Growth (%) (3)	2015	2014
Health & Beauty China	**-5.1%**	+3.9%
Health & Beauty Asia	**+0.8%**	+4.6%
Health & Beauty China & Asia Subtotal	**-2.1%**	+4.3%
Health & Beauty Western Europe	**+4.0%**	+3.1%
Health & Beauty Eastern Europe	**+5.9%**	+2.5%
Health & Beauty Subtotal	**+2.2%**	+3.4%
Other Retail (2)	**+0.4%**	-1.9%
Total Retail	**+1.9%**	+2.3%
- Asia	*-1.0%*	*+1.4%*
- Europe	*+4.3%*	*+3.0%*

Note 2: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, and manufacturing operations for water and beverage businesses. 2014 Revenue includes HK$1.1 billion from the airport concession operation which was disposed of in July 2014.

Note 3: Comparable store sales growth represents the percentage 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.

Group Performance (continued)

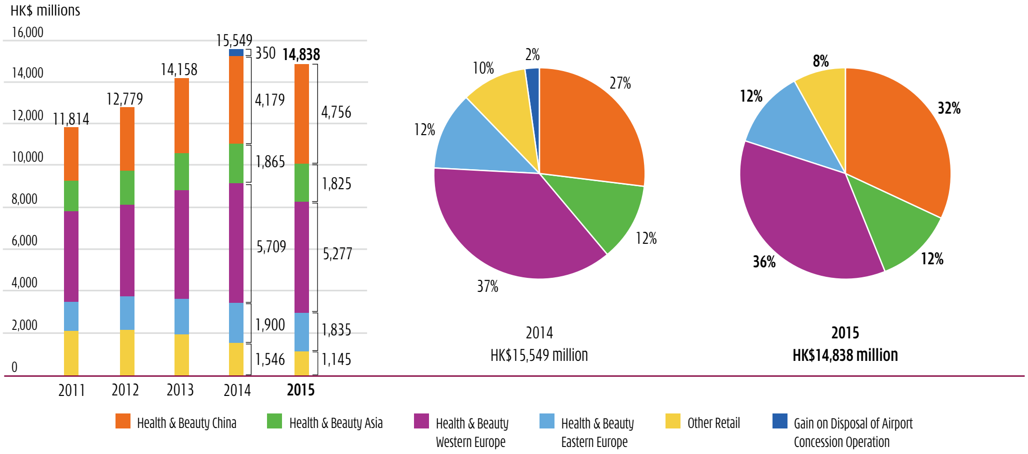




Store Numbers	2015	2014	Change
Health & Beauty China	**2,483**	2,088	+19%
Health & Beauty Asia	**2,159**	1,940	+11%
Health & Beauty China & Asia Subtotal	**4,642**	4,028	+15%
Health & Beauty Western Europe	**5,056**	4,868	+4%
Health & Beauty Eastern Europe	**2,208**	2,027	+9%
Health & Beauty Subtotal	**11,906**	10,923	+9%
Other Retail (4)	**494**	512	-4%
Total Retail	**12,400**	11,435	+8%
- Asia	*5,136*	*4,540*	*+13%*
- Europe	*7,264*	*6,895*	*+5%*

Note 4: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, and manufacturing operations for water and beverage businesses.

EBITDA
by Subdivision



EBITDA	**2015 HK$ millions**	2014 HK$ millions	Change	Change in Local Currency
Health & Beauty China	**4,756**	4,179	+14%	+16%
Health & Beauty Asia	**1,825**	1,865	-2%	+5%
Health & Beauty China & Asia Subtotal	**6,581**	6,044	+9%	+13%
Health & Beauty Western Europe	**5,277**	5,709	-8%	+6%
Health & Beauty Eastern Europe	**1,835**	1,900	-3%	+19%
Health & Beauty Subtotal	**13,693**	13,653	+0.3%	+11%
Other Retail [(5)]	**1,145**	1,546	-26%	-26%
EBITDA before one-off	**14,838**	15,199	-2%	+7%
Gain on disposal of airport concession operation	**-**	350	-100%	-100%
Total Retail	**14,838**	15,549	-5%	+4%
- Asia	*7,726*	*7,940*	*-3%*	*+0.1%*
- Europe	*7,112*	*7,609*	*-7%*	*+9%*

Note 5: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, and manufacturing operations for water and beverage businesses.

The overall health and beauty subdivision, which represents 92% of the division's EBITDA, continued to deliver strong performances in 2015 under the current challenging market conditions. EBITDA growth of this subdivision was 11% in local currencies. This reflected the successful store portfolio expansion strategies, improving margins and strong cost management in the highly resilient health and beauty store format. This strong performance was also supported by high quality new store openings with an average new store cash payback period of less than 10 months. The average capex per new store for the overall health and beauty subdivision was HK$0.9 million.

Segment Performance

Health and Beauty China

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**21,713**	20,408	+6%	+9%
EBITDA	**4,756**	4,179	+14%	+16%
EBITDA Margin %	*22%*	*20%*		
EBIT	**4,279**	3,758	+14%	+16%
EBIT Margin %	*20%*	*18%*		
Total Store Numbers	**2,483**	2,088	+19%	
Comparable Store Sales Growth (%)	**-5.1%**	+3.9%		

The Watsons business continues to be the leading health and beauty retail chain in the Mainland. Despite a negative 5.1% comparable store sales growth, the 19% increase in store numbers and good cost control resulted in EBITDA and EBIT growth of 16% in local currency. Health and Beauty China increased its total number of stores by 395 during the year with an average new store cash payback period of less than 8 months and currently has more than 2,400 stores operating in 394 cities in the Mainland.

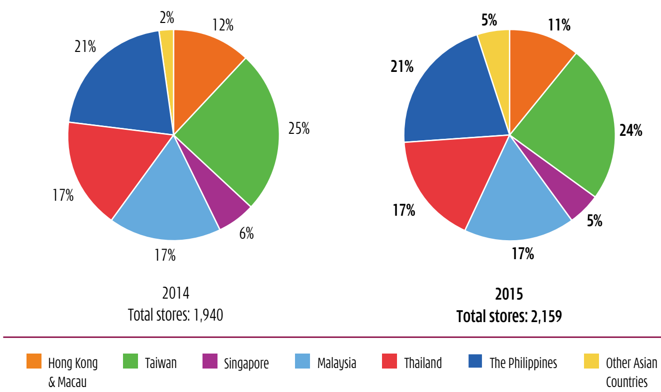
Health and Beauty Asia

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**20,793**	20,843	-0.2%	+4%
EBITDA	**1,825**	1,865	-2%	+5%
EBITDA Margin %	*9%*	*9%*		
EBIT	**1,515**	1,545	-2%	+6%
EBIT Margin %	*7%*	*7%*		
Total Store Numbers	**2,159**	1,940	+11%	
Comparable Store Sales Growth (%)	**+0.8%**	+4.6%		

The Watsons business is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. All businesses performed well in the region, except for Watsons Hong Kong which was affected by cost inflation and the declining tourist footfall in Hong Kong.

Health and Beauty Asia increased its total number of stores by 219 during the year achieving an average new store cash payback period of less than 13 months. The subdivision currently has more than 2,100 stores operating in 9 markets.

Health and Beauty Asia (+11%)
Number of Retail Stores by Market



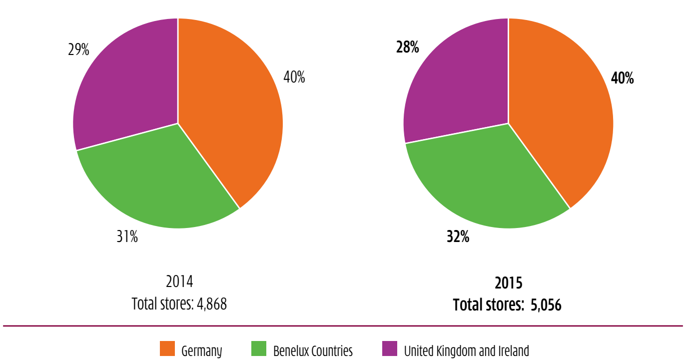
Health and Beauty Western Europe

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**60,045**	64,505	-7%	+7%
EBITDA	**5,277**	5,709	-8%	+6%
EBITDA Margin %	*9%*	*9%*		
EBIT	**4,300**	4,671	-8%	+5%
EBIT Margin %	*7%*	*7%*		
Total Store Numbers	**5,056**	4,868	+4%	
Comparable Store Sales Growth (%)	**+4.0%**	+3.1%		

Despite the depreciation in most of European currencies, which led to a decline in results in reported currency, the health and beauty businesses in Western Europe continues to report underlying growth in local currencies during the year. This growth was mainly due to strong sales performances across all businesses in the region demonstrating strong cost management and resilience in weak market conditions.

Health and Beauty Western Europe added 188 stores during 2015 and currently operates more than 5,000 stores. The average new store cash payback period of this subdivision was around 12 months.

Health and Beauty Western Europe (+4%)
Number of Retail Stores by Market



Segment Performance (continued)

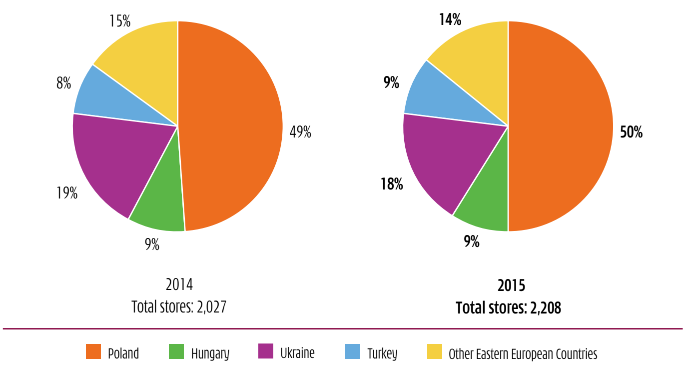
Health and Beauty Eastern Europe

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**13,378**	14,348	-7%	+16%
EBITDA	**1,835**	1,900	-3%	+19%
EBITDA Margin %	*14%*	*13%*		
EBIT	**1,569**	1,613	-3%	+20%
EBIT Margin %	*12%*	*11%*		
Total Store Numbers	**2,208**	2,027	+9%	
Comparable Store Sales Growth (%)	**+5.9%**	+2.5%		

In Eastern Europe, the currency depreciation, in particular Polish Zloty and Ukrainian Hryvnia, has resulted in adverse reported results for the health and beauty businesses. In local currencies, the 19% and 20% growth in EBITDA and EBIT respectively was mainly from the strong sales and margin performances reported by the Rossmann joint venture in Poland, as well as the Watsons businesses in Turkey and Ukraine.

Health and Beauty Eastern Europe added 181 stores during 2015 and currently operates more than 2,200 stores in 8 markets. The average new store cash payback period in this subdivision was less than 11 months.

Health and Beauty Eastern Europe (+9%)
Number of Retail Stores by Market



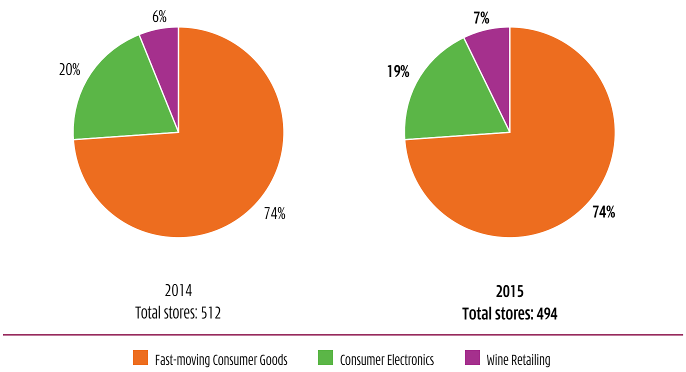
Other Retail

	2015 HK$ millions	2014 HK$ millions	Change	Change in Local Currency
Total Revenue	**35,974**	37,293	-4%	-3%
EBITDA [(6)]	**1,145**	1,546	-26%	-26%
EBITDA Margin %	*3%*	*4%*		
EBIT [(6)]	**665**	1,086	-39%	-39%
EBIT Margin %	*2%*	*3%*		
Total Store Numbers	**494**	512	-4%	
Comparable Store Sales Growth (%)	**+0.4%**	-1.9%		

Note 6: 2014 EBITDA and EBIT exclude gain on disposal of airport concession operation in July 2014 of HK$350 million.

This subdivision's reported total revenue, EBITDA and EBIT declined 4%, 26% and 39% respectively mainly due to the lower contributions from the PARKnSHOP operations and Fortress due to cost inflation and declining tourist footfall in Hong Kong. Other Retail currently operates over 490 retail stores in 3 markets, as well as manufactures and distributes bottled water and other beverages in Hong Kong and the Mainland.

Other Retail (-4%)
Number of Retail Stores by Segment



Infrastructure

Northern Gas Networks operates, maintains and develops the North of England's gas distribution network.


The Netherlands
Canada
United Kingdom
Ireland
Mainland China
Hong Kong
Thailand
Portugal
Australia
New Zealand

2

3

4

1. Northumbrian Water is one of the 10 regulated water and sewerage companies in England and Wales.

2. Cheung Kong Infrastructure and Power Assets complete the acquisition of Iberwind - Desenvolvimento e Projectos, S.A., a wind energy company in Portugal.

3. New gas-fired generation unit L9 at Lamma Power Station. Unit L10 is scheduled for commission in 2020.

4. UK Rails, the holding company of Eversholt Rail Group, signs a contract with Arriva Rail North Limited to procure and lease out 281 new trains worth £490 million.

5. The Group's aircraft leasing business has a portfolio of over 60 aircraft leased to commercial airlines.

6. Enviro NZ provides waste collection and disposal services to commercial and residential customers.

Operations Review – Infrastructure

The infrastructure division comprises the Group's 75.67% [1] interest in Cheung Kong Infrastructure Holdings Limited ("CKI"), the Group's additional interests in six co-owned infrastructure joint ventures ("JVs"), as well as, the aircraft leasing business.

	2015 [2] HK$ millions	2014 [2] HK$ millions	Change	Change in Local Currency
Comparable Revenue	**43,844**	45,419	-3%	+4%
Comparable EBITDA	**24,147**	24,483	-1%	+7%
Comparable EBIT	**18,101**	18,215	-1%	+8%

Results including Additional Contributions:

	2015 [2] HK$ millions	2014 [2] HK$ millions	Change
Total Revenue	**55,762**	45,419	+23%
Total EBITDA	**32,291**	24,483	+32%
Total EBIT	**23,477**	18,215	+29%

Note 1: In January 2015, CKI completed a share placement and share subscription transaction that resulted in the Group's interest in CKI reducing from 78.16% to 75.67%. On 1 March 2016, CKI issued new shares in connection with an issue of perpetual capital securities. Subsequent to this transaction, the Group currently holds a 71.93% interest. As these new shares are currently disregarded for the purpose of determing the number of shares held by the public, the Group's profit sharing in CKI continues to be 75.67%.

Note 2: To reflect the underlying performance of the Infrastructure division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contributions from additional interests in six co-owned JVs with CKI and from the aircraft leasing operations arising from the Reorganisation. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contributions from the co-owned JVs and the aircraft leasing operations. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

CKI

CKI is the largest publicly listed infrastructure company on the SEHK, with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management and infrastructure-related businesses, operating in Hong Kong, the Mainland, the UK, the Netherlands, Portugal, Australia, New Zealand and Canada.

CKI announced profit attributable to shareholders of HK$11,162 million, which was lower compared to HK$31,782 million for 2014. The 2014 results include CKI's HK$19,557 million share of the gain, after consolidation adjustments, arising from Power Assets separately listing its Hong Kong electricity business, by way of the listing of share stapled units jointly issued by HK Electric Investments and HK Electric Investments Limited (collectively as "HKEI") on the Main Board of the SEHK in January 2014; and a one-off gain of HK$2,236 million upon the completion of the AGN transaction during 2014.

Excluding these one-off items, CKI's profit attributable to shareholders increased by 12% due to the overall growth of the underlying operations, the accretive contributions from Park'N Fly, AGN, UK Rails and Portugal Renewable Energy, which were acquired during 2014 and 2015, as well as the deferred tax benefit from the reduction in UK tax rates, partly offset by the weaknesses in the British Pound and Australian dollar which resulted in lower reported results on translation to Hong Kong dollars.

Power Assets, a company listed on the SEHK and in which CKI holds a 38.87% interest, announced profit attributable to shareholders of HK$7,732 million, a decrease of 87% compared to last year's profit of HK$61,005 million due to the gain recognised on IPO of HKEI in 2014 and the subsequent reduction in the share of the results of Hong Kong electricity business, partly offset by the accretive contributions from AGN and Portugal Renewable Energy which were acquired in 2014 and 2015 respectively.

In April 2015, UK Rails, a 50/50 joint venture between the Group and CKI, completed the acquisition of Eversholt Rail Group ("Eversholt"). The enterprise value of the transaction was approximately £2,500 million. Eversholt is a major rolling stock company in the UK that leases to train operators a diverse range of rolling stock including regional, commuter and high-speed passenger trains as well as freight locomotives and wagons on long-term contracts. In July 2015, UK Rails entered into a contract to procure and lease out 173 new trains worth £360 million to First Great Western. These AT300 vehicles comprise 22 five-car and 7 nine-car trains. In January 2016, UK Rails entered into a contract to procure and lease out 281 new trains worth £490 million to Arriva Rail North Limited. These vehicles comprise 31 three-car and 12 four-car electric trains, and 25 two-car and 30 three-car diesel trains that all equipped with air conditioning, audio and visual on-board information, power sockets and tables, cycle racks, CCTV, toilets as well as free Wi-Fi.

In November 2015, Portugal Renewable Energy, a 50/50 joint venture between CKI and Power Assets, acquired the entire share capital of Iberwind-Desenvolvimento e Projectos, S.A., a wind power company in Portugal, based on an enterprise value of approximately €978 million.

In March 2016, CKI issued perpetual capital securities with a nominal amount of US$1,200 million for general corporate funding purposes including the redemption of the existing US$1,000 million perpetual capital securities.

Additional Contributions

Co-owned Joint ventures with CKI

The Group's six co-owned JVs with CKI include Northumbrian Water, Park'N Fly, AGN, Dutch Enviro Energy (formerly AVR-Afvalverwerking B.V.), Wales & West Utilities and UK Rails. The co-owned operations contributed additional revenue, EBITDA and EBIT of HK$10,441 million, HK$6,752 million and HK$4,653 million respectively in the year.

Aircraft Leasing

The aircraft leasing business, including its 50% joint venture, had a total fleet of 66 aircraft which was fully leased at the end of 2015. Over 90% of the aircraft in the portfolio is narrow body aircraft. The operation contributed additional revenue, EBITDA and EBIT of HK$1,477 million, HK$1,392 million and HK$723 million respectively in the year.

The operation has a diversified customer base with over 25 airline customers across more than 15 countries and is expected to generate steady earnings and cashflow for the Group.

Including the Additional Contributions, total revenue, EBITDA and EBIT of this division amounted to HK$55,762 million, HK$32,291 million and HK$23,477 million respectively, which were 23%, 32% and 29% respectively higher than the results reported by HWL for 2014.

Energy

Husky Energy's Sunrise Energy Oil Sands project continues to steadily ramp up towards 60,000 barrels per day around the end of 2016.


Canada
Mainland China
Taiwan
United States
Indonesia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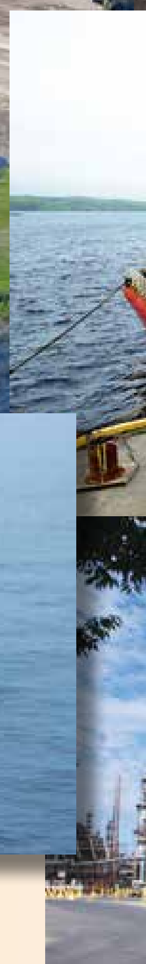


1. The BD gas condensate field in the Madura Strait offshore Indonesia is on track for first gas in 2017, with expected peak production of about 40 million cubic feet per day of gas and 2,400 barrels of oil equivalent per day of liquids.

2. Husky Energy commences production at the Rush Lake heavy oil thermal project in Saskatchewan, Canada.

3. SeaRose FPSO celebrates 10th anniversary and achieves 250 million barrel milestone.

4. The Gaolan Gas Terminal of Liwan Development marks milestone to ship its 100th order of gas condensate.

5. The manifold support frame of subsea structures for the South White Rose Extension project on the east coast of Canada.

6. Lima Refinery is awarded for exemplary contractor safety training.

The energy division comprises of the Group's 40.18% interest in Husky Energy, an integrated energy company listed on the Toronto Stock Exchange.

	2015 [1] **HK$ millions**	2014 [1] HK$ millions	Change	Change in Local Currency
Comparable Revenue	**33,824**	57,368	-41%	-32%
Comparable EBITDA	**7,922**	14,410	-45%	-37%
Comparable EBIT	**1,884**	6,324	-70%	-65%
Production (mboe/day)	**345.7**	340.1	+2%	

Results including Additional Contributions:

	2015 [1] **HK$ millions**	2014 [1] HK$ millions	Change
Total Revenue	**40,029**	57,368	-30%
Total EBITDA	**9,375**	14,410	-35%
Total EBIT	**2,229**	6,324	-65%

Note 1: To reflect the underlying performance of the Energy division in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in Husky Energy arising from the Reorganisation but includes the full year pro forma adjustment of the depletion, depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in Husky Energy. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

Husky Energy, our associated company, announced net earnings, before impairment charge and asset write downs, of C$165 million in 2015, a 92% decline when compared to 2014 due to a depressed oil price environment.

In light of the prolonged low oil price levels, Husky Energy has recognised an after-tax property, plant and equipment impairment charges, goodwill impairment charges, exploration and evaluation asset write-downs and inventory write-downs of C$4,015 million on its crude oil and natural gas assets located in Western Canada in the second half of 2015. As part of the Reorganisation, the Group had to rebase Husky Energy's assets to their fair values on the date of completion of the Reorganisation. Consequently, a lower valuation was assigned to these Western Canadian assets for the Group's financial statements, consistent with prevailing conditions in the relevant energy markets. As a result, the impairment charge and write downs of these assets by Husky Energy had no impact on the Group's reported results.

On a full year pro forma basis, the Group's share of comparable EBITDA and EBIT, after translation into Hong Kong dollars and consolidation adjustments, decreased 45% and 70% to HK$7,922 million and HK$1,884 million respectively, and decreased by 37% and 65% respectively in local currencies, as the average realised crude oil and North American natural gas prices were negatively impacted by the prolonged weak market benchmarks as well as the adverse foreign exchange translation impact to Hong Kong dollars. This is partly offset by lower depletion, depreciation and amortisation charges resulting from the rebasing of depreciable energy assets under the Reorganisation.

Despite operating under a prolonged depressed oil price environment, Husky Energy continues to focus on maximising the margin from every barrel of production, implementing cost reduction and operational efficiency strategies across its operations, reducing capital expenditures, as well as transitioning its production with a higher proportion coming from lower sustaining capital projects.

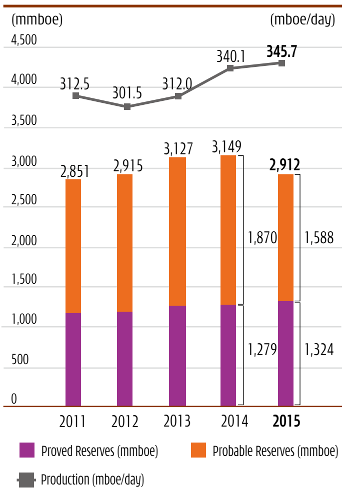
Average production increased 2% to 345,700 barrels of oil equivalent ("BOEs") per day in 2015, mainly due to strong production volume from the Asia Pacific Region and new volumes from the Sunrise Energy project which began production in March 2015, as well as the suite of heavy oil thermal projects, including Rush Lake development which began production in the third quarter of 2015, partly offset by lower production in Western Canada and the Atlantic Region due to natural reservoir declines at mature properties and oil-related drilling and completion activity in 2015 continued to be deferred as a result of the low oil price environment.

Husky Energy has delivered its milestones in various key projects during 2015. In March 2015, first oil was achieved at Phase 1 of Sunrise Energy project and the project is expected to reach its peak production at 60,000 barrels per day (30,000 barrels per day net to Husky Energy) by the end of 2016. Production at the first and second production wells at the South White Rose Satellite extension in the Atlantic Region commenced in June and September 2015 respectively. In terms of heavy oil developments, first oil was achieved at the Rush Lake heavy oil thermal project in Saskatchewan in July 2015. Husky Energy plans to advance its production timetable for three new heavy oil thermal developments at Edam East (10,000 bbls/day), Vawn (10,000 bbls/day) and Edam West (4,500 bbls/day) in 2016, continued development of the fixed-price Asia Pacific projects that will come online in 2017 and steady ramp up of the Sunrise Energy Project will continue throughout 2016.

Additional Contributions

Post-Reorganisation, the Group's interest in Husky Energy as compared to HWL's interest has increased from 33.96% to currently 40.18%. Including the Additional Contributions, the Group's share of revenue, EBITDA and EBIT before the aforementioned impairment charge and asset write downs amounted to HK$40,029 million, HK$9,375 million and HK$2,229 million respectively, a 30%, 35% and 65% decrease respectively from the 2014 results as reported by HWL.

Proved and Probable Reserves & Production

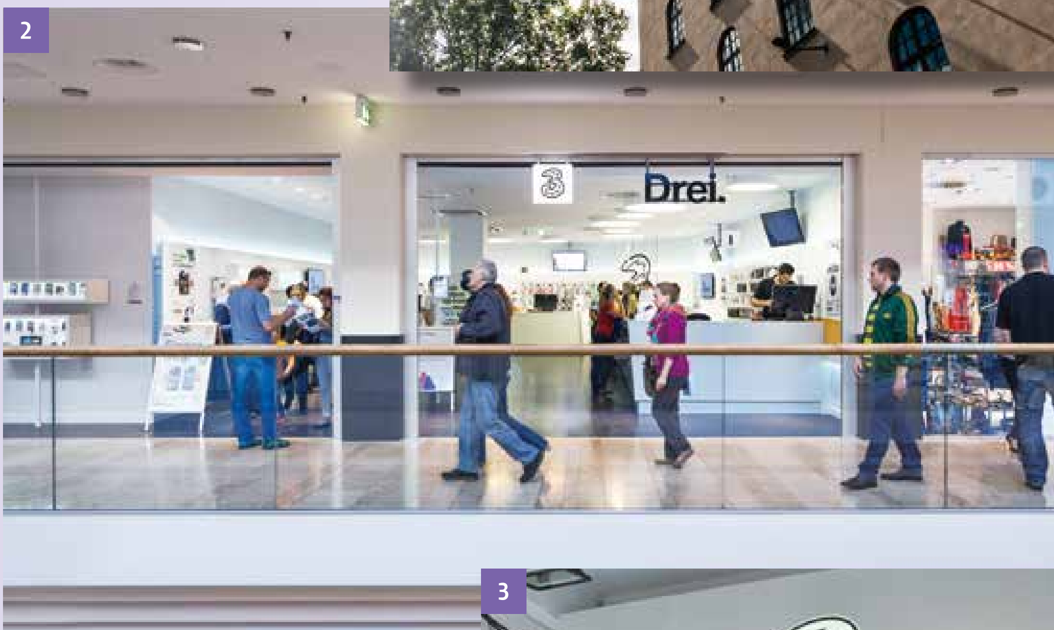


Telecommunications

3 UK reaches an agreement with Telefónica to acquire O_2 UK to provide UK customers with better service and innovation.


Denmark
Austria
United Kingdom
Sweden
Ireland
Hong Kong
Italy
Australia
Sri Lanka
Indonesia
Vietnam
Macau
Three.
Why choose Three?
OOL BRITANNIA

1


2


3

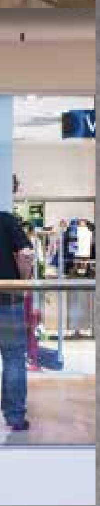

1. **3** Denmark expands 3LikeHome to include the US so their customers can now use their phones with no roaming cost in 28 countries.

2. **3** Austria launches the biggest 4G network in Austria.

3. **3** Macau's 4G network goes live.

4. **3** Hong Kong launches a comprehensive promotional campaign themed "Better Service from **3**" to promote the premium digital customer service platforms.

5. **3** Itay announces an agreement to merge with Wind to offer greater 4G coverage and higher speeds.




Three.

4


la Feltrinelli
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elfo
TEATRO D'ARTE CONTEMPORANEA

5

The Group's telecommunications division consists of the **3** Group businesses in Europe ("**3** Group Europe"), a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK, Hutchison Asia Telecommunications ("HAT"), and an 87.87% interest in the Australian Securities Exchange listed HTAL. **3** Group Europe is a pioneer of high-speed mobile telecommunications and mobile broadband technologies with businesses in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau, as well as fixed-line operations in Hong Kong. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka. HTAL owns a 50% share in VHA.

Group Performance

3 Group Europe

	2015 [1] HK$ millions	2014 [1] HK$ millions	Change	Change in Local Currency
Total Revenue	**62,799**	65,623	-4%	+10%
- Net customer service revenue	**47,713**	49,480	-4%	+11%
- Handset revenue	**12,696**	14,372	-12%	
- Other revenue	**2,390**	1,771	+35%	
Net Customer Service Margin [2]	**39,825**	39,714	-	+15%
Net customer service margin %	***83%***	*80%*		
Other Margin	**1,187**	1,008	+18%	
Total CACs	**(19,169)**	(21,514)	+11%	
Less: Handset revenue	**12,696**	14,372	-12%	
Total CACs (net of handset revenue)	**(6,473)**	(7,142)	+9%	
Operating Expenses	**(17,143)**	(17,982)	+5%	
Opex as a % of net customer service margin	***43%***	*45%*		
EBITDA	**17,396**	15,598	+12%	+27%
EBITDA Margin % [3]	***35%***	*30%*		
Depreciation & Amortisation	**(5,732)**	(8,706)	+34%	
EBIT	**11,664**	6,892	+69%	+92%
Capex (excluding licence)	**(10,930)**	(11,271)	+3%	
EBITDA less Capex	**6,466**	4,327	+49%	
Licence	**(2,447)**	(38)	-6,339%	

Note 1: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

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 percentage of total revenue (excluding handset revenue).

3 Group Europe's registered customer base grew 4% during the year to total approximately 30.6 million at 31 December 2015, while the active base also grew 4% to total over 26.1 million and represented an 85% activity level. The proportion of contract customers as a percentage of the registered customer base remained stable at 58%. The revenue generated by contract customers accounted for approximately 83% of overall net customer service revenue, 1%-point lower than last year due to the increased focus on pre-paid non-contract customers in the UK during the year. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base increased only marginally to 1.8% from 1.7% last year.

3 Group Europe's net ARPU increased by 5% to €18.14 compared to 2014, primarily due to a focus on upselling and improved customer propositions across the majority of the operations, partly offset by keen competition in Denmark and the dilutive effect of the higher proportion of non-contract customers in Ireland after the acquisition of O_2 Ireland. This, together with the enlarged customer base, resulted in net customer service revenue increasing 11% in local currencies. Net AMPU increased by 10% to €15.14 mainly due to an improvement in tariff mix and propositions, with the net customer service margin increasing 15% in local currencies.

Contract smartphone customers acquired in 2015 represented around 44% of the total contract customers acquired during the year (2014: 41%). Total data usage increased 57% compared to last year to approximately 950 petabytes in 2015. Data usage per active customer was approximately 38.1 gigabytes per user in 2015 compared to 25.4 gigabytes per user in 2014.

Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK$6,473 million in 2015, 9% lower than in 2014 and operating expenses also decreased 5% to HK$17,143 million.

EBITDA and EBIT growth reflected the enlarged customer base, improved net customer service margin, lower customer acquisition costs, full year accretive contribution from **3** Ireland's acquisition of O_2 Ireland and continued realisation of post-merger cost synergies in **3** Austria. EBIT improvement was also due to lower depreciation and amortisation resulting from the rebasing of telecommunication assets under the Reorganisation.

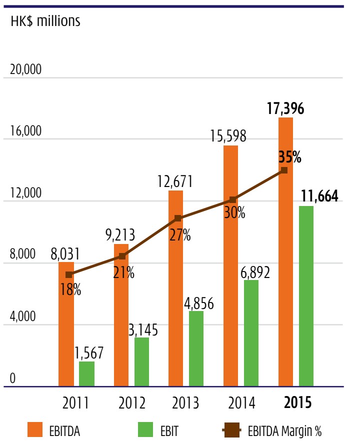
3 Group Europe continued the prudent capex management strategy resulting in EBITDA less capex increasing 49% to HK$6,466 million in 2015.

In March 2015, HWL entered into an agreement with Telefónica SA to acquire O_2 UK for £9.25 billion cash and deferred upside interest sharing payments of up to £1 billion upon achievement by the combined business of **3** UK and O_2 UK of agreed financial targets. Upon completion of the acquisition, the combined business will become the largest mobile operator in the UK. In May 2015, HWL announced that it has entered into agreements with five institutional investors who will acquire approximately 32.98% interest in the combined business of **3** UK and O_2 UK for a total of £3.1 billion. These agreements are conditional on and will occur concurrently with completion of the acquisition of O_2 UK. The Group is considering the sale of a stake in **3** UK to a new investor with a view to further reducing the new cash investment required from the Group to fund the acquisition. Should such new investment proceed, the Group will consider implementing a revised business structure that would maintain the continuity and separation of the **3** UK and O_2 UK businesses. This would be directed to achieving benefits in terms of operational strategy and focus, regulatory approvals and contractual obligations, while preserving financial and operational efficiencies and savings expected from the acquisition of O_2 UK.

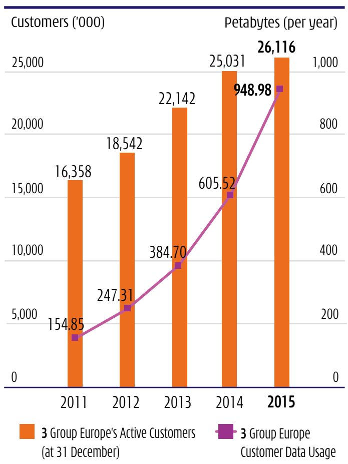
In August 2015, the Group announced agreement with VimpelCom Ltd to form an equal joint venture merging **3** Italy and VimpelCom's subsidiary Wind Telecomunicazioni S.p.A. ("Wind") in Italy. On a combined basis, **3** Italy and Wind will become the largest mobile operator in Italy in terms of customer numbers.

The above transactions are expected to create sufficient scale and capacity for delivering significant operational efficiencies and enhancing network quality and innovations in these markets, and in turn, generating accretive earnings to the Group. The Group is confident that the proposed transactions will create a level playing field for the operations in the UK and Italy to deliver quantitative and qualitative benefits to their customers. Completion of these transactions is subject to regulatory approval.

3 Group Europe - EBITDA & EBIT in reported currency



3 Group Europe's Active Customers and Data Usage



Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2015 ('000)			Registered Customer Growth (%) from 31 December 2014 to 31 December 2015		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	4,598	6,193	**10,791**	+9%	+2%	**+5%**
Italy	4,579	5,503	**10,082**	-8%	+9%	**–**
Sweden	253	1,762	**2,015**	+13%	+6%	**+7%**
Denmark	414	760	**1,174**	+11%	+1%	**+4%**
Austria	1,301	2,485	**3,786**	+18%	-1%	**+5%**
Ireland	1,577	1,168	**2,745**	+10%	–	**+6%**
3 Group Europe Total	12,722	17,871	**30,593**	+3%	+4%	**+4%**

Active (4) Customer Base

	Active Customers at 31 December 2015 ('000)			Active Customer Growth (%) from 31 December 2014 to 31 December 2015		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	2,898	6,068	**8,966**	+17%	+2%	**+7%**
Italy	3,723	5,396	**9,119**	-2%	+9%	**+4%**
Sweden	163	1,762	**1,925**	+22%	+6%	**+7%**
Denmark	394	760	**1,154**	+17%	+1%	**+6%**
Austria	447	2,471	**2,918**	+3%	–	**–**
Ireland	893	1,141	**2,034**	-3%	+1%	**-1%**
3 Group Europe Total	8,518	17,598	**26,116**	+5%	+4%	**+4%**

	2015	2014
Contract customers as a % of the total registered customer base	**58%**	58%
Contract customers' contribution to the net customer service revenue base (%)	**83%**	84%
Average monthly churn rate of the total contract registered customer base (%)	**1.8%**	1.7%
Active contract customers as a % of the total contract registered customer base	**98%**	98%
Active customers as a % of the total registered customer base	**85%**	85%

Note 4: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

12-month Trailing Average Revenue per Active User (5) ("ARPU") to 31 December 2015

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2014
United Kingdom	£5.23	£26.93	**£20.10**	-3%
Italy	€8.47	€17.87	**€13.89**	+2%
Sweden	SEK127.25	SEK305.42	**SEK290.95**	+1%
Denmark	DKK99.11	DKK168.77	**DKK146.36**	-5%
Austria	€9.77	€22.33	**€20.46**	+4%
Ireland	€16.52	€31.25	**€24.73**	-4%
3 Group Europe Average	€9.29	€27.84	**€21.77**	+4%

12-month Trailing Net Average Revenue per Active User (6) ("Net ARPU") to 31 December 2015

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2014
United Kingdom	£5.23	£19.41	**£14.95**	-1%
Italy	€8.47	€17.87	**€13.89**	+2%
Sweden	SEK127.25	SEK216.27	**SEK209.05**	–
Denmark	DKK99.11	DKK152.10	**DKK135.06**	-6%
Austria	€9.77	€19.03	**€17.65**	+8%
Ireland	€16.52	€27.48	**€22.63**	-5%
3 Group Europe Average	€9.29	€22.44	**€18.14**	+5%

12-month Trailing Net Average Margin per Active User (7) ("Net AMPU") to 31 December 2015

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2014
United Kingdom	£4.56	£16.80	**£12.95**	+7%
Italy	€6.82	€13.78	**€10.83**	+4%
Sweden	SEK107.56	SEK185.57	**SEK179.24**	–
Denmark	DKK87.43	DKK131.85	**DKK117.56**	-6%
Austria	€8.39	€15.92	**€14.80**	+10%
Ireland	€12.70	€23.03	**€18.46**	-5%
3 Group Europe Average	€7.66	€18.77	**€15.14**	+10%

Note 5: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 6: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note 7: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid 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.

United Kingdom

	2015 [8] GBP millions	2014 [8] GBP millions	Change
Total Revenue	**2,195**	2,063	+6%
- Net customer service revenue	**1,573**	1,459	+8%
- Handset revenue	**549**	577	-5%
- Other revenue	**73**	27	+170%
Net Customer Service Margin	**1,363**	1,169	+17%
Net customer service margin %	***87%***	*80%*	
Other Margin	**18**	10	+80%
Total CACs	**(764)**	(807)	+5%
Less: Handset revenue	**549**	577	-5%
Total CACs (net of handset revenue)	**(215)**	(230)	+7%
Operating Expenses	**(480)**	(402)	-19%
Opex as a % of net customer service margin	***35%***	*34%*	
EBITDA	**686**	547	+25%
EBITDA Margin %	***42%***	*37%*	
Depreciation & Amortisation	**(225)**	(233)	+3%
EBIT	**461**	314	+47%
Capex (excluding licence)	**(358)**	(322)	-11%
EBITDA less Capex	**328**	225	+46%
Licence	**(212)**	(1)	-21,100%

Note 8: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**10.8**	10.3
Total active customer base (millions)	**9.0**	8.4
Contract customers as a % of the total registered customer base	**57%**	59%
Contract customers' contribution to the net customer service revenue base (%)	**89%**	90%
Average monthly churn rate of the total contract registered customer base (%)	**1.5%**	1.6%
Active contract customers as a % of the total contract registered customer base	**98%**	98%
Active customers as a % of the total registered customer base	**83%**	82%

EBITDA of £686 million was 25% higher than 2014 mainly driven by improved net customer service margin primarily due to an enlarged customer base and the net AMPU growth of 7% compared to 2014 through pricing and proposition changes and a one-time release of the excess in the provision made last year following the settlement of interconnection rate disputes during the year. The margin improvement was partly offset by higher operating expenses driven largely by higher network costs due to additional new sites commissioned. EBIT of £461 million represents a 47% increase over last year following the strong EBITDA performance and lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

Italy

	2015 [9] EUR millions	2014 [9] EUR millions	Change
Total Revenue	**1,825**	1,739	+5%
- Net customer service revenue	**1,478**	1,376	+7%
- Handset revenue	**297**	308	-4%
- Other revenue	**50**	55	-9%
Net Customer Service Margin	**1,153**	1,052	+10%
Net customer service margin %	***78%***	*76%*	
Other Margin	**48**	53	-9%
Total CACs	***(560)***	*(551)*	*-2%*
Less: Handset revenue	***297***	*308*	*-4%*
Total CACs (net of handset revenue)	**(263)**	(243)	-8%
Operating Expenses	**(662)**	(614)	-8%
Opex as a % of net customer service margin	***57%***	*58%*	
EBITDA	**276**	248	+11%
EBITDA Margin %	***18%***	*17%*	
Depreciation & Amortisation	**(119)**	(294)	+60%
EBIT (LBIT)	**157**	(46)	+441%
Capex (excluding licence)	**(446)**	(404)	-10%
EBITDA less Capex	**(170)**	(156)	-9%
Licence	**–**	(2)	+100%

Note 9: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and LBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**10.1**	10.0
Total active customer base (millions)	**9.1**	8.8
Contract customers as a % of the total registered customer base	**55%**	50%
Contract customers' contribution to the net customer service revenue base (%)	**74%**	74%
Average monthly churn rate of the total contract registered customer base (%)	**2.7%**	2.3%
Active contract customers as a % of the total contract registered customer base	**98%**	98%
Active customers as a % of the total registered customer base	**90%**	87%

Despite intense competition in the Italian market, **3** Italy successfully grew its active customer base by 4% to 9.1 million customers in 2015. EBITDA increased 11% during the year, mainly driven by a 10% increase in net customer service margin from the increase in the contract customer base, partly offset by higher operating expenses and higher total CACs (net of handset revenue). The turnaround to an EBIT of €157 million from the LBIT position of €46 million in 2014 was also due to the lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

Sweden

	2015 (10) SEK millions	2014 (10) SEK millions	Change
Total Revenue	**7,019**	6,407	+10%
- Net customer service revenue	**4,657**	4,286	+9%
- Handset revenue	**2,073**	1,893	+10%
- Other revenue	**289**	228	+27%
Net Customer Service Margin	**3,995**	3,664	+9%
Net customer service margin %	***86%***	*85%*	
Other Margin	**101**	65	+55%
Total CACs	**(2,806)**	(2,543)	-10%
Less: Handset revenue	**2,073**	1,893	+10%
Total CACs (net of handset revenue)	**(733)**	(650)	-13%
Operating Expenses	**(1,338)**	(1,333)	–
Opex as a % of net customer service margin	***33%***	*36%*	
EBITDA	**2,025**	1,746	+16%
EBITDA Margin %	***41%***	*39%*	
Depreciation & Amortisation	**(653)**	(752)	+13%
EBIT	**1,372**	994	+38%
Capex (excluding licence)	**(809)**	(790)	-2%
EBITDA less Capex	**1,216**	956	+27 %

Note 10: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**2.0**	1.9
Total active customer base (millions)	**1.9**	1.8
Contract customers as a % of the total registered customer base	**87%**	88%
Contract customers' contribution to the net customer service revenue base (%)	**95%**	96%
Average monthly churn rate of the total contract registered customer base (%)	**1.5%**	1.4%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**96%**	95%

In Sweden, where the Group has a 60% interest, EBITDA of SEK2,025 million increased 16% from 2014 due to the 7% enlarged active customer base and stringent control of operating expenses, partly offset by 13% increase in total CACs (net of handset revenue) due to higher volumes. EBIT of SEK1,372 million represents a 38% improvement over 2014 reflecting the EBITDA growth as well as lower depreciation as a result of rebasing telecommunication assets under the Reorganisation.

Denmark

	2015 (11) DKK millions	2014 (11) DKK millions	Change
Total Revenue	**2,078**	2,046	+2%
- Net customer service revenue	**1,802**	1,799	–
- Handset revenue	**178**	178	–
- Other revenue	**98**	69	+42%
Net Customer Service Margin	**1,571**	1,566	–
Net customer service margin %	***87%***	*87%*	
Other Margin	**52**	32	+63%
Total CACs	**(433)**	(416)	-4%
Less: Handset revenue	**178**	178	–
Total CACs (net of handset revenue)	**(255)**	(238)	-7%
Operating Expenses	**(664)**	(626)	-6%
Opex as a % of net customer service margin	***42%***	*40%*	
EBITDA	**704**	734	-4%
EBITDA Margin %	***37%***	*39%*	
Depreciation & Amortisation	**(274)**	(309)	+11%
EBIT	**430**	425	+1%
Capex (excluding licence)	**(161)**	(187)	+14%
EBITDA less Capex	**543**	547	-1%

Note 11: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**1.2**	1.1
Total active customer base (millions)	**1.2**	1.1
Contract customers as a % of the total registered customer base	**65%**	67%
Contract customers' contribution to the net customer service revenue base (%)	**76%**	76%
Average monthly churn rate of the total contract registered customer base (%)	**2.8%**	2.7%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**98%**	97%

The operation in Denmark, where the Group has a 60% interest, faced a challenging and competitive market in 2015, where the proposed but withdrawn merger of the two major Danish operators intensified market competition during the year. Although the active customer base increased 6%, this was fully offset by the 6% lower net AMPU resulting in the net customer service margin remained constant in 2015 compared to 2014. EBITDA decreased 4% to DKK704 million, mainly driven by higher operating expenses and total CACs (net of handset revenue). The decline in EBITDA was fully compensated by the lower depreciation and amortisation due to lower telecommunication asset base under the Reorganisation and as a consequence, EBIT improved by 1% to DKK430 million.

Austria

	2015 (12) EUR millions	2014 (12) EUR millions	Change
Total Revenue	**736**	686	+7%
- Net customer service revenue	**613**	564	+9%
- Handset revenue	**99**	99	–
- Other revenue	**24**	23	+4%
Net Customer Service Margin	**514**	464	+11%
Net customer service margin %	***84%***	*82%*	
Other Margin	**16**	17	-6%
Total CACs	**(132)**	(123)	-7%
Less: Handset revenue	**99**	99	–
Total CACs (net of handset revenue)	**(33)**	(24)	-38%
Operating Expenses	**(181)**	(212)	+15%
Opex as a % of net customer service margin	***35%***	*46%*	
EBITDA	**316**	245	+29%
EBITDA Margin %	***50%***	*42%*	
Depreciation & Amortisation	**(64)**	(75)	+15%
EBIT	**252**	170	+48%
Capex (excluding licence)	**(116)**	(135)	+14%
EBITDA less Capex	**200**	110	+82%

Note 12: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**3.8**	3.6
Total active customer base (millions)	**2.9**	2.9
Contract customers as a % of the total registered customer base	**66%**	69%
Contract customers' contribution to the net customer service revenue base (%)	**92%**	93%
Average monthly churn rate of the total contract registered customer base (%)	**0.4%**	0.6%
Active contract customers as a % of the total contract registered customer base	**99%**	99%
Active customers as a % of the total registered customer base	**77%**	81%

EBITDA increased 29% from 2014 to €316 million mainly due to an increase in net customer service margin driven by higher net AMPU from improved tariff propositions and mix, together with lower operating expenses attributable to the realisation of additional cost synergies from the Orange Austria acquisition in 2013. EBIT increased 48% to €252 million in 2015, reflecting the improvement of EBITDA as well as the lower depreciation and amortisation due to a lower asset base as a result of the Reorganisation.

Ireland

	2015 [13] EUR millions	2014 [13] EUR millions	Change
Total Revenue	**689**	436	+58%
- Net customer service revenue	**549**	358	+53%
- Handset revenue	**79**	47	+68%
- Other revenue	**61**	31	+97%
Net Customer Service Margin	**448**	292	+53%
Net customer service margin %	***82%***	*82%*	
Other Margin	**30**	6	+400%
Total CACs	**(127)**	(87)	-46%
Less: Handset revenue	**79**	47	+68%
Total CACs (net of handset revenue)	**(48)**	(40)	-20%
Operating Expenses	**(256)**	(194)	-32%
Opex as a % of net customer service margin	***57%***	*66%*	
EBITDA	**174**	64	+172%
EBITDA Margin %	***29%***	*16%*	
Depreciation & Amortisation	**(65)**	(64)	-2%
EBIT	**109**	0.1	+108,900%
Capex (excluding licence)	**(132)**	(126)	-5%
EBITDA less Capex	**42**	(62)	+168%

Note 13: 2015 pro forma EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

	2015	2014
Total registered customer base (millions)	**2.7**	2.6
Total active customer base (millions)	**2.0**	2.1
Contract customers as a % of the total registered customer base	**43%**	45%
Contract customers' contribution to the net customer service revenue base (%)	**68%**	69%
Average monthly churn rate of the total contract registered customer base (%)	**1.6%**	1.5%
Active contract customers as a % of the total contract registered customer base	**98%**	98%
Active customers as a % of the total registered customer base	**74%**	79%

EBITDA of €174 million and EBIT of €109 million were higher than 2014 as results in 2015 reflected the full year accretive contribution from the acquisition of O_2 Ireland in July 2014, together with realisation of cost synergies associated with combining the two operations.

Hutchison Telecommunications Hong Kong Holdings

	2015 (14) HK$ millions	2014 (14) HK$ millions	Change
Comparable Revenue	**22,042**	16,296	+35%
Comparable EBITDA	**2,891**	2,780	+4%
Comparable EBIT	**1,448**	1,380	+5%
Total active customer base ('000)	**3,031**	3,197	-5%

Results including Additional Contributions:

	2015 (14) HK$ millions	2014 (14) HK$ millions	Change
Total Revenue	**22,122**	16,296	+36%
Total EBITDA	**2,911**	2,780	+5%
Total EBIT	**1,426**	1,380	+3%

Note 14: To reflect the underlying performance of HTHKH in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in HTHKH and its JV that arose from the Reorganisation. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in HTHKH and its JV. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report.

HTHKH announced its 2015 turnover of HK$22,042 million and profit attributable to shareholders of HK$915 million, an increase of 35% and 10% respectively over last year. Comparable EBITDA of HK$2,891 million and comparable EBIT of HK$1,448 million were 4% and 5% higher than last year respectively, primarily driven by growth in mobile business from lower acquisition and retention costs, improvement in operational efficiency, as well as higher hardware sales in 2015. The contribution from the fixed-line telecommunications business in Hong Kong was lower than last year, as a result of the reduced demand in IDD, partially offset by higher revenue from corporate and business segments driven by increasing demand on bandwidth capacity and solution-based products.

Additional Contributions

Post-Reorganisation, the Group's interest in HTHKH as compared to HWL's interest has increased from 65.01% to currently 66.09%. Included as Additional Contributions is a 50% interest in a joint venture with HTHKH, of which HTHKH holds the other 50%. Including the Additional Contributions, total revenue, EBITDA and EBIT amounted to HK$22,122 million, HK$2,911 million and HK$1,426 million respectively, a 36%, 5% and 3% increase respectively from the 2014 results as reported by HWL.

Hutchison Asia Telecommunications

	2015 (15) HK$ millions	2014 (15) HK$ millions	Change	Change in Local Currency
Total Revenue	**6,900**	5,757	+20%	+34%
Total EBITDA/(LBITDA)	**1,176**	(278)	+523%	+588%
Total EBIT/(LBIT)	**1,176**	(1,465)	+180%	+193%
Total active customer base ('000)	**72,820**	54,454	+34%	

Note 15: 2015 pro forma total EBIT included the full year pro forma adjustment of the depreciation and amortisation impact arising from the fair value adjustment on acquisition, assuming the Reorganisation was effective on 1 January 2015. 2014 Revenue, LBITDA and LBIT are as presented in HWL's 2014 Annual Report.

Hutchison Asia Telecommunications (continued)

HAT reported EBITDA of HK$1,176 million in 2015, a turnaround from LBITDA of HK$278 million in 2014 mainly due to charges of HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation in 2014. On a full year pro forma basis, the turnaround to EBIT of HK$1,176 million in 2015 compared to an LBIT of HK$1,465 million in 2014, was also due to the division's reduced cost and depreciable asset base under the Reorganisation.

In Indonesia, the active customer base at the end of 2015 increased 48% from last year to approximately 63.6 million customers, representing 87% of HAT's total customer base. The growth momentum has accelerated particularly in the second half of the year, with customer growth of 23% during the period since June 2015, and has significantly improved its net customer service margin during the year. Together with good cost control measures under the leadership of the new management team, notable improvements in profitability have been delivered.

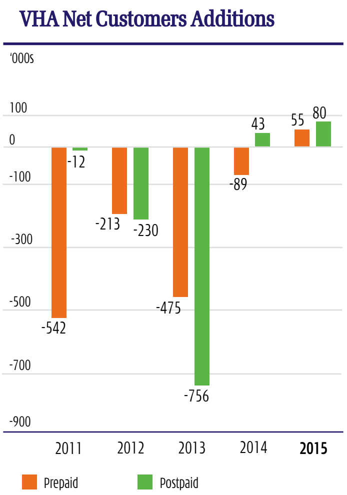
HTAL, share of VHA

	2015 AUD millions	2014 AUD millions	Change
Announced Total Revenue	**1,826**	1,748	+4%
Announced EBITDA	**406**	386	+5%
Announced Loss Attributable to Shareholders	**(183)**	(286)	+36%

HTAL announced total revenue and EBITDA from its share of 50% owned associated company, VHA, of A$1,826 million and A$406 million, a 4% and 5% increase over last year respectively, driven by growth in the customer base as well as good cost controls management. The loss attributable to shareholders decreased by 36% to A$183 million, primarily due to the improved EBITDA result and lower depreciation charges following the one-off accelerated depreciation in 2014.

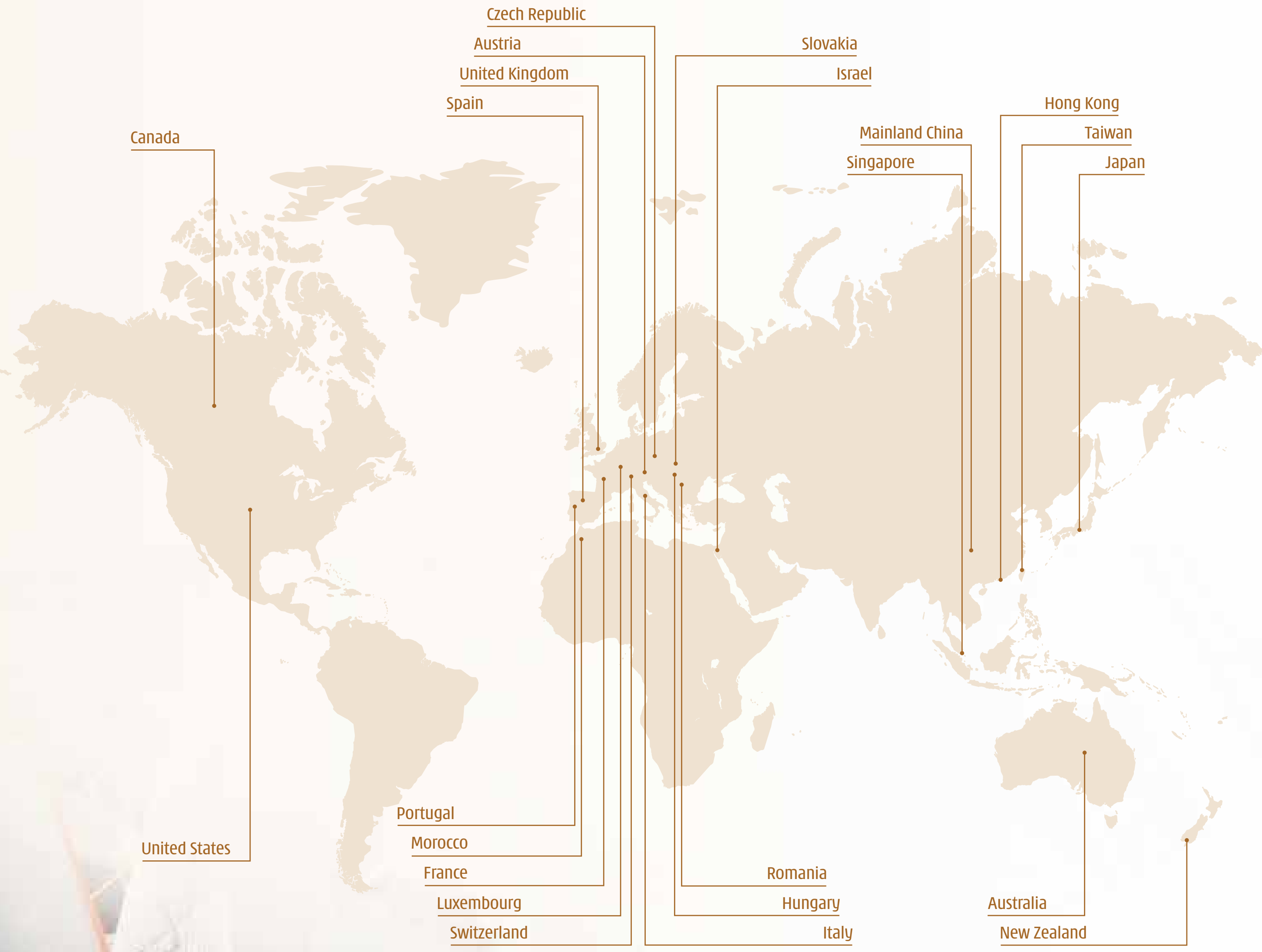
VHA's active customer base increased 3% to over 5.4 million (including MVNOs) at 31 December 2015, with over 3% growth in the higher margin postpaid segment. Complaints to the Telecommunications Industry Ombudsman fell 67% between the December 2014 quarter and the December 2015 quarter and VHA had the lowest ratio of complaints of all the major Australian mobile telecommunications providers in the September 2015 and December 2015 quarters.

Following a solid performance in 2015, VHA will continue to focus on its product offerings, network and customer service in order to continue to grow the customer base and a strong brand.



Finance & Investments
and Others

Guangzhou Aircraft Maintenance Engineering Company enters into a partnership with PacAvi Group to tap the Chinese and Asian markets for Airbus A320 and A321 passenger-to-freighter conversions.



Czech Republic
Austria
United Kingdom
Spain
Canada
Slovakia
Israel
Hong Kong
Mainland China
Taiwan
Singapore
Japan
United States
Portugal
Morocco
France
Luxembourg
Switzerland
Romania
Hungary
Italy
Australia
New Zealand

CHINA SOUTHERN

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"), Hutchison Water, the Marionnaud business and listed associate CK Life Sciences Group ("CKLS").

	2015 [1] **HK$ millions**	2014 [1] HK$ millions	Change
Comparable Revenue	**19,668**	21,389	-8%
Comparable EBITDA	**1,786**	3,461	-48%
Comparable EBIT	**1,540**	3,000	-49%

Results including Additional Contributions:

	2015 [1] **HK$ millions**	2014 [1] HK$ millions	Change
Total Revenue	**22,563**	21,389	+5%
Total EBITDA	**2,142**	3,461	-38%
Total EBIT	**1,822**	3,000	-39%

Note 1: To reflect the underlying performance of Finance & Investments and Others in 2015, Comparable Revenue, EBITDA and EBIT exclude the contribution from additional interest in TOM, CKLS and other investment contributions that arose from the Reorganisation. 2015 pro forma Total Revenue, EBITDA and EBIT include the full year pro forma contribution from additional interest in TOM, CKLS and other investment contributions. 2014 Revenue, EBITDA and EBIT are as presented in HWL's 2014 Annual Report, excluding corporate overhead from discontinued property and hotels businesses.

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$131,426 million at 31 December 2015. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity and Others" section of the 2015 annual results announcement. The reduced EBITDA and EBIT contribution of this segment was mainly due to one-off gains on disposal of certain listed equity investments and other non-strategic investments in 2014.

Other Operations

Hutchison Whampoa (China) Limited

HWCL operates various manufacturing, service and distribution joint ventures in the Mainland and Hong Kong, and also has an investment in Hutchison China MediTech Limited ("Chi-Med"), currently a 64.9% owned subsidiary listed on the AIM of the London Stock Exchange in the UK. Chi-Med focuses on researching, developing, manufacturing and selling pharmaceuticals and health-related consumer products.

TOM Group

TOM, a 36.7% associate, is listed on SEHK and its businesses include e-commerce, mobile Internet, publishing, outdoor media as well as television and entertainment.

Hutchison Water Limited

The Group has a 49% interest in a water desalination project in Israel which was granted a 26.5-year concession by the Israeli government to build and operate a water desalination plant in Sorek, Israel. The plant has been operational since 2014 and is one of the largest desalination plants in the world in terms of capacity.

Marionnaud

Marionnaud currently operates approximately 1,000 stores in 11 European markets, providing luxury perfumery and cosmetic products. The Marionnaud business has improved during the year despite intense competition and weak consumer spending on luxury 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, commercialisation, marketing and sale of health and agriculture-related products. It has business interests in three key divisions: agriculture, nutraceutical and pharmaceutical.

Interest Expense, Finance Costs and Tax

The Group's consolidated interest expenses and other finance costs for the year, on a full year pro forma basis, 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$12,581 million, a decrease of 10% when compared to HWL's results last year [(2)] mainly due to the lower effective interest rates on the Group's listed bonds as a result of the Reorganisation. The Group's pro forma weighted average cost of debt for 2015 was 2.1%.

The Group recorded current and deferred tax charges, on a full year pro forma basis, totalling HK$7,197 million for the year, a decrease of 12% from HWL's current and deferred tax charges last year [(2)] mainly due to lower share of tax charges from the energy business which reported lower profits in 2015 and the one-time benefits in the Infrastructure businesses in the UK following the enactment of UK corporate tax rate reduction in the year.

Note 2: Excluding discontinued property and hotels businesses.

Summary

Economic and market conditions remained volatile in 2015 which affect the Group's businesses worldwide. Despite facing various challenges, the Group continued to demonstrate its resilience and sustained growth in recurring earnings in 2015, while maintaining a healthy and conservative level of liquidity and a strong balance sheet.

The Group remains committed to its dual objectives of maintaining a healthy rate of growth in recurring earnings and a stable financial profile. This will be achieved through cautious and selective expansion, stringent capital expenditure and cost controls across all businesses, and maintaining a prudent financial profile and strong liquidity. The Group will closely monitor the impact of the volatile markets to the businesses, particularly in the commodities and currency markets, and prudently manage these exposures to support the delivery of a stable growth in 2016. Barring adverse external developments in the sectors and geographies in which we operate, I have full confidence these objectives will be achieved in 2016.

Fok Kin Ning, Canning
Group Co-Managing Director

Hong Kong, 17 March 2016

Additional Information

Ports and Related Services

The following tables summarise the major port operations for the four segments of the division.

HPH Trust

Name	Location	The Group's Effective Interest	2015 Throughput (100% basis)
			(million TEU)
Hongkong International Terminals/ COSCO-HIT Terminals/ Asia Container Terminals	Hong Kong	30.07% / 15.03% / 12.03%	12.1
Yantian International Container Terminals - Phase I and II/ Phase III/ West Port	Mainland China	16.96% / 15.53% / 15.53%	12.2
Ancillary Services - Asia Port Services/ Hutchison Logistics (HK)/ Shenzhen Hutchison Inland Container Depots	Hong Kong and Mainland China	30.07% / 30.07% / 23.35%	N/A

Mainland China and Other Hong Kong

Name	Location	HPH's Effective Interest [1]	2015 Throughput (100% basis)
			(million TEU)
Shanghai Mingdong Container Terminals/ Shanghai Pudong International Container Terminals	Mainland China	50% / 30%	8.3
Ningbo Beilun International Container Terminals	Mainland China	49%	2.0
River Trade Terminal	Hong Kong	50%	1.2
Ports in Southern China - Nanhai International Container Terminals [2]/ Jiangmen International Container Terminals [2]/ Shantou International Container Terminals/ Huizhou Port Industrial Corporation/ Huizhou International Container Terminals/ Xiamen International Container Terminals/ Xiamen Haicang International Container Terminals	Mainland China	50% / 50% / 70% / 33.59% / 80% / 49% / 49%	2.5 [3]

Note 1: The Group holds an 80% interest in Hutchison Ports Holdings Group ("HPH").

Note 2: Although HPH Trust holds the economic interest in the two River Ports in Nanhai and Jiangmen in Southern China, the legal interests in these operations are retained by this division.

Note 3: Includes the throughput of the port operations in Gaolan and Jiuzhou that were disposed during the second half of 2015.

Additional Information

Ports and Related Services (continued)

Europe

Name	Location	HPH's Effective Interest [1]	2015 Throughput (100% basis)
			(million TEU)
Europe Container Terminals/ Amsterdam Container Terminals	The Netherlands	93.5% / 70.08%	9.8
Hutchison Ports (UK) – Port of Felixstowe/ Harwich International Port/ London Thamesport	United Kingdom	100% / 100% / 80%	4.3
Barcelona Europe South Terminal	Spain	100%	1.1
Gdynia Container Terminal	Poland	99.15%	0.3
Container Terminal Frihamnen [4]	Sweden	100%	0.1

Note 4: The Group holds the right to operate Container Terminal Frihamnen in Sweden.

Asia, Australia and Others

Name	Location	HPH's Effective Interest [1]	2015 Throughput (100% basis)
			(million TEU)
Westports Malaysia	Malaysia	23.55%	9.1
Panama Ports Company	Panama	90%	3.9
Jakarta International Container Terminal / Koja Terminal	Indonesia	49% / 45.09%	3.2
Hutchison Korea Terminals / Korea International Terminals	South Korea	100% / 88.9%	2.5
Hutchison Laemchabang Terminal / Thai Laemchabang Terminal	Thailand	80% / 87.5%	2.3
Internacional de Contenedores Asociados de Veracruz/ Lazaro Cardenas Terminal Portuaria de Contenedores/ Lazaro Cardenas Multipurpose Terminal/ Ensenada International Terminal/ Terminal Internacional de Manzanillo	Mexico	100%	2.2
International Ports Services	Saudi Arabia	51%	1.9
Freeport Container Port	The Bahamas	51%	1.4
Karachi International Container Terminal / South Asia Pakistan Terminals	Pakistan	100% / 90%	1.0
Alexandria International Container Terminals	Egypt	50%	0.7
Tanzania International Container Terminal Services	Tanzania	66.5%	0.5
Oman International Container Terminal	Oman	65%	0.5
Buenos Aires Container Terminal	Argentina	100%	0.2
Hutchison Ajman International Terminals	United Arab Emirates	100%	0.2
Sydney International Container Terminals	Australia	100%	0.2
Brisbane Container Terminals	Australia	100%	0.1
Myanmar International Terminals Thilawa	Myanmar	100%	-
Saigon International Terminals Vietnam	Vietnam	70%	-

Retail

Brand list by Market

Market	Brand
Albania	Rossmann
Belgium	ICI PARIS XL, Kruidvat
Czech Republic	Rossmann
Germany	ICI PARIS XL, Rossmann
Hong Kong	Watsons, PARKnSHOP, Fortress, Watson's Wine, Watsons Water, Mr Juicy
Hungary	Rossmann
Indonesia	Watsons
Ireland	The Perfume Shop, Superdrug
Latvia	Drogas
Lithuania	Drogas
Luxembourg	ICI PARIS XL
Macau	Watsons, PARKnSHOP, Fortress
Mainland China	Watsons, PARKnSHOP, Watson's Wine, Watsons Water, Mr Juicy
Malaysia	Watsons
The Netherlands	ICI PARIS XL, Kruidvat, Trekpleister
The Philippines	Watsons
Poland	Rossmann
Russia	Spektr
Singapore	Watsons
South Korea	Watsons
Taiwan	Watsons
Thailand	Watsons
Turkey	Watsons, Rossmann
United Kingdom	The Perfume Shop, Superdrug, Savers
Ukraine	Watsons

Additional Information

Infrastructure

CKI Project Profile by Geographical Location

Geographical Location	Company/Project	Type of Business	Shareholding Interest within CKHH Group
Australia	SA Power Networks	Electricity Distribution	CKI: 23.1%; Power Assets: 27.9%
	Powercor Australia Limited	Electricity Distribution	CKI: 23.1%; Power Assets: 27.9%
	CitiPower I Pty Ltd.	Electricity Distribution	CKI: 23.1%; Power Assets: 27.9%
	Spark Infrastructure Group	Infrastructure Investment	CKI: 6.7%
	Australian Gas Networks Limited	Gas Distribution	CKHH: 27.5%; CKI: 45.0%; Power Assets: 27.5%
	Transmission Operations (Australia) Pty Ltd	Electricity Transmission	CKI: 50%; Power Assets: 50%
Canada	Canadian Power Holdings Inc.	Electricity Generation	CKI: 50%; Power Assets: 50%
	Park'N Fly	Off-airport Parking	CKHH: 50%; CKI: 50%
Hong Kong	Power Assets Holdings Limited ("Power Assets")	Holding company of a 33.4% interest in HKEI, a listed electricity generation and transmission business in HK, and power and utility-related businesses overseas	CKI: 38.9%
	Alliance Construction Materials Limited	Infrastructure Materials	CKI: 50%
	Green Island Cement Company, Limited	Infrastructure Materials	CKI: 100%
	Anderson Asphalt Limited	Infrastructure Materials	CKI: 100%
Mainland China	Green Island Cement (Yunfu) Company Limited	Infrastructure Materials	CKI: 100%
	Guangdong Gitic Green Island Cement Co. Ltd.	Infrastructure Materials	CKI: 66.5%
	Shen-Shan Highway (Eastern Section)	Toll Road	CKI: 33.5%
	Shantou Bay Bridge	Toll Bridge	CKI: 30%
	Tangshan Tangle Road	Toll Road	CKI: 51%
	Changsha Wujialing and Wuyilu Bridges	Toll Bridge	CKI: 44.2%
	Jiangmen Chaolian Bridge	Toll Bridge	CKI: 50%
	Panyu Beidou Bridge	Toll Bridge	CKI: 40%
The Netherlands	Dutch Enviro Energy Holdings B.V.	Energy-from-Waste	CKHH: 35%; CKI: 35%; Power Assets: 20%
New Zealand	Wellington Electricity Lines Limited	Electricity Distribution	CKI: 50%; Power Assets: 50%
	Enviro (NZ) Limited	Waste Management	CKI: 100%
The Philippines	Siquijor Limestone Quarry	Infrastructure Materials	CKI: 40%
Portugal	Portugal Renewable Energy	Generation and Sale of Wind Energy	CKI: 50%; Power Assets: 50%
United Kingdom	UK Power Networks Holdings Limited	Electricity Distribution	CKI: 40%; Power Assets: 40%
	Northumbrian Water Group Limited	Water Supply, Sewerage and Waste Water businesses	CKHH: 40%; CKI: 40%
	Northern Gas Networks Limited	Gas Distribution	CKI: 47.1%; Power Assets: 41.3%
	Wales & West Utilities Limited	Gas Distribution	CKHH: 30%; CKI: 30%; Power Assets: 30%
	Seabank Power Limited	Electricity Generation	CKI: 25%; Power Assets: 25%
	Southern Water Services Limited	Water and Wastewater Services	CKI: 4.8%
	UK Rails S.a.r.l.	Leasing of Rolling Stock	CKHH: 50%; CKI: 50%

Energy

Husky Energy's conventional oil and natural gas assets, heavy oil production and upgrading and transportation infrastructure in Western Canada provides a firm foundation to support three growth pillars: the Asia Pacific Region, the Oil Sands and the Atlantic Region. The table below summarises the major projects and activities of the division.

Operations	Project	Status/Production Timeline	Husky Energy's Working Interest
WESTERN CANADA			
- Oil Resource Plays	Oungre Bakken, S.E. Saskatchewan	In production	100%
	Lower Shaunavon, S.W. Saskatchewan	In production	Varies
	Viking, Alberta and S.W. Saskatchewan	In production	Varies
	N. Cardium, Wapiti, Alberta	In production	Varies
	Muskwa, Rainbow, Northern Alberta	Under evaluation	Varies
	Slater River Canol Shale, Northwest Territories	Under evaluation	100%
- Liquids-Rich Gas Resource Plays	Ansell Multi-zone, Alberta	In production	Varies
	Duvernay, Kaybob, Alberta	In production	Varies
- Heavy Oil Thermal Projects	Pikes Peak	In production	100%
	Bolney/Celtic	In production	100%
	Paradise Hill	In production	100%
	Pikes Peak South	In production	100%
	Sandall	In production	100%
	Rush Lake	In production	100%
	Vawn	2016	100%
	Edam West	2016	100%
	Edam East	2016	100%
GROWTH PILLARS			
- Atlantic Region	Terra Nova	In production	13%
	South Avalon	In production	72.5%
	North Amethyst	In production	68.875%
	South White Rose Extension	In production	68.875%
	West White Rose	Under evaluation	68.875%
	Flemish Pass Basin	Under evaluation	35%
- Oil Sands	Tucker, Alberta	In production	100%
	Sunrise (Phase 1), Alberta	In production	50%
	Saleski, Alberta	Under evaluation	100%
- Asia Pacific	Wenchang, South China Sea	In production	40%
	Liwan 3-1, Block 29/26, South China Sea	In production	49%
	Liuhua 34-2, Block 29/26, South China Sea	In production	49%
	Liuhua 29-1, Block 29/26, South China Sea	2019	49%
	Block 15/33, South China Sea	Production Sharing Contract signed in 2015	100%
	Madura Strait, BD, MDA, MBH & MDK, Indonesia	2017	40%
	Madura Strait, MAC, MAX & MBJ, Indonesia	Under evaluation	40%
	Madura Strait, MBF, Indonesia	Under evaluation	50%
	Anugerah, Indonesia	Production Sharing Contract signed in 2014	100%
	Offshore Taiwan	Joint Venture Contract signed in 2012	75%
DOWNSTREAM			
	Lima Refinery, Ohio, USA	In production	100%
	Toledo Refinery, Ohio, USA	In production	50%
	Lloydminster Upgrader, Saskatchewan	In production	100%
	Lloydminster Asphalt Refinery, Saskatchewan	In production	100%
	Prince George Refinery, British Columbia	In production	100%
	Lloydminster Ethanol Plant, Saskatchewan	In production	100%
	Minnedosa Ethanol Plant, Manitoba	In production	100%
	Cold Lake Pipeline System, Alberta	In operation	100%
	Saskatchewan Gathering System	In operation	100%
	Mainline Pipeline System, Alberta	In operation	100%
	Hardisty Terminal	In operation	100%
	Rainbow Lake Gas Processing Plant	In operation	50%

Telecommunications

Summary of licence investments

Operation	Licence	Spectrum Lot	Blocks	Paired/Unpaired	Available Spectrum
United Kingdom	800 MHz	5 MHz	1	Paired	10 MHz
	1400 MHz	5 MHz	4	Unpaired	20 MHz
	1800 MHz	5 MHz	2	Paired	20 MHz
	1800 MHz (from 2015)	5 MHz	1	Paired	10 MHz
	2100 MHz	5 MHz	3	Paired	30 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
Italy	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	5 MHz	3	Paired	30 MHz
	2100 MHz	5 MHz	3	Paired	30 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	5 MHz	2	Paired	20 MHz
	2600 MHz	15 MHz	2	Unpaired	30 MHz
Austria	900 MHz (from 2016)	5 MHz	1	Paired	10 MHz
	1800 MHz (to 2017)	200 kHz	145	Paired	58 MHz
	1800 MHz (from 2013 to 2017)	3.5 MHz	1	Paired	7 MHz
	1800 MHz (from 2016 to 2017)	3 MHz	1	Paired	6 MHz
	1800 MHz (from 2018)	5 MHz	4	Paired	40 MHz
	2100 MHz	5 MHz	5	Paired	50 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	5 MHz	5	Paired	50 MHz
	2600 MHz	25 MHz	1	Unpaired	25 MHz
Sweden	800 MHz	10 MHz	1	Paired	20 MHz
	900 MHz	5 MHz	1	Paired	10 MHz
	2100 MHz	20 MHz	1	Paired	40 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	10 MHz	1	Paired	20 MHz
	2600 MHz	50 MHz	1	Unpaired	50 MHz
Denmark	900 MHz	5 MHz	1	Paired	10 MHz
	1800 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz	15 MHz	1	Paired	30 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2600 MHz	10 MHz	1	Paired	20 MHz
	2600 MHz	5 MHz	5	Unpaired	25 MHz
Ireland	800 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	5 MHz	3	Paired	30 MHz
	1800 MHz (to 2015)	5 MHz	2	Paired	20 MHz
	1800 MHz (from 2015)	5 MHz	7	Paired	70 MHz
	2100 MHz	5 MHz	6	Paired	60 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz

Operation	Licence	Spectrum Lot	Blocks	Paired/Unpaired	Available Spectrum
HTHKH - Hong Kong	900 MHz	5 MHz	1	Paired	10 MHz
	900 MHz	8.3 MHz	1	Paired	16.6 MHz
	1800 MHz	11.6 MHz	1	Paired	23.2 MHz
	2100 MHz	14.8 MHz	1	Paired	29.6 MHz
	2100 MHz	5 MHz	1	Unpaired	5 MHz
	2300 MHz	30 MHz	1	Unpaired	30 MHz
	2600 MHz (1)	5 MHz	1	Paired	10 MHz
	2600 MHz (1)	15 MHz	1	Paired	30 MHz
HTHKH - Macau	900 MHz	7.8 MHz	1	Paired	15.6 MHz
	1800 MHz	4.4 MHz	1	Paired	8.8 MHz
	1800 MHz	15 MHz	1	Paired	30 MHz
	2100 MHz	10 MHz	1	Paired	20 MHz
HAT - Indonesia	1800 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz	5 MHz	2	Paired	20 MHz
HAT - Sri Lanka	900 MHz	7.5 MHz	1	Paired	15 MHz
	1800 MHz	7.5 MHz	1	Paired	15 MHz
	2100 MHz	5 MHz	2	Paired	20 MHz
HAT - Vietnam	900 MHz	10 MHz	1	Paired	20 MHz
	2100 MHz (2)	15 MHz	1	Paired	30 MHz
Australia (3)	850 MHz	5 MHz	2	Paired	20 MHz
	900 MHz	8.2 MHz	1	Paired	16.4 MHz
	1800 MHz	5 MHz	6	Paired	60 MHz
	2100 MHz	5 MHz	5	Paired	50 MHz

Note 1: Spectrum held by 50/50 joint venture with PCCW.

Note 2: Spectrum shared with Viettel Mobile.

Note 3: VHA's spectrum holdings vary across different locations, hence the above reflects spectrum allocated in Sydney and Melbourne only.