Hutchison Whampoa Limited
和記黃埔有限公司

stock code: 13

Advancing with Stability

2014 Annual Report

Corporate Information

Hutchison Whampoa Limited

BOARD OF DIRECTORS

Chairman

LI Ka-shing, GBM, KBE, LLD (Hon), DSSc (Hon)
Commandeur de la Légion d'Honneur
Grand Officer of the Order Vasco Nunez de Balboa
Commandeur de l'Ordre de Léopold

Deputy Chairman

LI Tzar Kuoi, Victor, BSc, MSc, LLD (Hon)

Group Managing Director

FOK Kin Ning, Canning, BA, DFM, CA (Aus)

Executive Directors

CHOW WOO Mo Fong, Susan, BSc
Deputy Group Managing Director

Frank John SIXT, MA, LLL
Group Finance Director

LAI Kai Ming, Dominic, BSc, MBA

KAM Hing Lam, BSc, MBA

Non-executive Directors

LEE Yeh Kwong, Charles, GBM, GBS, OBE, JP

George Colin MAGNUS, OBE, BBS, MA

Independent Non-executive Directors

CHENG Hoi Chuen, Vincent, GBS, OBE, JP

The Hon Sir Michael David KADOORIE, GBS, LLD (Hon), DSc (Hon)
Commandeur de la Légion d'Honneur
Commandeur de l'Ordre de Leopold II
Commandeur de l'Ordre des Arts et des Lettres

LEE Wai Mun, Rose, JP, BBA

William Elkin MOCATTA, FCA
Alternate to Michael David Kadoorie

William SHURNIAK, SOM, LLD (Hon)

WONG Chung Hin, CBE, JP

AUDIT COMMITTEE

WONG Chung Hin *(Chairman)*

CHENG Hoi Chuen, Vincent

William SHURNIAK

REMUNERATION COMMITTEE

WONG Chung Hin *(Chairman)*

LI Ka-shing

CHENG Hoi Chuen, Vincent

COMPANY SECRETARY

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)

AUDITOR

PricewaterhouseCoopers

BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

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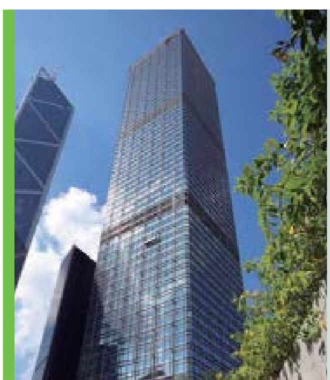
Corporate Profile

Hutchison Whampoa Limited (the "Group") is a renowned multinational conglomerate committed to development, innovation and technology in many different sectors. We operate a variety of businesses in over 50 countries across the world with over 280,000 employees. We have a strong commitment to the highest standards of corporate governance, transparency and accountability, which has been recognised by numerous international awards and commendations. Our operations consist of six core businesses – ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications.

Ports and Related Services

We are one of the world's leading port investor, developer and operator, holding interests in 52 ports comprising 282 operational berths in 26 countries, including container terminals operating in five of the 10 busiest container ports in the world. In 2014, our ports handled a total throughput of 82.9 million twenty-foot equivalent units ("TEUs"). We also engage in mid-stream operations, river trade, cruise terminal operations and ports related logistics services.



Property and Hotels

We develop and invest in leading real estate projects, ranging from landmark office buildings to luxury residential properties. We hold a rental property portfolio of approximately 13.3 million square feet of office, commercial, industrial and residential premises, primarily in Hong Kong, as well as interests in a number of joint-venture developments in Mainland China and selective overseas markets. We also have interests in 11 premium hotels in Hong Kong, the Mainland and the Bahamas.

Retail

The Group's retail division is one of the world's leading health and beauty retailers with over 11,400 retail stores in 24 markets worldwide. Its diverse retail portfolio comprises health and beauty products, supermarkets, and consumer electronics and electrical appliances. It also manufactures and distributes bottled water and beverage products in Hong Kong and the Mainland.

Infrastructure

The Group's infrastructure business operates mainly in Hong Kong, the Mainland, the United Kingdom, the Netherlands, Australia, New Zealand and Canada. Cheung Kong Infrastructure Holdings Limited ("CKI") is a Hong Kong listed infrastructure company with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management and infrastructure-related businesses.

Energy

The Group's investments in energy are principally in Western and Atlantic Canada, the United States and the Asia Pacific Region. Husky Energy Inc ("Husky Energy") is an integrated energy company listed in Canada.

Telecommunications

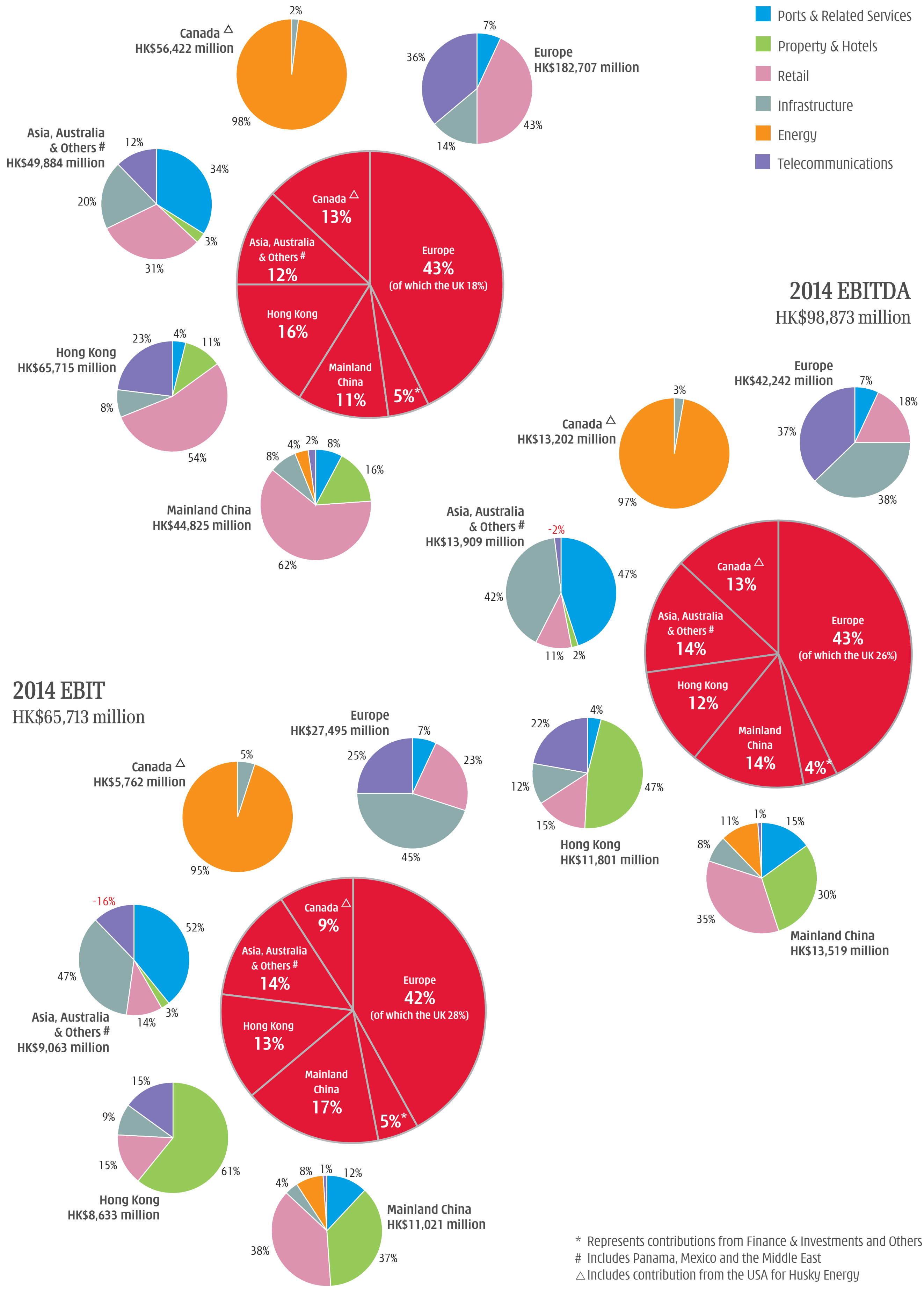
We are a leading global operator of mobile telecommunications and data services, and a pioneer of mobile broadband technology in the world. We are also a major owner and operator of fibre-optic fixed-line networks in Hong Kong. Our operations offer telecommunications services including 4G long-term evolution (LTE) and 3G multi-media mobile, second-generation mobile, fixed-line, Internet and broadband services, including international connectivity services over both fibre-optic and mobile networks.

Analyses of Core Business Segments by Geographical Location

(before profits on disposal of investments & others and property revaluation)

2014 Total Revenue

HK$421,472 million



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

Analyses by Core Business Segments

	2014 HK$ millions	%	2013 HK$ millions	%	Change
Total Revenue [1]					
Ports and related services	**35,624**	**8%**	34,119	8%	+4%
Hutchison Ports Group other than HPH Trust	*32,841*	*8%*	*31,360*	*7%*	*+5%*
HPH Trust [1]	*2,783*	*–*	*2,759*	*1%*	*+1%*
Property and hotels	**16,069**	**4%**	24,264	6%	-34%
Retail	**157,397**	**37%**	149,147	36%	+6%
Cheung Kong Infrastructure	**45,419**	**11%**	42,460	10%	+7%
Husky Energy	**57,368**	**14%**	59,481	14%	-4%
3 Group Europe	**65,623**	**16%**	61,976	15%	+6%
Hutchison Telecommunications Hong Kong Holdings	**16,296**	**4%**	12,777	3%	+28%
Hutchison Asia Telecommunications	**5,757**	**1%**	6,295	2%	-9%
Finance & Investments and Others	**21,919**	**5%**	22,414	6%	-2%
Finance & Investments	*2,366*	*–*	*2,321*	*1%*	*+2%*
Others	*19,553*	*5%*	*20,093*	*5%*	*-3%*
Total Reported Revenue	**421,472**	**100%**	412,933	100%	+2%
EBITDA [1]					
Ports and related services	**12,133**	**12%**	11,447	12%	+6%
Hutchison Ports Group other than HPH Trust	*10,722*	*11%*	*10,060*	*11%*	*+7%*
HPH Trust [1]	*1,411*	*1%*	*1,387*	*1%*	*+2%*
Property and hotels	**9,998**	**10%**	13,995	15%	-29%
Retail	**15,549**	**16%**	14,158	15%	+10%
Cheung Kong Infrastructure	**24,483**	**25%**	22,841	24%	+7%
Husky Energy	**14,410**	**14%**	14,779	15%	-2%
3 Group Europe	**15,598**	**16%**	12,671	13%	+23%
Hutchison Telecommunications Hong Kong Holdings	**2,780**	**3%**	2,758	3%	+1%
Hutchison Asia Telecommunications	**(278)**	**–**	819	1%	-134%
Finance & Investments and Others	**4,200**	**4%**	2,179	2%	+93%
Finance & Investments	*3,691*	*4%*	*2,808*	*3%*	*+31%*
Others	*509*	*–*	*(629)*	*-1%*	*+181%*
Reported EBITDA before profits on disposal of investments & others and property revaluation	**98,873**	**100%**	95,647	100%	+3%
EBIT [1]					
Ports and related services	**7,944**	**12%**	7,358	12%	+8%
Hutchison Ports Group other than HPH Trust	*7,132*	*11%*	*6,573*	*11%*	*+9%*
HPH Trust [1]	*812*	*1%*	*785*	*1%*	*+3%*
Property and hotels	**9,661**	**15%**	13,659	21%	-29%
Retail	**13,023**	**20%**	11,771	18%	+11%
Cheung Kong Infrastructure	**18,215**	**28%**	17,528	27%	+4%
Husky Energy	**6,324**	**10%**	7,208	11%	-12%
3 Group Europe	**6,892**	**10%**	4,856	8%	+42%
Hutchison Telecommunications Hong Kong Holdings	**1,380**	**2%**	1,367	2%	+1%
Hutchison Asia Telecommunications	**(1,465)**	**-2%**	(409)	-1%	-258%
Finance & Investments and Others	**3,739**	**5%**	1,259	2%	+197%
Finance & Investments	*3,691*	*5%*	*2,808*	*4%*	*+31%*
Others	*48*	*–*	*(1,549)*	*-2%*	*+103%*
Reported EBIT before profits on disposal of investments & others and property revaluation	**65,713**	**100%**	64,597	100%	+2%
Interest expenses and other finance costs [1]	**(14,324)**		(14,159)		-1%
Profit before tax	**51,389**		50,438		+2%
Tax [1]					
Current tax	**(10,932)**		(10,972)		–
Deferred tax	**1,422**		(770)		+285%
	(9,510)		(11,742)		+19%
Profit after tax	**41,879**		38,696		+8%
Non-controlling interests and perpetual capital securities holders' interests	**(9,871)**		(7,668)		-29%
Profit attributable to ordinary shareholders, before profits on disposal of investments & others and property revaluation	**32,008**		31,028		+3%
Property revaluation, after tax	**25,100**		32		+78,338%
Profits on disposal of investments & others, after tax [2]	**10,048**		52		+19,223%
Profit attributable to ordinary shareholders	**67,156**		31,112		+116%

Note 1: Total revenue, earning before interest expenses and other finance costs, tax, depreciation and amortisation ("EBITDA") and earning before interest expenses and other finance costs and tax ("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. See Note 5 to the accounts on the details of the adjustments.

Note 2: See Note 6 to the accounts on the details of the profits on disposal of investments & others, after tax for 2014 and 2013.

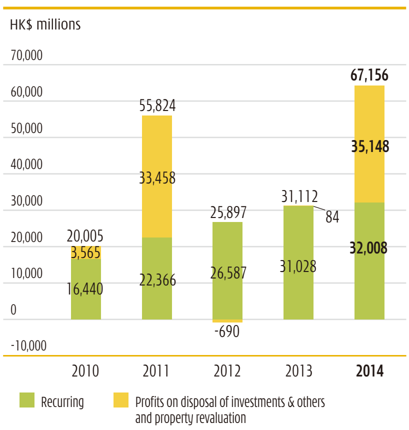
Note 3: Recurring earnings per share is calculated based on profit attributable to ordinary shareholders before property revaluation, after tax and profits on disposal of investments and others, after tax.

Note 4: Exclude special dividend of HK$7.00 per share in 2014.

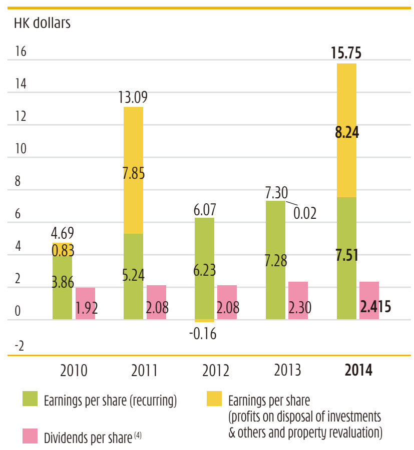
Key Financial Information

	2014 HK$ millions	2013 HK$ millions	Change
Reported profit attributable to ordinary shareholders of the Company	**67,156**	31,112	+116%
Reported earnings per share (HK$)	**15.75**	7.30	+116%
Recurring profit attributable to ordinary shareholders of the Company	**32,008**	31,028	+3%
Recurring earnings per share (HK$) [3]	**7.51**	7.28	+3%
Dividends per share (HK$) [4]	**2.415**	2.300	+5%
Special dividend per share (HK$)	**7.000**	–	N/A
Total assets	**883,435**	815,522	+8%
Net assets	**519,062**	476,232	+9%
Net assets attributable to shareholders of the Company per ordinary share (HK$)	**100.1**	90.6	+10%
Funds from operations before capital expenditures and working capital changes ("FFO")	**50,836**	49,390	+3%
Proceeds on disposal of subsidiary companies	**905**	3,149	-71%
Capital expenditures – Fixed assets, investment properties and others	**21,518**	23,665	-9%
Capital expenditures – Telecommunications licences	**41**	6,828	-99%
Total cash, liquid funds and other listed investments	**140,459**	102,787	+37%
Total principal amount of bank and other debts	**246,867**	223,822	+10%
Net debt [5]	**106,408**	121,035	-12%
Net debt to net total capital ratio [5]	**16.8%**	20.0%	-3.2%-pt
Credit rating:			
Moody's	**A3**	A3	
Standard & Poor's	**A-**	A-	
Fitch	**A-**	A-	

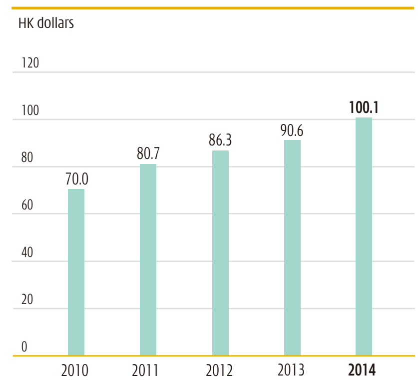
Profit Attributable to Ordinary Shareholders



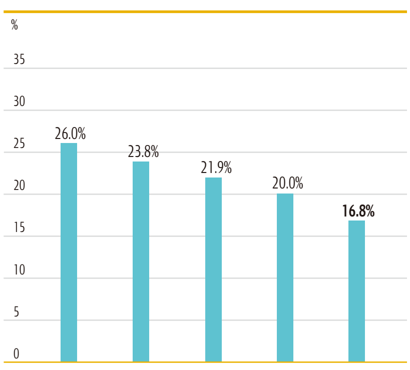
Earnings and Dividends per Ordinary Share



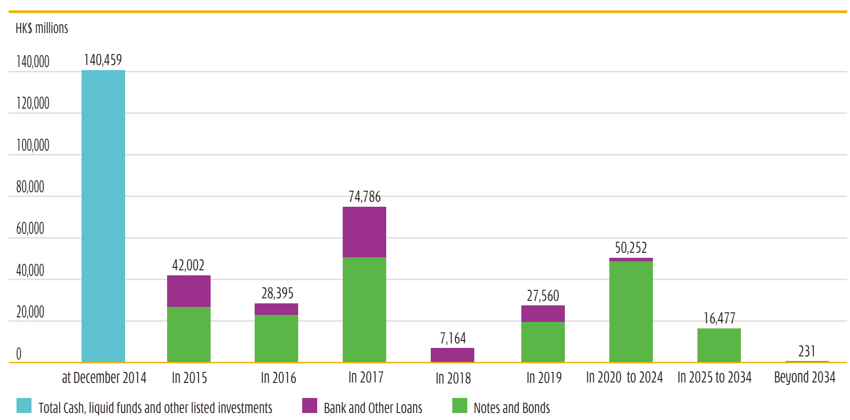
Net Assets Attributable to Shareholders of the Company per Ordinary Share



Net Debt to Net Total Capital Ratio



Debt Maturity Profile at 31 December 2014



Note 5: Net debt is defined in the Consolidated Statement of Cash Flows. Net total capital is defined as total principal amount of bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

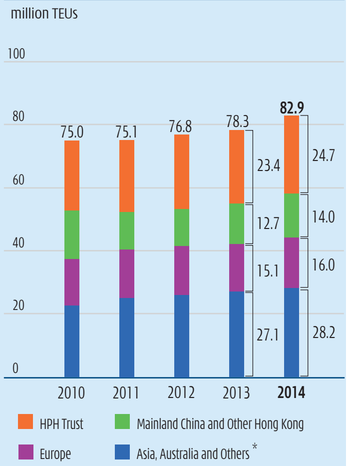
Note 6: Attributable landbank includes interests held directly by the Group and its share of interests held by joint ventures and associates.

Key Business Indicators

Ports and Related Services

"Annual throughput totalled 82.9 million TEUs."

Total Container Throughput by Subdivision

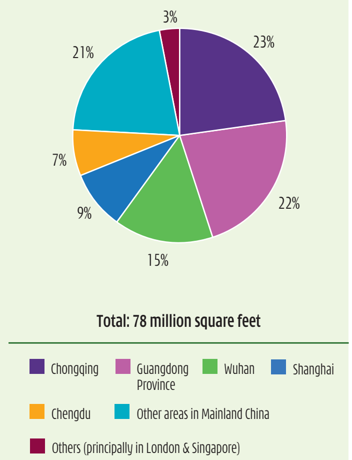


* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Property and Hotels

"Current attributable landbank is approximately 78 million square feet. Mainland China average land cost is approximately RMB238 per square foot (6)."

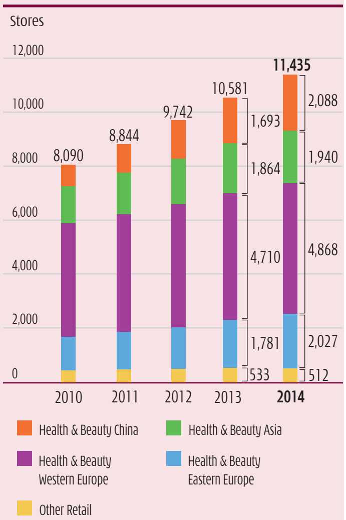
Gross Floor Area of Development Projects by Geographical Location



Retail

"Over 11,400 retail stores worldwide in 24 markets."

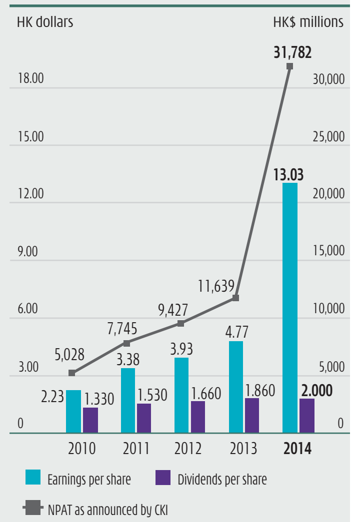
Total Retail Store Numbers by Subdivision



Infrastructure

"Strong underlying growth together with exceptional gains in 2014. Announced total dividend for the year of HK$2.000 per share."

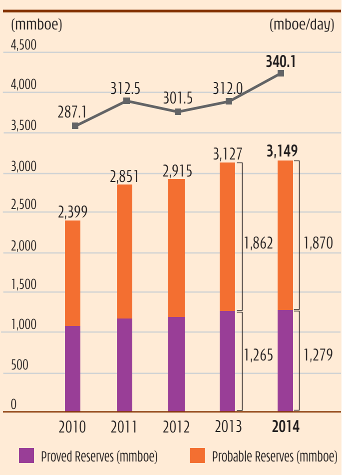
Earnings per Share, Dividends per Share and NPAT announced by CKI



Energy

"Average production increased 9% to 340.1 mboe/day in 2014."

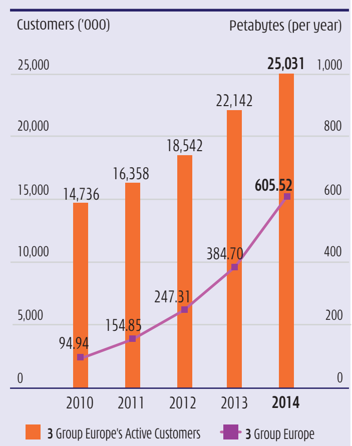
Proved and Probable Reserves & Production



Telecommunications

"Active customer base totals over 25.0 million, an increase of 13% while data consumption exceeded 605 petabytes in 2014."

3 Group Europe's Active Customers and Data Usage



Business Highlights

January to June

- Power Assets Holdings Limited ("Power Assets") completes the spin-off and separate listing of its Hong Kong electricity business on the Main Board of the Stock Exchange of Hong Kong.

- Husky Energy's Sandall heavy oil thermal project has achieved first oil in early 2014.

- Hutchison Port Holdings Trust enters into strategic partnerships with COSCO Pacific Limited and China Shipping Terminal Development (Hong Kong) Company Limited through their investments of 40 per cent and 20 per cent, respectively, of Asia Container Terminals Holdings Limited and its group companies, for an aggregate consideration of HK$2,472 million.

- The Group forms with Temasek a strategic alliance, with Temasek taking up an indirect equity interest of 24.95 per cent in A S Watson Holdings Limited for approximately HK$44 billion.

- Husky Energy commences first production at the landmark Liwan Gas Project in the South China Sea, with the Liwan 3-1 and Liuhua 34-2 gas fields achieving first gas in first and fourth quarters respectively.

- **3** Ireland completes its acquisition of Telefónica's O_2 business in Ireland.

- A joint venture led by CKI completes the acquisition of Park'N Fly, the largest off-airport car park provider in Canada, for approximately C$381 million. The joint venture consists of CKI and Cheung Kong (Holdings) Limited ("Cheung Kong") with each owning a 50 per cent interest.

- The outline planning approval for Hutchison Whampoa Properties to redevelop the 40-acre Convoys Wharf in Deptford is granted by the Mayor of London. The redevelopment plan will include 3,500 new homes.

- Hutchison China MediTech Limited ("Chi-Med") takes exclusive rights from the affiliates of Shanghai Traditional Chinese Medicine Co Ltd to distribute six prescription drug products in the Mainland.

- Barcelona Europe South Terminal ("BEST") holds a ground-breaking ceremony for the next phase of its development. On completing the expansion work in the first quarter of 2015, BEST will have a contiguous 1,500-metre berth with a draft of 16.5 metres.

July to December

- New container terminal at Port Botany in Sydney, Australia, officially opens.
- Gdynia Container Terminal in Poland signs an agreement for the building of additional stacking yards as part of the terminal's Stage III Expansion project, which includes the construction of a new quay.
- Europe Container Terminals in Rotterdam handles its 150 millionth TEUs, marking the first container terminal operator in Europe to achieve this remarkable milestone.
- Chi-Med signs a co-promotion agreement with Merck Serono Co Ltd to jointly market certain cardiovascular prescription drug products exclusively in designated areas in the Mainland.
- Cheung Kong, CKI and Power Assets join hands to acquire Envestra Limited, one of Australia's largest gas distribution companies. After the completion of the transaction, the company is renamed Australian Gas Networks Limited.
- Guangzhou Aircraft Maintenance Engineering Company Limited marks its 25th anniversary in October.
- Hutchison Telecommunications Hong Kong Holdings Limited celebrates its 30th anniversary in November.
- A S Watson Group celebrates its milestone of reaching over 11,400 stores worldwide.
- Watsons China celebrates its 25th anniversary and reaches over 2,000 stores' milestone with more than 40 million loyal customers in the Mainland.
- Husky Energy commences steam operations at the Sunrise Energy Project in northeast Alberta.
- International Ports Services, Dammam, Saudi Arabia, commences operations at its third rail line, part of an initiative to enhance hinterland services.
- The Group sells its entire 71.4 per cent stake in Hutchison Harbour Ring Limited for approximately HK$3,820 million.

Chairman's Statement

In January, the Group has embarked on a strategic reorganisation to better reflect the underlying value of its core businesses and to realise maximum business synergies. The reorganisation will provide greater transparency and investment flexibility for shareholders and investors and together with the Group's solid financial profile, favourably position the Group for new business opportunities and future long term business development.

The proposed merger and reorganisation of the Group and Cheung Kong (Holdings) Limited ("Cheung Kong")'s businesses into two new Hong Kong-listed entities, CK Hutchison Holdings Limited, holding all of the non-property businesses of the two groups and Cheung Kong Property Holdings Limited, combining the property businesses of the two groups, is expected to create significant value for our shareholders. Completion of this proposal is conditional on obtaining shareholders and regulatory approvals and fulfilment of all conditions precedent. Further details on the timetable and shareholders approval process will be provided in due course.

Results

2014 was a year of significant activity and solid financial performance for the Group. Some of our businesses encountered increasing headwinds in the second half of 2014 with increased currency volatility, slow property market in Mainland China and a sharp plunge in crude oil prices. Nevertheless, our businesses overall still achieved solid performances and demonstrated strong resilience.

The Group's recurring profit attributable to ordinary shareholders for the year, before property revaluation gains and profits on disposal of investments and others, was HK$32,008 million, a 3% increase from HK$31,028 million in 2013. Recurring earnings per share increased by 3% to HK$7.51 from HK$7.28 in 2013.

Profits on disposal of investments and others, after tax in 2014 of HK$10,048 million comprise the Group's share of the gain arising from Power Assets Holdings Limited ("Power Assets")'s separate listing of its 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") (formerly known as Envestra Limited) realised upon the disposal of its interest in AGN to a joint venture with Cheung Kong and Power Assets on the AGN acquisition. These profits were partly offset by:

- provisions relating to the restructuring of **3** Ireland on acquisition of O_2 Ireland amounting to HK$3,388 million;
- Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA") operating losses of HK$1,732 million;
- the Group's share of Husky Energy's impairment charge on certain crude oil and natural gas assets of HK$1,413 million;
- provisions of HK$652 million on the impairment of goodwill and store closure of the Marionnaud businesses to exit Poland and downsize operations in Portugal and Spain; and
- impairment charges on certain ports assets and related provisions of HK$581 million.

This compares to a reported profits on disposal of investments and others, after tax of HK$52 million in 2013.

Investment property revaluation after tax for the year was HK$25,100 million as compared to HK$32 million for 2013.

Profit attributable to ordinary shareholders reported for the year was HK$67,156 million, a 116% increase compared to HK$31,112 million for 2013, after the property revaluation and one-time items mentioned above.

Dividends

The Board declares the payment of a second interim dividend in lieu of a final dividend of HK$1.755 per share (2013 final dividend – HK$1.700 per share) payable on 15 April 2015 to those persons registered as shareholders of the Company on 17 March 2015, being the record date for determining the shareholders' entitlement to the second interim dividend. Combined with the first interim dividend of HK$0.66 per share (2013 interim dividend – HK$0.60 per share), the full year dividend (excluding the special dividend of HK$7.00 per share that was paid in May 2014) amounts to HK$2.415 per share (2013 – HK$2.300 per share).

Ports and Related Services

The ports and related services division's throughput grew 6% to 82.9 million twenty-foot equivalent units ("TEU") in 2014. Total revenue of HK$35,624 million was 4% higher than last year primarily driven by throughput growth, particularly in Europe and Mainland China. This increase, combined with tighter control over operating costs, resulted in the division reporting EBITDA and EBIT of HK$12,133 million and HK$7,944 million respectively, which were 6% and 8% higher than last year respectively.

The division had 282 berths at the end of the year, a net increase of four berths from 2013. Six new berths, comprising one in Brisbane, Australia, two in Westports, Malaysia and three in Sohar, Oman, commenced operations during 2014. Two berths of the old terminal in Oman ceased operations and will be returned to the Port Authority after the full migration of the operations to the new 3-berth terminal at Sohar.

The division is targeting to add and commence operations at five new berths in 2015 including two additional new berths at Dammam, Saudi Arabia; two additional new berths at Barcelona, Spain; and an additional berth at Felixstowe in the UK. Continuing economic growth in the United States, and sluggish growth in Europe, combined with the Mainland's expected stable growth will provide a reasonable outlook for the sector in 2015. The division will continue to focus on productivity gains, cost efficiency and selective acquisition and development opportunities to achieve earnings growth.

Property and Hotels

The property and hotels division reported total revenue of HK$16,069 million, a 34% decrease compared to 2013, primarily due to lower development sales and deferrals in the completion of various development projects in the Mainland to 2015.

The division's 11.8 million square foot portfolio of rental properties in Hong Kong, together with our attributable share of 1.5 million square foot portfolio in the Mainland and overseas, reported solid occupancy and steady rental growth. Reported rental income improved 6% to HK$4,532 million from last year primarily due to higher rental renewal rates.

The division's hotel portfolio comprises 11 hotels with over 8,500 rooms, in which the Group has an average effective interest of approximately 63%, generated EBIT of HK$1,061 million, an increase of 2% compared to 2013.

Several Mainland cities in which the Group operates continue to experience aggressive discounting throughout the year as a result of mounting liquidity constraints in the industry. The division has maintained its pricing strategy in these markets to ensure delivery of a healthy margin return from its premium developments. This resulted in the number of contracted sales in the Mainland to reduce from 6.4 million square feet of attributable GFA or 8,819 residential units in 2013 to 3.6 million square feet of attributable GFA or 4,835 residential units in 2014. The lower sales volume has led to a reduction of attributable revenue and EBIT from the Mainland of HK$8,572 million and HK$3,707 million respectively. As a result, EBITDA and EBIT of this division both decreased 29% to HK$9,998 million and HK$9,661 million respectively, mainly due to the lower sales during the year as mentioned above, partly offset by growth in the recurring rental income base.

Retail

The retail division, with over 11,400 stores in 24 markets, delivered another year of strong revenue, cash generation and earnings growth in 2014. Total revenue of HK$157,397 million, EBITDA of HK$15,549 million and EBIT of HK$13,023 million, were 6%, 10% and 11% higher respectively than last year. The division reported like-for-like sales growth of 2.3%, with 1.4% in Asia and 3.0% in Europe in 2014.

The health and beauty segment overall reported strong sales growth of 8% for 2014 with 9% in Asia and 6% in Europe, but this was partly offset by the negative sales performance of the other retail businesses in Hong Kong.

Health and beauty operations in the Mainland grew total revenue by 14% mainly driven by high quality new store openings as well as strong comparable store sales growth of 3.9% in 2014. This business unit has the highest profit growth within the retail division as a whole. EBITDA and EBIT both grew by 17% in 2014.

With strong brand name recognition and extensive geographical coverage, the health and beauty operations in Asia (excluding operations in Mainland) reported EBITDA and EBIT growth of 5%. This was driven by a comparable store sales growth of 4.6% and a 4% increase in portfolio of stores compared to 2013.

Health and beauty operations in Europe overall delivered strong earnings contribution with EBITDA and EBIT growth of 11% and 13% respectively, through a 6% increase in the portfolio of stores compared to 2013, comparable store sales growth of 3.0% as mentioned above and effective cost control measures.

The division added 854 stores on a net basis in 2014 and is targeting to further expand organically and plans to add around 1,300 stores on a gross basis and around 1,000 stores on a net basis in 2015. The division will continue to place primary focus on the Health and Beauty segment which generated an average new store payback of less than 10 months and to expand in high growth markets such as the Mainland and certain Asian countries, but also expanding selectively in Europe.

In April 2014, the Group entered into a strategic alliance with Temasek Holdings (Private) Limited ("Temasek") with Temasek acquiring a 24.95% equity interest in A S Watson Holdings Limited for approximately HK$44 billion, resulting in an increase of approximately HK$39 billion in the Group's shareholders' funds.

The net proceeds from the strategic alliance with Temasek of approximately HK$43 billion were partly used for a special dividend distribution of HK$7.00 per share, amounting to approximately HK$30 billion, in the first half of 2014. The net impact of this transaction, after the distribution of the special dividend, resulted in an increase of shareholders' funds of HK$9 billion.

Cheung Kong Infrastructure

CKI, our Hong Kong listed subsidiary, announced profit attributable to shareholders of HK$31,782 million, a growth of 173% compared to 2013, primarily due to its share of the gain, after consolidation adjustments, arising from Power Assets (CKI's 38.87%-owned associated company) separately listing its Hong Kong electricity business on the Main Board of The Stock Exchange of Hong Kong Limited in January 2014. The improvement in CKI's earnings has also been driven by the strong performance of its underlying operations, the full-year profit contribution from the businesses acquired in 2013 including Enviro Waste Services Limited, an integrated waste management business in New Zealand, and AVR-Afvalverwerking BV, the largest "energy-from-waste" business in the Netherlands, together with the accretive income from businesses acquired during 2014 as mentioned below.

In July 2014, a CKI-led joint-venture with Cheung Kong completed the acquisition of Park'N Fly, the largest off-airport car park business in Canada for approximately C$381 million (approximately HK$2,720 million).

In October 2014, a CKI-led joint-venture with Cheung Kong and Power Assets completed its takeover bid for AGN, a distributor of natural gas in Australia, for a cash consideration of A$1.32 per share. CKI, together with Power Assets currently owns approximately 72.5% of AGN. The marked-to-market gain of HK$1,748 million on the disposal of CKI's 17.46% investment in AGN to the joint venture is reported under "profits on disposal of investments and others, after tax".

In January 2015, a CKI-led joint-venture with Cheung Kong entered into an agreement to acquire Eversholt Rail Group ("Eversholt") in the UK. Eversholt is a major rolling stock operating company in the UK, leasing a diverse range of rolling stock to train operators including regional, commuter and high-speed passenger trains, as well as freight locomotives and wagons, on long-term contracts. The acquisition has an enterprise value of approximately £2,500 million (approximately HK$29,300 million) and is expected to complete around April 2015.

In January 2015, CKI completed a share placement and share subscription transaction and resulted in the Group's interest in CKI reducing from 78.16% to 75.67%.

Husky Energy

Husky Energy, our associated company listed in Canada, announced profit from operations attributable to shareholders of C$1,258 million, a 31% decrease from last year. Excluding the after tax impairment charges of C$622 million and C$204 million on certain crude oil and natural gas assets in 2014 and 2013 respectively, profit from operations attributable to shareholders of C$1,880 million is 8% below last year as the exceptionally sharp decline of crude oil prices in the last quarter of 2014 fully offsets the better performances reported in the first half and the higher production in the year.

Average production increased 9% from 312,000 barrels of oil equivalent per day ("BOEs per day") in 2013 to 340,100 BOEs per day in 2014, reflecting increased volumes from the Liwan Gas Project which came on-stream during the year and continued strong production from the new heavy oil thermal developments. Production at the Liwan 3-1 gas field started in March 2014 and the Liuhua 34-2 field was brought online in December 2014. For Oil Sands development, the first phase of the Sunrise Energy Project in northeast Alberta in Canada is expected to begin production towards the end of the first quarter of 2015.

In the current challenging market conditions, Husky Energy is committed to prudent capital management and to maintain a strong balance sheet and liquidity. Operationally, the division will deliver a steady production from sustainable low capital cost projects and will stage its mid to longer-term projects to manage risk.

3 Group Europe

The Group's active customer base in Europe increased 13% during the year and totals over 25.0 million customers. **3** Group Europe reported total revenue of HK$65,623 million, a 6% increase over last year. EBITDA and EBIT grew by 23% and 42% to HK$15,598 million and HK$6,892 million respectively, reflecting the improved net customer service margin, well-disciplined operating cost structures and continued realisation of post-merger cost synergies in Austria and Ireland. With the exception of Italy, all operations in **3** Group Europe increased their contributions to the Group's earnings during the year.

On 15 July 2014, the Group completed the acquisition of O_2 Ireland for €780 million with an additional deferred payment of €70 million payable upon achievement of certain agreed financial targets.

In January 2015, the Group agreed to enter into exclusive negotiations with Telefónica SA for the potential acquisition of O_2 UK, for an indicative price of £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 Group will continue to explore growth opportunities through potential consolidation in markets which the Group currently operates in, enhancing network capabilities and maintaining operational efficiencies across all operations.

Hutchison Telecommunications Hong Kong

Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), our Hong Kong listed telecommunications subsidiary operating in Hong Kong and in Macau, had an active mobile customer base of approximately 3.2 million as at 31 December 2014. This is a decrease of 15% over last year following the operation's strategy in maintaining a high value customer base. The announced profit attributable to shareholders of HK$833 million and earnings per share of 17.3 HK cents, were 9% lower than last year. The mobile business experienced keen price competition in the first half of 2014. With the Hong Kong mobile market consolidated to a four-player market during the year, the intense pricing pressure has gradually eased and the performance for the second half of 2014 is a 58% improvement against the first half of 2014 and 48% improvement against the second half of 2013. The operation is expecting an improved performance in 2015.

Hutchison Asia Telecommunications

As of 31 December 2014, Hutchison Asia Telecommunications ("HAT") had an active customer base of approximately 54.5 million, representing a 25% increase from 2013. Although HAT increased its customer base during the year, total revenue decreased 9% to HK$5,757 million and LBITDA and LBIT of HK$278 million and HK$1,465 million respectively were adverse compared to last year. The poor performance and the change from a positive EBITDA of HK$502 million reported for the first half to a LBITDA for the second half of HK$780 million and HK$278 million for the full year, were mainly due to charges in the year of approximately HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation. Senior management of the Indonesian operation has been replaced and strengthened internal controls put in place to prevent any recurrence, and for the business to remain on a strong growth footing.

Finance & Investments and Others

Contribution from this segment represents returns earned on the Group's holdings of cash and liquid investments as well as results of other small operating units.

During 2014, the Group raised HK$77,895 million from the debt market and HK$43,696 million from the strategic alliance with Temasek, and repaid debts as they matured and early repaid certain long-term borrowings and notes of HK$44,860 million. The Group's weighted average cost of debt for the year remained flat at 3.1% from 31 December 2013. At 31 December 2014, the Group's consolidated cash and liquid investments totalled HK$140,459 million and consolidated debt amounted to HK$246,867 million, resulting in consolidated net debt of HK$106,408 million and net debt to net total capital ratio of 16.8%.

The Group will continue to closely monitor its liquidity and debt profile and to ensure that appropriate capital structure is in place for future investment and expansion opportunities. As a result, the Group expects its consolidated Group net debt to net total capital ratio to remain less than 25% for the foreseeable future.

Outlook

Looking ahead to 2015, the Central Government will continue to broaden and deepen its reforms, enhancing economic growth and improving livelihood in the Mainland and at the same time driving global economic development. The Mainland is expected to continue to pursue proactive fiscal and prudent monetary policies, with a view of maintaining steady economic growth so as to achieve sustainable development.

The United States is showing signs of good economic progress. Growth in Europe is expected to remain sluggish in the near term but the fall in the Euro against other major currencies is expected to increase Europe's competitiveness and to benefit its economic development in the long term. The Group with its globally diversified portfolio is positioned to continue to strengthen its market leading position in all of its core businesses.

Looking forward, we will adhere to our principle of "Advancing with Stability" and make prudent investment decisions based on the long-term interests of our shareholders. Barring unforeseen material adverse external developments and after taking into consideration the current oil price, I expect that we will continue to meet these objectives and achieve a solid performance in 2015. I have full confidence in our 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, 26 February 2015

Operations Review

Consolidated Operating Results

The Group's operations comprise six core business divisions – ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications.

Audited Results for the year ended 31 December 2014 Highlights

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue [1]	**421,472**	412,933	+2%
EBITDA [1]	**98,873**	95,647	+3%
EBIT [1]	**65,713**	64,597	+2%
Profit attributable to ordinary shareholders, before property revaluation and profits on disposal of investments and others	**32,008**	31,028	+3%
Property revaluation, after tax	**25,100**	32	+78,338%
Profits on disposal of investments and others, after tax [2]	**10,048**	52	+19,223%
Profit attributable to ordinary shareholders	**67,156**	31,112	+116%
Earnings per share	**HK$15.75**	HK$7.30	+116%
Recurring earnings per share [3]	**HK$7.51**	HK$7.28	+3%
Second interim / Final dividend per share	**HK$1.755**	HK$1.700	+3.2%
Full year dividend per share [4]	**HK$2.415**	HK$2.300	+5.0%
Special dividend per share	**HK$7.000**	–	N/A

The Group reported total revenue, including the Group's share of associated companies' and joint ventures' revenue, of HK$421,472 million, an increase of 2% compared to 2013. EBITDA and EBIT, before property revaluation and profits on disposal of investments and others, were HK$98,873 million and HK$65,713 million, increases of 3% and 2% respectively compared to 2013.

Total recurring profit attributable to ordinary shareholders, before property revaluation and profits on disposal of investments and others, after tax for the year was HK$32,008 million, a 3% increase compared to last year's profit of HK$31,028 million.

Profits on disposal of investments and others, after tax in 2014 of HK$10,048 million comprise the Group's share of the gain arising from Power Assets Holdings Limited ("Power Assets")'s separate listing of its 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") (formerly known as Envestra Limited) realised upon the disposal of its interest in AGN to a joint venture with Cheung Kong (Holdings) Limited ("Cheung Kong") and Power Assets on the AGN acquisition. These profits were partly offset by:

- provisions relating to the restructuring of **3** Ireland on acquisition of O_2 Ireland amounting to HK$3,388 million;
- Hutchison Telecommunications (Australia) ("HTAL")'s 50% share of Vodafone Hutchison Australia ("VHA") operating losses of HK$1,732 million;
- the Group's share of Husky Energy's impairment charge on certain crude oil and natural gas assets of HK$1,413 million;
- provisions of HK$652 million on the impairment of goodwill and store closure of the Marionnaud businesses to exit Poland and downsize operations in Portugal and Spain; and
- impairment charges on certain ports assets and related provisions of HK$581 million.

This compares to a reported profits on disposal of investments and others, after tax of HK$52 million in 2013.

Investment property revaluation after tax for the year was HK$25,100 million as compared to HK$32 million for 2013.

Profit attributable to ordinary shareholders reported for the year was HK$67,156 million as compared to HK$31,112 million in 2013, after the property revaluation and one-time items mentioned above.

Note 1: 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. Total revenue, EBITDA and EBIT were adjusted to exclude the non-controlling interests' share of results of HPH Trust. See Note 5 to the accounts on the details of the adjustments.

Note 2: See Note 6 to the accounts on the details of the profits on disposal of investments and others, after tax for 2014 and 2013.

Note 3: Recurring earnings per share is calculated based on profits attributable to ordinary shareholders before property revaluation, after tax and profits on disposal of investments and others, after tax.

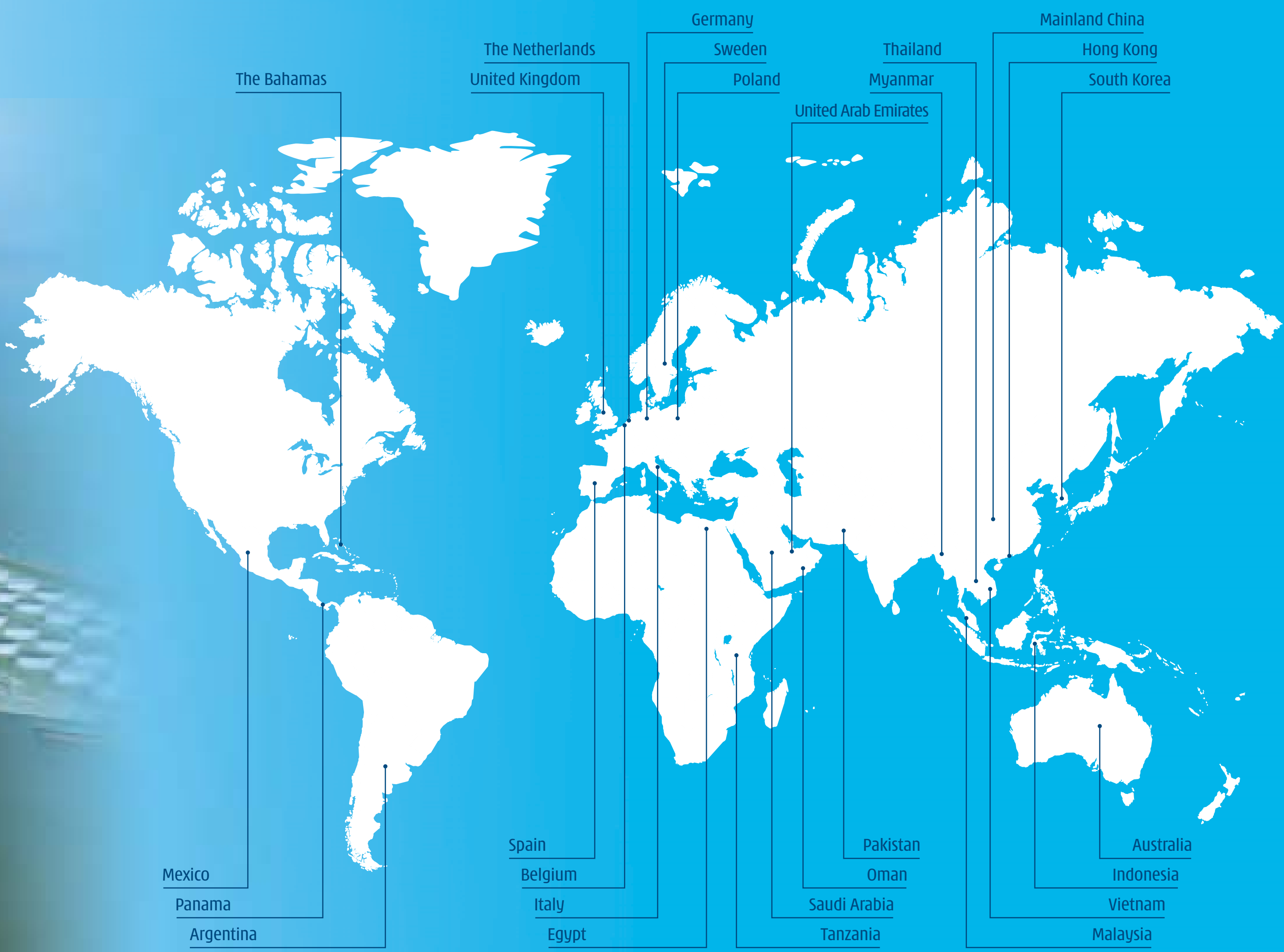
Note 4: Exclude special dividend per share of HK$7.00 in 2014.

Financial Performance Summary

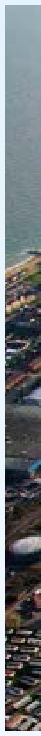
	2014 HK$ millions	%	2013 HK$ millions	%	Change
Total Revenue [1]					
Ports and related services	**35,624**	**8%**	34,119	8%	+4%
Hutchison Ports Group other than HPH Trust	*32,841*	*8%*	*31,360*	*7%*	*+5%*
HPH Trust [1]	*2,783*	*–*	*2,759*	*1%*	*+1%*
Property and hotels	**16,069**	**4%**	24,264	6%	-34%
Retail	**157,397**	**37%**	149,147	36%	+6%
Cheung Kong Infrastructure	**45,419**	**11%**	42,460	10%	+7%
Husky Energy	**57,368**	**14%**	59,481	14%	-4%
3 Group Europe	**65,623**	**16%**	61,976	15%	+6%
Hutchison Telecommunications Hong Kong Holdings	**16,296**	**4%**	12,777	3%	+28%
Hutchison Asia Telecommunications	**5,757**	**1%**	6,295	2%	-9%
Finance & Investments and Others	**21,919**	**5%**	22,414	6%	-2%
Finance & Investments	*2,366*	*–*	*2,321*	*1%*	*+2%*
Others	*19,553*	*5%*	*20,093*	*5%*	*-3%*
Total Reported Revenue	**421,472**	**100%**	412,933	100%	+2%
EBITDA [1]					
Ports and related services	**12,133**	**12%**	11,447	12%	+6%
Hutchison Ports Group other than HPH Trust	*10,722*	*11%*	*10,060*	*11%*	*+7%*
HPH Trust [1]	*1,411*	*1%*	*1,387*	*1%*	*+2%*
Property and hotels	**9,998**	**10%**	13,995	15%	-29%
Retail	**15,549**	**16%**	14,158	15%	+10%
Cheung Kong Infrastructure	**24,483**	**25%**	22,841	24%	+7%
Husky Energy	**14,410**	**14%**	14,779	15%	-2%
3 Group Europe	**15,598**	**16%**	12,671	13%	+23%
Hutchison Telecommunications Hong Kong Holdings	**2,780**	**3%**	2,758	3%	+1%
Hutchison Asia Telecommunications	**(278)**	**–**	819	1%	-134%
Finance & Investments and Others	**4,200**	**4%**	2,179	2%	+93%
Finance & Investments	*3,691*	*4%*	*2,808*	*3%*	*+31%*
Others	*509*	*–*	*(629)*	*-1%*	*+181%*
Reported EBITDA before profits on disposal of investments & others and property revaluation	**98,873**	**100%**	95,647	100%	+3%
EBIT [1]					
Ports and related services	**7,944**	**12%**	7,358	12%	+8%
Hutchison Ports Group other than HPH Trust	*7,132*	*11%*	*6,573*	*11%*	*+9%*
HPH Trust [1]	*812*	*1%*	*785*	*1%*	*+3%*
Property and hotels	**9,661**	**15%**	13,659	21%	-29%
Retail	**13,023**	**20%**	11,771	18%	+11%
Cheung Kong Infrastructure	**18,215**	**28%**	17,528	27%	+4%
Husky Energy	**6,324**	**10%**	7,208	11%	-12%
3 Group Europe	**6,892**	**10%**	4,856	8%	+42%
Hutchison Telecommunications Hong Kong Holdings	**1,380**	**2%**	1,367	2%	+1%
Hutchison Asia Telecommunications	**(1,465)**	**-2%**	(409)	-1%	-258%
Finance & Investments and Others	**3,739**	**5%**	1,259	2%	+197%
Finance & Investments	*3,691*	*5%*	*2,808*	*4%*	*+31%*
Others	*48*	*–*	*(1,549)*	*-2%*	*+103%*
Reported EBIT before profits on disposal of investments & others and property revaluation	**65,713**	**100%**	64,597	100%	+2%
Interest expenses and other finance costs [1]	**(14,324)**		(14,159)		-1%
Profit before tax	**51,389**		50,438		+2%
Tax [1]					
Current tax	**(10,932)**		(10,972)		–
Deferred tax	**1,422**		(770)		+285%
	(9,510)		(11,742)		+19%
Profit after tax	**41,879**		38,696		+8%
Non-controlling interests and perpetual capital securities holders' interests	**(9,871)**		(7,668)		-29%
Profit attributable to ordinary shareholders, before profits on disposal of investments & others and property revaluation	**32,008**		31,028		+3%
Property revaluation, after tax	**25,100**		32		+78,338%
Profits on disposal of investments & others, after tax [2]	**10,048**		52		+19,223%
Profit attributable to ordinary shareholders	**67,156**		31,112		+116%

Ports and Related Services

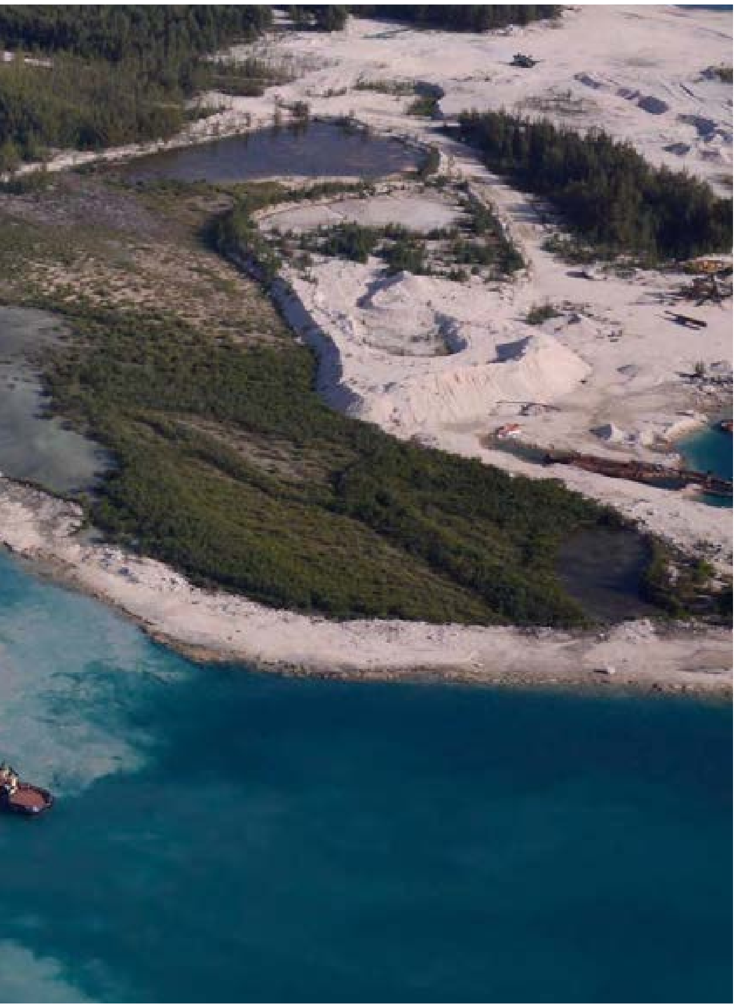
Europe Container Terminals, comprising ECT Delta Terminal and Euromax Terminal Rotterdam, handles its 150 millionth TEUs since its opening in 1967.



- Total revenue increased 4% to HK$35,624 million.
- EBITDA increased 6% to HK$12,133 million.
- EBIT increased 8% to HK$7,944 million.
- Annual throughput increased 6% to 82.9 million twenty-foot equivalent units.



1. Freeport Harbour Company receives a call from Royal Caribbean Cruises' "Allure of the Seas", one of the world's largest cruise ships.
2. With one of the highest productivity rates in Europe, Barcelona Europe South Terminal located in Spain, has embarked on the next phase of development to increase its equipment number to 48 automatic stacking cranes with a 1,500-metre berth and a draft of 16.5 metres.
3. International Ports Services, Dammam, Saudi Arabia takes delivery of three new remote control quay cranes, the first of their kind in the country as well as for Hutchison's ports.
4. Yantian International Container Terminals receives simultaneous calls from the 18,000-TEU "Marie Maersk" and "Madison Maersk", two of the world's largest container vessels.
5. Port of Felixstowe launches its latest logistics park project with the development of 1.45 million square feet of warehousing on a 68-acre site, tailored to the needs of its customers. (Photo: Computer-generated image).




2


3
CHINA SHIPPING


5

This division is one of the world's leading port investors, developers and operators, and has interests in 52 ports comprising 282 operational berths in 26 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 27.62% interest in the HPH Trust, which together handled a total of 82.9 million twenty-foot equivalent units ("TEUs") in 2014.

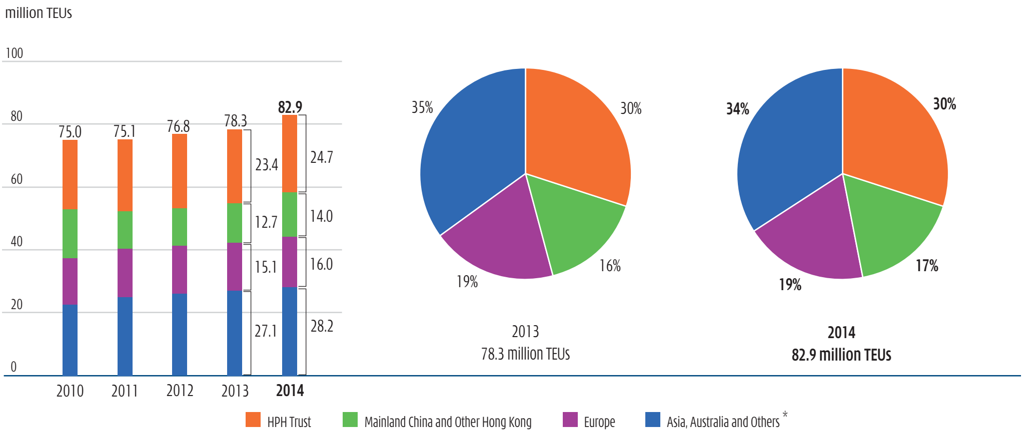
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue (1)	**35,624**	34,119	+4%	+6%
EBITDA (1)	**12,133**	11,447	+6%	+7%
EBIT (1)	**7,944**	7,358	+8%	+9%
Throughput (million TEUs)	**82.9**	78.3	+6%	

Note 1: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

This division contributed 8%, 12% and 12% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Overall throughput increased 6% to 82.9 million TEUs in 2014, reflecting market growth in most geographical locations during the year, partly offset by reduced volumes in Mexico due to intense competition.

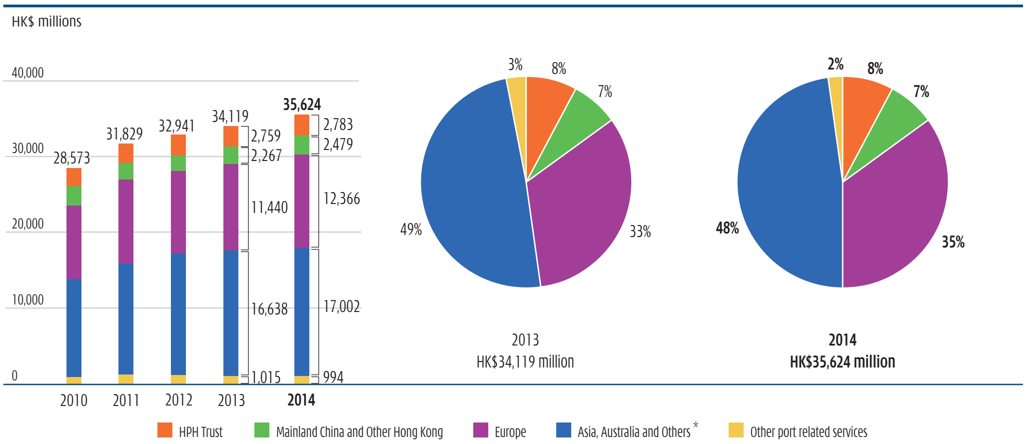
Total Container Throughput (+6%)
by Subdivision



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

Total revenue increased 4% to HK$35,624 million in 2014 primarily driven by higher contributions from Europe Container Terminals ("ECT") in Rotterdam, ports in the UK, Shanghai, Panama, and the developing ports in Sydney and Brisbane in Australia, partly offset by the lower revenue contribution from reduced throughput of ports in Indonesia and Mexico, as well as adverse foreign exchange movements.

Total Revenue [2] (+4%)
by Subdivision

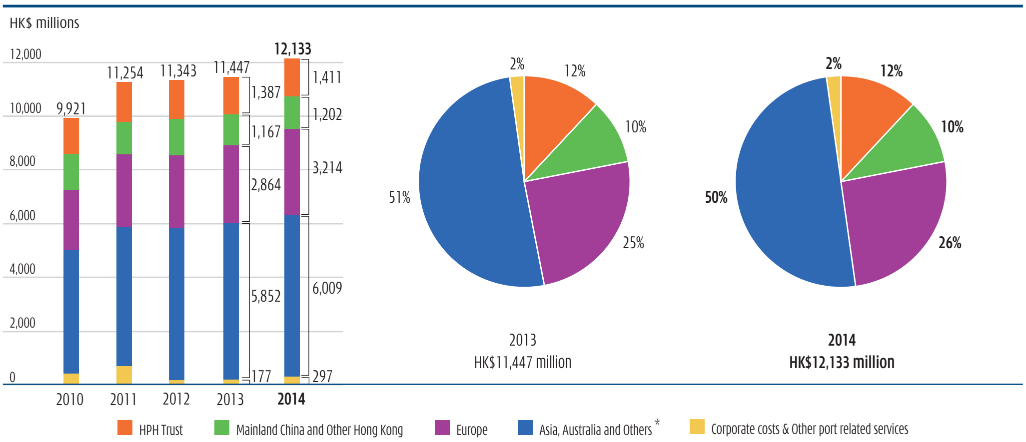


* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note 2: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

EBITDA for the division improved by 6% to HK$12,133 million, largely driven by the throughput growth previously mentioned, together with the continued focus on productivity and efficiency initiatives. The growth in EBIT, which increased 8% to HK$7,944 million in 2014, was higher relative to the increase in EBITDA as the lower increase in depreciation charges in 2014 was attributable to the accelerated depreciation that was recognised against certain assets at London Thamesport in 2013, partly offset by higher charges from the expanded facilities in Mexico and Panama, as well as from the new start-up ports at Barcelona, Spain and in Brisbane and Sydney in Australia.

EBITDA [3] [4] (+6%)
by Subdivision



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

Note 3: EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

Note 4: 2010 to 2012 comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Segment Performance

HPH Trust

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue [5]	**2,783**	2,759	+1%
EBITDA [5]	**1,411**	1,387	+2%
EBIT [5]	**812**	785	+3%
Throughput (million TEUs)	**24.7**	23.4	+6%

Note 5: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Throughput of the ports operated by HPH Trust increased by 6% during 2014. However, the Group's share of revenue of HPH Trust increased only by 1%, reflecting the disposal of an effective 60% interest in Asia Container Terminals Holdings Limited ("ACT HK") in March 2014. The Group's share of EBITDA and EBIT increased 2% and 3% respectively in 2014, primarily attributable to the gain on HPH Trust's disposal of an effective 60% interest in ACT HK in 2014, partly offset by the higher labour and other operating costs.

In March 2014, HPH Trust divested 60% of its equity interest in ACT HK, located at Terminal 8 in Hong Kong's Kwai Tsing Port to COSCO Pacific Limited (40%) and China Shipping Terminal Development (Hong Kong) Company Limited (20%). HPH Trust retains an effective interest of 40% in ACT HK.

Mainland China and Other Hong Kong

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**2,479**	2,267	+9%	+10%
EBITDA	**1,202**	1,167	+3%	+4%
EBIT	**838**	823	+2%	+3%
Throughput (million TEUs)	**14.0**	12.7	+10%	

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 that have acquired new services, partly offset by diversion of cargo through road transport resulting in reduced feeder service volumes at Shantou and higher operating costs.

Europe

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**12,366**	11,440	+8%	+7%
EBITDA	**3,214**	2,864	+12%	+10%
EBIT	**1,989**	1,642	+21%	+19%
Throughput (million TEUs)	**16.0**	15.1	+6%	

The better performances of the Europe segment reflected the continuing recovery of the global economy, driving higher import and export volumes and higher proportion of local throughput mix in ECT Rotterdam in the Netherlands, the ports in the UK as well as at Barcelona Europe South Terminal ("BEST Barcelona"). The increase in EBIT also reflects the accelerated depreciation against certain assets at London Thamesport that was recognised in 2013, partly offset by the full year depreciation impact of the new terminal at BEST Barcelona.

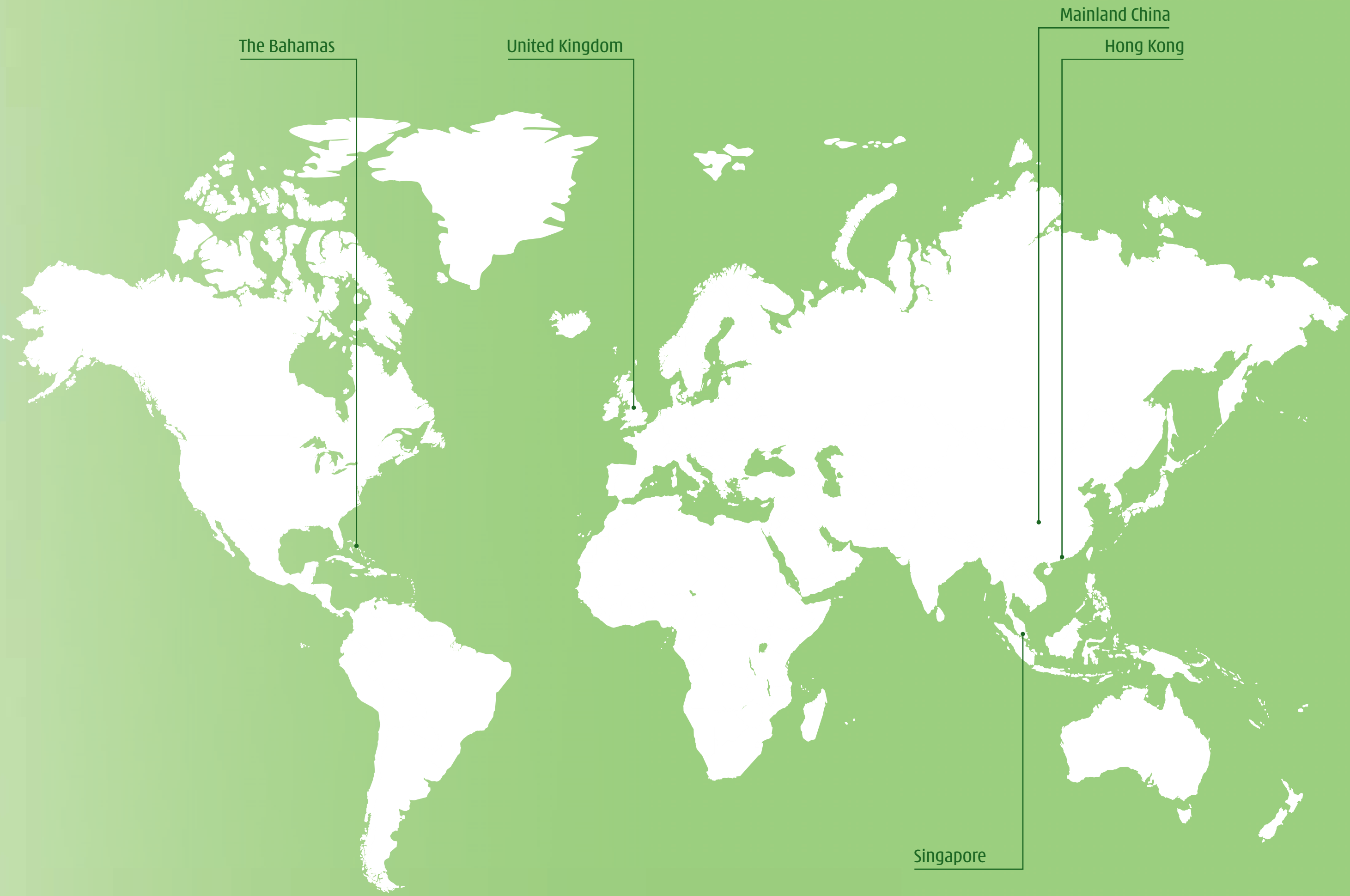
Asia, Australia and Others

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**17,002**	16,638	+2%	+6%
EBITDA	**6,009**	5,852	+3%	+5%
EBIT	**4,262**	4,224	+1%	+3%
Throughput (million TEUs)	**28.2**	27.1	+4%	

The improved contribution from the Asia, Australia and others segment reflected higher contributions from all major ports except for Mexico, Jakarta in Indonesia and the start-up losses of the Australian ports. Due to the Initial Public Offering of Westports Holdings Bhd. on the Malaysia Stock Exchange in October 2013, the Group's share of results of the Malaysian port operations reduced from 31.45% to 23.55%.

Property and Hotels

The Property and Hotels division has 11.8 million square feet of rental properties in Hong Kong.



- Total revenue decreased 34% to HK$16,069 million.
- EBITDA decreased 29% to HK$9,998 million.
- EBIT decreased 29% to HK$9,661 million.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1. Harbour Plaza Metropolis is conveniently located near the MTR Hung Hom Station, and is just minutes away from Kowloon's renowned Tsim Sha Tsui shopping districts.

2. Guangzhou Cape Coral Phases 3 and 4 enjoy an impressive environment and spectacular views of the Pearl River.

3. "Xin Jie Li" showcasing the cherished heritage of Qingdao will soon be developed into a European-style shopping precinct offering unmatched shopping and leisure experience.

4. Designed by the world renowned architect Foster and Partners, Albion Riverside is a landmark building on the banks of River Thames, London.

5. Dongguan Laguna Summit, Phase D of Laguna Verona, which offers a luxurious living experience and remarkable environment, is a grand masterpiece in Southern China.

6. Nestled beside the Victoria Harbour, Harbour Grand Kowloon offers luxurious accommodation and diverse dining options, complete with first-class meeting and business facilities.

The Group's property and hotels division includes an investment property portfolio of office, commercial, industrial and residential premises, mainly residential property development in the Mainland and overseas, and interests in 11 premium quality hotels.

Group Performance

The division's attributable interest in the investment property portfolio consists of 11.8 million square feet of rental properties located in Hong Kong and 1.5 million square feet in the Mainland and overseas. The division also holds interests in joint ventures for the development of high quality, mainly residential projects with an attributable interest in a landbank of approximately 78 million developable square feet, primarily in the Mainland. In addition, the Group's portfolio of 11 premium quality hotels with over 8,500 rooms, in which the Group's average effective interest is approximately 63% based on room numbers.

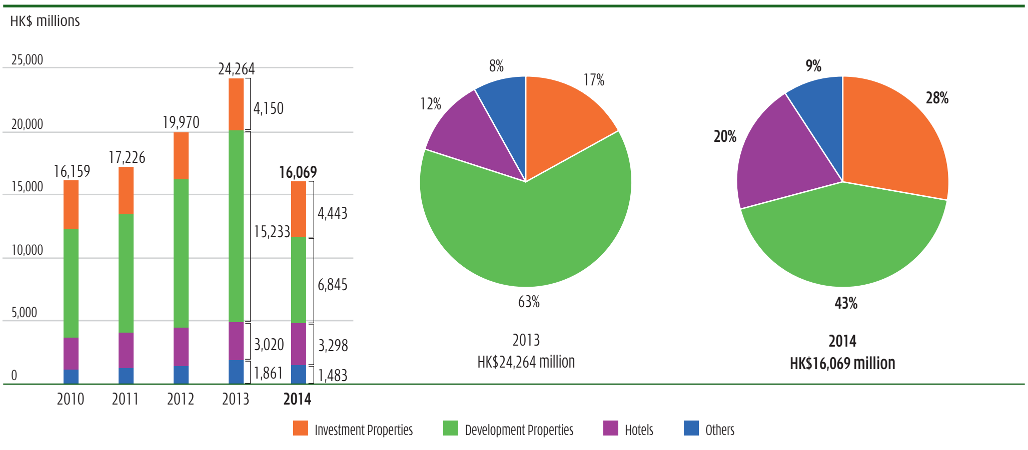
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**16,069**	24,264	-34%	-33%
EBITDA	**9,998**	13,995	-29%	-28%
EBIT	**9,661**	13,659	-29%	-29%

This division contributed 4%, 10% and 15% respectively of the Group's total revenue, EBITDA and EBIT.

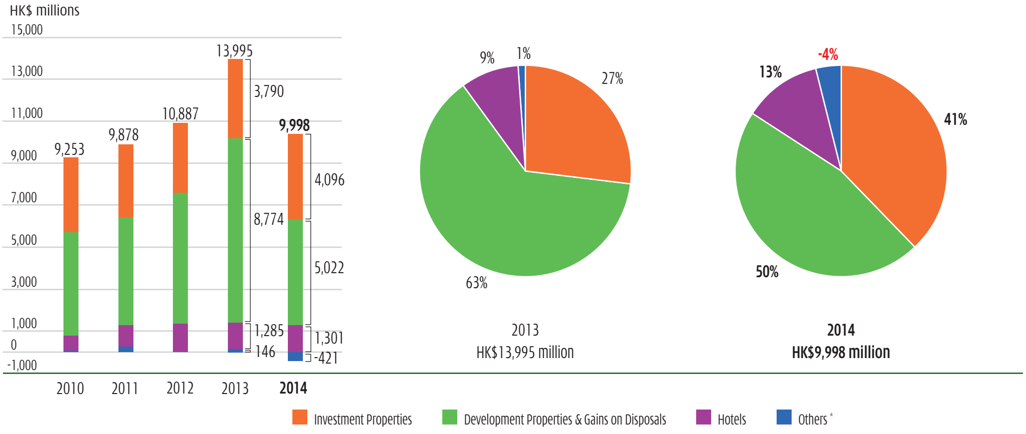
The division's reduced performance in 2014 was primarily due to lower development sales in the Mainland, partly offset by stable growth in both investment properties and the hotels operations.

The Group recorded an increase in fair value of its investment properties, after tax and non-controlling interests, of HK$25,100 million in 2014 (2013: HK$32 million).

Total Revenue (-34%)
by Subdivision



EBITDA[1] (-29%)
by Subdivision



* Others includes net service income, corporate overheads, impact of foreign exchange rate movements and others.

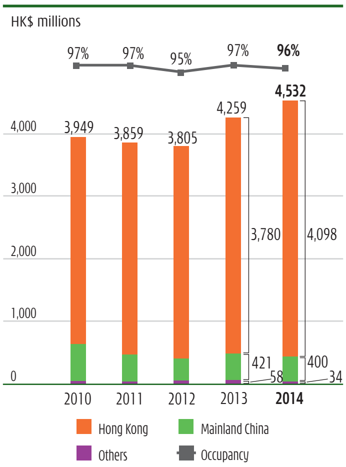
Note 1: 2010 to 2012 comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

Segment Performance

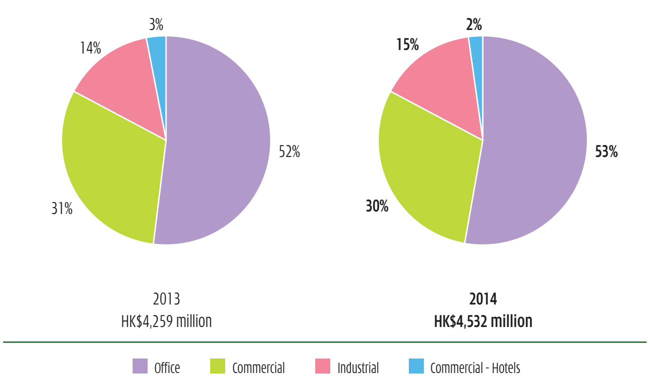
Investment Properties

Gross rental income, including the share of rental income from the commercial premises in our hotels, increased 6% compared with last year, mainly due to higher rental renewal rates. The Group's attributable interest in the rental properties portfolio of approximately 13.3 million square feet comprise office (27%), commercial (26%), industrial (46%) and residential (1%) rental properties. The Group's investment properties overall generated a 6.1% yield on their carrying value of approximately HK$73,600 million.

Total Gross Rental Income
by Geographical Location
and Occupancy



Gross Rental Income
by Property Type



Hong Kong

The Group's attributable interest in the rental properties in Hong Kong total approximately 11.8 million square feet (2013: 11.8 million square feet) including properties held by associates and joint ventures. Gross rental income of HK$4,098 million (2013: HK$3,780 million) represents an 8% growth compared with last year and reflects higher lease renewal rates. All of the Group's Hong Kong rental properties are substantially let.

Investment Properties (continued)

The Mainland and Overseas

The Group's various joint ventures in the Mainland and overseas hold investment properties totalling 3.5 million square feet, of which the Group's share is 1.5 million square feet (2013: 2.2 million square feet). The Group's share of gross rental income from these properties was HK$434 million (2013: HK$479 million), 9% lower than last year, mainly due to the disposal of Guangzhou Metropolitan Plaza in 2013.

Development Properties and Gains on Property Disposals

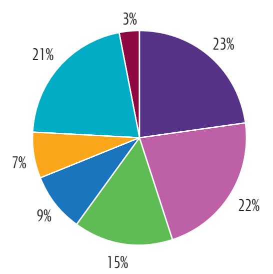
Development profits and gains on disposal of properties contributed HK$5,022 million to the Group's EBITDA in 2014 (2013: HK$8,774 million). With the aggressive discounting in various Mainland cities, the division has reported slower sales volume. However, average selling prices of the division have maintained at a level which ensured delivery of a healthy margin from its premium properties.

The division completed residential and commercial properties with an attributable gross floor area of approximately 4.9 million square feet and recognised sales on an attributable share of gross floor area amounting to 3.4 million square feet in 2014, representing decreases of 45% and 56% respectively compared to 2013. The corresponding revenue from recognised sales, including the Group's attributable share of revenue from associated companies and joint ventures, decreased by 55% to HK$6,845 million in 2014 due to reasons mentioned above.

The Group's current attributable landbank is approximately 78 million square feet, of which 97% is in the Mainland (at an average land cost of RMB238 per square foot or approximately HK$298 per square foot) and 3% in the UK and Singapore. This landbank comprises 38 projects in 21 cities and is planned to be developed in a phased manner over several years.

The Group also recognised gains on the disposal of its interest in certain properties held as long term investment in Hong Kong and its interest in the Shanghai Oriental Financial Center.

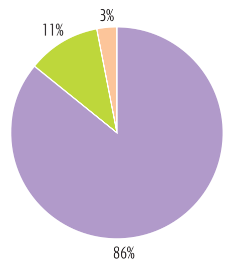
Gross Floor Area of Development Projects
by Geographical Location



Total: 78 million square feet

Chongqing / Guangdong Province / Wuhan / Shanghai / Chengdu / Other areas in Mainland China / Others (principally in London & Singapore)

Gross Floor Area of Development Projects
by Property Type



Total: 78 million square feet

Residential / Commercial / Office & Others

The Mainland

Of the Group's attributable share of approximately 4.9 million square feet of development completed in 2014, approximately 4.7 million square feet were completed in the Mainland. In light of the weak property market, the Group has strategically timed both completion and new sales launches for certain projects pending an improvement in market sentiment.

The Group's share of recognised sales of residential and commercial development properties, net of business tax, decreased 60% to HK$5,602 million, and the corresponding development profits contributed HK$1,503 million to the Group's EBITDA during the year, 71% lower than 2013.

The average selling price of residential properties relating to recognised sales was HK$1,715 per square foot (2013: HK$1,636 per square foot). The Group's average land cost relating to the recognised sales of residential properties in 2014 was approximately HK$281 per square foot (2013: HK$227 per square foot). The Group's average construction cost and average professional, marketing, funding and other costs amounted to approximately HK$529 per square foot and HK$412 per square foot respectively (2013: HK$533 per square foot and HK$311 per square foot respectively).

	2014	2013	Change
Total Attributable Sales Value (HK$ millions)			
Recognised Sales *	**5,602**	14,172	-60%
- of which relates to residential property	*4,991*	*10,830*	*-54%*
ASP ^ of residential property (HK$/sq ft)	**1,715**	1,636	+5%
Contracted Sales*	**6,988**	14,149	-51%
- of which relates to residential property	*5,980*	*11,122*	*-46%*
ASP^ of residential property (HK$/sq ft)	**1,759**	1,861	-5%

Total Attributable Sales in GFA ('000 sq ft)			
Presold Property b/f	**1,558**	2,321	
Recognised Sales in GFA	**3,228**	7,748	-58%
- of which relates to residential property (2014: 4,150 units; 2013: 9,885 units)	*3,085*	*7,041*	*-56%*
Contracted Sales in GFA	**3,893**	6,985	-44%
- of which relates to residential property (2014: 4,835 units; 2013: 8,819 units)	*3,602*	*6,354*	*-43%*
Presold Property c/f #	**2,223**	1,558	

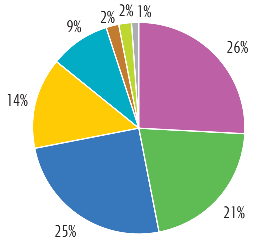
* Net of business tax
^ Average selling price ("ASP") is stated inclusive of business tax.
# Presold property value (net of business tax) of HK$4,415 million and HK$3,028 million at the end of 2014 and 2013 respectively.

Development Properties and Gains on Property Disposals (continued)

Residential Property Sales

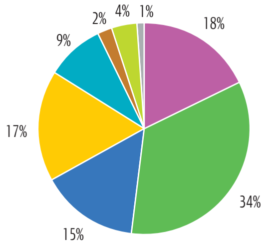
By Geographical Location

Recognised Sales



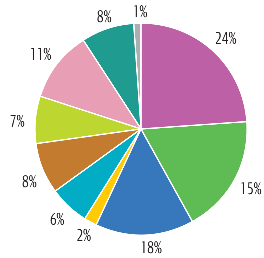
2014: HK$4,991 million (-54%)

Recognised Sales GFA



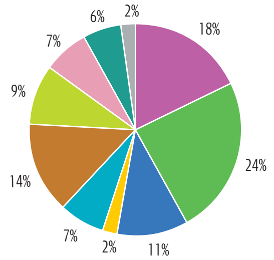
2014: 3.1 million square feet (-56%)

Contracted Sales



2014: HK$5,980 million (-46%)

Contracted Sales GFA



2014: 3.6 million squre feet (-43%)

Guangdong Province | Chengdu | Shanghai | Changzhou | Qingdao | Chongqing | Xian | Nanjing | Wuhan | Others

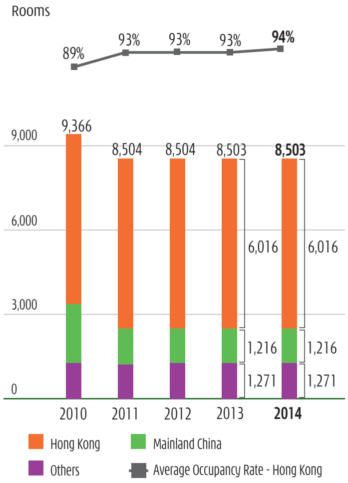
Hotels

The Group has interests in 11 hotels in Hong Kong, the Mainland and the Bahamas, of which eight are managed through its 50% owned hotel management joint venture. In 2014, the hotel operations recorded total revenue of HK$3,298 million, or a 9% increase when compared to last year. EBITDA and EBIT, including the results of hotel commercial properties, increased by 1% and 2% to HK$1,301 million and HK$1,061 million respectively, when compared to last year. The increases are mainly due to improved operation result in the Bahamas, partly offset by adverse performance of the Mainland hotels.

The Group's attributable share of gross floor area of 1.9 million square feet in the eight hotels in Hong Kong, generated an average attributable hotel operating profit ("HOP") (2) of HK$36 per square foot per month (ranging from HK$12 per square foot per month to HK$71 per square foot per month), and a 20.1% EBIT yield on its attributable carrying value of these hotels of approximately HK$3,581 million. Total average hotel rooms occupancy rate is 94% in Hong Kong.

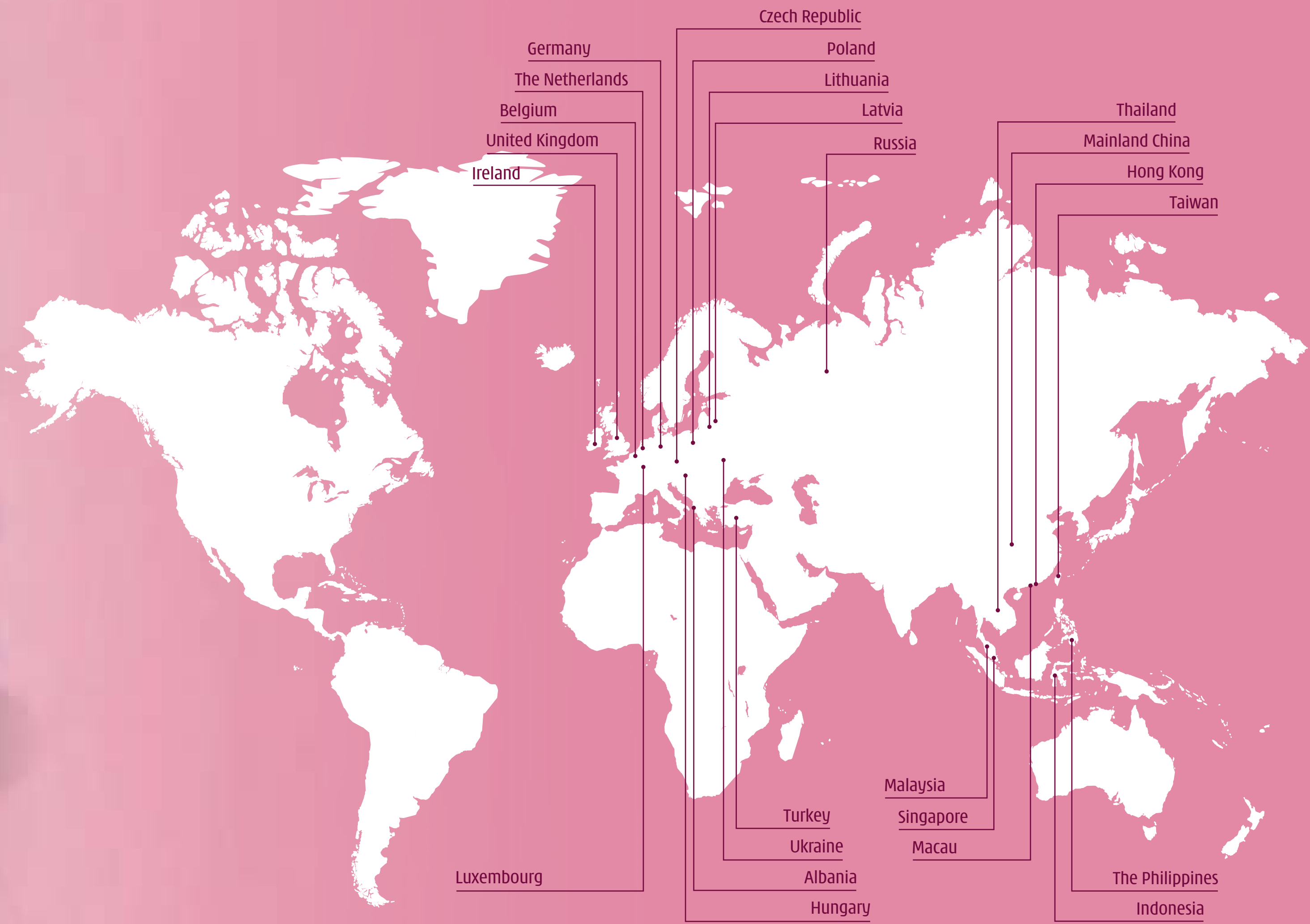
Note 2: HOP represents EBITDA after depreciation of furniture, fixtures and equipment.

Average Actual Room Inventory by Geographical Location and Occupancy Rate



Retail

Watsons exceeds 4,000 stores in Asia and Eastern Europe.



- Total revenue increased 6% to HK$157,397 million.
- EBITDA increased 10% to HK$15,549 million.
- EBIT increased 11% to HK$13,023 million.

1

3

4

1. A S Watson Group celebrates its milestone of reaching over 11,400 stores worldwide.
2. Kruidvat is selected as Top 3 Retail Brands in the Netherlands, rewarding the brand's investment in online marketing and in-store customer service.
3. Putting customers at the core of their service, Savers is recognised as the UK's Best Personal Care Retailer in 2014.
4. PARKnSHOP continues to win the hearts of customers with close to one million loyalty club members in the Mainland.
5. ICI PARIS XL is nominated as the best online and offline perfumery in both Belgium and the Netherlands.

The retail division consists of the A S Watson group of companies, the world's largest health and beauty retailer in terms of store numbers.

Group Performance

A S Watson currently operates 13 retail brands with over 11,400 stores in 24 markets worldwide, providing high quality personal care, health and beauty products; food and fine wines; as well as consumer electronics and electrical appliances. A S Watson also manufactures and distributes various bottled waters and other beverages in Hong Kong and the Mainland.

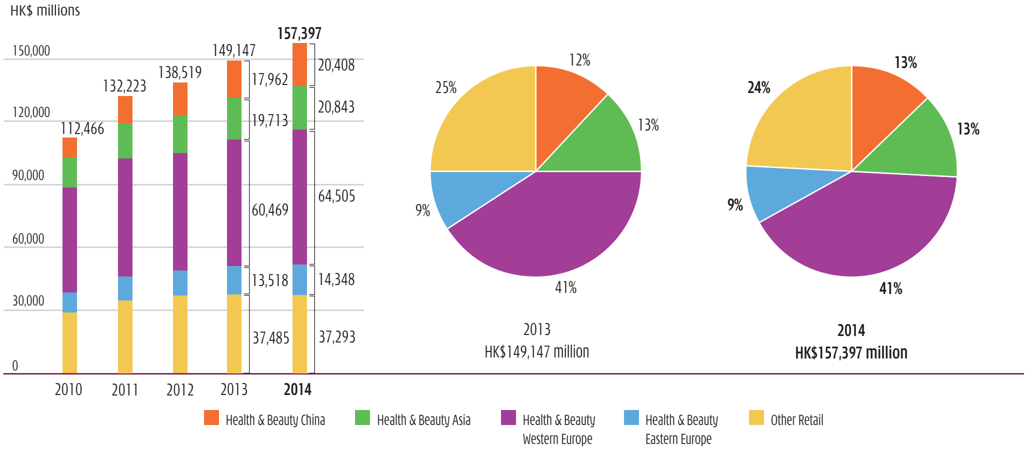
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**157,397**	149,147	+6%	+6%
EBITDA	**15,549**	14,158	+10%	+12%
EBIT	**13,023**	11,771	+11%	+13%
Total Store Numbers	**11,435**	10,581	+8%	

The retail division contributed 37%, 16% and 20% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Before taking into account of the gain on disposal of the airport concession operation of HK$350 million in July 2014 and the foreign currency translation impact, total revenue, EBITDA and EBIT of the Group's retail businesses grew by 6%, 9% and 10% respectively in 2014.

Revenue growth was strong across all Health and Beauty subdivisions, which was supported by increased store numbers and year-on-year comparable store sales growth.

Total Revenue (+6%) by Subdivision



Total Revenue	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Health & Beauty China	**20,408**	17,962	+14%	+14%
Health & Beauty Asia	**20,843**	19,713	+6%	+8%
Health & Beauty China & Asia Subtotal	**41,251**	37,675	+9%	+11%
Health & Beauty Western Europe	**64,505**	60,469	+7%	+6%
Health & Beauty Eastern Europe	**14,348**	13,518	+6%	+13%
Health & Beauty Subtotal	**120,104**	111,662	+8%	+9%
Other Retail [1]	**37,293**	37,485	-1%	–
Total Retail	**157,397**	149,147	+6%	+6%
- Asia	*78,544*	*75,099*	*+5%*	*+5%*
- Europe	*78,853*	*74,048*	*+6%*	*+7%*

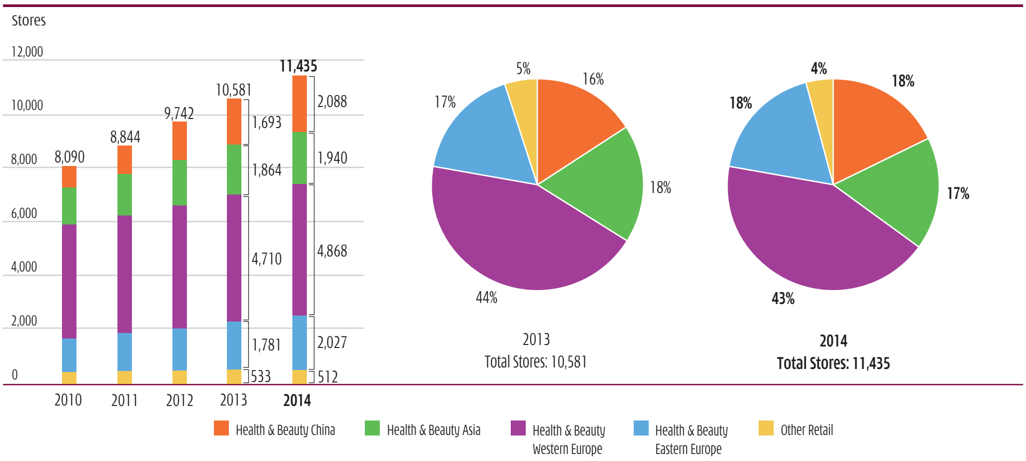
Comparable Store Sales Growth (%) [2]	2014	2013
Health & Beauty China	**+3.9%**	+0.6%
Health & Beauty Asia	**+4.6%**	+4.9%
Health & Beauty China & Asia Subtotal	**+4.3%**	+3.1%
Health & Beauty Western Europe	**+3.1%**	+2.8%
Health & Beauty Eastern Europe	**+2.5%**	+3.2%
Health & Beauty Subtotal	**+3.4%**	+2.9%
Other Retail [1]	**-1.9%**	-0.3%
Total Retail	**+2.3%**	+2.2%
- Asia	*+1.4%*	*+1.4%*
- Europe	*+3.0%*	*+2.9%*

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

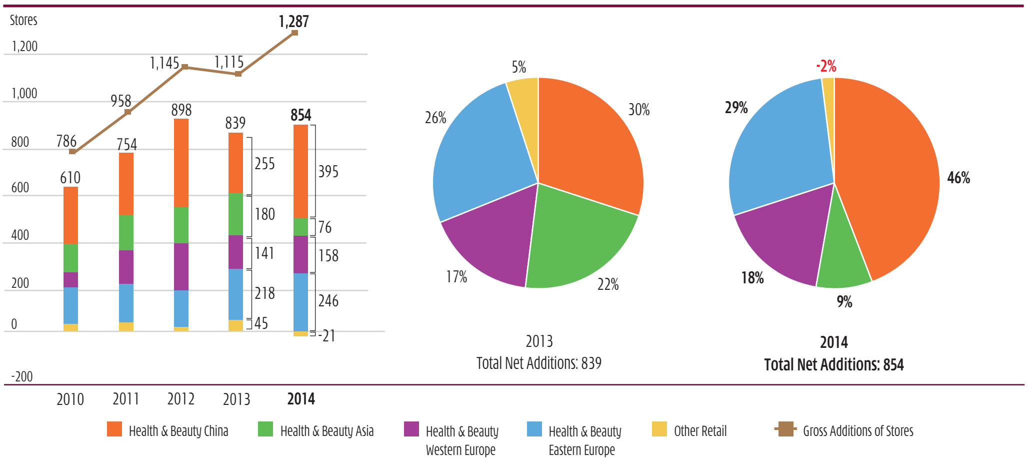
Note 2: Comparable store sales growth represents the percentage change in revenue contributed by stores which, as at the first day of the relevant financial year (a) have been operating for over 12 months and (b) have not undergone major resizing within the previous 12 months.

Group Performance (continued)

Total Retail Store Numbers (+8%)
by Subdivision



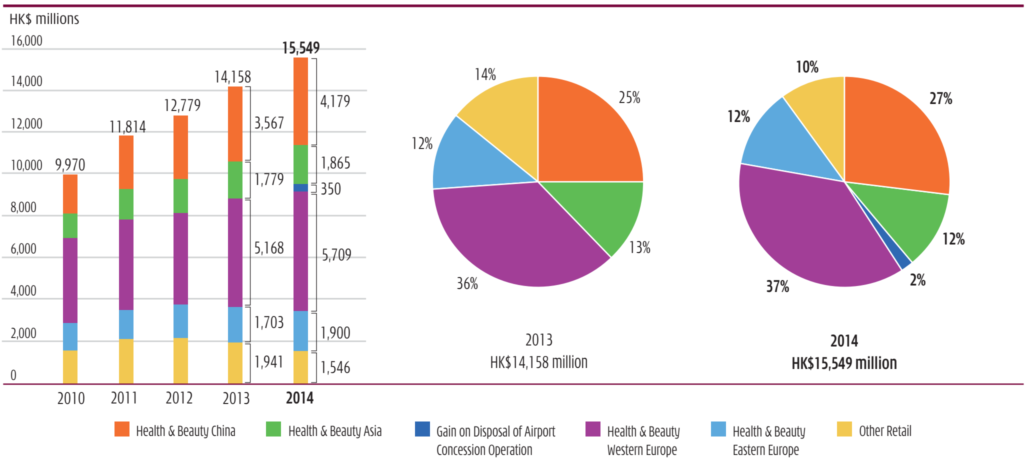
Total Net Additions of Retail Stores
by Subdivision



Store Numbers	2014	2013	Change
Health & Beauty China	**2,088**	1,693	+23%
Health & Beauty Asia	**1,940**	1,864	+4%
Health & Beauty China & Asia Subtotal	**4,028**	3,557	+13%
Health & Beauty Western Europe	**4,868**	4,710	+3%
Health & Beauty Eastern Europe	**2,027**	1,781	+14%
Health & Beauty Subtotal	**10,923**	10,048	+9%
Other Retail [3]	**512**	533	-4%
Total Retail	**11,435**	10,581	+8%
- Asia	*4,540*	*4,090*	*+11%*
- Europe	*6,895*	*6,491*	*+6%*

Note 3: Other Retail includes PARKnSHOP, Fortress, Watson's Wine and manufacturing operations for water and beverage businesses.

EBITDA[4] (+10%)
by Subdivision



Note 4: 2010 to 2012 comparatives have been restated to reflect the effect of the adoption of amendments to HKAS19 in 2013.

EBITDA	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Health & Beauty China	**4,179**	3,567	+17%	+18%
Health & Beauty Asia	**1,865**	1,779	+5%	+8%
Health & Beauty China & Asia Subtotal	**6,044**	5,346	+13%	+15%
Health & Beauty Western Europe	**5,709**	5,168	+10%	+12%
Health & Beauty Eastern Europe	**1,900**	1,703	+12%	+17%
Health & Beauty Subtotal	**13,653**	12,217	+12%	+14%
Other Retail [5]	**1,546**	1,941	-20%	-20%
EBITDA before one-off	**15,199**	14,158	+7%	+9%
Gain on disposal of airport concession operation	**350**	–	+100%	+100%
EBITDA - Total Retail	**15,549**	14,158	+10%	+12%
- Asia	*7,940*	*7,290*	*+9%*	*+10%*
- Europe	*7,609*	*6,868*	*+11%*	*+13%*

Note 5: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, and manufacturing operations for water and beverage businesses.

The overall health and beauty subdivision continued to deliver strong performances in 2014 with an EBITDA growth of 12% (a 14% growth in local currency), which reflected competitive product offerings, improving margin management, operational efficiencies and the continuing focus on global own-brand and exclusive products. 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$1.0 million in 2014.

Segment Performance

Health and Beauty China

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**20,408**	17,962	+14%	+14%
EBITDA	**4,179**	3,567	+17%	+18%
EBIT	**3,758**	3,212	+17%	+18%
Total Store Numbers	**2,088**	1,693	+23%	
Comparable Store Sales Growth (%)	**+3.9%**	+0.6%		

The Watsons business continues to be the leading health & beauty retail chain in the Mainland and has delivered another excellent year of EBIT growth of 18% 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 9 months and currently has more than 2,000 stores operating in 353 cities in the Mainland.

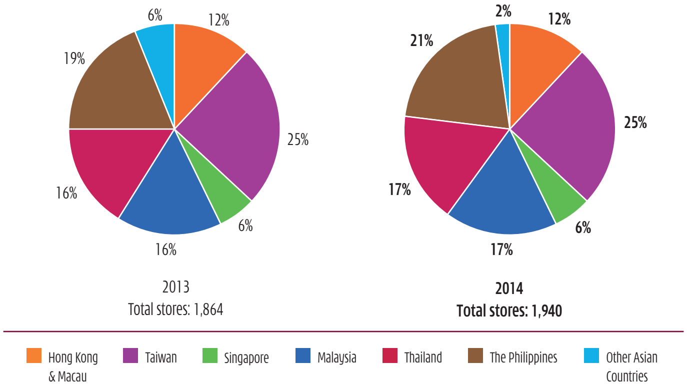
Health and Beauty Asia

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**20,843**	19,713	+6%	+8%
EBITDA	**1,865**	1,779	+5%	+8%
EBIT	**1,545**	1,470	+5%	+8%
Total Store Numbers	**1,940**	1,864	+4%	
Comparable Store Sales Growth (%)	**+4.6%**	+4.9%		

The Watsons business is the leading health and beauty retail chain in Asia with strong brand name recognition and extensive geographical coverage. The increased contributions were primarily from the Watsons businesses in Taiwan, Malaysia, Hong Kong, Thailand and the Philippines.

Health and Beauty Asia increased its total number of stores by 76 during the year achieving an average new store cash payback period of less than 12 months. The subdivision currently has more than 1,900 stores operating in 8 markets.

Health and Beauty Asia (+4%)
Number of Retail Stores by Market



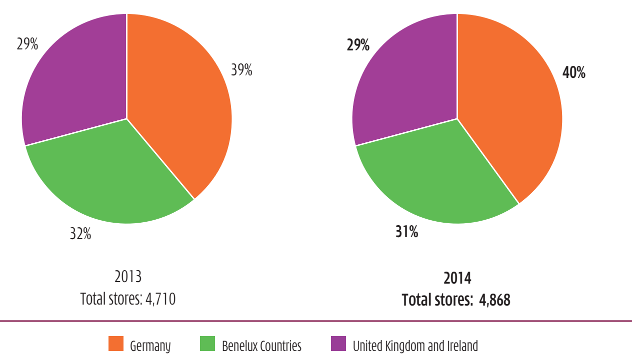
Health and Beauty Western Europe

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**64,505**	60,469	+7%	+6%
EBITDA	**5,709**	5,168	+10%	+12%
EBIT	**4,671**	4,163	+12%	+14%
Total Store Numbers	**4,868**	4,710	+3%	
Comparable Store Sales Growth (%)	**+3.1%**	+2.8%		

Despite the difficult trading environment in Europe, the health and beauty businesses in Western Europe were able to grow their revenue during the year. This growth was mainly due to strong sales performances of the Rossmann joint venture in Germany and Kruidvat in the Benelux countries, as well as increased contributions from Savers and Superdrug in the UK.

Health and Beauty Western Europe added 158 stores during 2014 and currently operates more than 4,800 stores. The average new store cash payback period of this subdivision was around 12 months.

Health and Beauty Western Europe (+3%)
Number of Retail Stores by Market



Segment Performance (continued)

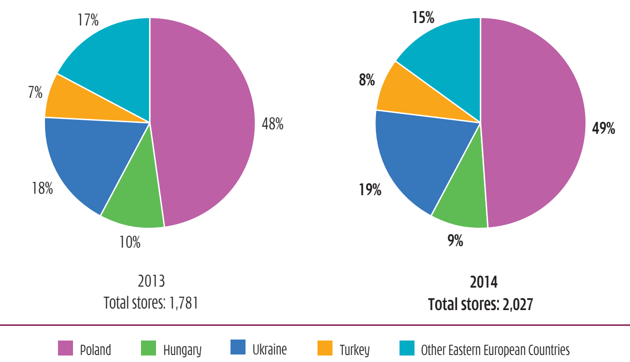
Health and Beauty Eastern Europe

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**14,348**	13,518	+6%	+13%
EBITDA	**1,900**	1,703	+12%	+17%
EBIT	**1,613**	1,425	+13%	+18%
Total Store Numbers	**2,027**	1,781	+14%	
Comparable Store Sales Growth (%)	**+2.5%**	+3.2%		

In Eastern Europe, the health and beauty businesses reported strong growth mainly from the Rossmann joint venture in Poland, as well as the Watsons businesses in Turkey and Ukraine.

Health and Beauty Eastern Europe added 246 stores during 2014 and currently operates more than 2,000 stores in 8 markets. The average new store cash payback period in this subdivision was less than 16 months.

Health and Beauty Eastern Europe (+14%)
Number of Retail Stores by Market



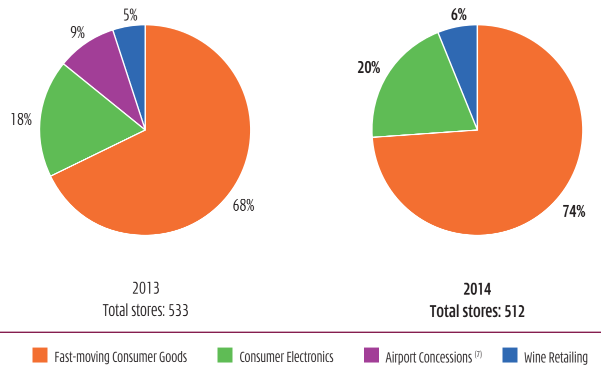
Other Retail

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**37,293**	37,485	-1%	-
EBITDA [(6)]	**1,546**	1,941	-20%	-20%
EBIT [(6)]	**1,086**	1,501	-28%	-28%
Total Store Numbers	**512**	533	-4%	
Comparable Store Sales Growth (%)	**-1.9%**	-0.3%		

Note 6: 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 1%, 20% and 28% respectively mainly due to the lower contributions from the PARKnSHOP operations and Fortress as both operations experienced keen competition in Hong Kong and additionally for Fortress due to lack of new product launches. Other Retail currently operates over 510 retail stores in 3 markets.

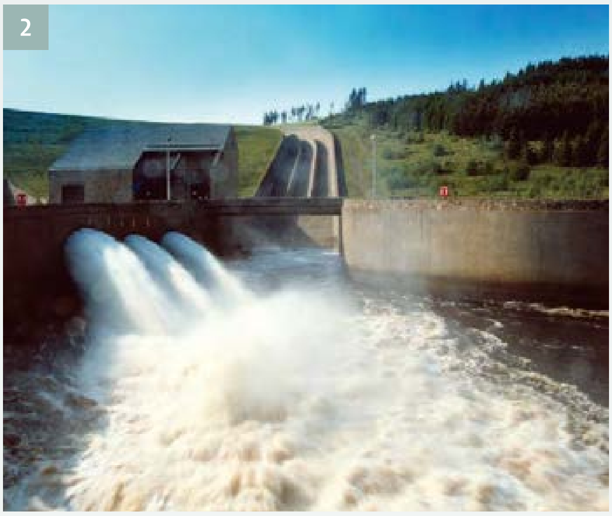
Other Retail (-4%)
Number of Retail Stores by Segment



Note 7: Airport Concession operation was disposed in July 2014.

Powercor is the largest electricity distributor in the state of Victoria, Australia, supplying electricity to regional and rural centres in central and western Victoria, and Melbourne's outer western suburbs.

- CKI announced profit attributable to shareholders of HK$31,782 million.



1. Park'N Fly is the largest off-airport car park provider in Canada, and the only national operator. The company provides off-airport car park solutions in Toronto, Vancouver, Montreal, Edmonton and Ottawa.
2. Northumbrian Water is one of the 10 regulated water and sewerage companies in England and Wales.
3. UK Power Networks distributes approximately 30% of the total power demand in the United Kingdom, representing one of the largest electricity distribution network owners in the country.
4. AVR is one of the largest energy-from-waste players in the Netherlands, operating two waste treatment plants.

The infrastructure division comprises the Group's interest in Cheung Kong Infrastructure Holdings Limited ("CKI"), a leading investor in the infrastructure sectors in Hong Kong, the Mainland, the UK, the Netherlands, Australia, New Zealand and Canada.

As at 31 December 2014, the Group held a 78.16% [1] interest in CKI, which contributed 11%, 25% and 28% respectively to the total revenue, EBITDA and EBIT of the Group's businesses during the year.

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue	**45,419**	42,460	+7%
EBITDA	**24,483**	22,841	+7%
EBIT	**18,215**	17,528	+4%

CKI is one of the largest publicly listed infrastructure companies on the SEHK, with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management and infrastructure-related businesses.

CKI announced profit attributable to shareholders of HK$31,782 million, an increase of 173% from 2013, primarily due to its 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. Power Assets currently holds 49.9% of HKEI.

CKI's total revenue, EBITDA and EBIT, after consolidation adjustments, increased by 7%, 7% and 4% in 2014 respectively, which excluded the gains reported within the Group's "Profits on disposal of investments & others, after tax", relating to the IPO of HKEI and the marked-to-market gain on the AGN acquisition mentioned previously. CKI reported strong growth from the underlying operations, the full-year profit contribution from the business acquired in 2013 including Enviro Waste Services Limited in New Zealand, and AVR-Afvalverwerking BV ("AVR") in the Netherlands, as well as the accretive income of businesses acquired during 2014 as discussed below.

Power Assets, a company listed on the SEHK and in which CKI holds a 38.87% interest, announced profit attributable to shareholders of HK$61,005 million, an increase of 446% compared to last year's profit of HK$11,165 million due to the gain on IPO of HKEI as well as the growth from its share of the results of AGN and AVR, partly offset by its reduced share of the results of the Hong Kong electricity business subsequent to the IPO of HKEI and deferred tax credits recorded in 2013 as result of a reduction in the UK corporate tax rate.

In July 2014, a CKI-led joint-venture with Cheung Kong completed the acquisition of Park'N Fly, the largest off-airport car park business in Canada for approximately C$381 million (approximately HK$2,720 million).

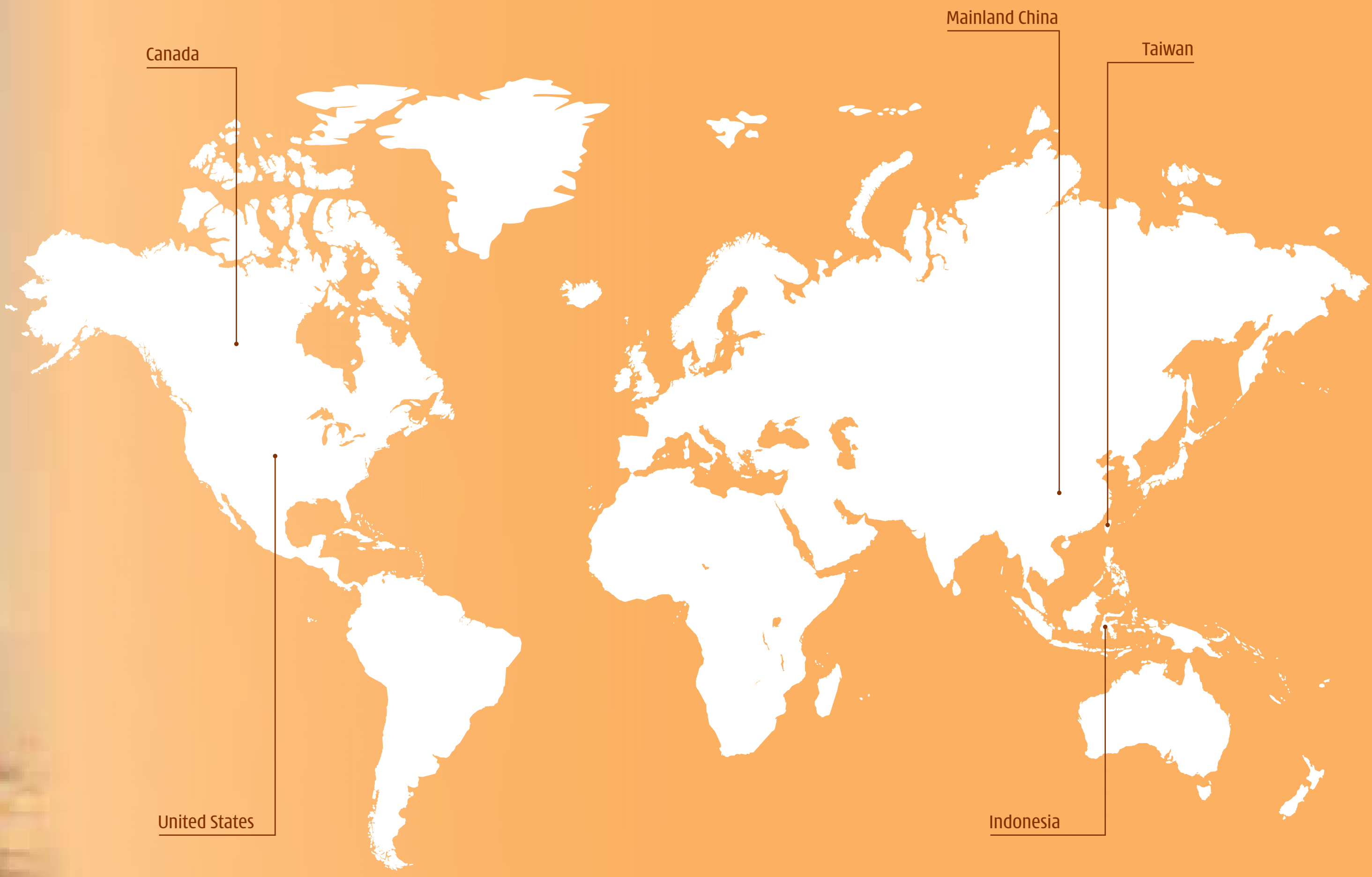
In October 2014, a CKI-led joint-venture with Cheung Kong and Power Assets completed its takeover bid for AGN, a distributor of natural gas in Australia, for a cash consideration of A$1.32 per share. CKI, together with Power Assets currently owns approximately 72.5% of AGN.

In January 2015, a CKI-led joint-venture with Cheung Kong entered into an agreement to acquire Eversholt Rail Group ("Eversholt") in the UK. Eversholt is a major rolling stock operating company in the UK, leasing 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. The acquisition has an enterprise value of approximately £2,500 million (approximately HK$29,300 million) and is expected to complete around April 2015.

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%.

Energy

The Sunrise Energy Project commences steam operations.



- Husky Energy announced revenues, net of royalties, increased 3% to C$24,092 million.
- Profit attributable to shareholders, before after tax impairment charges, decreased 8% to C$1,880 million.
- Husky Energy's production increased 9% to an average of approximately 340,100 barrels of oil equivalent per day.

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1. Liwan Gas Project in the South China Sea commences first production.
2. Husky Energy's employee inspects pumpjack at the Pikes Peak Thermal Plant.
3. The offshore Liwan Central Platform.
4. The Sandall heavy oil thermal project in northern Alberta achieves first oil.
5. Truck loading oil at Tangleflags Oil Battery facility in Western Canada.

5

The energy division comprises of the Group's 33.97% interest in Husky Energy, an integrated energy company listed on the Toronto Stock Exchange.

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**57,368**	59,481	-4%	+3%
EBITDA	**14,410**	14,779	-2%	+5%
EBIT	**6,324**	7,208	-12%	-6%
Production (mboe/day)	**340.1**	312.0	+9%	

The energy division contributed 14%, 14% and 10% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Husky Energy announced revenues, net of royalties, increased 3% to C$24,092 million. Profit from operations attributable to shareholders decreased 31% to C$1,258 million. Excluding the after tax impairment charges of C$622 million and C$204 million on certain crude oil and natural gas assets in 2014 and 2013 respectively, profit from operations attributable to shareholders decreased 8% to C$1,880 million.

EBITDA of Husky Energy increased 5% to C$6,019 million, mainly due to increased crude oil and natural gas production with new production from the Liwan Gas Project and heavy oil thermal developments as well as higher averaged realised crude oil and natural gas prices; partially offset by lower refining margins and lower margins in commodity marketing. However, EBIT (before impairment charges) decreased 6% to C$2,847 million mainly due to higher depreciation from increased production in 2014.

The Group's share of EBITDA and EBIT, after translation into Hong Kong dollars and consolidation adjustments, but before the impairment charges mentioned above, decreased 2% and 12% respectively due to adverse foreign exchange movement.

In 2014, Husky Energy's production averaged approximately 340,100 barrels of oil equivalent ("BOEs") per day, a 9% increase when compared to approximately 312,000 BOEs per day in 2013, primarily due to the commencement of natural gas production from the Liwan Gas Project; strong production performance from the heavy oil thermal developments (particularly the Sandall development which began crude oil production in the first quarter of the year) and increased production from the Ansell multi-zone liquids-rich resource play.

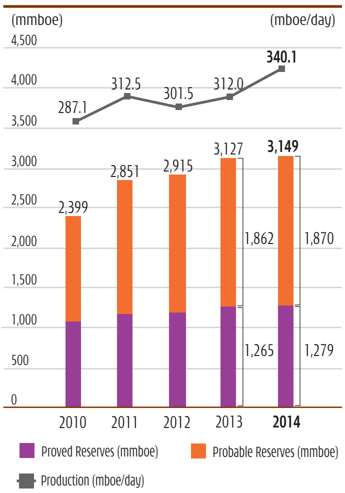
Aggregated dividends on common shares of C$1,180 million relating to the fourth quarter of 2013 and the first three quarters of 2014 were declared during the year, of which C$1,169 million and C$11 million were paid in cash and common shares respectively. Cash received and receivable by the Group from Husky Energy's dividend amounted to C$401 million or HK$2,802 million in 2014.

Husky Energy has delivered steady performance with its balanced growth and focused integration strategy in 2014. First gas from the Liwan 3-1 field of the Liwan Gas Project in the South China Sea achieved in March 2014 and the second gas field at Liuhua 34-2 was brought online in December 2014. Steam operations at Phase 1 of the Sunrise Energy Project commenced in December 2014. The first 30,000 barrels per day plant is expected to begin production towards the end of the first quarter of 2015 and the second 30,000 barrels per day plant is expected to commence production in late 2015. Production from Phase 1 of Sunrise Energy Project is expected to ramp up over a two-year period reaching peak production to 60,000 barrels per day (30,000 barrels per day net to Husky Energy). The 3,500 barrels per day Sandall heavy oil thermal development commenced production in the first quarter of 2014 with strong production averaging 5,700 barrels per day in 2014.

The following projects which are currently in development will add about 85,000 net barrels per day by the end of 2016.

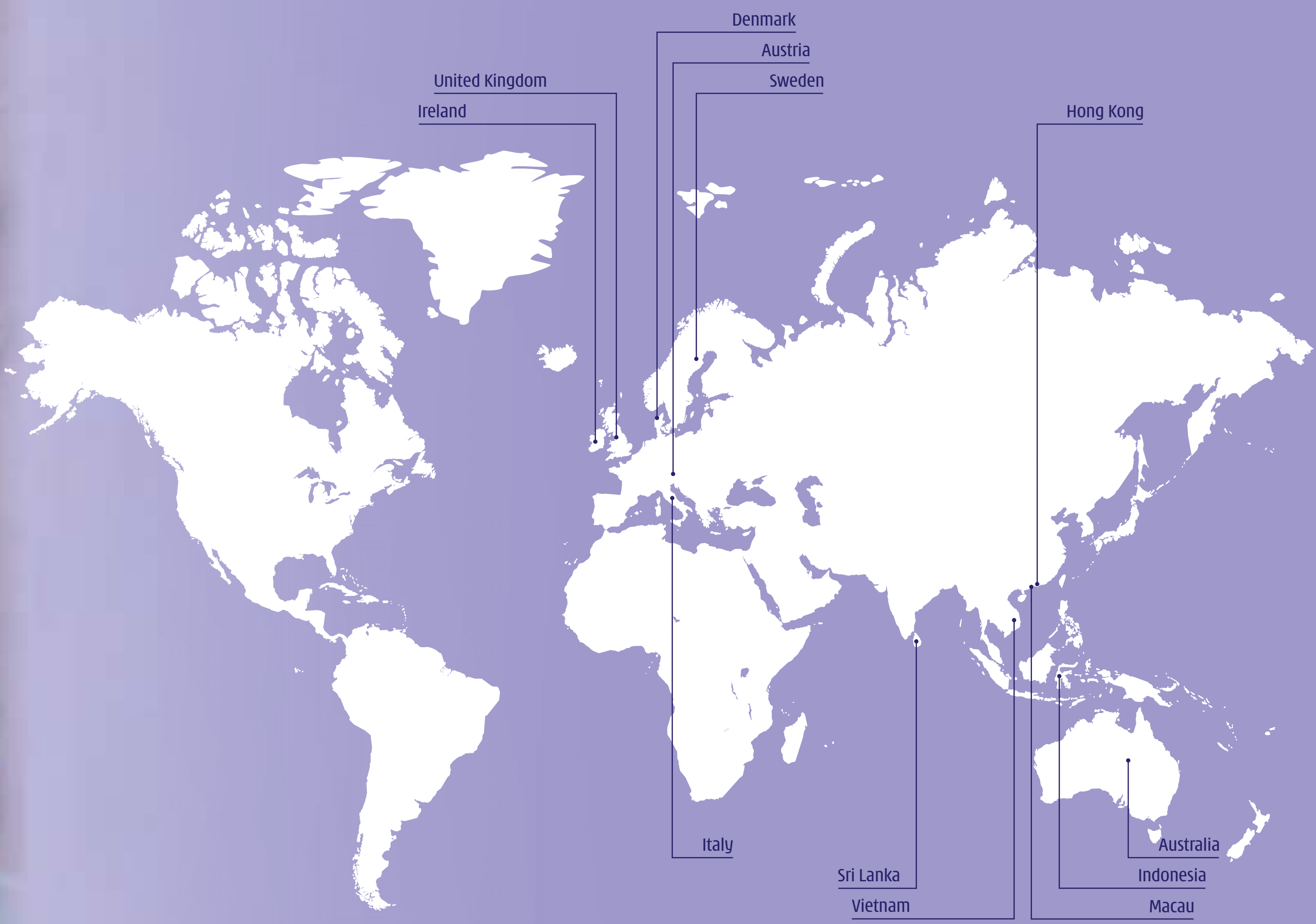
Near-Term Projects	Business	First Production	Forecast Net Peak Production (barrels per day)
Sunrise Energy Project Plant 1A	Oil Sands	Q1-2015	15,000 (mid-2016)
Sunrise Energy Project Plant 1B	Oil Sands	Q3-2015	15,000 (late 2016)
South White Rose Extension	Atlantic Region	Mid-2015	15,000
North Amethyst Hibernia well	Atlantic Region	Q3-2015	5,000
Rush Lake	Heavy Oil Thermal	Q3-2015	10,000
Edam East	Heavy Oil Thermal	Q3-2016	10,000
Edam West	Heavy Oil Thermal	Q4-2016	3,500
Vawn	Heavy Oil Thermal	Q4-2016	10,000

Proved and Probable Reserves & Production



Telecommunications

3 Ireland completes its acquisition of Telefónica's O_2 business.



- 3 Group Europe's total revenue, EBITDA and EBIT increased 6%, 23% and 42% respectively.
- 3 Group Europe's active customer base totals over 25.0 million as at 31 December 2014.
- HTHKH announced profit attributable to shareholders of HK$833 million, a 9% decrease over last year.
- HAT's LBITDA and LBIT of HK$278 million and HK$1,465 million respectively were adverse compared to last year.

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1. More Austrians are enjoying the **3** experience following the successful integration of Orange Austria.
2. Thousands of people flock to **3** Hong Kong's sales gala to get the latest smartphone.
3. **3** UK has been named number one operator for smartphone users for overall quality by YouGov and uSwitch.
4. **3** Macau has a wide array of exciting multi-media contents for its users.
5. **3** Group continues to expand its LTE network footprint.

5

The Group's telecommunications division consists of the **3** Group businesses in Europe ("**3** Group Europe"), a 65.01% 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

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**65,623**	61,976	+6%	+5%
- Net customer service revenue	**49,480**	45,536	+9%	+8%
- Handset revenue	**14,372**	15,062	-5%	
- Other revenue	**1,771**	1,378	+29%	
Net Customer Service Margin [1]	**39,714**	35,633	+11%	+11%
Net customer service margin %	***80%***	*78%*		
Other Margin	**1,008**	1,015	-1%	
Total CACs	**(21,514)**	(21,675)	+1%	
Less: Handset revenue	**14,372**	15,062	-5%	
Total CACs (net of handset revenue)	**(7,142)**	(6,613)	-8%	
Operating Expenses	**(17,982)**	(17,364)	-4%	
Opex as a % of net customer service margin	***45%***	*49%*		
EBITDA	**15,598**	12,671	+23%	+23%
EBITDA Margin % [2]	***30%***	*27%*		
Depreciation & Amortisation	**(8,706)**	(7,815)	-11%	
EBIT	**6,892**	4,856	+42%	+42%
Capex (excluding licence)	**(11,271)**	(10,176)	-11%	
EBITDA less Capex	**4,327**	2,495	+73%	
Licence [3]	**(38)**	(6,824)	+99%	

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 percentage of total revenue (excluding handset revenue).

Note 3: Licence costs as at 31 December 2014 represent incidental costs in relation to licences acquired in the prior year.

3 Group Europe contributed 16%, 16% and 10% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

3 Group Europe's registered customer base grew 11% during the year to total over 29.5 million at 31 December 2014, while the active base grew 13% to total over 25.0 million and represented an 85% activity level. The proportion of contract customers as a percentage of the registered customer base has decreased marginally from 59% last year to 58% at the end of 2014. The revenue generated by contract customers accounted for approximately 84% of overall net customer service revenue, 3%-points lower than last year due to the higher contribution of the non-contract customers in the newly acquired businesses in Austria and Ireland and the increased focus on pre-paid non-contract customers in Italy during the year. Management continues to focus on managing churn and the average monthly customer churn rate of the contract customer base remained at 1.7% for a third consecutive year.

3 Group Europe's net ARPU decreased by 1% to €17.20 compared to 2013, primarily due to price competition in Italy and Denmark and the symmetrical interconnection rate reductions in various countries which has a minimal impact on net customer service margin. However, net customer service revenue increased 9% mainly due to the increase in active customers. Net AMPU increased by 1% to €13.82 mainly due to an increased proportion of higher margin data revenue, together with the enlarged customer base, resulted in an 11% net customer service margin increase.

3 Group Europe continued to capture market share in the smartphone and mobile data segments. The majority of the **3** Group Europe operations once again held a leading position in their respective country's smartphone and mobile broadband access segments during 2014. 4G (LTE) network rollouts continue to progress well providing good customer usage experiences at competitive prices.

At 31 December 2014, approximately 6.6 million customers, representing 22% of the total **3** Group Europe customer base, are mobile broadband access customers, in line with last year. Contract smartphone customers acquired in 2014 represented around 41% of the total contract customers acquired during the year. Total data usage exceeded 605 petabytes in 2014, an increase of 57% compared to last year. Data usage per active customer was approximately 25.4 gigabytes in 2014 compared to 18.2 gigabytes in 2013.

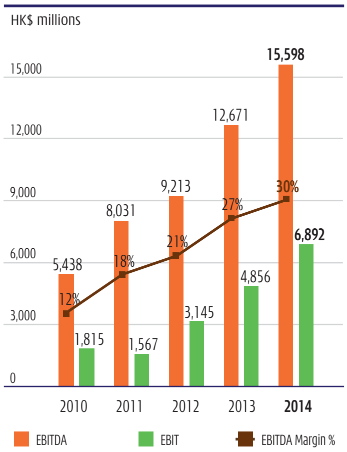
Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK$7,142 million in 2014, 8% higher than in 2013, while operating expenses increased 4% to HK$17,982 million.

EBITDA and EBIT growth reflected the enlarged customer base, improved net customer service margin, accretive contribution from **3** Ireland's acquisition of O_2 Ireland and continued realisation of post-merger cost synergies in **3** Austria.

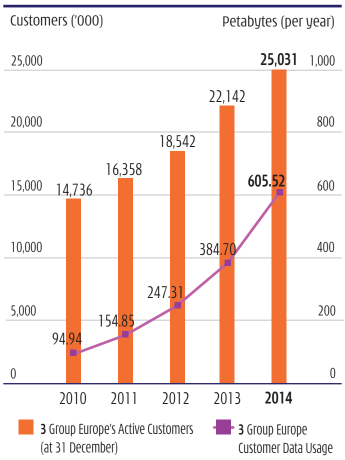
3 Group Europe continued to maintain sustainable growth contributions under a prudent capex management strategy resulting in EBITDA less capex increasing 73% to HK$4,327 million in 2014.

In January 2015, the Group agreed to enter into exclusive negotiations with Telefónica, SA for the potential acquisition of O_2 UK, for an indicative price of £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.

3 Group Europe - EBITDA & EBIT



3 Group Europe's Active Customers and Data Usage



Key Business Indicators

Registered Customer Base

	Registered Customers at 31 December 2014 ('000)			Registered Customer Growth (%) from 31 December 2013 to 31 December 2014		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	4,225	6,061	**10,286**	+7%	+3%	**+5%**
Italy	4,977	5,063	**10,040**	-1%	+8%	**+4%**
Sweden	224	1,666	**1,890**	+40%	+9%	**+12%**
Denmark	374	752	**1,126**	+24%	+4%	**+10%**
Austria	1,101	2,501	**3,602**	+18%	–	**+5%**
Ireland (4)	1,429	1,164	**2,593**	+134%	+232%	**+170%**
3 Group Europe Total	12,330	17,207	**29,537**	+12%	+10%	**+11%**

Active (5) Customer Base

	Active Customers at 31 December 2014 ('000)			Active Customer Growth (%) from 31 December 2013 to 31 December 2014		
	Prepaid	Postpaid	**Total**	Prepaid	Postpaid	**Total**
United Kingdom	2,483	5,931	**8,414**	+12%	+4%	**+6%**
Italy	3,812	4,952	**8,764**	+4%	+9%	**+7%**
Sweden	134	1,666	**1,800**	+46%	+9%	**+11%**
Denmark	338	752	**1,090**	+21%	+4%	**+8%**
Austria	436	2,475	**2,911**	+22%	–	**+3%**
Ireland (6)	917	1,135	**2,052**	+287%	+265%	**+274%**
3 Group Europe Total	8,120	16,911	**25,031**	+18%	+11%	**+13%**

	2014	2013
Contract customers as a % of the total registered customer base	**58%**	59%
Contract customers' contribution to the net customer service revenue base (%)	**84%**	87%
Average monthly churn rate of the total contract registered customer base (%)	**1.7%**	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%**	83%

Note 4: Includes approximately 1.5 million registered customers added upon the acquisition of O_2 Ireland in July 2014.

Note 5: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

Note 6: Includes approximately 1.5 million active customers added upon the acquisition of O_2 Ireland in July 2014.

12-month Trailing Average Revenue per Active User (7) ("ARPU") to 31 December 2014

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2013
United Kingdom	£5.30	£26.88	**£20.81**	–
Italy	€7.83	€18.23	**€13.57**	-8%
Sweden	SEK118.05	SEK300.00	**SEK287.37**	-3%
Denmark	DKK116.10	DKK169.25	**DKK153.60**	-11%
Austria	€8.22	€21.43	**€19.66**	-5%
Ireland	€16.47	€33.42	**€25.85**	-11%
3 Group Europe Average	€8.53	€26.59	**€20.86**	-1%

12-month Trailing Net Average Revenue per Active User (8) ("Net ARPU") to 31 December 2014

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2013
United Kingdom	£5.30	£18.91	**£15.08**	–
Italy	€7.83	€18.23	**€13.57**	-8%
Sweden	SEK118.05	SEK216.11	**SEK209.30**	-1%
Denmark	DKK116.10	DKK156.03	**DKK144.27**	-10%
Austria	€8.22	€17.63	**€16.37**	-7%
Ireland	€16.47	€29.75	**€23.82**	-1%
3 Group Europe Average	€8.53	€21.24	**€17.20**	-1%

12-month Trailing Net Average Margin per Active User (9) ("Net AMPU") to 31 December 2014

	Prepaid	Postpaid	**Blended Total**	% Variance compared to 31 December 2013
United Kingdom	£4.57	£15.02	**£12.09**	–
Italy	€6.10	€13.84	**€10.37**	-5%
Sweden	SEK93.54	SEK185.22	**SEK178.86**	+2%
Denmark	DKK99.31	DKK136.41	**DKK125.48**	-9%
Austria	€7.09	€14.47	**€13.49**	–
Ireland	€12.50	€25.05	**€19.45**	+3%
3 Group Europe Average	€6.87	€17.05	**€13.82**	+1%

Note 7: 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 8: 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 9: 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

	2014 GBP millions	2013 GBP millions	Change
Total Revenue	**2,063**	2,044	+1%
- Net customer service revenue	**1,459**	1,376	+6%
- Handset revenue	**577**	645	-11%
- Other revenue	**27**	23	+17%
Net Customer Service Margin	**1,169**	1,095	+7%
Net customer service margin %	***80%***	*80%*	
Other Margin	**10**	15	-33%
Total CACs	**(807)**	(917)	+12%
Less: Handset revenue	**577**	645	-11%
Total CACs (net of handset revenue)	**(230)**	(272)	+15%
Operating Expenses	**(402)**	(421)	+5%
Opex as a % of net customer service margin	***34%***	*38%*	
EBITDA	**547**	417	+31%
EBITDA Margin %	***37%***	*30%*	
Depreciation & Amortisation	**(233)**	(210)	-11%
EBIT	**314**	207	+52%
Capex (excluding licence)	**(322)**	(271)	-19%
EBITDA less Capex	**225**	146	+54%
Licence	**(1)**	(238)	+100%

	2014	2013
Total registered customer base (millions)	**10.3**	9.8
Total active customer base (millions)	**8.4**	7.9
Contract customers as a % of the total registered customer base	**59%**	60%
Contract customers' contribution to the net customer service revenue base (%)	**90%**	89%
Average monthly churn rate of the total contract registered customer base (%)	**1.6%**	1.6%
Active contract customers as a % of the total contract registered customer base	**98%**	97%
Active customers as a % of the total registered customer base	**82%**	81%

EBITDA of £547 million was 31% higher than 2013 mainly driven by improved net customer service margin arising from an enlarged customer base while net AMPU was in line with 2013. The net customer service margin in 2014 also benefited from the positive financial impact of the successful adoption of "Feel At Home", a popular roaming offering launched in late 2013, and an improved tariff mix, partly offset by a one-off provision for a dispute on fixed to mobile interconnection rates. Lower total CACs (net of handset revenue) and operating expenses also contributed to the higher EBITDA in 2014. These improvements were partly offset by higher depreciation and amortisation due to an increased number of sites and larger asset base, resulting in an EBIT of £314 million, an increase of 52% over last year.

Italy

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	**1,739**	1,746	—
- Net customer service revenue	**1,376**	1,352	+2%
- Handset revenue	**308**	341	-10%
- Other revenue	**55**	53	+4%
Net Customer Service Margin	**1,052**	1,004	+5%
Net customer service margin %	***76%***	*74%*	
Other Margin	**53**	49	+8%
Total CACs	**(551)**	(519)	-6%
Less: Handset revenue	**308**	341	-10%
Total CACs (net of handset revenue)	**(243)**	(178)	-37%
Operating Expenses	**(614)**	(596)	-3%
Opex as a % of net customer service margin	***58%***	*59%*	
EBITDA	**248**	279	-11%
EBITDA Margin %	***17%***	*20%*	
Depreciation & Amortisation	**(294)**	(279)	-6%
(LBIT) EBIT	**(46)**	0.3	-15,433%
Capex (excluding licence)	**(404)**	(344)	-17%
EBITDA less Capex	**(156)**	(65)	-140%
Licence	**(2)**	(21)	+90%

	2014	2013
Total registered customer base (millions)	**10.0**	9.7
Total active customer base (millions)	**8.8**	8.2
Contract customers as a % of the total registered customer base	**50%**	48%
Contract customers' contribution to the net customer service revenue base (%)	**74%**	80%
Average monthly churn rate of the total contract registered customer base (%)	**2.3%**	2.3%
Active contract customers as a % of the total contract registered customer base	**98%**	97%
Active customers as a % of the total registered customer base	**87%**	85%

The Italian market's competitive environment continued to add pressure on **3** Italy's ability to grow its revenue base. Despite a 5% increase in net customer service margin, the higher operating expenses and higher total CACs (net of handset revenue) resulted in the operation reporting an 11% decrease in EBITDA to €248 million. LBIT of €46 million was adverse to the breakeven EBIT position in 2013 of €0.3 million, due to higher depreciation and amortisation as network enhancement continued.

Sweden

	2014 SEK millions	2013 SEK millions	Change
Total Revenue	**6,407**	5,717	+12%
- Net customer service revenue	**4,286**	3,956	+8%
- Handset revenue	**1,893**	1,568	+21%
- Other revenue	**228**	193	+18%
Net Customer Service Margin	**3,664**	3,259	+12%
Net customer service margin %	***85%***	*82%*	
Other Margin	**65**	78	-17%
Total CACs	**(2,543)**	(2,096)	-21%
Less: Handset revenue	**1,893**	1,568	+21%
Total CACs (net of handset revenue)	**(650)**	(528)	-23%
Operating Expenses	**(1,333)**	(1,317)	-1%
Opex as a % of net customer service margin	***36%***	*40%*	
EBITDA	**1,746**	1,492	+17%
EBITDA Margin %	***39%***	*36%*	
Depreciation & Amortisation	**(752)**	(685)	-10%
EBIT	**994**	807	+23%
Capex	**(790)**	(856)	+8%
EBITDA less Capex	**956**	636	+50%

	2014	2013
Total registered customer base (millions)	**1.9**	1.7
Total active customer base (millions)	**1.8**	1.6
Contract customers as a % of the total registered customer base	**88%**	91%
Contract customers' contribution to the net customer service revenue base (%)	**96%**	97%
Average monthly churn rate of the total contract registered customer base (%)	**1.4%**	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	**95%**	96%

In Sweden, where the Group has a 60% interest, EBITDA and EBIT of SEK1,746 million and SEK994 million increased 17% and 23% respectively from 2013, due to the successful transition to data centric business model in its customer base at the end of 2013, as well as an 11% enlarged active customer base and 2% increase in net AMPU. These improvements were partly offset by 23% increase in total CACs (net of handset revenue) due to higher commissions and 1% increase in operating expenses.

Denmark

	2014 DKK millions	2013 DKK millions	Change
Total Revenue	**2,046**	1,998	+2%
- Net customer service revenue	**1,799**	1,772	+2%
- Handset revenue	**178**	153	+16%
- Other revenue	**69**	73	-5%
Net Customer Service Margin	**1,566**	1,526	+3%
Net customer service margin %	***87%***	*86%*	
Other Margin	**32**	44	-27%
Total CACs	**(416)**	(385)	-8%
Less: Handset revenue	**178**	153	+16%
Total CACs (net of handset revenue)	**(238)**	(232)	-3%
Operating Expenses	**(626)**	(626)	-
Opex as a % of net customer service margin	***40%***	*41%*	
EBITDA	**734**	712	+3%
EBITDA Margin %	***39%***	*39%*	
Depreciation & Amortisation	**(309)**	(292)	-6%
EBIT	**425**	420	+1%
Capex	**(187)**	(252)	+26%
EBITDA less Capex	**547**	460	+19%

	2014	2013
Total registered customer base (millions)	**1.1**	1.0
Total active customer base (millions)	**1.1**	1.0
Contract customers as a % of the total registered customer base	**67%**	71%
Contract customers' contribution to the net customer service revenue base (%)	**76%**	77%
Average monthly churn rate of the total contract registered customer base (%)	**2.7%**	2.4%
Active contract customers as a % of the total contract registered customer base	**100%**	100%
Active customers as a % of the total registered customer base	**97%**	98%

In Denmark, where the Group has a 60% interest, recorded a 3% increase of EBITDA to DKK734 million. The EBITDA growth is in line with the improvement on net customer service margin, which was driven by an 8% increase in the active customer base, partly offset by a 9% lower net AMPU due to keen market competition. The improvement in EBITDA was partly offset by higher depreciation and amortisation, resulting in 1% increase in EBIT to DKK425 million in 2014.

Austria

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	**686**	745	-8%
- Net customer service revenue	**564**	596	-5%
- Handset revenue	**99**	129	-23%
- Other revenue	**23**	20	+15%
Net Customer Service Margin	**464**	459	+1%
Net customer service margin %	***82%***	*77%*	
Other Margin	**17**	18	-6%
Total CACs	**(123)**	(162)	+24%
Less: Handset revenue	**99**	129	-23%
Total CACs (net of handset revenue)	**(24)**	(33)	+27%
Operating Expenses	**(212)**	(262)	+19%
Opex as a % of net customer service margin	***46%***	*57%*	
EBITDA	**245**	182	+35%
EBITDA Margin %	***42%***	*30%*	
Depreciation & Amortisation	**(75)**	(76)	+1%
EBIT	**170**	106	+60%
Capex (excluding licence)	**(135)**	(117)	-15%
EBITDA less Capex	**110**	65	+69%
Licence	**–**	(331)	+100%

	2014	2013
Total registered customer base (millions)	**3.6**	3.4
Total active customer base (millions)	**2.9**	2.8
Contract customers as a % of the total registered customer base	**69%**	73%
Contract customers' contribution to the net customer service revenue base (%)	**93%**	94%
Average monthly churn rate of the total contract registered customer base (%)	**0.6%**	0.7%
Active contract customers as a % of the total contract registered customer base	**99%**	99%
Active customers as a % of the total registered customer base	**81%**	83%

Despite a reduction in net customer service revenue of 5% mainly from the reduction in the symmetrical interconnection rates, net customer service margin improved 1% against last year as the interconnection rate reduction has minimal margin impact.

EBITDA and EBIT of €245 million and €170 million increased 35% and 60% respectively from 2013 mainly due to the realisation of additional cost synergies following the completion of Orange Austria acquisition in January 2013.

Ireland

	2014 EUR millions	2013 EUR millions	Change
Total Revenue	**436**	180	+142%
- Net customer service revenue	**358**	149	+140%
- Handset revenue	**47**	30	+57%
- Other revenue	**31**	1	+3,000%
Net Customer Service Margin	**292**	116	+152%
Net customer service margin %	***82%***	*78%*	
Other Margin	**6**	–	N/A
Total CACs	**(87)**	(48)	-81%
Less: Handset revenue	**47**	30	+57%
Total CACs (net of handset revenue)	**(40)**	(18)	-122%
Operating Expenses	**(194)**	(90)	-116%
Opex as a % of net customer service margin	***66%***	*78%*	
EBITDA	**64**	8	+700%
EBITDA Margin %	***16%***	*5%*	
Depreciation & Amortisation	**(64)**	(37)	-73%
EBIT (LBIT)	**0.1**	(29)	+100%
Capex (excluding licence)	**(126)**	(47)	-168%
EBITDA less Capex	**(62)**	(39)	-59%
Licence	**–**	(25)	+100%

	2014	2013
Total registered customer base	**2,593,000**	961,000
Total active customer base	**2,052,000**	548,000
Contract customers as a % of the total registered customer base	**45%**	37%
Contract customers' contribution to the net customer service revenue base (%)	**69%**	75%
Average monthly churn rate of the total contract registered customer base (%)	**1.5%**	1.2%
Active contract customers as a % of the total contract registered customer base	**98%**	89%
Active customers as a % of the total registered customer base	**79%**	57%

EBITDA of €64 million and the breakeven EBIT of €0.1 million were 700% and 100% higher than 2013 respectively due to the incremental contribution following the completion of O_2 Ireland acquisition in July 2014, which added 1.5 million customers to **3** Ireland's customer base. Realisation of post-merger cost synergy is expected in 2015, which will further enhance **3** Group Europe's contribution to the Group's results.

Hutchison Telecommunications Hong Kong Holdings

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue	**16,296**	12,777	+28%
EBITDA	**2,780**	2,758	+1%
EBIT	**1,380**	1,367	+1%
Total active customer base ('000)	**3,197**	3,771	-15%

HTHKH announced its 2014 turnover of HK$16,296 million and profit attributable to shareholders of HK$833 million, a 28% increase and a 9% decrease respectively over last year. EBITDA of HK$2,780 million and EBIT of HK$1,380 million are comparable to 2013. The weaker year-on-year performance is due to keen price competition in the first half of 2014. During the second half of 2014, the mobile business has improved its performance in a more rational market after the Hong Kong mobile market consolidated to a four-player market and also due to the launch of popular handsets. The EBITDA and EBIT of HTHKH for the second half of 2014 is a 26% and 57% improvement against the first half of 2014 and a 24% and 58% improvement against the second half of 2013 respectively. The fixed-line telecommunications business in Hong Kong continues to achieve steady growth, primarily from the international and local carrier segment as well as from the corporate and business segments. HTHKH contributed 4% to total revenue, 3% to EBITDA, and 2% to the EBIT of the Group's businesses.

Hutchison Asia Telecommunications

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue	**5,757**	6,295	-9%
(LBITDA) EBITDA	**(278)**	819	-134%
LBIT	**(1,465)**	(409)	-258%
Total active customer base ('000)	**54,454**	43,497	+25%

The adverse performance and the change from a positive EBITDA of HK$502 million reported for the first half to a LBITDA for the second half of HK$780 million and HK$278 million for the full year, were mainly due to charges in the year of approximately HK$1.1 billion relating to inappropriate dealer credit and commissioning practices in the Indonesian operation. LBITDA and LBIT in 2014 include compensation contributions of HK$238 million, a lower contribution compared to HK$717 million in 2013. HAT contributed 1%, negative 0.3% and negative 2% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

In Indonesia, the active customer base at the end of 2014 increased 35% from last year to approximately 43.1 million customers. Despite the increase in customer base, the poor performances in LBITDA and LBIT were due to the reasons mentioned above. Senior management of the Indonesian operation has been replaced and strengthened internal controls put in place to re-focus the business on operational and trade practice improvements.

In Vietnam, the active customer base at the end of 2014 decreased by 5% over last year to approximately 9.4 million due to increased competition. The division's strategy is to manage the business to return and reduce investment cost and to convert from a business co-operation venture to a joint stock company when conditions are conducive.

In Sri Lanka, the active customer base increased by 25% compared to last year to approximately 2.0 million at the end of 2014, with slight improvements in underlying LBITDA and LBIT.

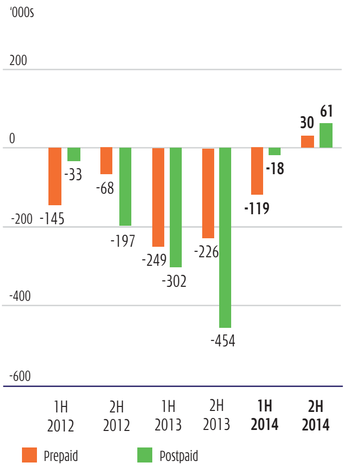
HTAL, share of VHA

	2014 AUD millions	2013 AUD millions	Change
Announced Total Revenue	**1,748**	1,776	-2%
Announced Loss Attributable to Shareholders	**(286)**	(230)	-24%

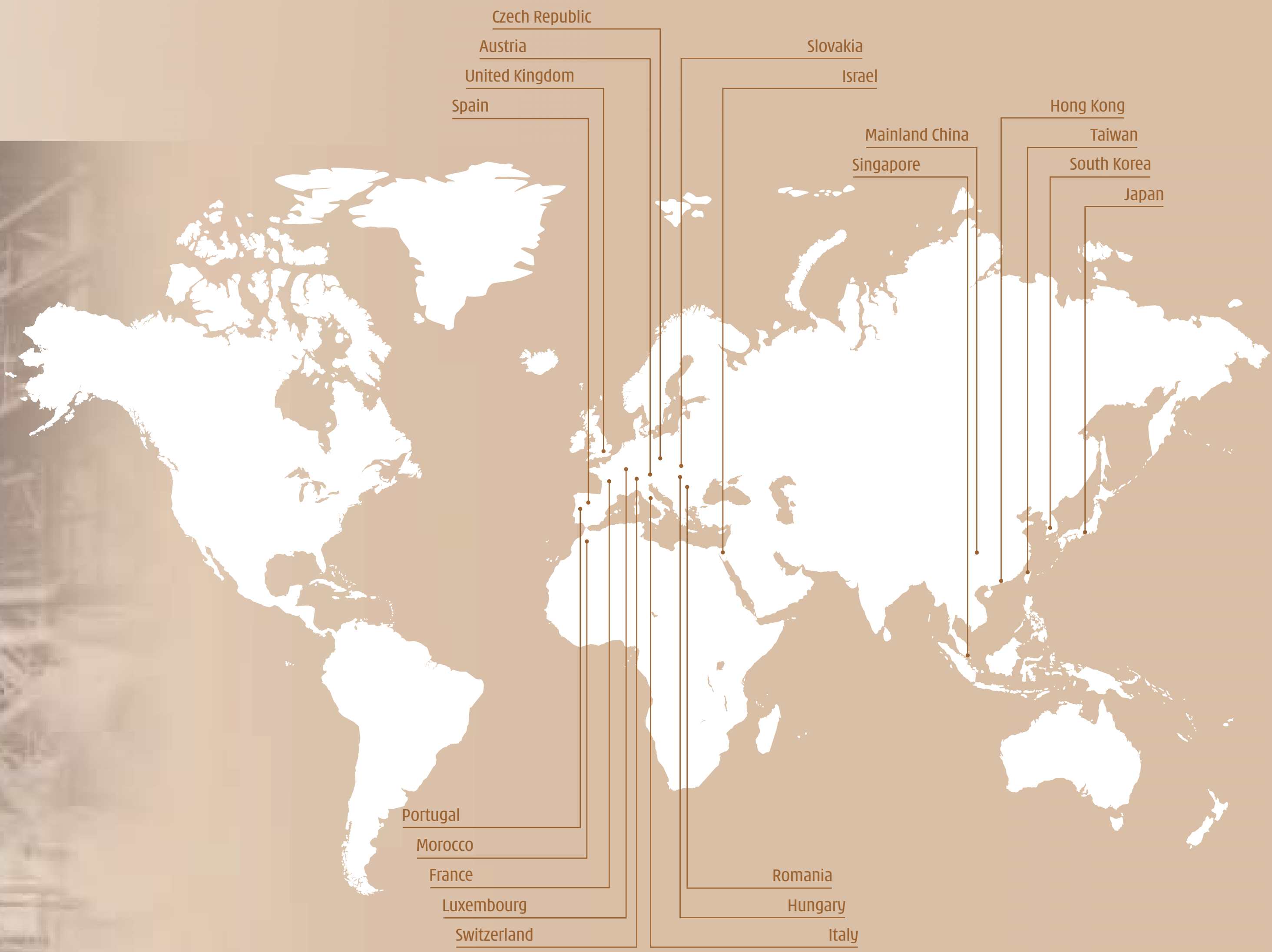
HTAL announced total revenue from its share of 50% owned associated company, VHA, of A$1,748 million, a 2% decrease over last year. The loss attributable to shareholders increased by 24% to A$286 million, primarily due to the accelerated depreciation on certain network assets in light of the strategic plan to build an expanded and more resilient network. Excluding this one-off charge, the underlying loss attributable to shareholders improved 7% compared to 2013. Despite the reported losses, VHA achieved breakeven unlevered operating free cash flow before spectrum payments in 2014, reflecting improved working capital and capex management. This encouraging achievement demonstrated VHA management's continued focus on turning the company around to profitability.

VHA's active customer base remained stable at approximately 5.3 million (including MVNOs) at 31 December 2014, with customer growth in the second half of 2014. With the continued geographic expansion of the network and an increased retail presence across Australia, VHA will build on and continue to grow its customer base.

VHA Net Customers Additions



GAMECO employs over 5,000 highly skilled employees to provide advanced aircraft maintenance services to Chinese and international airlines.



- Liquid assets amounted to HK$140,459 million as at 31 December 2014.
- Net debt to net total capital ratio reduced to 16.8%.

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, and the Marionnaud business.

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue	**21,919**	22,414	-2%
- Finance & Investments	**2,366**	2,321	+2%
- Others	**19,553**	20,093	-3%
EBITDA (LBITDA)	**4,200**	2,179	+93%
- Finance & Investments	**3,691**	2,808	+31%
- Others	**509**	(629)	+181%
EBIT (LBIT)	**3,739**	1,259	+197%
- Finance & Investments	**3,691**	2,808	+31%
- Others	**48**	(1,549)	+103%

This segment contributed 5%, 4% and 5% respectively to the total revenue, EBITDA and EBIT of the Group's businesses.

Finance and Investments

Finance and investments mainly represents returns earned on the Group's holdings of cash and liquid investments, which totalled HK$140,459 million at 31 December 2014 compared to HK$102,787 million at the end of last year. Further information on the Group's treasury function can be found in the "Group Capital Resources and Liquidity" section of this Annual Report.

Other Operations

The Group's share of the results of HWCL, listed associate TOM, Hutchison Water and the Marionnaud business are reported under this segment.

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 69.1% 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 oriented consumer products.

TOM Group

TOM, a 24.5% 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 commenced commercial operation in 2014 following the completion of construction at the end of 2013 and is one of the largest 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.

Interest Expense, Finance Costs and Tax

The Group's interest expenses and finance costs for the year, including its share of associated companies' and joint ventures' interest expenses, amortisation of finance costs and after deducting interest capitalised on assets under development, amounted to HK$14,324 million, an increase of 1% when compared to 2013. Further information on these expenses can be found in the "Group Capital Resources and Liquidity" section of this Annual Report.

The Group recorded current and deferred tax charges totalling HK$9,510 million for the year, a decrease of 19% due to lower tax charges from property and energy businesses which reported lower profits in 2014.

Summary

Economic and market conditions remained volatile in 2014 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 2014, 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 strong 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, including a Group consolidated net debt to net total capital ratio not higher than 25% and strong liquidity. Barring adverse external developments in the sectors and geographies in which we operate, I have full confidence these objectives will be achieved in 2015.

Fok Kin Ning, Canning
Group Managing Director

Hong Kong, 26 February 2015

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	Ports Division's Effective Interest	2014 Throughput (100% basis)
			(million TEUs)
Hongkong International Terminals/ COSCO-HIT Terminals/ Asia Container Terminals	Hong Kong	27.62% / 13.81% / 11.05%	13.0
Yantian International Container Terminals - Phase I and II/ Phase III/ West Port	Mainland China	15.58% / 14.26% / 14.26%	11.7
Ancillary Services - Asia Port Services/ Hutchison Logistics (HK)/ Shenzhen Hutchison Inland Container Depots	Hong Kong and Mainland China	27.62% / 27.62% / 21.45%	N/A

Mainland China and Other Hong Kong

Name	Location	Ports Division's Interest	2014 Throughput (100% basis)
			(million TEUs)
Shanghai Mingdong Container Terminals/ Shanghai Pudong International Container Terminals	Mainland China	50% / 30%	7.8
Ningbo Beilun International Container Terminals	Mainland China	49%	2.0
River Trade Terminal	Hong Kong	50%	1.4
Ports in Southern China - Zhuhai International Container Terminals (Jiuzhou) (1)/ Nanhai International Container Terminals (1)/ Jiangmen International Container Terminals (1)/ Shantou International Container Terminals/ Zhuhai International Container Terminals (Gaolan)/ Huizhou Port Industrial Corporation/ Huizhou International Container Terminals/ Xiamen International Container Terminals/ Xiamen Haicang International Container Terminals	Mainland China	50% / 50% / 50% / 70% / 50% / 33.59% / 80% / 49% / 49%	2.8

Note 1: Although HPH Trust holds the economic interest in the three River Ports in Jiuzhou, Nanhai and Jiangmen in Southern China, the legal interests in these operations are retained by this division.

Additional Information

Ports and Related Services (continued)

Europe

Name	Location	Ports Division's Interest	2014 Throughput (100% basis)
			(million TEUs)
Europe Container Terminals/ Amsterdam Container Terminals	The Netherlands	93.5% / 70.08%	10.2
Hutchison Ports (UK) – Port of Felixstowe/ Harwich International Port/ London Thamesport	United Kingdom	100% / 100% / 80%	4.3
Barcelona Europe South Terminal	Spain	100%	1.0
Gdynia Container Terminal	Poland	99.15%	0.4
Taranto Container Terminal [1]	Italy	50%	0.1
Container Terminal Frihamnen	Sweden	100%	–

Note 1: Major operations suspended since October 2014

Asia, Australia and Others

Name	Location	Ports Division's Interest	2014 Throughput (100% basis)
			(million TEUs)
Westports Malaysia	Malaysia	23.55%	8.4
Panama Ports Company	Panama	90%	3.9
Jakarta International Container Terminal / Terminal Petikemas Koja	Indonesia	51% / 45.09%	3.2
Hutchison Korea Terminals / Korea International Terminals	South Korea	100% / 88.9%	2.4
Hutchison Laemchabang Terminal / Thai Laemchabang Terminal	Thailand	80% / 87.5%	2.1
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%	2.0
International Ports Services	Saudi Arabia	51%	1.8
Freeport Container Port	The Bahamas	51%	1.4
Karachi International Container Terminal / South Asia Pakistan Terminals	Pakistan	100% / 90%	0.9
Alexandria International Container Terminals	Egypt	50%	0.7
Tanzania International Container Terminal Services	Tanzania	70%	0.4
Oman International Container Terminal	Oman	65%	0.3
Buenos Aires Container Terminal	Argentina	100%	0.3
Hutchison Ajman International Terminals	United Arab Emirates	100%	0.1
Sydney International Container Terminals	Australia	100%	0.1
Brisbane Container Terminals	Australia	100%	0.1
Myanmar International Terminals Thilawa	Myanmar	100%	–
Saigon International Terminals Vietnam	Vietnam	70%	–

Properties

Investment Properties

Hong Kong

Major rental properties in Hong Kong

Name	Property Type	Economic Net Interest	Total Gross Floor Area for Rent	Leased
			(thousand sq ft)	
Cheung Kong Center	Office	100%	1,263	98%
Harbourfront Office Towers I and II	Office	100%	863	98%
Hutchison House	Office	100%	504	94%
China Building	Office	100%	259	94%
Whampoa Garden	Commercial	100%	1,714	95%
Aberdeen Centre	Commercial	100%	345	95%
Hutchison Logistics Centre	Industrial	100%	4,705	99%

The Mainland and Overseas

Major rental properties in the Mainland

Name	Location	Property Type	Economic Net Interest	Attributable Gross Floor Area for Rent	Leased
				(thousand sq ft)	
Metropolitan Plaza	Chongqing	Office & Commercial	50%	756	92%
Westgate Mall & Tower	Shanghai	Office & Commercial	30%	330	93%

Properties (continued)

Development Properties

The Mainland

Developments completed during 2014

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
Le Parc	Phase 5A	Chengdu High-Tech Zone, Chengdu	Residential	50%	831
Regency Oasis	Phase 1B	Wenjiang District, Chengdu	Residential	50%	83
Laguna Verona	Phases E1 & E2	Hwang Gang Lake, Dongguan	Residential	49.9%	346
Regency Garden	Phases 2B & 4	Pudong New District, Shanghai	Residential	42.5%	460
The Harbourfront	Land No. 3, 4 & 8	Shibei District, Qingdao	Residential Commercial	45%	501 182
Noble Hills	Phase 1B	Zengcheng, Guangzhou	Residential	50%	115
Regency Park	Phase 3B	Tianning District, Changzhou	Residential	50%	919
Regency Residence	Phase 1	Nanguan District, Changchun	Commercial	50%	16
Regency Cove	Phase 1	Caidian District, Wuhan	Residential	50%	481
Oriental Financial Center	–	Lujiazui, Shanghai	Commercial	50%	431
Noble Hills	Phase 2C	Douxi, Chongqing	Residential	50%	196
Millennium Waterfront	Phase 1A	Jianghan District, Wuhan	Commercial	50%	126
Upper West Shanghai	Phase 1A	Putuo District, Shanghai	Commercial	30.6%	45

Developments in the Mainland to be completed in 2015

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
Le Parc	Phase 5B	Chengdu High-Tech Zone, Chengdu	Residential	50%	797
The Harbourfront	Land No. 6	Shibei District, Qingdao	Residential Commercial	45%	1,053 41
Regency Garden	Phase 5A	Pudong New District, Shanghai	Residential	42.5%	165
Zhaomushan	Land No. G19	Liangjiang New Area, Chongqing	Residential	50%	394
Upper West Shanghai	Phase 1B	Putuo District, Shanghai	Commercial	30.6%	340
Laguna Verona	Phase D2b	Hwang Gang Lake, Dongguan	Residential	49.9%	397
Hupan Mingdi	Land No. 911 North	Jiading District, Shanghai	Residential Commercial	50%	742 6
Guangzhou Guoji Wanjucheng	Phases 2B & 2C (1)	Huangpu District, Guangzhou	Commercial	30%	321
Zhao Xiang Town Land No. 16	Phases 1 & 2A	Qing Pu District, Shanghai	Residential	50%	813
Century Link	–	Pudong New District, Shanghai	Commercial	25%	588
Zhao Xiang Town Land No. 17	Phases 1 & 2	Qing Pu District, Shanghai	Residential	50%	432
Millennium Waterfront	Phases 1B & 2A	Jianghan District, Wuhan	Residential Commercial	50%	2,238 325
Noble Hills	Phase 1A	Zengcheng, Guangzhou	Commercial	50%	8
Nanzhuang Town	Phases 1A & 2A	Chancheng District, Foshan	Residential	50%	247
Emerald City	Phases 1 & 2	Jianye District, Nanjing	Residential Commercial	50%	1,539 394
Regency Cove	Phases 1A & 1B	Changchun National Hi-Tech Industrial Development Zone, Changchun	Residential Commercial	50%	1,205 62
Regency Hills	Lands No. 1 & 8A	Yangjiashan, Chongqing	Residential Commercial	47.5%	1,002 12
Laopupian Project	Phase 1	Jianghan District, Wuhan	Residential Commercial	50%	440 627
Yuhu Mingdi	Phases 2(1) & 3	Luogang District, Guangzhou	Residential	40%	569
Cape Coral	Phase 4A	Panyu District, Guangzhou	Residential Commercial	50%	401 13
Regency Park	Phases 4A & 4B	Jingyue Economic Development Zone, Changchun	Residential	50%	390
Land lots G/M and H Project	–	Futian District, Shenzhen	Commercial	25%	121

Overseas

Development completed during 2014

Name		Location	Property Type	Economic Net Interest	Attributable Gross Floor Area
					(thousand sq ft)
The Vision	–	West Coast Crescent, Singapore	Residential	50%	181

Additional Information

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
Netherlands	ICI PARIS XL, Kruidvat, Trekpleister
Philippines	Watsons
Poland	Rossmann
Russia	Spektr
Singapore	Watsons
Taiwan	Watsons
Thailand	Watsons
Turkey	Watsons, Rossmann
United Kingdom	The Perfume Shop, Superdrug, Savers
Ukraine	Watsons

Infrastructure

CKI Project Profile by Geographical Location

Geographical Location	Company/Project	Type of Business	Shareholding Interest within HWL Group
Australia	SA Power Networks	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	Powercor Australia Limited	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	CitiPower I Pty Ltd.	Electricity Distribution	CKI: 23.07%; Power Assets: 27.93%
	Spark Infrastructure Group	Infrastructure Investment	CKI: 7.72%
	Australian Gas Networks Limited (formerly known as Envestra Limited)	Gas Distribution	CKI: 44.97%; Power Assets: 27.51%
	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	CKI: 50%
Hong Kong	Power Assets Holdings Limited ("Power Assets")	Holding company of a 49.9% interest in HKEI, a listed electricity generation and transmission business in HK, and power and utility-related businesses overseas	CKI: 38.87%
	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: 67%
	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%
	Jiangmen Jiangsha Highway	Toll Road	CKI: 50%
	Panyu Beidou Bridge	Toll Bridge	CKI: 40%
The Netherlands	AVR-Afvalverwerking BV	Energy-from-Waste	CKI: 35%; Power Assets: 20%
New Zealand	Wellington Electricity Lines Limited	Electricity Distribution	CKI: 50%; Power Assets: 50%
	Enviro Waste Services Limited	Waste Management	CKI: 100%
Philippines	Siquijor Limestone Quarry	Infrastructure Materials	CKI: 40%
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	CKI: 40%
	Northern Gas Networks Limited	Gas Distribution	CKI: 47.06%; Power Assets: 41.29%
	Wales & West Utilities Limited	Gas Distribution	CKI: 30%; Power Assets: 30%
	Seabank Power Limited	Electricity Generation	CKI: 25%; Power Assets: 25%
	Southern Water Services Limited	Water and Wastewater Services	CKI: 4.75%

Additional Information

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	Pikes Peak	In production	100%
	Bolney/Celtic	In production	100%
	Rush Lake Pilot	In production	100%
	Paradise Hill	In production	100%
	Pikes Peak South	In production	100%
	Sandall heavy oil thermal project	In production	100%
	Rush Lake thermal development	Second half 2015	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	First half 2015	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	Q1 2015	50%
	Saleski, Alberta	Under evaluation	100%
- Asia Pacific	Wenchang, South China Sea	In production	40%
	Liwan 3-1, Block 29/26, South China Sea	Early 2014	49%
	Liuhua 34-2, Block 29/26, South China Sea	Late 2014	49%
	Liuhua 29-1, Block 29/26, South China Sea	2017	49%
	Madura Strait, BD, MDA & MBH, Indonesia	2016	40%
	Madura Strait, MAC, MAX, MBJ & MOK, Indonesia	Under evaluation	40%
	Madura Strait, MBF, Indonesia	Under evaluation	50%
	Offshore Taiwan	Production Sharing 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
	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 (to 2015)	0.8 MHz	1	Paired	1.6 MHz
	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
	2600 MHz	28 MHz	5	Paired	280 MHz

Additional Information

Telecommunications (continued)

Summary of licence investments (continued)

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	5 MHz	1	Paired	10 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.

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 assets and liabilities. 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 2014, approximately 26% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 74% were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$64,793 million principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$5,995 million principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 50% of the Group's total principal amount of bank and other debts were at floating rates and the remaining 50% were at fixed rates at 31 December 2014. 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 the 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. During the year, the currencies of certain countries where the Group has overseas operations, including Euro, British Pound, the Canadian and Australian dollars as well as Renminbi in the Mainland, fluctuated against the Hong Kong dollar. This gave rise to an unrealised loss of approximately HK$23,998 million (2013: loss of HK$5,130 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associated companies and joint ventures. This unrealised loss is reflected as a movement in the Consolidated Statement of Changes in Equity under the heading of Other Reserves.

At 31 December 2014, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$16,968 million to Hong Kong dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 41% in US dollars, 34% in Euro, 13% in HK dollars, 6% in British Pounds and 6% in other currencies.

Credit Exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward 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.

Group Capital Resources and Liquidity

Treasury Management (continued)

Credit Exposure (continued)

The Group is also exposed to counterparties credit risk from its operating activities, which is 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. At 31 December 2014, our long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch, with all three agencies maintaining stable outlooks on the Group's ratings.

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 11% (2013: approximately 16%) 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.

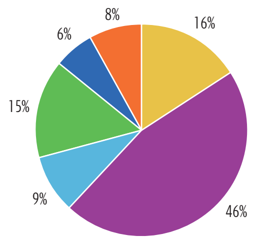
Liquid Assets

The Group continues to maintain a strong financial position. Liquid assets amounted to HK$140,459 million at 31 December 2014, an increase of 37% from the balance of HK$102,787 million at 31 December 2013, mainly reflecting net cash proceeds of HK$13,853 million, after special dividend of HK$7.00 per share amounting to HK$29,843 million, from Temasek's acquisition of a 24.95% equity interest in A S Watson Holdings Limited during the year, the cash raised from debt capital market of HK$42,030 million, the cash arising from positive funds from operations from the Group's businesses and cash from new borrowings, net of utilisation of cash for dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, the repayment and early repayment of certain borrowings, the acquisition of O_2 Ireland of HK$8,325 million, purchase of additional interest of 27.51% in the Australian Gas Networks Limited ("AGN") by listed subsidiary, CKI, of HK$4,705 million, the redemption of perpetual capital securities issued in 2012 of US$300 million (approximately HK$2,340 million) by listed subsidiary, CKI, advances to property joint ventures, and the acquisition of fixed assets. Liquid assets were denominated as to 16% in HK dollars, 46% in US dollars, 9% in Renminbi, 15% in Euro, 6% in British Pounds and 8% in other currencies.

Cash and cash equivalents represented 89% (2013: 84%) of the liquid assets, US Treasury notes and listed/traded debt securities 6% (2013: 8%) and listed equity securities 5% (2013: 8%).

The US Treasury notes and listed/traded debt securities, including those held under managed funds, consisted of US Treasury notes of 46%, government and government guaranteed notes of 20%, notes issued by the Group's associated company, Husky Energy of 3%, notes issued by financial institutions of 3%, and others of 28%. Of these US Treasury notes and listed/traded debt securities, 66% are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 3.0 years on the overall portfolio. The Group has no exposure in mortgage-backed securities, collateralised debt obligations or similar asset classes.

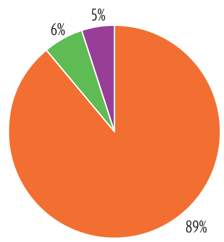
Liquid Assets by Currency Denomination at 31 December 2014



Total: HK$140,459 million

HKD USD RMB EUR GBP Others

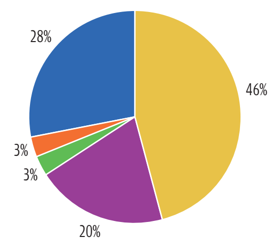
Liquid Assets by Type at 31 December 2014



Total: HK$140,459 million

Cash and cash equivalents; US Treasury notes and listed/traded debt securities; Listed equity securities

US Treasury Notes and Listed/Traded Debt Securities by Type at 31 December 2014



Total: HK$7,372 million

US Treasury notes; Government and Government Guaranteed notes; Husky Energy Inc notes; Financial Institutions notes; Others

Cash Flow

Reported EBITDA [1] amounted to HK$98,873 million, an increase of 3% compared to HK$95,647 million for last year. Consolidated funds from operations ("FFO") before cash profits from disposals, capital expenditures, investments and changes in working capital amounts to HK$50,836 million, a 3% increase compared to last year mainly due to higher EBITDA contributions by the Group's subsidiaries, in particular **3** Group Europe, partly offset by the decrease in distributions received from property joint ventures.

The Group's capital expenditures decreased 29% to total HK$21,559 million during 2014 (2013: HK$30,493 million), primarily due to lower capital expenditures for the acquisition of telecommunications licences which totalled HK$41 million, which represented ancillary cost and interest capitalised on licences acquired in prior years (2013: HK$6,828 million) and lower capital expenditures for the acquisition of fixed assets, particularly for the ports division. Capital expenditures on fixed assets for the ports and related services division amounted to HK$3,943 million (2013: HK$7,060 million); for the property and hotels division HK$152 million (2013: HK$535 million); for the retail division HK$2,449 million (2013: HK$2,264 million); for CKI HK$292 million (2013: HK$406 million); for **3** Group Europe HK$11,144 million (2013: HK$10,116 million); for HTHKH HK$1,174 million (2013: HK$1,239 million); for HAT HK$1,906 million (2013: HK$1,621 million); and for the finance and investments and others segment HK$229 million (2013: HK$319 million). Capital expenditures for licences, brand names and other rights were HK$48 million (2013: HK$11 million) for the ports and related services division; for CKI HK$13 million (2013: HK$11 million); for **3** Group Europe HK$165 million (2013: HK$6,884 million); for HTHKH HK$43 million (2013: HK$27 million); and for HAT HK$1 million (2013: Nil).

In addition, during the year, the Group have spent HK$8,467 million on the acquisition of new investments which included the acquisition of O_2 Ireland for HK$8,325 million.

Purchases of and advances to (net of deposits from) associated companies and joint ventures, net of repayments from associated companies and joint ventures, resulted in a net cash outflow of HK$10,040 million (2013: HK$5,287 million). This is mainly due to the additional interest acquired in AGN by CKI for HK$4,705 million, lower repayments from associated companies and joint ventures together with higher advances to property joint ventures in the year, which reflects the tightening of monetary policies in the Mainland resulting in the need for short-term cash retention by property joint ventures for construction purposes.

Furthermore, during the year, the Group have recognised proceeds totalling HK$5,957 million (2013: HK$5,155 million) from the disposal of the Group's interests in certain subsidiaries, associated companies and joint ventures.

The capital expenditures and investments of the Group are primarily funded by cash generated from operations, cash on hand and to the extent appropriate, by external borrowings.

For further information of the Group's capital expenditures by divisions and cashflow, please see Note 5(e) and the "Consolidated Statement of Cashflows" section of this Annual Report.

Note 1: Reported EBITDA excludes the non-controlling interests' share of HPH Trust's EBITDA and profits on disposals of investments and others.

Debt Maturity and Currency Profile

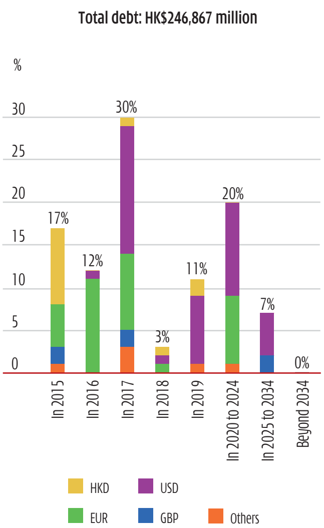
The Group's total principal amount of bank and other debts at 31 December 2014 increased 10% to total HK$246,867 million (2013: HK$223,822 million), of which 75% (2013: 70%) are notes and bonds and 25% (2013: 30%) are bank and other loans. The net increase in principal amount of bank and other debts was primarily due to new borrowings of HK$77,895 million, which included HK$42,030 million raised from the debt capital market, partially offset by the favourable impact of HK$11,800 million upon translation of foreign currency-denominated loans to Hong Kong dollars, the repayment of debts as they matured and the early repayment of certain debts totalling HK$44,860 million. The Group's weighted average cost of debt for the year ended 31 December 2014 remained flat at 3.1% compared to last year. Interest bearing loans from non-controlling shareholders, which are viewed as quasi-equity, totalled HK$8,000 million at 31 December 2014 (2013: HK$5,445 million).

The maturity profile of the Group's total principal amount of bank and other debts at 31 December 2014 is set out below:

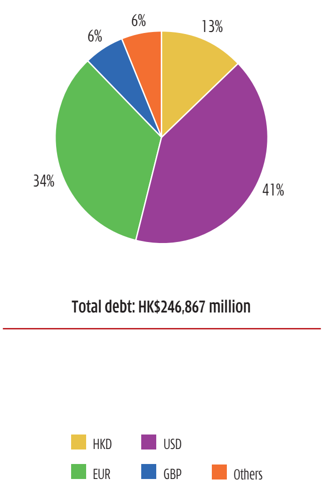
	HK$	US$	Euro	GBP	Others	**Total**
In 2015	9%	–	5%	2%	1%	**17%**
In 2016	–	1%	11%	–	–	**12%**
In 2017	1%	15%	9%	2%	3%	**30%**
In 2018	1%	1%	1%	–	–	**3%**
In 2019	2%	8%	–	–	1%	**11%**
In 2020 - 2024	–	11%	8%	–	1%	**20%**
In 2025 - 2034	–	5%	–	2%	–	**7%**
Beyond 2034	–	–	–	–	–	**–**
Total	13%	41%	34%	6%	6%	**100%**

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.

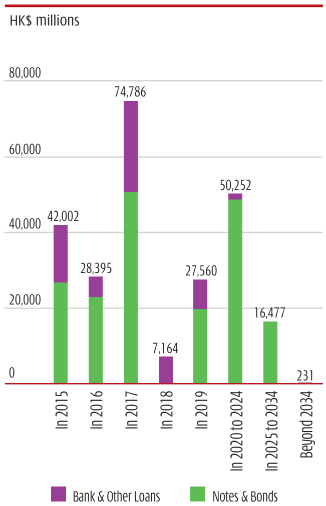
Debt Maturity Profile by Year and Currency Denomination at 31 December 2014



Debt Profile by Currency Denomination at 31 December 2014



Debt Maturity Profile by Notes & Bonds and Bank & Other Loans at 31 December 2014



Changes in Debt Financing

The significant financing activities in 2014 were as follows:

- In January, repaid US$1,309 million (approximately HK$10,206 million) principal amount of fixed notes on maturity;
- In February and November, prepaid and repaid a floating rate term loan facility of HK$2,800 million on maturity;
- In March, obtained a five-year floating rate loan facility of US$130 million (approximately HK$1,014 million);
- In April, September and December, prepaid a floating rate term loan facility of €240 million (approximately HK$2,280 million) maturing in July 2015;
- In April, June and November, prepaid a floating rate term loan facility of SEK10,000 million (approximately HK$11,175 million) maturing in July 2015;
- In April, obtained a five-year floating rate loan facility of SEK1,786 million (approximately HK$2,108 million);
- In May, obtained a three-year floating rate loan facility of HK$3,296 million;
- In May, obtained a three-year floating rate loan facility of €1,113 million (approximately HK$11,738 million);
- In May, listed subsidiary CKI obtained a three-year floating rate term loan facility of AUD705 million (approximately HK$5,139 million);
- In June, listed subsidiary CKI issued three-year floating rate notes of US$300 million (approximately HK$2,340 million);
- In June, obtained a two-year floating rate loan facility of US$280 million (approximately HK$2,184 million);
- In June, obtained a four-year floating rate loan facility of HK$1,400 million;
- In September, repaid a floating rate loan facility of US$130 million (approximately HK$1,014 million) on maturity;
- In September, prepaid a floating rate loan facility of US$280 million (approximately HK$2,184 million) maturing in March 2016;
- In September, obtained a five-year floating rate loan facility of £85 million (approximately HK$1,031 million);
- In October, issued three-year, fixed rate US$2,000 million (approximately HK$15,600 million) and ten-year, fixed rate US$1,500 million (approximately HK$11,700 million) guaranteed notes;
- In October, issued seven-year, fixed rate €1,500 million (approximately HK$14,730 million) guaranteed notes;
- In October, repaid a floating rate loan facility of £125 million (approximately HK$1,516 million) on maturity;
- In November, prepaid a floating rate loan facility of HK$1,000 million maturing in February 2015;
- In November, prepaid a floating rate loan facility of HK$1,000 million maturing in March 2015;
- In November, prepaid a floating rate loan facility of HK$3,800 million maturing in March 2015;
- In November, prepaid a floating rate loan facility of HK$1,000 million maturing in April 2015;
- In November, obtained a five-year floating rate loan facility of HK$5,000 million;
- In November, obtained a five-year floating rate loan facility of €100 million (approximately HK$950 million);
- In December, prepaid a floating rate term loan facility of €320 million (approximately HK$3,040 million) maturing in November 2015; and
- In December, prepaid a floating rate loan facility of HK$3,540 million maturing in June 2015.

Group Capital Resources and Liquidity

Capital, Net Debt and Interest Coverage Ratios

The Group's total ordinary shareholders' funds and perpetual capital securities increased 9% to HK$466,218 million at 31 December 2014, compared to HK$426,609 million at 31 December 2013, reflecting the profits for 2014, an increase of HK$39,026 million in relation to Temasek's acquisition of a 24.95% equity interest in A S Watson Holdings Limited, as well as, an increase of HK$25,100 million arising from the investment property revaluation gain recognised during the year, partly offset by the net exchange losses on translation of the Group's overseas operations' net assets to the Group's Hong Kong dollar reporting currency including the Group's share of the translation gains and losses of associated companies and joint ventures, a special dividend of HK$29,843 million paid following Temasek's acquisition, 2013 final and 2014 interim dividends and distributions paid and other items recognised directly in reserves. At 31 December 2014, the consolidated net debt of the Group, excluding interest bearing loans from non-controlling shareholders which are viewed as quasi-equity, unamortised loan facilities fees and premiums or discounts on issue and fair value changes of interest rate swap contracts, was HK$106,408 million (2013: HK$121,035 million), a 12% reduction compared to the net debt at the beginning of the year. The Group's net debt to net total capital ratio at 31 December 2014 reduced to 16.8% (2013: 20%).

The following table shows the net debt to net total capital ratio calculated on the basis of including interest bearing loans from non-controlling shareholders and also with the Group's investments in its listed subsidiaries and associated companies marked to market value at 31 December 2014. The net debt to net total capital ratio can be significantly affected by foreign currency translation effects on total ordinary shareholders' funds, perpetual capital securities and debt balances. The ratios as at 31 December 2014 before and after the effect of foreign currency translation and other non-cash movements for the year are shown below:

Net debt/Net total capital ratios at 31 December 2014:		Before the effect of foreign currency translation and other non-cash movements	After the effect of foreign currency translation and other non-cash movements
A1:	excluding interest bearing loans from non-controlling shareholders from debt	17.3%	16.8%
A2:	as in A1 above and investments in listed subsidiaries and associated companies marked to market value	16.3%	15.7%
B1:	including interest bearing loans from non-controlling shareholders as debt	18.5%	18.0%
B2:	as in B1 above and investments in listed subsidiaries and associated companies marked to market value	17.4%	16.9%

The Group's consolidated gross interest expenses and other finance costs of subsidiaries, before capitalisation, decreased 5% in 2014 to total HK$8,153 million, compared to HK$8,564 million in 2013, mainly due to lower average borrowings during the year.

Reported EBITDA of HK$98,873 million and FFO of HK$50,836 million for the year covered consolidated net interest expenses and other finance costs 20.4 times and 11.7 times respectively (31 December 2013: 17.5 times and 10.2 times).

Secured Financing

At 31 December 2014, assets of the Group totalling HK$1,922 million (2013: HK$2,299 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 2014 amounted to the equivalent of HK$2,861 million (2013: HK$4,479 million).

Contingent Liabilities

At 31 December 2014, the Group provided guarantees in respect of bank and other borrowing facilities to its associated companies and joint ventures totalling HK$25,285 million (2013: HK$24,610 million), of which HK$23,892 million (2013: HK$22,839 million) has been drawn down as at 31 December 2014, and also provided performance and other guarantees of HK$3,694 million (2013: HK$4,131 million).

Risk Factors

The Group's business, financial condition and results of operations are subject to various business risks and uncertainties. The factors set out below are those that the Group believes could result in the Group's financial condition or results of operations differing materially from expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Global Economy

As a global business, the Group is exposed to the development of the global economy as well as the industries and geographical markets in which it operates. As a result, the Group's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect the Group's financial condition or results of operations.

Industry Trends, Interest Rates and Currency Markets

The Group's results are affected by trends in the industries in which it operates, including the ports and related services, property and hotels, retail, infrastructure, energy and telecommunications industries. While the Group believes that its diverse operations, geographical spread and extensive customer base reduce its exposure to particular industry cycles, its results have in the past been adversely affected by industry trends, for example, declining property values in Hong Kong, lower oil and gas prices, cyclical downturn in the business of shipping lines, decline in the value of securities investments, and also volatility in interest rates and currency markets. There can be no assurance that the combination of industry trends, and currency and interest rates experienced by the Group in the future will not adversely affect its financial condition and results of operations.

In particular, income from the Group's finance and treasury operations is dependent upon the interest rate, the currency environment and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's financial condition and results of operations.

Cashflow and Liquidity

From time to time, the Group accesses short-term and long-term bank and debt capital markets to obtain financing. The availability of financing with acceptable terms and conditions may be impacted by many factors which include, among others, liquidity in the global and regional banking and debt capital markets and the Group's credit ratings. Although the Group aims to maintain a capital structure that is appropriate for long-term investment grade ratings, the Group's actual credit ratings may depart from these levels due to economic circumstances. If the liquidity in the capital markets declines and/or credit ratings of the Group decline, the availability and cost of borrowings could be affected and thereby impact the Group's financial condition and results of operations.

Currency Fluctuations

The Group reports its results in Hong Kong dollars but its subsidiaries and associated companies in various countries around the world receive revenue and incur expenses in approximately 46 different local currencies. The Group's subsidiaries and associated companies may also incur debt in these local currencies. The Group is thereby exposed to the potentially adverse impact of currency fluctuations on translation of the accounts and debts of these subsidiaries and associated companies and also on the repatriation of earnings, equity investments and loans. Although the Group actively manages its currency exposures, depreciation or fluctuation of the currencies in which the Group conducts its operations relative to the Hong Kong dollar could adversely affect the Group's financial condition and results of operations.

Crude Oil and Natural Gas Markets

Husky Energy's results of operations and financial condition are dependent on the prices received for its crude oil and natural gas production. Lower prices for crude oil and natural gas could adversely affect the value and quantity of Husky Energy's oil and gas reserves. Prices for crude oil are based on world supply and demand. Supply and demand can be affected by a number of factors including, but not limited to, actions taken by Organisation of Petroleum Exporting Countries ("OPEC"), non-OPEC crude oil supply, social conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, prevailing weather patterns and the availability of alternate sources of energy. Husky Energy's natural gas production is currently located in Western Canada and Asia Pacific. Western Canada is subject to North American market forces. North American natural gas supply and demand is affected by a number of factors including, but not limited to, the amount of natural gas available to specific market areas either from the well head or from storage facilities, prevailing weather patterns, the price of crude oil, the U.S. and Canadian economies, the occurrence of natural disasters and pipeline restrictions. In the Asia Pacific region natural gas is sold to specific buyers with long-term contracts. For Liwan 3-1 gas field, the price is fixed for the initial five years and then linked to city-gate pricing adjustments for the years following. For Liuhua 34-2 field, the price is fixed during the contract delivery period. In Asia and in North America, the crude oil price is based on the balance of global supply and demand. Volatility in crude oil and natural gas prices could adversely affect the Group's financial condition and results of operations.

Highly Competitive Markets

The Group's principal business operations face significant competition across the diverse markets in which they operate. New market entrants, the intensification of price competition by existing competitors, product innovation or technological advancement could adversely affect the Group's financial condition and results of operations. Competitive risks faced by the Group include:

- vertical integration of international shipping lines, who are major clients of the Group's port operations. Shipping lines are increasingly investing in seaports and in their own dedicated terminal facilities and, going forward, may not require the use of the Group's terminal facilities;
- aggressive tariff plans and customer acquisition strategies by telecommunications competitors may impact the Group's pricing plans, customer acquisition and retention costs, rate of customer growth and retention prospects and hence the revenue it receives as a major provider of telecommunications services;
- risk of competition from disruptive alternate telecommunications or energy technologies and potential competition in the future from substitute telecommunications or energy technologies being developed or to be developed;
- increasing competition in property investment and development in the Mainland, which may result in lower returns achieved on the Group's property businesses; and
- expected continuous significant competition and pricing pressure from retail competitors, which may adversely affect the financial performance of the Group's retail operations.

Retail Product Liability

The Group's retail operations may be subject to product liability claims if people are harmed by the products our retail operations sell. Our customers count on us to provide them with safe products. Concerns regarding the safety of food and non-food products that we source from our wide variety of suppliers could cause shoppers to avoid purchasing certain products from us, even if the basis for the concern is outside of our control. Claims, recalls or actions could be based on allegations that, among other things, the products sold by our retail operations are misbranded, contain contaminants or impermissible ingredients, provide inadequate instructions regarding their use or misuse, include inadequate warnings concerning flammability or interactions with other substances or in the case of any handset and other electrical devices that we sell, are not fit for purpose or pose a safety hazard. While we have maintained product liability insurance coverage in amounts and with deductibles that we believe is prudent, there can be no assurance that the coverage will be applicable and adequate to cover all possible adverse outcomes of claims and legal proceedings against us. Any material shortfall in coverage may have an adverse impact on our retail operations' results of operations. Further, any lost confidence on the part of our customers would be difficult and costly to re-establish. As such, any material issue regarding the safety of any food and non-food items we sell, regardless of the cause, could adversely affect our retail operations' results of operations.

Strategic Partners

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associated companies and joint ventures in which it shares control (in whole or in part) and has formed strategic alliances with certain leading international companies, government authorities and other strategic partners. There can be no assurance that any of these strategic or business partners will wish to continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associated companies and joint ventures and the markets in which they operate. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associated companies and joint ventures may undergo a change of control or financial difficulties which may affect the Group's financial condition and results of operations.

Future Growth

The Group continues to cautiously expand the scale and geographical spread of its businesses through investment in organic growth and selective acquisitions. Success of the Group's acquisitions will depend, among other things, on the ability of the Group to realise the expected synergies, cost savings and growth opportunities upon integration of the acquired businesses. These businesses may require significant investment and the commitment of executive management time and other resources. There can be no assurance that a failure to operate the acquired businesses successfully and thereby not achieve the expected financial benefits, may not adversely affect the Group's financial condition and results of operations.

The Group has made substantial investments in acquiring 3G and 4G (LTE) licences and developing its mobile telecommunications networks in Europe, Australia, Hong Kong and Macau. In order to grow its customer base and increase its market share, the Group has made significant investments in customer acquisition costs in each of these markets. The Group may need to incur more capital expenditure to expand, improve or upgrade its mobile telecommunications networks, acquire additional licence spectrum, and incur more customer acquisition and retention costs to expand its mobile telecommunications businesses. There can be no assurance that any additional investments will further increase customer levels and operating margins, and consequently, additional investments may adversely impact the Group's financial condition and results of operations.

As at 31 December 2014, the Group had a total deferred tax asset balance of HK$19,203 million, of which HK$17,785 million were attributable to the Group's mobile telecommunications operations in the UK, Austria, Sweden and Denmark. The ultimate realisation of these deferred tax assets depends principally on these businesses maintaining profitability and generating sufficient taxable profits to utilise the underlying unused tax losses. In the UK, Austria, Sweden and Denmark, taxation losses can be carried forward indefinitely. In addition, in the UK, the Group enjoys the availability of group relief in relation to taxation losses generated by its mobile telecommunications operations to offset taxable profits from its other businesses in the same period. If there is a significant adverse change in the projected performance and resulting cashflow projections of these businesses, some or all of these deferred tax assets may need to be reduced and charged to the income statement, which could have an adverse effect on the Group's financial condition and results of operations.

Impact of National and International Regulations

As a global business, the Group is exposed to local business risks in several different countries, which could have an adverse effect on its financial condition or results of operations. The Group operates in many countries around the world, and one of its strategies is to expand outside its traditional market in Hong Kong. The Group is, and may increasingly become, exposed to different and changing political, social, legal and regulatory requirements at the national or international level, such as those required by the European Union ("EU") or the World Trade Organization. These include:

- changes in tariffs and trade barriers;
- changes in taxation regulations and interpretations;
- competition (anti-trust) law applicable to all of the Group's activities, including the regulation of monopolies and conduct of dominant firms, the prohibition of anti-competitive agreements and practices, and law requiring the approval of certain mergers, acquisitions and joint ventures which could restrict the Group's ability to own or operate subsidiaries or acquire new businesses in certain jurisdictions;
- delays in the process of obtaining or maintaining licences, permits and governmental approvals necessary to operate certain businesses, particularly certain of the Group's infrastructure businesses and certain of its property development joint ventures in the Mainland;
- telecommunications (including but not limited to spectrum auction) and broadcasting regulations; and
- environmental laws and regulations.

There can be no assurance that the European institutions and/or the regulatory authorities of the EU member states in which the Group operates will not make decisions or interpret and implement the EU or national regulations in a manner that does not adversely affect the Group's financial condition and results of operations in the future.

Ports are often viewed by governments as critical national assets and in many countries are subject to government control and regulations. Regime changes or sentiment changes in less politically stable countries may affect port concessions granted to foreign international port operations, including the Group's port operations.

The Group's joint-venture property development projects in the Mainland are dependent on obtaining the approvals of a variety of governmental authorities at different levels, receipt of which cannot be assured. Changes in the governmental and economic policies may affect, among others, the level of investment and funding requirements from the Group in these joint-venture property development projects and henceforth the overall return attributable to the Group.

Impact of National and International Regulations (continued)

Husky Energy's business is subject to environmental laws and regulations similar to other companies in the oil and gas industry. Compliance with such legislation can require significant expenditures and failure to comply may result in imposition of fines and penalties and liability for clean-up costs and damages. There can be no assurance that changes to such regulations (including but not limited to environmental legislation requiring reductions in emissions) will not adversely affect Husky's, and therefore the Group's, financial condition and results of operations.

New policies or measures by governments, whether fiscal, regulatory or other competitive changes, may pose a risk to the overall investment return of the Group's infrastructure and energy businesses and may delay or prevent the commercial operation of a business with a resulting loss of revenue and profit.

The Group is only permitted to provide telecommunications services and operate networks under licences granted by regulatory authorities in individual countries. All of these licences have historically been issued for fixed terms and subsequently renewed; however, further renewals may not be guaranteed, or the terms and conditions of these licences may be changed upon renewal. Due to changes in legislation, the Group's mobile telecommunications licences in the UK and Italy effectively provide for perpetual renewal rights. All of these licences contain regulatory requirements and carrier obligations regarding the way the Group must conduct its businesses, as well as regarding network quality and coverage. Failure to meet these requirements could result in damage awards, fines, penalties, suspensions or other sanctions including, ultimately, revocation of the licences. Decisions by regulators regarding the granting, amendment or renewal of licences to the Group or other parties (including spectrum allocation to other parties or relaxation of constraints with respect to the technology or specific service that may be deployed in the given spectrum band), could result in the Group facing unforeseen competition, and could adversely affect the Group's financial condition and results of operations.

The Group's overall success as a global business depends, in part, upon its ability to succeed in different economic, social and political conditions. There can be no assurance that the Group will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business.

Accounting

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is continuing its policy of issuing Hong Kong Financial Reporting Standards ("HKFRS") and interpretations which fully converge with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). HKICPA has issued and may in the future issue more new and revised standards and interpretations, including those required to conform to standards, amendments and interpretations issued from time to time by the IASB. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new HKFRS will not have a significant impact on the Group's financial condition and results of operations.

Impact of Regulatory Reviews

The Group and some of its subsidiaries and associated companies are listed on various stock exchanges around the world and all are subject to regulatory reviews of their various filings by the respective stock exchange's regulatory bodies. While all listed companies endeavour to comply with all regulatory requirements of the various stock exchanges and other authorities in the countries in which they operate, and obtain independent professional advice as appropriate, there can be no assurance that the regulatory bodies' review will not result in a disagreement with the companies' interpretations and judgements and that any required actions mandated by the authorities will not have a significant impact on the Group's reported financial position and results of operations.

Outbreak of Highly Contagious Disease

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("SARS") in the Mainland, Singapore, Hong Kong, other Asian countries and Canada. The SARS outbreak had a significant adverse impact on the economies of the affected countries. Since then, there have been media reports regarding the spread of the Avian Influenza among birds, poultry and in some cases, transmission of Avian Influenza virus from animals to human beings. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease. More recently, since December 2013, an epidemic of the Ebola virus disease has impacted parts of the West Africa. A substantial number of deaths have been reported by the World Health Organization ("WHO") as a result of the spread of Ebola virus in West Africa, and the WHO has declared it a global health emergency. There is no assurance that there will not be another significant global outbreak of a severe communicable disease, and if Ebola virus or other highly contagious diseases spread to the countries in which we operate, or are not satisfactorily contained, it may have an adverse impact on the Group's financial condition and results of operations.

Natural Disasters

Some of the Group's assets and projects, and many of the Group's customers and suppliers are located in areas at risk of damage from earthquakes, floods and other major natural disasters and the occurrence of any of these events could disrupt the Group's business and materially and adversely affect the Group's financial condition and results of operations.

Although the Group has not experienced any major structural damage to property development projects or ports or other facilities from earthquakes to date, there can be no assurance that future earthquakes or other natural disasters will not occur and result in major damage to the Group's property development projects or ports or other facilities on the general supporting infrastructure facilities in the vicinity, which could adversely affect the Group's financial condition and results of operations.

Past Performance and Forward Looking Statements

The performance and the results of operations of the Group contained within this Annual Report 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 Annual Report 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 Annual Report; 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.

Environmental, Social and Governance Report

1

1. The company has regular communications with the financial community and shareholders.
2. A S Watson launches its first-ever Global Smile Campaign across its 11,400-store network to provide service with a human touch in its businesses.

2

Overview

Hutchison Whampoa ("HWL" or the "Group") traces its history back to the 19th century. Over the years, the company has grown globally with businesses in over 50 countries. Around the world, 280,000 hard-working employees deliver quality products and services to customers while making substantial contributions to the community. In 2014, HWL's companies garnered hundreds of industry awards and recognitions including those for business practices, environmental achievements and employment practices. To see the list of awards our companies have won over the past year, please visit our website: www.hutchison-whampoa.com.

Over the past several years, HWL's Environmental, Social and Governance ("ESG") Committee, chaired by an executive director with representatives from key departments of the Group including Human Resources, Corporate Affairs, Information Services, Management Services and Legal, has helped the Group reduce waste and encourage more efficient use of energy as well as enhance corporate governance. Over the past year, the Group has also conducted workshops to strengthen data privacy guidelines among the businesses.

Stakeholder Engagement

Shareholders

HWL has frequent communications with the financial community including analysts, fund managers and other investors. The Group also encourages shareholders to participate in shareholders' meetings physically or appoint proxies to attend and vote at the meetings.

The Shareholder Communication Policy is available on the corporate website: www.hutchison-whampoa.com.

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3. Watsons Hong Kong has introduced Chinese medicine service, making it Hong Kong's only one-stop health and beauty chain with three health professionals under one roof: registered pharmacist, dietitian and traditional Chinese medicine practitioner.

4. A S Watson Group hosts its biennial Global Suppliers Conference 2014 in Hong Kong to exchange views on customer engagement and share the strategy for mutual success.

4

Customers

Customer feedback is crucial to building a sustainable business, especially in the highly competitive industries and markets that the Group operates in. For our retail businesses, customers have a range of channels to engage the company such as customer service centres, focus groups, and where appropriate, social networking pages. By engaging customers through the latest technological advancements in e-commerce channels, smartphone apps and social networking tools, our retail businesses are engaging their customers through more channels than ever before. In addition, local retail businesses will offer new products and services to meet the needs of the local communities. For example, in Hong Kong, Watsons recently introduced Chinese medicine service, while in the UK, Superdrug opened a new concept store, the Beauty Studio, to offer a combination of beauty services and products.

Employees

The HWL family now numbers over 280,000 employees in over 50 countries worldwide. As technology advances by leaps and bounds, HWL 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. As the Group continues its expansion, opportunities abound worldwide for capable employees in numerous sectors and industries. Many of our businesses are recognised for their employee programmes such as "Asia's Best Employer Brand" for A S Watson Group ("A S Watson") and "National Champion – Employer of the Year" for **3** Sweden.

Suppliers and Creditors

Upholding international and local laws and regulations is a top priority for HWL and its subsidiaries. HWL Head Office has implemented a policy requiring its vendors and suppliers to abide by conditions stated in the United Nations Global Compact. These requirements include non-discriminatory hiring and employment practices, a safe and healthy workplace, compliance with environmental laws and prohibition of child labour.

Regular dialogue with suppliers is also important to both parties. A S Watson hosted its biennial Global Suppliers Conference 2014 in Hong Kong. With the theme Embracing Customer 360, A S Watson exchanged views on customer engagement and strategy with the world's top health and beauty product manufacturers.

5. & 6. HPH's Dock School Programme supports local students in different parts of the world.

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Government

The Group's portfolio includes ports, property, hotels, retail, infrastructure, energy, and telecommunications. Many of these industries are regulated by local and international bodies.

In addition to compliance with local and international laws, rules and regulations, each operating company makes tremendous effort to take into account relevant local laws and customs.

Workplace Quality

Working Conditions

HWL has grown both organically and through acquisitions in 2014. The new additions join a Group that is committed to nurturing its employees and rewards them according to their performance and productivity. HWL's team of highly motivated employees has enabled the Group to capitalise on developing trends. In order to ensure remuneration packages are fair and competitive, they are reviewed individually on an annual basis. The Group provides comprehensive medical, life and disability insurance coverage and retirement schemes. Employees also enjoy a wide range of product and service discounts offered by various Group companies.

Health and Safety

A safe, effective and congenial work environment is crucial to the long-term sustainability of the company. In addition to observing the international labour standards and laws where each business operates, many operating companies also have expanded internal guidelines and systems to ensure the safety and health of their employees. Where appropriate, teams dedicated to workplace safety and training to help employees discharge their duties. The work by these companies to enhance workplace safety is recognised by third parties. For example, CitiPower and Powercor won the Victorian Government Minister's Award, 2014 Victorian Public Healthcare Award while Hong Kong Electric Company ("HK Electric") was given the Work Safe Behaviour Award – Gold Award by the Hong Kong Labour Department and Development Bureau.

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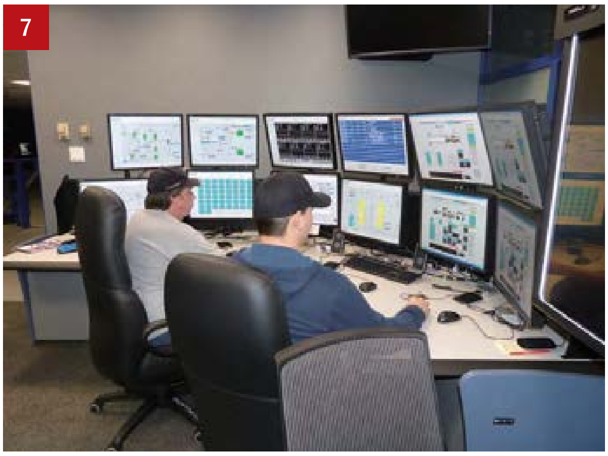

7. Husky Energy donates a specialised simulator and software to Lloydminster's Lakeland College to help energy programming students better understand the heavy oil upgrading process.

8. A S Watson Global Volunteer Day has been held for the fourth consecutive year, with the theme of "We Bring More SMILES to Life".

Development and Training

The Group is committed to the personal development and professional growth of its employees. Well-motivated and dedicated individuals are provided with development and advancement opportunities as the Group expands its businesses worldwide.

Each business has its own unique challenges. Individual divisions are responsible for developing their own training to meet the requirements of their respective markets. These training programmes include internal and external training courses, e-learning modules and on-the-job training.

In addition, HWL provides continuous professional development training for its directors and senior management to develop and refresh their knowledge and skills. These include seminars and workshops on leadership development, corporate governance practices as well as updates on regulatory developments and requirements.

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

Recruitment and Promotion

Operating in over 50 countries, HWL aims to attract the top talents from around the world regardless of race, colour, gender, age, or religious belief. The Group has an anti-discrimination policy and hires solely on merit. All employees and job applicants enjoy equal opportunities and fair treatment. The Group is stronger with a diverse workforce, bringing different talents and skillsets and we value the input and contributions by people of all backgrounds. The management team at the Hutchison Whampoa Head Office comprises of talented individuals in their thirties to those in their sixties. Women slightly outnumber men by a ratio of 4:3.

The Group has stringent recruitment procedures to prevent child or forced labour.

Fellowship and Camaraderie

The Group organises a number of activities throughout the year to promote camaraderie and morale amongst staff.

In Hong Kong, the Head Office brings employees from different divisions together through a series of activities and volunteering opportunities. Individual operating companies also have numerous activities and events to serve the local communities and to build team spirit among employees. As an annual tradition, about 8,000 of the Group's employees and their families in Hong Kong had a Fun Day at a local amusement park and had the chance to interact with colleagues in different business sectors. The Company also organised outings for staff and their families to outlying islands of Hong Kong.

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9. Husky Energy contributes C$750,000 to support the creation of an employment training centre in St. John's Newfoundland and Labrador.

10. Hutchison Telecom Hong Kong raises fund for charities to celebrate its 30th anniversary.

Environmental Protection

HWL companies around the world look to minimise the impact of existing businesses on the environment through enhancing operational efficiencies and implementing eco-friendly measures.

Below is a snapshot of some of the activities that the businesses of the Group engaged in across the globe.

Energy Efficiency

For the past several years, HWL rolled out a worldwide IT initiative to help reduce paper usage. HWL's Head Office continues its energy saving improvements and has once again reduced electricity consumption by several per cent. A video conference suite called "Telepresence" implemented in strategic global offices lowered the need of airplane travel by management and the corresponding carbon emissions, while maintaining the benefits of face-to-face meetings. Telepresence has helped save management from taking 779 flights last year.

Around the world, operating companies are continuously making their operations and logistic chains as energy efficient as possible. The infrastructure and energy divisions have comprehensive energy efficiency programmes to monitor and improve their performance.

Pollution Prevention and Emissions Reduction

Many of the Group's operating companies, especially those in the infrastructure and energy portfolios, have detailed plans and metrics to reduce pollution and emissions. Their ESG and Sustainability reports are available on their websites.

Environmental Sustainability

Across the Group and in every industry, safeguarding natural resources and reducing wastage are part of our culture. Our colleagues have participated in different programmes with partners as well as initiated some internally to best save resources for future generations. We highlight some of the programmes taking place around the world:

- Hutchison Port Holdings Limited ("HPH") and leading port operators joined hands in a global environmental initiative, "Recycling Begins & Ends With You". It is the first such high level cooperation amongst the global port operators on an environmental initiative.

- In Hong Kong, HK Electric launched the "Smart Power Fund" to subsidise owners of residential buildings on energy efficiency enhancement works.

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11. SHPL provides books and stationeries to set up libraries in the rural communities in China.

12. HWL Volunteers work with local families through different activities to promote the value of 3H – Health, Happiness and Harmony.

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- In Hong Kong, Hutchison Whampoa Properties Estate Management companies organised recycling and promoted green lifestyle programmes to their residents.

- UK Power Networks conducted a range of cutting-edge trials in London to help cut the city's carbon emissions. The results will help millions of people across the UK if the energy industry introduces them widely.

- In Rotterdam, the Netherlands, AVR-Afvalverwerking B V is helping reduce an estimated 70 to 80 kilotons of carbon dioxide annually by providing heat to the city from their waste-to-energy plant.

Protection of the Environment and Natural Habitats

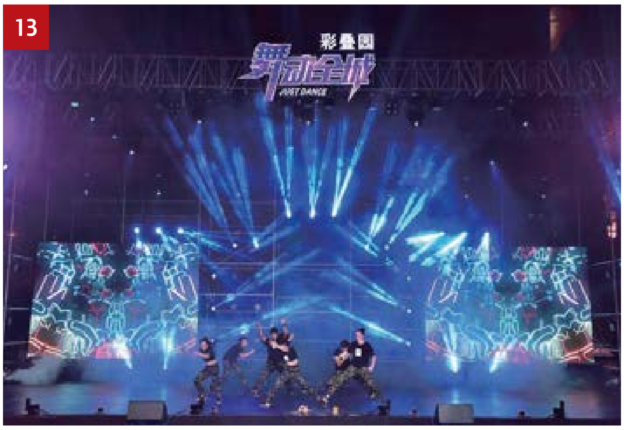
Protecting natural habitats for future generations is also an important part of many Group companies' initiatives.

Some of these programmes are detailed below:

- In 2014, Northumbrian Water Group's nature focus is helping protect and conserve the environment on a landscape scale. Northrumbian Water supported many landscape scale projects through the Branchout fund and show what can be done to protect and enhance habitats and wildlife.

- In Canada, Husky Energy Inc ("Husky Energy") partnered with Earth Rangers and the Calgary Zoo to help children better understand the ecology and biodiversity of Canada's wild animals and support endangered species.

- In China, Yantian International Container Terminals ("YICT"), with Yantian Port Group, released over 570,000 fingerlings into the neighbouring Mirs Bay.



13. HWPG collaborates with a television station in the mainland to produce a local dancing contest to give local performers a chance to shine.

14. YICT, together with Yantian Port Group, releases fingerlings into its surrounding waters at Mirs Bay.

Operating Practices

Supply Chain Management

The Group has comprehensive internal controls and holds laws and regulations of each country with the utmost regard. The Group implements international best practices and conducts fair and unbiased tender processes. Steps are also taken to ensure that our partners and suppliers do not employ child labour or abuse human rights.

As one of the largest health and beauty retailers in the world with over 11,400 stores, A S Watson joined the Business Social Compliance Initiative in 2008, a leading business-driven initiative for companies committed to improving working conditions in the global supply chain.

Consumer Protection

Protecting our consumers and safe-guarding their privacy are some of the top priorities of our employees. In addition to guidelines and handbooks, the Group issues periodic reminders and run workshops to customer-facing employees to continuously remind them of the importance of protecting personal data.

Anti-Corruption

The Group has established a strong internal control framework, put in place a set of stringent policies, and has instituted a vigorous enforcement regime against corruption and fraud.

In particular, the Audit Committee and executive management set a tone of zero-tolerance on corruption and fraud. This is reflected in our policy on the subject, as well as many of our operational procedures, where we emphasise our values of integrity, fairness, transparency and accountability are evident.

15. Husky Energy helps youth from across Canada to better understand the ecology of Canada's wild animals.

16. A S Watson's ninth Hong Kong Student Sports Awards recognises over 900 students athletes this year.

Also, our Group's strong stand against corruption and fraud is communicated to all our employees, and suitable clauses have been incorporated into our contracts with third party suppliers to make them fully aware of our position. These measures are further bolstered by independent audits conducted by the Group's internal audit function.

Moreover, incidents or suspected incidents are immediately looked into by the business units concerned, and those that fall within certain criteria are also reported to the Audit Committee and executive management, and investigated by the Group's internal audit function. On top of this, the whistle blower channels that our Group has established allow an informant to report anonymously any suspected or actual irregularities or misdeeds, and 12 cases have reached us via this route in 2014. Also, we co-operate fully with any investigations conducted by law enforcement agencies.

Furthermore, our Group is keenly alive to the ever-changing landscape of corruption and fraud, and relentlessly searches for more effective measures to combat them. Trend and transaction analyses are carried out and incidents are dissected to find the cause, course and cure of the underlying ills, and periodic sharing sessions are held within the Group to spread knowledge, skills and experience.

In all, our Group believes that a strong anti-corruption and anti-fraud stance forms a vital part of the overall governance framework, and is prepared to mobilise adequate resources so as to safeguard the assets and the hard-earned profits of our shareholders.

Community Involvement

We are proud of our efforts in giving back to the community. As members of the community that we cherish, the Group takes responsibility of seeing to its well-being seriously. Throughout 2014, the Group's companies and employees worked hand-in-hand with their local communities in a variety of initiatives that range from job creation to educating the next generation. Below are some examples of community activities that the Group was involved in during the year.

Community

Our employees across the Group serve their communities in a number of ways. Some of these initiatives are highlighted below:

- HWL Volunteer Team, organised by HWL Head Office, arranged a range of activities for the community in conjunction with various social organisations such as Tung Wah Group of Hospitals and Yan Oi Tong.

- A S Watson held the fourth A S Watson Global Volunteer Day with 33 business units participating. With a theme of "We Bring More SMILES to Life", A S Watson employees participated in a wide array of activities including helping underprivileged children, giving an elderly home garden a makeover, and cleaning beaches.

- Hutchison Telecommunications Hong Kong Holdings ("HTHKH") celebrated its 30th anniversary with the Donation Matching Programme. Donations from staff were matched dollar-for-dollar by the company to help eight non-profit organisations. These organisations are involved with education, alleviation of poverty, medical and rehabilitation services, and environmental protection.

- In Hong Kong, HK Electric pledged to freeze its tariffs for the second year. The company also reached out to care for local retirees and the elderly.

- In Canada, Husky Energy provided CAD250,000 to the Mikisew Cree First Nation's Kahkiyow Keykanow elderly centre to provide care for elders requiring assisted living or end-of-life care.

- Staff from Hutchison Korea Terminals participated in the "2014 HKT Volunteer Community Service Day" by giving their time to serve as canteen staff at a school for underprivileged children.

- In the UK, **3** UK created the Community Fund where employees can nominate charities or causes they support. Teams across the business are also encouraged on a "Charity Challenge" on behalf of a charity of their choice with money they raised being match-funded by the Community Fund.

Education

- Since 2002, the Hutchison Chevening Scholarships has provided opportunities for young postgraduates from Hong Kong and the Mainland to pursue their studies in the UK universities. Over the past decade, the Group has donated over £6.5 million, benefiting over 710 students.

- HPH Dock School Programme took many schools from around the world under their wings, meeting their individual needs such as musical instruments, school visits or improving their classroom facilities. For more information on the Dock School Programme, go to www.hph.com.

- In Shanghai, China, colleagues of the property unit formed the Hutchison Whampoa Property Group ("HWPG") Shanghai Volunteer Team and volunteered two months at the Shanghai Library. Also in China, the HWPG Qingdao Volunteer Team helped raise public awareness and support for children with Autism through working with local schools and foundations. Shanghai Hutchison Pharmaceuticals continue to contribute to rural communities, setting up two new libraries in Shandong and Gansu provinces.

- In Hong Kong, chefs at Harbour Plaza Hotel Management helped raise funds for children with special needs and their families.

- In Canada, Husky Energy supported the creation of an employment training centre in St John's Newfoundland and Labrador, and donated a specialised simulator and software to Lloydminister's Lakeland College to help students get hands-on learning.

Medical and Healthcare

Healthcare initiatives can be in many forms. From medical technologies to preventive exercises, all these are important to the well-being of our community. The following highlights activities that various companies within the Group have engaged in.

- In Ireland, **3** Ireland employees and their children held a special Halloween party to raise funds for The Down Syndrome Centre.

- In Hong Kong, the A S Watson Lifestyle Club held a "Step Up for Health" campaign, drawing 600 employees to walk up 299 steps together in the morning.

- Hutchison Telecom Lanka in Sri Lanka, is supporting the roll out of an advanced Patient Management System that will help revolutionise patient data collection and management. The system will provide an electronic backup of patient records within the hospital as well as ensure patients receive reminders via SMS on important follow-up and vaccination appointments.

Arts and Culture

In 2014, the Group participated in a number of charitable activities in the arts and cultural arena, as highlighted by the following initiatives:

- In China, HWPG brings art and entertainment into their business. For example, a project launch included hosting a dancing competition that gave local performers the chance to shine and go on a dancing tour around the world.

- In Hong Kong, Metro Radio and their talented hosts organise philanthropic activities, mixing art with community work.

Sports

A healthy lifestyle is important to our employees and the well-being of those in our communities. Around the Group, some of our group companies may participate in sporting events or encourage local communities to improve their overall health. Some examples of our involvements are listed below:

- In 2014, A S Watson held the ninth Hong Kong Student Sports Awards, which involved 80% of primary, secondary and special schools in Hong Kong. This year, 913 student athletes were recognised with a certificate and a scholarship.

- Watsons Water provided high quality distilled water and isotonic drinks for 73,000 athletes at the Hong Kong Marathon.

- HTHKH staff raised money for the Hong Kong Paralympic Committee and Sports Association for the Physically Disabled.

- Colleagues at **3** Denmark cycled over 18,000 kilometers in the course of a month to raise funds for Children with Cancer.

Disaster Relief

The impact of natural disasters and accidents are not only confined to its victims but also to their communities. As active participants in the well-being of their local communities, HWL Group companies are quick to respond to such disasters. For example, in Taiwan, TOM Group's Sharp Point Publishing organised charity auctions on signed edition of light novels to raise funds for the victims of 2014 Kaohsiung gas explosions.

HWL is proud to be a part of the many communities we operate in. In addition to some of the examples of programmes the company ran in 2014, many of our employees spent their own time and resources in different projects to better the community and give to those in need. We would like to applaud their efforts and passion.

Information on Directors

Biographical Details of Directors

LI Ka-shing

GBM, KBE, Commandeur de la Légion d'Honneur, Grand Officer of the Order Vasco Nunez de Balboa, Commandeur de l'Ordre de Léopold, aged 86, has been an Executive Director and Chairman of the Company since 1979 and 1981 respectively. He has been a member of the Remuneration Committee of the Company since March 2005. He is the founder and chairman of Cheung Kong (Holdings) Limited ("Cheung Kong", whose listing status on The Stock Exchange of Hong Kong Limited (the "SEHK") was replaced by CK Hutchison Holdings Limited ("CKHH") on 18 March 2015). He is also chairman of CKHH, Cheung Kong Property Holdings Limited ("CKP"), Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation. CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"). He has been engaged in many major commercial developments in Hong Kong for more than 60 years. Mr Li served as a member of the Hong Kong Special Administrative Region's Basic Law Drafting Committee, Hong Kong Affairs Adviser and the Preparatory Committee for the Hong Kong Special Administrative Region. He is also an Honorary Citizen of a number of cities on the Mainland and overseas. Mr Li is a keen supporter of community service organisations, and has served as honorary chairman of many such groups over the years. Mr Li has received Honorary Doctorates from Peking University, the University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong, City University of Hong Kong, The Open University of Hong Kong, University of Calgary in Canada and Cambridge University in the United Kingdom. Mr Li has been awarded Entrepreneur of the Millennium, the Carnegie Medal of Philanthropy and The Berkeley Medal. He is the recipient of many other major honors and awards from renowned institutions on the Mainland and abroad. Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company, and the brother-in-law of Mr Kam Hing Lam, Executive Director of the Company.

LI Tzar Kuoi, Victor

aged 50, has been an Executive Director and Deputy Chairman of the Company since 1995 and 1999 respectively. He is managing director, deputy chairman and chairman of executive committee of CKHH and Cheung Kong. He is also managing director and deputy chairman of CKP, chairman of Cheung Kong Infrastructure Holdings Limited ("CKI") and CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), co-chairman of Husky Energy Inc. ("Husky Energy"), a non-executive director and deputy chairman of HK Electric Investments Limited ("HKEIL"), and a non-executive director of Power Assets Holdings Limited ("Power Assets") and HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI"). Mr Li is also deputy chairman of Li Ka Shing Foundation Limited, Li Ka Shing (Overseas) Foundation and Li Ka Shing (Canada) Foundation and a director of The Hongkong and Shanghai Banking Corporation Limited. In addition, he is a director of Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust ("UT1"), Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). He is also a director of Continental Realty Limited ("CRL"), Honourable Holdings Limited ("HHL"), Winbo Power Limited ("WPL"), Polycourt Limited ("PL") and Well Karin Limited ("WKL"). CKHH, Cheung Kong, TUT1, TDT1, TDT2 and CRL are substantial shareholders of the Company within the meaning of Part XV of the SFO and HHL, WPL, PL and WKL are companies which have interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Mr Li serves as a member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") of the People's Republic of China. He is also a member of the Commission on Strategic Development of Hong Kong Special Administrative Region and vice chairman of the Hong Kong General Chamber of Commerce. Mr Li is the Honorary Consul of Barbados in Hong Kong. He was previously a member of the Council for Sustainable Development of Hong Kong Special Administrative Region. He holds a Bachelor of Science degree in Civil Engineering, a Master of Science degree in Civil Engineering and an honorary degree, Doctor of Laws, honoris causa (LL.D.). Mr Li Tzar Kuoi, Victor is a son of Mr Li Ka-shing, Chairman of the Company, and a nephew of Mr Kam Hing Lam, Executive Director of the Company.

FOK Kin Ning, Canning

aged 63, has been an Executive Director and Group Managing Director of the Company since 1984 and 1993 respectively. He is chairman of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison Port Holdings Management Pte. Limited ("HPH Management") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust"), Power Assets, HKEIML as the trustee-manager of HKEI, and HKEIL and co-chairman of Husky Energy. He is also deputy chairman of CKI and a non-executive director of CKHH and Cheung Kong. Mr Fok is also alternate director to a director of HTHKH. He was previously chairman and executive director of Hutchison Harbour Ring Limited ("HHR", now known as China Oceanwide Holdings Limited). CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the SFO. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Institute of Chartered Accountants in Australia.

CHOW WOO Mo Fong, Susan

aged 61, has been an Executive Director and Deputy Group Managing Director of the Company since 1993 and 1998 respectively. She is an executive director of CKI, a non-executive director of HTHKH and a director of HTAL. Mrs Chow is also alternate director to directors of each of CKI, HTAL, HKEIML as the trustee-manager of HKEI, HKEIL and TOM Group Limited ("TOM"). She was previously an executive director and alternate director to directors of Power Assets, an executive director of HHR, HKEIML as the trustee-manager of HKEI, and HKEIL. She is a qualified solicitor and holds a Bachelor's degree in Business Administration.

Frank John SIXT

aged 63, has been an Executive Director and Group Finance Director of the Company since 1991 and 1998 respectively. He is a non-executive chairman of TOM. He is also an executive director of CKI, a non-executive director of CKHH, Cheung Kong, HTHKH, HPH Management as the trustee-manager of HPH Trust and Power Assets, a director of HTAL and Husky Energy and alternate director to directors of HTAL. In addition, he is a director of TUT1 as trustee of UT1, TDT1 as trustee of DT1 and TDT2 as trustee of DT2. CKHH, Cheung Kong, TUT1, TDT1 and TDT2 are substantial shareholders of the Company within the meaning of Part XV of the SFO. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.

LAI Kai Ming, Dominic

aged 61, has been an Executive Director of the Company since 2000. He is a non-executive director of HTHKH and a director of HTAL. He is also alternate director to directors of each of HTHKH and HTAL. He was previously deputy chairman, executive director and alternate director to a director of HHR. He has over 30 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

KAM Hing Lam

aged 68, has been an Executive Director of the Company since 1993. He is deputy managing director and a member of executive committee of CKHH and Cheung Kong, group managing director of CKI, president and chief executive officer of CKLS, chairman and a non-executive director of Hui Xian Asset Management Limited ("HXAML") as manager of Hui Xian Real Estate Investment Trust ("Hui Xian REIT") and deputy managing director of CKP. He was previously an executive director of Power Assets. CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr Kam is an advisor of the 12th Beijing Municipal Committee of the CPPCC of the People's Republic of China. He holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. Mr Kam is the brother-in-law of Mr Li Ka-shing, Chairman of the Company, and the uncle of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company.

CHENG Hoi Chuen, Vincent

GBS, OBE, JP, aged 66, has been appointed an Independent Non-executive Director of the Company since 10 July 2014. He is a member of both the Audit Committee and the Remuneration Committee of the Company. He is chairman of the University Council of The Chinese University of Hong Kong. He is an independent non-executive director of MTR Corporation Limited, Great Eagle Holdings Limited, CLP Holdings Limited, HXAML as manager of Hui Xian REIT, China Minsheng Banking Corp., Ltd., Shanghai Industrial Holdings Limited and Wing Tai Properties Limited. Mr Cheng joined The Hongkong and Shanghai Banking Corporation Limited in 1978 of which he became chief financial officer in 1994, general manager and an executive director in 1995 and chairman from 2005 to 2010. He was also chairman of HSBC Bank (China) Limited from 2007 to 2011, an executive director of HSBC Holdings plc from 2008 to 2011 and an adviser to the group chief executive of HSBC Holdings plc from 2011 to 2012. In 2008, Mr Cheng was appointed as a member of the National Committee of the 11th CPPCC and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC. His previous government advisory roles include a member of the Executive Council (the Hong Kong government's highest policy-making body) from 1995 to 1997, Hong Kong Affairs Adviser to the People's Republic of China from 1994 to 1997 as well as a member of the Legislative Council of the Hong Kong Government from 1991 to 1995. In 2005, Honorary Doctorates of Social Science and of Business Administration were conferred on Mr Cheng by The Chinese University of Hong Kong and The Open University of Hong Kong respectively. Mr Cheng holds a Bachelor of Social Science degree in Economics and a Master's degree of Philosophy in Economics.

Information on Directors

The Hon Sir Michael David KADOORIE

GBS, Commandeur de la Légion d'Honneur, Commandeur de l'Ordre de Leopold II, Commandeur de l'Ordre des Arts et des Lettres, aged 73, has been a Director of the Company since 1995 and is currently an Independent Non-executive Director. He is chairman of CLP Holdings Limited and The Hongkong and Shanghai Hotels, Limited, as well as Heliservices (Hong Kong) Limited. He is also alternate director to a director of Hong Kong Aircraft Engineering Company Limited.

LEE Wai Mun, Rose

JP, aged 62, has been an Independent Non-executive Director of the Company since 2012. She is an executive director, vice-chairman and chief executive of Hang Seng Bank Limited, and chairman and a member of its executive committee and nomination committee respectively. She is also chairman of Hang Seng Bank (China) Limited. In addition, she is group general manager of HSBC Holdings plc, a director of The Hongkong and Shanghai Banking Corporation Limited, an independent non-executive director of Swire Pacific Limited, chairman of the board of governors of Hang Seng Management College, chairman of the board of directors of Hang Seng School of Commerce, second vice president and board member of The Community Chest of Hong Kong as well as chairman of its campaign committee and a member of its executive committee, vice-chairman of the finance professional committee of Guangdong's Association for Promotion of Cooperation between Guangdong, Hongkong & Macao, vice president of The Hong Kong Institute of Bankers, a member of the inaugural financial consulting committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, a member of the advisory committee of the New College of Jockey Club Student Village III of The University of Hong Kong, a member of the court of The Hong Kong University of Science and Technology, a member of the board of trustees of Ho Leung Ho Lee Foundation and a member of the financial services advisory committee of Hong Kong Trade Development Council. Ms Lee holds a Bachelor's Degree in Business Administration.

LEE Yeh Kwong, Charles

GBM, GBS, OBE, JP, aged 78, has been a Non-executive Director of the Company since 2013. He was an Executive Director of the Company from 27 September 1979 to 11 March 1997. He is also a non-executive director of CKHH and Cheung Kong. CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr Lee is the chairperson of Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council and a board member and campaign committee co-chairman of The Community Chest of Hong Kong. Mr Lee was a member of the Council of the SEHK from 1988 to 1991, and chairman of the SEHK from 1992 to 1994. He was also chairman of Hong Kong Exchanges and Clearing Limited from 1999 to April 2006. He held a number of Government appointments, including member of the Executive Council of The Hong Kong Special Administrative Region Government from 1997 to 2002 and from October 2005 to June 2012. Mr Lee is one of the founders of the solicitor's firm Woo, Kwan, Lee & Lo, a major law firm in Hong Kong. He holds a Master's degree in law and is a qualified solicitor in both Hong Kong and the United Kingdom. He was awarded the degree of Doctor of Laws honoris causa by The Hong Kong University of Science and Technology, the degree of Doctor of Business Administration honoris causa by The Hong Kong Polytechnic University and the degree of Doctor of Social Sciences honoris causa by The University of Hong Kong and The Open University of Hong Kong respectively. He is also a qualified accountant and a chartered secretary.

George Colin MAGNUS

OBE, BBS, aged 79, has been a Director of the Company since 1980. He served as Deputy Chairman of the Company from 1984 to 1993, and is currently a Non-executive Director. He is also a non-executive director of CKHH, Cheung Kong and CKI, an independent non-executive director of HKEIML as the trustee-manager of HKEI, and HKEIL and a director (independent) of Husky Energy. He was previously an independent non-executive director of Power Assets. CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the SFO. He holds a Master's degree in Economics.

William Elkin MOCATTA

aged 61, has been Alternate Director to The Hon Sir Michael David Kadoorie, an Independent Non-executive Director of the Company, since 1997. He is chairman of CLP Power Hong Kong Limited, CLP Properties Limited and Castle Peak Power Company Limited. He is also vice chairman of CLP Holdings Limited and a director of The Hongkong and Shanghai Hotels, Limited. He is a Fellow of The Institute of Chartered Accountants in England and Wales.

William SHURNIAK

aged 83, has been a Director of the Company since 1984. He was a Non-executive Director of the Company from 1998 to 2011 and is an Independent Non-executive Director since 2011. He is also a member of the Audit Committee of the Company. He is a director (independent) and deputy chairman of Husky Energy. He has broad banking experience and he holds Honorary Doctor of Laws degrees from the University of Saskatchewan, The University of Western Ontario and the University of Regina in Canada. He was awarded the Saskatchewan Order of Merit by the Government of Saskatchewan in 2009 and the Queen Elizabeth II Diamond Jubilee Medal by the Lieutenant Governor of Saskatchewan in 2012.

WONG Chung Hin

CBE, JP, aged 81, has been a Director of the Company since 1984 and is currently an Independent Non-executive Director. He is also Chairman of the Audit Committee and the Remuneration Committee of the Company. In addition, he is an independent non-executive director of The Bank of East Asia, Limited and Power Assets. He is a solicitor.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), the changes in information of Directors of the Company subsequent to the date of the 2014 Interim Report of the Company are set out below:

Name of Director	Details of Changes
Li Ka-shing	Appointed as: - chairman and an executive director of CKHH(1) on 9 January 2015 - chairman and an executive director of CKP(2) on 26 February 2015
Li Tzar Kuoi, Victor	Appointed as: - a non-executive director of HKEIML as the trustee-manager of HKEI(3) on 28 November 2014 - deputy chairman and a non-executive director of HKEIL(3) on 28 November 2014 - a director of CKHH(1) on 11 December 2014 and designated as managing director, deputy chairman and an executive director of CKHH(1) on 9 January 2015 and chairman of executive committee of CKHH(1) on 26 February 2015 - a director of CKP(2) on 5 January 2015 and designated as managing director, deputy chairman and an executive director of CKP(2) on 26 February 2015 - a member of the Commission on Strategic Development of Hong Kong on 18 January 2015 Total emoluments received from the Company and its subsidiary CKI(4) increased by HK$3,541,500 to HK$79,068,448 compared to 2013
Fok Kin Ning, Canning	Resigned as an executive director and ceased to act as chairman of HHR (now known as China Oceanwide Holdings Limited)(4) on 19 December 2014 Appointed as a non-executive director of CKHH(1) on 9 January 2015 Total emoluments received from the Company increased by HK$8,112,770 to HK$196,299,592 compared to 2013
Chow Woo Mo Fong, Susan	Resigned as: - an executive director of HKEIML as the trustee-manager of HKEI(3), and HKEIL(3) on 28 November 2014 - an executive director of HHR (now known as China Oceanwide Holdings Limited)(4) on 19 December 2014 Appointed as alternate director to Mr Fok Kin Ning, Canning, chairman and an executive director of HKEIML as the trustee-manager of HKEI(3), and HKEIL(3) on 28 November 2014 Total emoluments received from the Company increased by HK$1,952,015 to HK$50,834,573 compared to 2013

Information on Directors

Name of Director	Details of Changes
Frank John Sixt	Appointed as a non-executive director of CKHH[(1)] on 9 January 2015
	Total emoluments received from the Company increased by HK$1,985,295 to HK$48,673,107 compared to 2013
Lai Kai Ming, Dominic	Resigned as an executive director and alternate director to Mrs Chow Woo Mo Fong, Susan, then an executive director, and ceased to act as deputy chairman of HHR (now known as China Oceanwide Holdings Limited)[(4)] on 19 December 2014
	Total emoluments received from the Company increased by HK$1,879,178 to HK$45,844,813 compared to 2013
Kam Hing Lam	Appointed as: – deputy managing director and an executive director of CKHH[(1)] on 9 January 2015 and a member of executive committee of CKHH[(1)] on 26 February 2015 – deputy managing director and an executive director of CKP[(2)] on 26 February 2015
	Total emoluments received from the Company and its subsidiary CKI[(4)] increased by HK$916,000 to HK$21,652,004 compared to 2013
Lee Wai Mun, Rose	Appointed as a member of the advisory committee of the New College of Jockey Club Student Village III of The University of Hong Kong in October 2014
	Awarded the title of "Justice of the Peace" (JP) on 1 July 2014
Lee Yeh Kwong, Charles	Appointed as a non-executive director of CKHH[(1)] on 9 January 2015
George Colin Magnus	Appointed as a non-executive director of CKHH[(1)] on 9 January 2015

Notes:

(1) A company whose shares are listed on the Main Board of the SEHK since 18 March 2015.

(2) A company whose shares are proposed to be listed on the Main Board of the SEHK around the end of the first half of 2015.

(3) The share stapled units jointly issued by HKEI and HKEIL are listed on the Main Board of the SEHK.

(4) A company whose shares are listed on the Main Board of the SEHK.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Company's own Model Code for Securities Transactions by Directors (the "HWL Securities Code") were as follows:

(I) Interests and short positions in the shares, underlying shares and debentures of the Company

Long positions in the shares of the Company

Name of Director	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of Shareholding
Li Ka-shing	Founder of discretionary trusts	Other interest	2,141,698,773 (1)		
	Interest of controlled corporations	Corporate interest	94,534,000 (2)	2,236,232,773	52.4522%
Li Tzar Kuoi, Victor	Beneficiary of trusts	Other interest	2,141,698,773 (1)		
	Interest of controlled corporations	Corporate interest	1,086,770 (3)		
	Interest of child	Family interest	300,000 (4)	2,143,085,543	50.2674%
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,010,875 (5)	6,010,875	0.1410%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	190,000	190,000	0.0045%
Frank John Sixt	Beneficial owner	Personal interest	200,000	200,000	0.0047%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.0012%
Kam Hing Lam	Beneficial owner	Personal interest	60,000		
	Interest of child	Family Interest	40,000	100,000	0.0023%
Michael David Kadoorie	Founder, a beneficiary and/or a discretionary object of discretionary trust(s)	Other interest	15,984,095 (6)	15,984,095	0.3749%
Lee Yeh Kwong, Charles	Beneficial owner	Personal interest	1,070,358		
	Interest of spouse	Family interest	55,000		
	Interest of a controlled corporation	Corporate interest	10,000 (7)	1,135,358	0.0266%
George Colin Magnus	Founder and beneficiary of a discretionary trust	Other interest	950,100 (8)		
	Beneficial owner	Personal interest	40,000		
	Interest of spouse	Family interest	9,900	1,000,000	0.0235%
William Shurniak	Beneficial owner	Personal interest	165,000	165,000	0.0039%

Notes:

(1) The two references to 2,141,698,773 shares of the Company relate to the same block of shares comprising:

(a) 2,130,202,773 shares held by certain subsidiaries of Cheung Kong. Mr Li Ka-shing is the settlor of each of DT1 and DT2. Each of TDT1 (which is the trustee of DT1) and TDT2 (which is the trustee of DT2) holds units in UT1 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard. TUT1 as trustee of UT1 and its related companies in which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings ("TUT1 related companies") hold more than one-third of the issued shares of Cheung Kong.

The entire issued share capital of TUT1 and of the trustees of DT1 and DT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of Cheung Kong by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of Cheung Kong independently without any reference to Unity Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT1 and DT2, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the shares of Cheung Kong held by TUT1 as trustee of UT1 and TUT1 related companies and the said shares of the Company held by the subsidiaries of Cheung Kong under the SFO as directors of Cheung Kong.

(b) 11,496,000 shares held by Li Ka-Shing Castle Trustee Company Limited ("TUT3") as trustee of The Li Ka-Shing Castle Trust ("UT3").

Mr Li Ka-shing is the settlor of each of the two discretionary trusts ("DT3" and "DT4"). Each of Li Ka-Shing Castle Trustee Corporation Limited ("TDT3", which is the trustee of DT3) and Li Ka-Shing Castle Trustcorp Limited ("TDT4", which is the trustee of DT4) holds units in UT3 but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT3 and DT4 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.

The entire issued share capital of TUT3 and the trustees of DT3 and DT4 are owned by Li Ka-Shing Castle Holdings Limited ("Castle Holdco"). Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-thirds of the entire issued share capital of Castle Holdco. TUT3 is only interested in the shares of the Company by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of the Company independently without any reference to Castle Holdco or any of Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor as a holder of the shares of Castle Holdco as aforesaid.

As Mr Li Ka-shing may be regarded as a founder of each of DT3 and DT4 for the purpose of the SFO and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of each of DT3 and DT4, and by virtue of the above, both Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are taken to have a duty of disclosure in relation to the said shares of the Company held by TUT3 as trustee of UT3 under the SFO as Directors of the Company.

(2) Such shares are held by certain companies of which Mr Li Ka-shing is interested in the entire issued share capital.

(3) Such shares are held by certain companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

(4) Such shares are held by a company in which a child of Mr Li Tzar Kuoi, Victor is entitled to exercise or control the exercise of one-third or more of voting power at its general meetings.

(5) Such shares are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.

(6) Such shares are ultimately held by discretionary trust(s) of which The Hon Sir Michael David Kadoorie is either the founder, a beneficiary and/or a discretionary object.

(7) Such shares are held by a company of which Mr Lee Yeh Kwong, Charles is interested in the entire issued share capital.

(8) Such shares are indirectly held by a discretionary trust of which Mr George Colin Magnus is the settlor and a discretionary beneficiary.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

Long positions in the shares, underlying shares and debentures of the associated corporations of the Company

As at 31 December 2014, Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in the following by virtue of, inter alia, their interests in the shares of Cheung Kong or the Company as described in Note (1) above:

(i) 1,912,109,945 ordinary shares, representing approximately 78.38% of the then issued share capital, in CKI of which 1,906,681,945 ordinary shares are held by a wholly owned subsidiary of the Company and 5,428,000 ordinary shares are held by TUT1 as trustee of UT1;

(ii) 3,185,136,120 ordinary shares, representing approximately 66.10% of the then issued share capital, in HTHKH of which 52,092,587 ordinary shares and 3,132,890,253 ordinary shares are held by certain wholly owned subsidiaries of each of Cheung Kong and the Company respectively and 153,280 ordinary shares are held by TUT3 as trustee of UT3;

(iii) 829,599,612 ordinary shares, representing approximately 38.87% of the then issued shares, in Power Assets which shares are held by certain wholly owned subsidiaries of CKI;

(iv) 2,424,102,908 ordinary shares, representing approximately 62.26% of the then issued share capital, in TOM of which

(a) 476,341,182 ordinary shares and 952,683,363 ordinary shares are held by a wholly owned subsidiary of each of Cheung Kong and the Company respectively; and

(b) 995,078,363 ordinary shares charged by Cranwood Company Limited and its subsidiaries in favour of the Company as security;

(v) 334,141,932 common shares, representing approximately 33.97% of the then issued shares, in Husky Energy held by a wholly owned subsidiary of the Company; and

(vi) all interests in shares, underlying shares and/or debentures in all associated corporations of the Company.

As Mr Li Ka-shing is the settlor of a discretionary trust and Mr Li Tzar Kuoi, Victor is a discretionary beneficiary of that discretionary trust, for the purpose of the SFO Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor, as Directors of the Company, were deemed to be interested in 349,869,015 common shares, representing approximately 35.57% of the then issued shares, in Husky Energy which are held by a company indirectly owned by the trustee of a discretionary trust as aforementioned.

Mr Li Ka-shing, as Director of the Company, was also deemed to be interested in a nominal amount of US$25,000,000 in the 7.25% Notes due 2019 issued by Husky Energy held by a wholly owned subsidiary of the Company by virtue of his interests in the shares of the Company as described in Note (1) above.

In addition, Mr Li Ka-shing had, as at 31 December 2014, corporate interests in (i) a nominal amount of US$9,100,000 in the 6.625% Guaranteed Perpetual Capital Securities issued by PHBS Limited; and (ii) 403,979,499 ordinary shares, representing approximately 8.38% of the then issued share capital, in HTHKH, which are held by companies of which Mr Li Ka-shing is interested in the entire issued share capital.

Mr Li Tzar Kuoi, Victor had, as at 31 December 2014, the following interests:

(i) family interests in (a) 151,000 ordinary shares, representing approximately 0.007% of the then issued shares, in Power Assets held by his spouse; and (b) 192,000 ordinary shares, representing approximately 0.004% of the then issued share capital, in HTHKH held by a company in which his child is entitled to exercise or control the exercise of one-third or more of voting power at its general meetings; and

(ii) corporate interests in (a) a nominal amount of US$45,792,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited; (b) 2,519,250 ordinary shares, representing approximately 0.05% of the then issued share capital, in HTHKH; (c) a nominal amount of US$35,395,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited ("HWI(10)"); and (d) a nominal amount of US$16,800,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (12) Limited, which are held by companies of which Mr Li Tzar Kuoi, Victor is interested in the entire issued share capital.

Mr Fok Kin Ning, Canning had, as at 31 December 2014, the following interests:

(i) corporate interests in (a) a nominal amount of US$4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited; (b) a nominal amount of US$2,000,000 in the 7.25% Notes due 2019 issued by Husky Energy; and (c) a nominal amount of US$5,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by HWI(10);

(ii) 5,100,000 ordinary shares, representing approximately 0.04% of the then issued shares, in HTAL comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;

(iii) corporate interests in 1,202,380 ordinary shares, representing approximately 0.02% of the then issued share capital, in HTHKH;

(iv) corporate interests in 250,000 common shares, representing approximately 0.03% of the then issued shares, in Husky Energy; and

(v) corporate interests in 2,000,000 share stapled units, representing approximately 0.02% of the then issued share stapled units, in HKEI and HKEIL.

Mr Fok Kin Ning, Canning holds the above personal interests in his capacity as a beneficial owner and holds the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had, as at 31 December 2014, personal interests in 250,000 ordinary shares, representing approximately 0.005% of the then issued share capital, in HTHKH.

Mr Frank John Sixt in his capacity as a beneficial owner had, as at 31 December 2014, personal interests in (i) 1,000,000 ordinary shares, representing approximately 0.007% of the then issued shares, in HTAL; (ii) 17,000 American depositary shares (each representing 15 ordinary shares), representing approximately 0.005% of the then issued share capital, in HTHKH; (iii) 39,345 common shares, representing approximately 0.004% of the then issued shares, in Husky Energy; and (iv) a nominal amount of US$1,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by HWI(10).

Mr Kam Hing Lam had, as at 31 December 2014, the following interests:

(i) personal interests in 100,000 ordinary shares, representing approximately 0.004% of the then issued share capital, in CKI held in his capacity as a beneficial owner; and

(ii) family interests in 100,000 ordinary shares, representing approximately 0.005% of the then issued shares, in Power Assets held by his child.

Ms Lee Wai Mun, Rose had, as at 31 December 2014, the following interests:

(i) personal interests in 2,200 ordinary shares, representing approximately 0.0001% of the then issued shares, in Power Assets held in her capacity as a beneficial owner; and

(ii) 42,634 common shares, representing approximately 0.004% of the then issued shares, in Husky Energy comprising corporate interests in 10,000 common shares held through a company of which Ms Lee is interested in the entire issued share capital and other interests in 32,634 common shares held jointly with another person.

Mr Lee Yeh Kwong, Charles had, as at 31 December 2014, the following interests:

(i) 247,000 ordinary shares, representing approximately 0.01% of the then issued shares, in Power Assets comprising corporate interests in 100,000 ordinary shares held through a company of which Mr Lee is interested in the entire issued share capital and family interests in 147,000 ordinary shares held by his spouse;

(ii) family interests in 1,500 common shares, representing approximately 0.0002% of the then issued shares, in Husky Energy held by his spouse; and

(iii) 61,750 share stapled units, representing approximately 0.0007% of the then issued share stapled units, in HKEI and HKEIL comprising corporate interests in 25,000 share stapled units held through a company of which Mr Lee is interested in the entire issued share capital and family interests in 36,750 share stapled units held by his spouse.

Mr George Colin Magnus had, as at 31 December 2014, the following interests:

(i) 13,333 ordinary shares, representing approximately 0.0003% of the then issued share capital, in HTHKH comprising personal interests in 13,201 ordinary shares held in his capacity as a beneficial owner and family interests in 132 ordinary shares held by his spouse; and

(ii) personal interests in 34,239 common shares and 22,033 unlisted and physically settled Deferred Share Units (each representing 1 common share), in aggregate representing approximately 0.006% of the then issued shares, in Husky Energy held in his capacity as a beneficial owner.

Mr William Shurniak in his capacity as a beneficial owner had, as at 31 December 2014, personal interests in 24,589 common shares, representing approximately 0.002% of the then issued shares, in Husky Energy.

The Company had obtained from the SEHK a waiver from strict compliance with paragraph 13(1) of Appendix 16 of the Listing Rules from disclosing in this report the deemed interests of Messrs Li Ka-shing and Li Tzar Kuoi, Victor in the securities of all other associated corporations of the Company by virtue of their interests in Cheung Kong and the interests of Cheung Kong in the Company as described in Note (1) above, on the ground that the particulars being disclosed were not material in the context of the Company and its subsidiaries (the "Group") and were of excessive length.

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the HWL Securities Code.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

Directors' Interests in Competing Business

During the year ended 31 December 2014, the following Directors of the Company had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
Li Ka-shing	Cheung Kong	Chairman	- Property and hotels - Infrastructure
Li Tzar Kuoi, Victor	Cheung Kong	Managing Director and Deputy Chairman	- Property and hotels - Infrastructure
	CKI	Chairman	- Infrastructure
	CKLS	Chairman	- Retail (research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products)
	HKEIML as trustee-manager of HKEI, and HKEIL	Deputy Chairman of HKEIL and Non-executive Director of both HKEIML and HKEIL	- Infrastructure
	Husky Energy	Co-Chairman	- Energy
	Power Assets	Executive Director/ Non-executive Director (1)	- Infrastructure - Energy
Fok Kin Ning, Canning	Cheung Kong	Non-executive Director	- Property and hotels - Infrastructure
	CKI	Deputy Chairman	- Infrastructure
	HHR	Chairman (2)	- Property
	HKEIML as trustee-manager of HKEI, and HKEIL	Chairman	- Infrastructure
	HPH Management as trustee-manager of HPH Trust	Chairman	- Ports and related services
	HTAL	Chairman	- Telecommunications
	Husky Energy	Co-Chairman	- Energy
	Power Assets	Chairman	- Infrastructure - Energy

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
Chow Woo Mo Fong, Susan	CKI	Executive Director	– Infrastructure
	HHR	Executive Director [3]	– Property
	HKEIML as trustee-manager of HKEI, and HKEIL	Executive Director [4]/ Alternate Director [5]	– Infrastructure
	HTAL	Director	– Telecommunications
	Power Assets	Executive Director [6]	– Infrastructure – Energy
	TOM	Alternate Director	– Telecommunications (mobile internet and e-commerce)
Frank John Sixt	Cheung Kong	Non-executive Director	– Property and hotels – Infrastructure
	CKI	Executive Director	– Infrastructure
	HPH Management as trustee-manager of HPH Trust	Non-executive Director	– Ports and related services
	HTAL	Director	– Telecommunications
	Husky Energy	Director	– Energy
	Power Assets	Executive Director/ Non-executive Director [1]	– Infrastructure – Energy
	TOM	Non-executive Chairman	– Telecommunications (mobile internet and e-commerce)
Lai Kai Ming, Dominic	HHR	Deputy Chairman [7]	– Property
	HTAL	Director	– Telecommunications
Kam Hing Lam	Cheung Kong	Deputy Managing Director	– Property and hotels – Infrastructure
	CKI	Group Managing Director	– Infrastructure
	CKLS	President and Chief Executive Officer	– Retail (research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products)
	HXAML as manager of Hui Xian REIT	Chairman	– Property and hotels
	Power Assets	Executive Director [6]	– Infrastructure – Energy
Lee Yeh Kwong, Charles	Cheung Kong	Non-executive Director	– Property and hotels – Infrastructure
	Team Investment Limited	Director & Shareholder	– Energy

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
George Colin Magnus	Cheung Kong	Non-executive Director	- Property and hotels - Infrastructure
	CKI	Non-executive Director	- Infrastructure

Notes:

(1) Re-designated from an Executive Director to a Non-executive Director on 29 January 2014.

(2) Resigned as an Executive Director and ceased to act as Chairman on 19 December 2014.

(3) Resigned as an Executive Director on 19 December 2014.

(4) Resigned as an Executive Director on 28 November 2014.

(5) Appointed as an Alternate Director on 28 November 2014.

(6) Resigned as an Executive Director on 29 January 2014.

(7) Resigned as an Executive Director and Alternate Director, and ceased to act as Deputy Chairman on 19 December 2014.

As the Board of Directors is independent of the boards of the above entities, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from, the above businesses.

During the year, Mr Fok Kin Ning, Canning, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt and Mr Lai Kai Ming, Dominic are non-executive directors of HTHKH, and Mr Fok and Mr Lai are also alternate directors to Mrs Chow and Mr Sixt respectively, which was engaged in telecommunications businesses.

A non-competition agreement was entered into by the Company with each of Hutchison Telecommunications International Limited ("HTIL") and HTHKH on 17 April 2009, whereby the parties thereto agreed, inter alia, to clearly delineate the respective geographical markets and businesses of each of (i) the Group (excluding HTIL and its subsidiaries (the "HTIL Group") and HTHKH and its subsidiaries (the "HTHKH Group")), (ii) the HTIL Group, and (iii) the HTHKH Group within their respective territories for the purpose of implementing the non-competition restrictions.

The exclusive territory of the HTHKH Group comprised Hong Kong and Macau whereas the exclusive territory of the Group (which in substance including those of the HTIL Group following the privatisation of HTIL in 2010) comprised all the remaining countries of the world.

Information on Senior Management

Biographical Details of Senior Management

The Company is engaged in six core businesses, each with a Managing Director who oversees the operations of the relevant business, with his own team of executives, under the guidance of the Board and supported by executives from the head office of the Company. The senior management of the Company comprises the Managing Directors of these core businesses and the executives in charge of major head office functions of the Company.

CHEUNG Kwan Hoi

aged 50, has been Group Deputy Chief Financial Officer of the Company since 2011. He has been with the Hutchison Whampoa Limited Group (the "Group") for over 17 years in various finance and accounting roles and has over 26 years of experience in accounting and finance. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Management Science. He is a member of both the Institute of Chartered Accountants in England & Wales and the Hong Kong Institute of Certified Public Accountants.

CHOW Wai Kam

JP, aged 67, has been Group Managing Director of Hutchison Whampoa Properties Limited, the real estate arm of the Group, since 2000. He has been with the Group since 1995 and has over 30 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, China and overseas. He is also an executive director of Cheung Kong Properties Holdings Limited ("CKP"). He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree. He is a Registered Architect and List 1 Authorised Person.

IP Sing Chi

aged 61, has been Group Managing Director of Hutchison Port Holdings Limited, the Company's ports division, since 2014 and has been with the Group since 1993. He is an executive director of Hutchison Port Holdings Management Pte. Limited as trustee-manager of Hutchison Port Holdings Trust. He is also an external director of Hyundai Merchant Marine Co., Ltd., a non-independent non-executive director of Westports Holdings Berhad and an independent non-executive director of COSCO Pacific Limited and China Shipping Development Company Limited. In addition, Mr Ip was a member of the Hong Kong Port Development Council until the end of December 2014 and was the founding chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited. He has over 35 years of experience in the maritime industry. He holds a Bachelor of Arts degree.

KAM Hing Lam

aged 68, has been an Executive Director of the Company since 1993. He is also deputy managing director and a member of executive committee of CK Hutchison Holdings Limited ("CKHH") and Cheung Kong (Holdings) Limited ("Cheung Kong", whose listing status on The Stock Exchange of Hong Kong Limited was replaced by CKHH on 18 March 2015), the founding group managing director of Cheung Kong Infrastructure Holdings Limited, the infrastructure arm of the Group, and the founding president and chief executive officer of CK Life Sciences Int'l., (Holdings) Inc. He is also the chairman and a non-executive director of Hui Xian Asset Management Limited as manager of Hui Xian Real Estate Investment Trust and deputy managing director of CKP. CKHH and Cheung Kong are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Prior to joining the Group, Mr Kam had more than 20 years of experience in senior and regional capacities at major US multinational companies, including Johnson and Johnson, American Express and Levi Strauss. Mr Kam holds a Bachelor of Science degree in Engineering and a Master's degree in Business Administration. He is the brother-in-law of Mr Li Ka-shing, Chairman of the Company, and the uncle of Mr Li Tzar Kuoi, Victor, Deputy Chairman of the Company.

Information on Senior Management

LAI Kai Ming, Dominic

aged 61, has been an Executive Director of the Company since 2000. He is Group Managing Director of the A.S. Watson Group, the retail arm of the Group, and has been with the Group for over 20 years. He is also a non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") and a director of Hutchison Telecommunications (Australia) Limited ("HTAL") as well as alternate director to directors of each of HTHKH and HTAL. He has over 30 years of management experience in different industries. He was previously deputy chairman, executive director and alternate director to a director of Hutchison Harbour Ring Limited ("HHR", now known as China Oceanwide Holdings Limited). He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

LUI Dennis Pok Man

aged 63, has been Deputy Chairman and a Non-executive Director of HTHKH since 2009. He is also currently responsible for the telecommunications operations of the Company in Indonesia, Sri Lanka and Vietnam; and assists in overseeing those in Austria, Denmark, Ireland, Sweden and the United Kingdom. He has been with the telecommunications arm of the Company for over 28 years in various positions in a number of countries. He has over 29 years of experience in the telecommunications industry. He holds a Bachelor of Science degree.

John Lyon MULCAHY

aged 58, has been Group Treasurer of the Company since 1 January 2015. He has been with the Group since 2000 as Deputy Group Treasurer and has over 35 years of experience in banking and finance. He holds a Bachelor of Science degree in International Politics and a Master's degree in Business Administration.

Edith SHIH

aged 63, has been Head Group General Counsel of the Company since 1993 and its Company Secretary since 1997. She is also a non-executive director of Hutchison China MediTech Limited, and director and company secretary of various Group companies. She was previously an executive director and alternate director to a director of HHR (now known as China Oceanwide Holdings Limited). She has been with the Company for over 24 years and has over 32 years of experience in the legal, regulatory, compliance and corporate secretarial fields. She holds a Bachelor of Science degree in Education, a Master of Arts degree in Education, a Master of Arts degree in Teaching of English and a Master of Education degree in Applied Linguistics. She is a qualified solicitor in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

Report of the Directors

The Directors have pleasure in submitting to shareholders their report and statement of audited accounts for the year ended 31 December 2014.

Principal Activities

The principal activity of the Company is investment holding and the activities of its principal subsidiary and associated companies and joint ventures are shown on pages 269 to 274.

Group Profit

The Consolidated Income Statement is set out on page 168 and shows the Group profit for the year ended 31 December 2014.

Dividends

A special dividend of HK$7.00 per share and an interim dividend of HK$0.66 per share were paid to shareholders on 14 May 2014 and 10 September 2014 respectively. The Directors declare the payment of a second interim dividend (in lieu of a final dividend) of HK$1.755 per share on 15 April 2015 to all persons registered as holders of shares on 17 March 2015, being the record date for determining the entitlement of shareholders to the second interim dividend.

Reserves

Movements in the reserves of the Company and the Group during the year are set out in note 46 to the accounts on pages 267 to 268 and the Consolidated Statement of Changes in Equity on pages 172 to 174 respectively.

Charitable Donations

Donations to charitable organisations by the Group during the year amounted to approximately HK$55,000,000 (2013 – approximately HK$71,000,000).

Fixed Assets

Particulars of the movements of fixed assets are set out in note 13 to the accounts.

Share Capital

Details of the share capital of the Company are set out in note 32 to the accounts.

Report of the Directors

Directors

As at 31 December 2014, the board of Directors of the Company (the "Board") comprised Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor, Mr Fok Kin Ning, Canning, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt, Mr Lai Kai Ming, Dominic, Mr Kam Hing Lam, Mr Cheng Hoi Chuen, Vincent, The Hon Sir Michael David Kadoorie, Ms Lee Wai Mun, Rose, Mr Lee Yeh Kwong, Charles, Mr George Colin Magnus, Mr William Elkin Mocatta (Alternate Director to The Hon Sir Michael David Kadoorie), Mr William Shurniak and Mr Wong Chung Hin.

On 10 July 2014, Mr Holger Kluge resigned as an Independent Non-executive Director and Mr Cheng Hoi Chuen, Vincent was appointed as an Independent Non-executive Director.

The Board would like to record its appreciation for the services of Mr Holger Kluge to the Group and is pleased to welcome Mr Cheng Hoi Chuen, Vincent to the Board.

Mr Cheng Hoi Chuen, Vincent will retire under the provision of Article 107 of the Articles of Association of the Company at the next general meeting and, being eligible, offers himself for re-election at the next general meeting.

Messrs Li Ka-shing, Chow Woo Mo Fong, Susan, Frank John Sixt, The Hon Sir Michael David Kadoorie and Lee Yeh Kwong, Charles will retire by rotation under the provision of Article 101 of the Articles of Association of the Company at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company received confirmation from all Independent Non-executive Directors of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considered all the Independent Non-executive Directors as independent.

The Directors' biographical details are set out on pages 110 to 113.

Interest in Contracts

No contracts of significance in relation to the businesses of the Company and its subsidiaries to which the Company or a subsidiary was a party in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

During the year ended 31 December 2014 and up to the date of this report, the Group conducted the following transactions which constituted and/or would constitute connected transactions for the Company under the Listing Rules:

(1) Acquisition of Park'N Fly

On 27 May 2014 in Toronto (being 28 May 2014 in Hong Kong), Cheung Kong (Holdings) Limited ("Cheung Kong"), Cheung Kong Infrastructure Holdings Limited ("CKI", a non-wholly owned listed subsidiary of the Company), Cheung Kong Investment Company Limited ("CKICL, a wholly owned subsidiary of Cheung Kong), Capacity Faith Limited ("CFL", a wholly owned subsidiary of CKI) and Splendid Grand Limited ("SGL", held as to 50% by each of Cheung Kong and CKI) entered into the shareholders' agreement (the "SGL Shareholders' Agreement") in relation to the funding commitment, shareholding and other rights and obligations of each of Cheung Kong and its subsidiaries (the "Cheung Kong Group") and CKI and its subsidiaries (the "CKI Group") in respect of SGL which was formed for the purpose of the Park'N Fly Acquisition (the "Park'N Fly JV Transaction") and the potential acquisition of the assets and undertakings of the "Park'N Fly" business in Vancouver of Canada (the "Park'N Fly Potential Acquisition") from the Vendors, independent third parties of the Company.

Given that Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company, the entering into of the SGL Shareholders' Agreement by CKI constituted a connected transaction for the Company under the Listing Rules.

On the same date, the Vendors, 1822703 Alberta Ltd. (the "Purchaser", a wholly owned subsidiary of SGL), and Cheung Kong and CKI, both as guarantors to the Purchaser, entered into the asset purchase agreement (the "Asset Purchase Agreement") in respect of the Park'N Fly Acquisition.

Funding to SGL would be by way of a combination of equity and shareholders' loans from each of Cheung Kong and CKI, acting through one or more of their respective subsidiaries on a 50:50 basis pro rata to their respective equity interests in SGL. Based on the purchase price of CAD347,555,000 (approximately HK$2,481,646,966.50), the estimated costs and expenses associated with the Park'N Fly JV Transaction, the Park'N Fly Acquisition and the Park'N Fly Potential Acquisition, and the working capital requirements of SGL, the aggregate funding to SGL committed by each of the Cheung Kong Group and the CKI Group under the SGL Shareholders' Agreement would in no circumstances exceed CAD198,750,000 (approximately HK$1,419,134,625) comprising (i) an amount up to CAD181,977,500 (approximately HK$1,299,373,943.25) in respect of the Park'N Fly Acquisition, and (ii) an amount up to CAD16,772,500 (approximately HK$119,760,681.75) in respect of the Park'N Fly Potential Acquisition. The aggregate funding commitment of the Cheung Kong Group and the CKI Group to SGL would hence be up to CAD397,500,000 (approximately HK$2,838,269,250). Completion of the funding obligations of the parties under the SGL Shareholders' Agreement is conditional on satisfaction of the conditions precedent contained therein. The SGL Shareholders' Agreement shall terminate and cease to have any further effect upon termination of the Asset Purchase Agreement and the asset purchase agreement relating to the Park'N Fly Potential Acquisition.

On 18 July 2014, Cheung Kong, CKI, CKICL, CFL, SGL and 1822604 Alberta Limited (the "New JV Company") entered into an amended and restated shareholders' agreement pursuant to which the SGL Shareholders' Agreement was amended and restated to reflect, among other things, the change of the joint venture vehicle from SGL to the New JV Company and the provision of an alternative funding arrangement by Cheung Kong and CKI to the joint venture group by way of corporate guarantee.

Completions of the Park'N Fly Acquisition and the Park'N Fly Potential Acquisition took place on 25 July 2014.

"Park'N Fly Acquisition" means the acquisition of the undertakings and assets of the business of operating off-airport parking facilities servicing customers travelling to or from airports in Edmonton, Montreal, Ottawa and Toronto of Canada, and the licensing of trademark "Park'N Fly" to the Halifax International Airport Authority and assumption of the certain liabilities pursuant to the Asset Purchase Agreement.

"Vendors" means the vendors of the Park'N Fly Acquisition, namely, (i) BRL Realty Limited, a corporation organised and existing under the laws of the province of Ontario, Canada; (ii) 1250353 Ontario Ltd., a corporation organised and existing under the laws of the province of Ontario, Canada; (iii) RNE Realty Limited, a corporation organised and existing under the laws of the province of Ontario, Canada; (iv) Park'N Fly Partnership, a partnership formed and existing under the laws of the province of Ontario, Canada; and (v) 1420291 Alberta Ltd., a corporation organised and existing under the laws of the province of Alberta, Canada.

(2) Acquisition of 100% shareholding of Envestra Limited (now known as Australian Gas Networks Limited)

On 30 May 2014, Cheung Kong, CKI, Power Assets Holdings Limited ("Power Assets") and CK ENV UK Limited ("CK ENV") entered into the shareholders' agreement (the "CK ENV Shareholders' Agreement") in relation to, among other things, the subscription for ordinary shares in the capital of CK ENV (the "CK ENV Subscription"), funding for the acquisition (the "Envestra Acquisition") of all the issued and outstanding fully paid ordinary shares (the "Envestra Shares") of Envestra Limited ("Envestra") for AUD1.32 per Envestra Share by way of an off-market takeover bid under the Corporations Act 2001 of Australia (the "Takeover Bid") and the operations and management of CK ENV and its subsidiaries (the "CK ENV Group"), and Envestra and its subsidiaries following completion of the Envestra Acquisition (the "Envestra JV Transaction").

Following completion of the CK ENV Subscription, each of Cheung Kong, CKI and Power Assets holds an indirect one-third interest in CK ENV and each member of the CK ENV Group is accounted for as a joint venture of each of Cheung Kong, CKI and Power Assets in their respective consolidated financial statements. The maximum capital commitment of each of the Cheung Kong Group, the CKI Group and Power Assets and its subsidiaries (the "Power Assets Group") under the Envestra JV Transaction is approximately AUD666 million (approximately HK$4,798.7 million).

Given that Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company, the entering into of the Envestra JV Transaction by CKI constituted a connected transaction for the Company under the Listing Rules.

The conditional cash offer by CK ENV Investments Pty Ltd ("CK ENV Investments", an indirect wholly owned subsidiary of CK ENV) under the Takeover Bid was completed on 4 September 2014 whereupon CK ENV Investments held approximately 96.58% of the Envestra Shares. CK ENV Investments then commenced the procedures for the compulsory acquisition of the remaining 3.42% of the Envestra Shares and after which the Envestra Shares ceased to be listed on the Australian Securities Exchange on 17 October 2014.

(3) Disposal of 17.46% interest in Envestra Limited

On 26 August 2014, the CKI Group and the CK ENV Group entered into an agreement whereby the CKI Group agreed to transfer to the CK ENV Group the entire issued share capital of Cheung Kong Infrastructure Holdings (Malaysian) Limited ("CKIM") in return for additional interest in the CK ENV Group (the "Transfer"). CKIM was the registered holder of 313,645,693 Envestra Shares, representing approximately 17.46% of the issued and outstanding Envestra Shares.

Upon completion of the Transfer, CKIM ceased to be a subsidiary of CKI, and CKI, through its indirect one-third interest in CK ENV and approximately 17.46% indirect interest in CK ENV UK 2 Limited ("CK ENV 2", a subsidiary of CK ENV), has an attributable interest in the CK ENV Group of approximately 44.97%.

Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company. As Cheung Kong holds an indirect one-third interest in CK ENV, each member of the CK ENV Group (including CK ENV 2 and CK ENV Investments) is an associate of Cheung Kong. Accordingly, the Transfer entered into between the CKI Group (members of which are subsidiaries of the Company) and the CK ENV Group constitutes a connected transaction for the Company under the Listing Rules.

(4) Reorganisation, Merger and Spin-off of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited

On 9 January 2015, Cheung Kong and the Company jointly announced the following proposals related to the reorganisation and combination of the businesses of the Cheung Kong Group and the Group to create two new leading Hong Kong listed companies such that CK Hutchison Holdings Limited ("CKHH", a wholly owned subsidiary of Cheung Kong) will take over all the non-property businesses of both groups, and Cheung Kong Property Holdings Limited ("CKP") will combine the property businesses of both groups:

(a) the Cheung Kong Reorganisation Proposal;

(b) the merger proposal whereby it is proposed that, after completion of the Cheung Kong Reorganisation Proposal, the Husky Share Exchange and the Hutchison Proposal will be implemented subject to the fulfilment (or, where relevant, waiver) of their respective conditions precedent; and

(c) the Spin-off Proposal.

Completion of the Cheung Kong Reorganisation Proposal is (a) a condition precedent to completion of the Husky Share Exchange and (b) a pre-condition to the making of the Hutchison Proposal. Completion of the Husky Share Exchange and the Hutchison Proposal will be a condition precedent to completion of the Spin-off Proposal. If the Cheung Kong Reorganisation Proposal is not completed, the Husky Share Exchange, the Hutchison Proposal and the Spin-off Proposal will not proceed.

Pursuant to the conditional agreement dated 9 January 2015 entered into between the Husky Sale Shares Vendor and the Husky Sale Shares Purchaser, the Husky Sale Shares Purchaser will acquire from the Husky Sale Shares Vendor 61,357,010 common shares ("Husky Shares", representing approximately 6.24% of common shares in issue) of Husky Energy, in exchange for the issue of 84,427,246 new CKHH shares credited as fully paid, representing a share exchange ratio of 1.376 new CKHH shares for every one Husky Share to be acquired (the "Husky Share Exchange").

On completion of the Husky Share Exchange, assuming that there are no other changes in the shareholding of Husky Energy, the Company will own an aggregate of approximately 40.2% of the Husky Shares in issue. The Husky Share Exchange will be completed immediately prior to completion of the Hutchison Proposal.

As at 9 January 2015, the Trust, directly and indirectly through companies controlled by it, holds approximately 40.43% of the issued shares of Cheung Kong. Upon completion of the Cheung Kong Reorganisation Proposal, the Trust is expected to hold, directly and indirectly through companies controlled by it, approximately 40.43% of the issued shares of CKHH. Therefore the Trust will be a connected person of CKHH upon completion of the Cheung Kong Reorganisation Proposal. As Mr Li Ka-shing (who is a Director of the Company) is the settlor of, and Mr Li Tzar Kuoi, Victor (who is a Director of the Company) is a discretionary beneficiary of, each of the discretionary trusts under the Trust, the Trust is a connected person of the Company under the Listing Rules. The Husky Sale Shares Vendor is a company indirectly wholly owned by the Trust and therefore will be a connected person of CKHH upon completion of the Cheung Kong Reorganisation Proposal, and is a connected person of the Company, under the Listing Rules. Accordingly, the Husky Share Exchange will constitute a connected transaction for the Company under the Listing Rules.

"Cheung Kong Reorganisation Proposal" means the proposal whereby the holding company of the Cheung Kong Group would be changed from Cheung Kong to CKHH by way of a scheme of arrangement (the "Cheung Kong Scheme") pursuant to Division 2 of Part 13 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

"DT1" means The Li Ka-Shing Unity Discretionary Trust, of which Mr Li Ka-shing is the settlor and, among others, Mr Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is Li Ka-Shing Unity Trustee Corporation Limited.

"DT2" means a discretionary trust of which Mr Li Ka-shing is the settlor and, among others, Mr Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is Li Ka-Shing Unity Trustcorp Limited.

"DT3" means a discretionary trust of which Mr Li Ka-shing is the settlor and, among others, Mr Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is Li Ka-Shing Castle Trustee Corporation Limited.

"DT4" means a discretionary trust of which Mr Li Ka-shing is the settlor and, among others, Mr Li Tzar Kuoi, Victor is a discretionary beneficiary, and the trustee of which is Li Ka-Shing Castle Trustcorp Limited.

"Excluded Property Interests" means (i) those property interests held by the Cheung Kong Group or the Group which are used for the purposes of carrying on, or ancillary to, the non-property businesses; (ii) the property interests held by the listed subsidiaries and listed associated companies of Cheung Kong, the Company or CKHH for use in carrying on, or ancillary to, their respective operations, which will continue to be held by such listed subsidiaries and associated companies; and (iii) one property under development held through one subsidiary of Cheung Kong, all the issued shares of which have been agreed to be sold to a third party.

"Group Property Businesses" means the property businesses of the Cheung Kong Group and the Group, (i) comprising (a) property development and investment, (b) hotels and serviced suites operation, (c) property and project management, and (d) unitholding in each of Fortune Real Estate Investment Trust ("Fortune REIT"), Prosperity Real Estate Investment Trust ("Prosperity REIT") and Hui Xian Real Estate Investment Trust ("Hui Xian REIT") (all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK")) as well as interests in ARA Asset Management Limited (which is listed on Singapore Exchange Securities Trading Limited and is the holding company of the managers of Fortune REIT and Prosperity REIT) and Hui Xian Asset Management Limited (which is the manager of Hui Xian REIT) (ii) but excluding the Excluded Property Interests.

"Husky Energy" means Husky Energy Inc., a company incorporated in Alberta, Canada with limited liability, the shares of which are listed on the Toronto Stock Exchange.

"Husky Sale Shares Purchaser" means Hutchison Whampoa Europe Investments S.à r.l., an indirect wholly owned subsidiary of the Company.

"Husky Sale Shares Vendor" means L.F. Investments S.à r.l., an indirect wholly owned subsidiary of the Trust.

"Hutchison Proposal" means a conditional share exchange offer proposed by CK Global Investments Limited (a wholly owned subsidiary of CKHH) to the shareholders of the Company, other than those held by the Cheung Kong Group at the relevant record time to be announced, for the cancellation of all the shares of the Company, other than those held by the wholly owned subsidiaries of Cheung Kong (the "Hutchison Scheme Shares"), in exchange for the newly issued CKHH shares by way of a scheme of arrangement, in the exchange ratio of one Hutchison Scheme Share for 0.684 of a CKHH share.

"Spin-off Proposal" means the proposed spin-off and distribution of the Group Property Businesses to the shareholders of CKHH by way of the distribution in specie, and separate listing of the shares of CKP on the Main Board of the SEHK by way of introduction.

"Trust" means DT1, DT2, DT3, DT4, The Li Ka-Shing Unity Trust and The Li Ka-Shing Castle Trust, and where the context requires, any of them.

(5) Acquisition of Eversholt Rail Group

On 20 January 2015, Cheung Kong, Portbrook Limited (an indirect wholly owned subsidiary of Cheung Kong), CKI, Portcobrook Limited (an indirect wholly owned subsidiary of CKI) and CK Investments S.à r.l. ("CK Investments") entered into the shareholders' agreement (the "Eversholt Shareholders' Agreement") in relation to the formation of a joint venture (in the form of CK Investments) (the "Joint Venture Transaction"), the Subscription, funding for the acquisition by CK Investments of the A ordinary shares and B ordinary shares of £1.00 each in the capital of Eversholt Investment Group (Luxembourg) S.à r.l. ("Eversholt") and the preferred equity certificates issued by Eversholt held by each of the sellers, namely Eversholt Investment Group S.C.S., Mary Bridget Kenny and Clive Lewis Thomas (collectively the "Sellers") (the "Eversholt Acquisition"), and the operations and management of CK Investments and its subsidiaries (the "Eversholt JV Group") and of Eversholt Rail Group following completion of the Eversholt Acquisition. Following completion of the Subscription, each of Cheung Kong and CKI will continue to hold an indirect 50% interest in CK Investments, and each member of the Eversholt JV Group will be accounted for as a joint venture of each of Cheung Kong and CKI in their respective consolidated financial statements.

On the same date, Star Agatha Investments S.à r.l., MSIP Sparrow B.V., 3I Infrastructure plc and 3I Infrastructure (Luxembourg) S.à r.l. (collectively the "Consortium Members"), the Sellers, CK Investments as purchaser, Cheung Kong and CKI as several (and not joint and several) guarantors entered into the sale and purchase agreement (the "Sale and Purchase Agreement") for the Eversholt Acquisition by CK Investments. Completion of the Eversholt Acquisition will be conditional upon fulfilment of certain conditions.

The maximum capital commitment (whether equity or loan) by each of the Cheung Kong Group and the CKI Group under the Joint Venture Transaction is approximately £600 million (approximately HK$7,020.60 million) and the maximum aggregate liability of CKI as a guarantor under the Sale and Purchase Agreement is 50% of the Purchase Price.

Given that Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company, the entering into of the Joint Venture Transaction by CKI, a subsidiary of the Company, constitutes a connected transaction for the Company under the Listing Rules.

"Eversholt Rail Group" means Eversholt and each of (i) Eversholt Funding PLC; (ii) Eversholt Finance Holdings Limited; (iii) European Rail Finance (GB) Limited; (iv) Eversholt Rail Holding (UK) Limited; (v) Eversholt Rail (UK) Limited; (vi) Eversholt Depot Finance (UK) Limited; (vii) Eversholt Rail (380) Limited; (viii) Eversholt Rail (365) Limited; (ix) European Rail Finance Limited; (x) European Rail Finance (2) Limited; (xi) European Rail Finance Holdings Limited; and (xii) Eversholt Investment Limited.

"Purchase Price" means the purchase price payable by CK Investments on closing for the Eversholt Acquisition is the aggregate of (i) £1,027 million (approximately HK$12,016.93 million), (ii) an amount equal to 10% per annum thereon from and excluding 31 December 2013 to and including the date of closing (calculated and pro-rated on a daily basis), and (iii) £10,000,000 (approximately HK$117.01 million), subject to such downward adjustments as set forth in the Sale and Purchase Agreement.

"Subscription" means each of Cheung Kong and CKI, through one or more of their respective subsidiaries, will subscribe in cash for such number of shares in CK Investments, at an aggregate subscription price and make or procure the making of such shareholder loan(s) and/or subscription of such preferred equity certificates, tracking preferred equity certificates and/or other instruments for an aggregate amount as to be determined by the board of managers of CK Investments prior to closing, subject to a maximum of £600 million (approximately HK$7,020.60 million).

Continuing Connected Transactions

On 16 December 2013, the Company provided four guarantees on a several basis in respect of 80.35% of the respective obligations of TOM Group Limited ("TOM", a listed company which was owned as to approximately 25.56%, 24.47% and 12.23% by Cranwood Company Limited ("Cranwood") and its subsidiaries (together the "Cranwood Group"), subsidiaries of the Company and subsidiaries of Cheung Kong respectively) under each of the 2013 Term and Revolving Facilities agreed to be made available to TOM by four independent financial institutions respectively (the "Guarantees" or "TOM Continuing Connected Transactions").

"2013 Term and Revolving Facilities" means the four separate term and revolving facilities agreed to be made available to TOM by four independent financial institutions pursuant to four separate facility agreements entered into by TOM on 16 December 2013 for up to HK$1,700 million, HK$600 million, HK$300 million and HK$300 million respectively, all with a final maturity date falling 36 months after 16 December 2013.

In consideration of the provision by the Company of the Guarantees, Cranwood had unconditionally and irrevocably agreed to indemnify the Company against 51.09% of the Company's obligations under the Guarantees (the "Cranwood Indemnity") and the Cranwood Group had, among other things, charged an aggregate of 995,078,363 shares in TOM (representing its entire shareholding in, and comprising approximately 25.56% of the then total issued share capital of, TOM) in favour of the Company as security for the Cranwood Indemnity.

Cheung Kong is a connected person of the Company by virtue of it being a substantial shareholder of the Company. Accordingly, the provision of the Guarantees for the benefit of TOM constituted connected transactions and continuing connected transactions for the Company under the Listing Rules.

A summary of all related parties transactions entered into by the Group during the year ended 31 December 2014 is contained in note 39 to the consolidated accounts. The transactions in relation to the acquisition of traded debt securities issued by Husky Energy, the establishment of joint ventures with Cheung Kong and the provision of financial assistance to such joint ventures as described in note 39 all fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under the Listing Rules, and are either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rules 14A.76(1) or 14A.89 of the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 December 2014.

Annual Review of Continuing Connected Transactions

All the Independent Non-executive Directors of the Company have reviewed and confirmed that the TOM Continuing Connected Transactions had been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms and (c) according to the respective relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the work performed, the auditor of the Company has confirmed in a letter to the Board that nothing has come to its attention which causes it to believe that the TOM Continuing Connected Transactions:

(i) have not been approval by the Board;

(ii) were not entered into, in all material respects, in accordance with the respective relevant agreements governing such transactions; and

(iii) have exceeded 80.35% of the respective obligations of TOM under the loan facilities of an aggregate principal amount of up to HK$2,900 million as disclosed in the announcements dated 16 December 2013 for the year ended 31 December 2014.

Directors' Service Contract

None of the Directors of the Company who are proposed for re-election at the forthcoming annual general meeting/general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Permitted Indemnity

The Articles of Association of the Company provides that a Director of the Company is entitled to be indemnified by the Company against the costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or otherwise in relation thereto. A Directors Liability Insurance is in place to protect the Directors of the Company against potential costs and liabilities arising from claims brought against the Directors.

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance

So far as is known to the Directors and chief executive of the Company, as at 31 December 2014, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under "Information on Directors", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

(I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate % of shareholding
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee and beneficiary of a trust	2,130,202,773(1)	49.97%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee and beneficiary of a trust	2,130,202,773(1)	49.97%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee	2,130,202,773(1)	49.97%
Cheung Kong	Interest of controlled corporations	2,130,202,773(1)	49.97%
Continental Realty Limited	Beneficial owner	465,265,969(2)	10.91%

(II) Interests and short positions of other persons in the shares and underlying shares of the Company

(a) Long positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
Honourable Holdings Limited	Interest of controlled corporations	322,942,375	322,942,375[2]	7.57%
Winbo Power Limited	Beneficial owner	236,260,200	236,260,200[2]	5.54%
Polycourt Limited	Beneficial owner	233,065,641	233,065,641[2]	5.47%
Well Karin Limited	Beneficial owner	226,969,600	226,969,600[2]	5.32%
JPMorgan Chase & Co.	Beneficial owner	14,545,272		
	Investment manager	30,045,324		
	Trustee	35,969		
	Custodian corporation/ approved lending agent	180,017,347	224,643,912[3]	5.26%

(b) Short positions in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Beneficial owner	7,899,521	7,899,521[4]	0.18%

(c) Lending pool in the shares and underlying shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held	Total	Approximate % of Shareholding
JPMorgan Chase & Co.	Custodian corporation/ approved lending agent	180,017,347	180,017,347	4.22%

Notes:

(1) The four references to 2,130,202,773 shares of the Company relate to the same block of shares of the Company which represent the total number of shares of the Company held by certain wholly owned subsidiaries of Cheung Kong where Cheung Kong is taken to be interested in such shares under the SFO. In addition, by virtue of the SFO, each of TDT1, TDT2 and TUT1 is deemed to be interested in the same 2,130,202,773 shares of the Company held by Cheung Kong as described in Note (1)(a) of the section titled "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(2) These are wholly owned subsidiaries of Cheung Kong and their interests in the shares of the Company are duplicated in the interests of Cheung Kong.

(3) Such long position includes derivative interests in 3,781,317 underlying shares of the Company of which 2,160,731 underlying shares are derived from listed and physically settled derivatives, 23,000 underlying shares are derived from listed and cash settled derivatives, 890,804 underlying shares are derived from unlisted and physically settled derivatives and 706,782 underlying shares are derived from unlisted and cash settled derivatives.

(4) Such short position includes derivative interests in 7,885,120 underlying shares of the Company of which 1,491,395 underlying shares are derived from listed and physically settled derivatives, 4,912,499 underlying shares are derived from listed and cash settled derivatives, 334,508 underlying shares are derived from unlisted and physically settled derivatives and 1,146,718 underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 31 December 2014, no other person (other than the Directors and chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

Share Option Schemes

The Company has no share option scheme, but certain of the Company's subsidiary companies have adopted share option schemes. The principal terms of such share option schemes are summarised as follows:

(I) Hutchison 3G UK Holdings Limited ("**3** UK")

On 20 May 2004, **3** UK adopted a share option scheme (the "**3** UK Plan") for the grant of options to acquire ordinary shares in the share capital of **3** UK ("**3** UK Shares"). The **3** UK Plan is valid and effective during the period commencing on 20 May 2004 and ending on 20 May 2014, being the tenth anniversary of the date on which the **3** UK Plan was adopted. Following the expiry of the **3** UK Plan, no further share options can be granted under the **3** UK Plan but the provisions of the **3** UK Plan will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior to the end of the validity period or otherwise to the extent as may be required in accordance with the provisions of the **3** UK Plan. A summary of the **3** UK Plan is as follows:

(1) The purpose of the **3** UK Plan is to provide **3** UK with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to **3** UK Eligible Employees (as defined below).

(2) Share options may be granted to the eligible employees of **3** UK (the "**3** UK Eligible Employees"), being:

(a) any employee of **3** UK and any other company of which **3** UK has control from time to time (collectively the "**3** UK Participating Company"); or

(b) any director of any **3** UK Participating Company who is required to devote to his duty substantially the whole of his working hours being not less than 25 hours per week.

(3) Any grant of share options shall be by the remuneration committee of the board of directors of **3** UK (the "**3** UK Remuneration Committee") subject always to any limits and restrictions specified in the rules of the **3** UK Plan as amended from time to time.

(4) A **3** UK Eligible Employee is not required to pay for the grant of a share option under the **3** UK Plan.

(5) Unless otherwise determined by the **3** UK Remuneration Committee and stated in the offer of the grant of share options to a **3** UK Eligible Employee, there is no minimum period required under the **3** UK Plan for the holding of a share option before it can be exercised.

(6) The subscription price will be: (a) in the case of the one-time initial grants of share options recognising the long service and ongoing contribution of the founders and other **3** UK Eligible Employees who were **3** UK Eligible Employees prior to 31 March 2001 and who at the date on which a share option is granted under the **3** UK Plan (the "**3** UK Grant Date") remain so employed, and who the **3** UK Remuneration Committee determines should receive such an initial grant, the price as determined by the **3** UK Remuneration Committee (not being less than £1.00 per share); and (b) in any other case the market value of the **3** UK Shares at the **3** UK Grant Date as determined by the **3** UK Remuneration Committee but in any event not being less than the nominal value (if any) of such **3** UK Share at the **3** UK Grant Date.

(7) In respect of any share option granted either: (i) after the Company has resolved to seek a separate listing of **3** UK and up to the date of the listing; or (ii) during the period commencing six months before the lodgement of Form A1 to the SEHK in relation to a listing on the Main Board of the SEHK (or an equivalent application in case of a listing on the Growth Enterprise Market of the SEHK, London Stock Exchange plc or an overseas exchange) up to the date of listing, and where the subscription price notified to a share option holder is less than the issue price of the **3** UK Shares on listing, the subscription price shall be adjusted to the issue price of the **3** UK Shares on listing and no share option (to which the rules of the **3** UK Plan applies) shall be exercised at a subscription price below such issue price.

(8) Subject always to paragraph (9) below, no share option shall be granted under the **3** UK Plan which would, at the **3** UK Grant Date, cause the number of **3** UK Shares which shall have been or may be issued under the **3** UK Plan and under any share option scheme of **3** UK (the "**3** UK Option Plan Shares") to exceed 5% of the number of **3** UK Shares in the capital of **3** UK in issue as at 20 May 2004, being the date of passing of the relevant resolution approving the **3** UK Plan, unless approved by the shareholders of both **3** UK and the Company in general meetings in accordance with the requirements of the Listing Rules (as at the date of this report, the total number of **3** UK Shares available for issue under the **3** UK Plan (including the share options granted but yet to be exercised) is 222,274,337, which represented 5% of the total number of **3** UK Shares in issue as at that date).

(9) No share option shall be granted under the **3** UK Plan which would, at the **3** UK Grant Date, cause the number of **3** UK Option Plan Shares to exceed 4% of the number of **3** UK Shares in issue at the date of approval of the **3** UK Plan without the prior written consent of the Board.

(10) The total number of **3** UK Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the **3** UK Plan and under any other share option scheme of **3** UK must not exceed 30% of the **3** UK Shares in issue from time to time.

(11) The total number of **3** UK Shares issued and to be issued upon the exercise of the share options granted to each **3** UK Eligible Employee (including exercised, cancelled and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of **3** UK, unless approved by the shareholders of **3** UK and the Company in general meetings (with such **3** UK Eligible Employee and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be exercised in whole or in part by the share option holder or where appropriate by his legal personal representatives at any time during the period commencing with a listing and terminating with the lapse of the relevant share option. Share options must be exercised within the period of 10 years from the **3** UK Grant Date.

Particulars of share options outstanding under the **3** UK Plan at the beginning and at the end of the financial year ended 31 December 2014 and share options granted, exercised, cancelled or lapsed under the **3** UK Plan during the year were as follows:

Category of participant	Effective date of grant or date of grant of share options [(1)]	Number of share options held as at 1 January 2014	Granted during 2014	Exercised during 2014	Lapsed/ cancelled during 2014	Number of share options held as at 31 December 2014	Exercise period of share options	Exercise price of share options £	Price of 3 UK Share on grant date of share options [(3)] £	Price of 3 UK Share on exercise date of share options £
Employees in aggregate	20.5.2004	280,000	–	–	(280,000)	–	From Listing [(2)] to 14.5.2014	1.35	1.00	N/A
	27.1.2005	120,000	–	–	(30,000)	90,000	From Listing to 26.1.2015	1.35	1.00	N/A
	11.7.2005	160,000	–	–	(30,000)	130,000	From Listing to 10.7.2015	1.35	1.00	N/A
	7.9.2007	382,750	–	–	(160,000)	222,750	From Listing to 6.9.2017	1.35	1.00	N/A
Total:		942,750	–	–	(500,000)	442,750				

Notes:

(1) The share options granted to certain founders of **3** UK shall vest as to 50% on the date of (and immediately following) a Listing, as to a further 25% on the date one calendar year after a Listing and as to the final 25% on the date two calendar years after a Listing. The share options granted to non-founders of **3** UK shall vest as to one-third on the date of (and immediately following) a Listing, as to a further one-third on the date one calendar year after a Listing and as to the final one-third on the date two calendar years after a Listing.

(2) Listing refers to an application to be made to the Financial Services Authority for admission to the official list of the ordinary share capital of **3** UK or to have the **3** UK Shares admitted to trading on AIM, a market regulated by the London Stock Exchange, or in the United Kingdom or elsewhere.

(3) Nominal value of **3** UK Shares on date of grant set out for reference only.

As at the date of this report, **3** UK had 322,750 share options outstanding under the **3** UK Plan, which represented approximately 0.01% of the **3** UK Shares in issue as at that date.

No share option was granted under the **3** UK Plan during the year ended 31 December 2014.

(II) Hutchison China MediTech Limited ("Chi-Med")

On 18 May 2006, Chi-Med adopted a share option scheme (the "Chi-Med Plan") for the grant of options to acquire ordinary shares in the share capital of Chi-Med (the "Chi-Med Shares"). The Chi-Med Plan is valid and effective during the period commencing on 18 May 2006 and ending on 17 May 2016, being the date falling 10 years from the date on which the Chi-Med Plan was adopted. The Chi-Med Plan has a remaining term of approximately one year as at the date of this report. A summary of the Chi-Med Plan is as follows:

(1) The purpose of the Chi-Med Plan is to provide Chi-Med with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Chi-Med Eligible Persons (as defined below).

(2) Share options may be granted to a "Chi-Med Eligible Person", being any person who is (or will be on and following the date of offer of the relevant option) a director (other than an independent non-executive director) or an employee of Chi-Med, its listed parent company (which is currently the Company) and any of its subsidiaries, and any holding company, subsidiaries or affiliates of Chi-Med or other companies which the board of directors of Chi-Med (the "Chi-Med Board") determines will be subject to the Chi-Med Plan, who is notified by the Chi-Med Board that he or she is an eligible person. Actual participation is at the discretion of the Chi-Med Board.

(3) Share option holders are not required to pay for the grant of any share option.

(4) Unless otherwise determined by the Chi-Med Board and stated in the offer of the grant of share options to a Chi-Med Eligible Person, there is no minimum period required under the Chi-Med Plan for the holding of a share option before it can be exercised.

(5) Subject to any adjustment according to the rules of the Chi-Med Plan, the subscription price shall be:

(a) in the case of the one-time initial grants of share options by Chi-Med under the Chi-Med Plan to founders and non-founders prior to the Chi-Med Listing (as defined below), the price determined by the Chi-Med Board and notified to the relevant share option holder; and

(b) in respect of any other share option, the Market Value (as defined below) of the Chi-Med Shares as at the offer date,

where "Market Value" on any particular day on or after the Chi-Med Listing means the higher of: (a) the average of the closing prices of the Chi-Med Shares on the five dealing days immediately preceding the offer date; (b) the closing price of the Chi-Med Shares as stated on a recognised stock exchange's daily quotations sheet of such shares on the offer date; and (c) the nominal value of the Chi-Med Shares.

(6) The maximum number of Chi-Med Shares which may be allotted and issued pursuant to the Chi-Med Plan is subject to the following:

(a) the total number of Chi-Med Shares which may be issued upon the exercise of all options to be granted under all share option schemes of Chi-Med must not in aggregate exceed 5% of the Chi-Med Shares in issue on the date on which the Chi-Med Shares are listed to trading on a recognised stock exchange (including the AIM) (the "Chi-Med Listing");

(b) the Chi-Med Board may refresh and recalculate the limit in paragraph (6)(a) above by reference to the issued share capital of Chi-Med then prevailing with the approval of the shareholders of its listed parent company (which is currently the Company) if required under the Listing Rules in a general meeting, provided that the total number of Chi-Med Shares issued and issuable pursuant to the exercise of share options under all share option schemes of Chi-Med may not exceed 10% of the issued ordinary share capital on the date of the approval of the refreshed limit. Share options previously granted under the Chi-Med Plan and any other employee share schemes of Chi-Med (including those outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the limit as refreshed. As at the date of this report, the total number of Chi-Med Shares available for issue under the Chi-Med Plan (including the share options granted but yet to be exercised) is 696,051, which represented approximately 1.31% of the total number of Chi-Med Shares in issue as at that date;

(c) share options may be granted to any Chi-Med Eligible Person or Chi-Med Eligible Persons specifically identified by the Chi-Med Board in excess of the limit, including the refreshed limit, under paragraphs (6)(a) and (6)(b) above, with the approval of the shareholders of Chi-Med in a general meeting and by the shareholders of the listed parent company, if required under the Listing Rules and subject to paragraphs (6)(d) and (6)(e) below, and restrictions on grant to key individuals under the Chi-Med Plan;

(d) (i) no Chi-Med Eligible Person may be granted a share option if, as a result, the total number of Chi-Med Shares over which that Chi-Med Eligible Person holds share options granted in the previous 12 months, when added to the number of Chi-Med Shares, the subject of the proposed grant, would exceed 1% of the issued ordinary share capital of Chi-Med on that date; and

(ii) notwithstanding paragraph (6)(d)(i) above, share options may be granted to any Chi-Med Eligible Person or Chi-Med Eligible Persons which would cause the limit under paragraph (6)(d)(i) above to be exceeded, but only with the approval of the shareholders of the listed parent in a general meeting (with such Chi-Med Eligible Person and his/her associates abstaining from voting) and subject to paragraph (6)(e) below; and

(e) the total number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Chi-Med Plan and under any other share option scheme of Chi-Med must not exceed 10% of the Chi-Med Shares in issue from time to time.

Subject to and in accordance with the rules of the Chi-Med Plan, a share option may be exercised during a period which is notified at the offer date of the share option, such period will not exceed the period of 10 years from such offer date.

Particulars of share options outstanding under the Chi-Med Plan at the beginning and at the end of the financial year ended 31 December 2014 and share options granted, exercised, cancelled or lapsed under the Chi-Med Plan during the year were as follows:

Name or category of participant	Effective date of grant or date of grant of share options	Number of share options held as at 1 January 2014	Granted during 2014	Exercised during 2014	Lapsed/ cancelled during 2014	Number of share options held as at 31 December 2014	Exercise period of share options	Exercise price of share options £	Price of Chi-Med Share on grant date of share options £	Price of Chi-Med Share on exercise date of share options £
Directors										
Christian Hogg	19.5.2006 (1)	768,182	–	(768,182)	–	–	19.5.2006 to 3.6.2015	1.09	2.505 (6)	8.425 (8)
Cheng Chig Fung, Johnny	25.8.2008 (3)	64,038	–	–	–	64,038	25.8.2008 to 24.8.2018	1.26	1.26 (7)	N/A
Sub-total:		832,220	–	(768,182)	–	64,038				
Other employees in aggregate	19.5.2006 (1)	76,818	–	(76,818)	–	–	19.5.2006 to 3.6.2015	1.09	2.505 (6)	8.35 (8)
	11.9.2006 (2)	26,808	–	–	–	26,808	11.9.2006 to 18.5.2016	1.715	1.715 (7)	N/A
	18.5.2007 (4)	40,857	–	–	–	40,857	18.5.2007 to 17.5.2017	1.535	1.535 (7)	N/A
	28.6.2010 (3)	102,628	–	(102,628)	–	–	28.6.2010 to 27.6.2020	3.195	3.15 (7)	11.42 (8)
	1.12.2010 (3)	177,600	–	(77,600)	–	100,000	1.12.2010 to 30.11.2020	4.967	4.85 (7)	14.82 (8)
	24.6.2011 (3)	150,000	–	–	–	150,000	24.6.2011 to 23.6.2021	4.405	4.4 (7)	N/A
	20.12.2013 (3)	896,386	–	–	(593,686) (5)	302,700	20.12.2013 to 19.12.2023	6.1	6.1 (7)	N/A
Sub-total:		1,471,097	–	(257,046)	(593,686)	620,365				
Total:		2,303,317	–	(1,025,228)	(593,686)	684,403				

Notes:

(1) The share options were granted on 4 June 2005, conditionally upon Chi-Med's admission to trading on AIM which took place on 19 May 2006. The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 50% on 19 May 2007 and 25% on each of 19 May 2008 and 19 May 2009.

(2) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of 19 May 2007, 19 May 2008 and 19 May 2009.

(3) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of 25% on each of the first, second, third and fourth anniversaries of the date of grant of share options.

(4) The share options granted are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(5) 593,686 share options were cancelled with the consent of the relevant employees in exchange for new share options of a subsidiary.

(6) The stated price was the closing price of the Chi-Med Shares quoted on AIM on the date of admission of listing of the Chi-Med Shares.

(7) The stated price was the closing price of the Chi-Med Shares quoted on AIM on the trading day immediately prior to the date of grant of share options.

(8) The stated price was the weighted average closing price of the Chi-Med Shares quoted on AIM on the trading day immediately prior to the date on which the share options were exercised.

As at the date of this report, Chi-Med had 684,403 share options outstanding under the Chi-Med Plan, which represented approximately 1.29% of the Chi-Med Shares in issue as at that date.

No share option was granted under the Chi-Med Plan during the year ended 31 December 2014.

(III) Hutchison Harbour Ring Limited ("HHR")

On 6 November 2014, HHR ceased to be a subsidiary of the Company following the sale of the entire controlling equity interest (being approximately 71.36% of the entire issued share capital) in HHR held by Promising Land International Inc. and Uptalent Investments Limited (both indirect wholly owned subsidiaries of the Company) to Oceanwide Holdings International Co., Ltd. Accordingly, the disclosure made for the share option scheme of HHR (the "HHR Plan") as set out below is for the period from 1 January 2014 to 6 November 2014.

On 20 May 2004, HHR conditionally adopted the HHR Plan for the grant of options to acquire ordinary shares in the share capital of HHR (the "HHR Shares"). The HHR Plan is valid and effective during the period commencing on 17 September 2004 and ending on 16 September 2014, being the date falling 10 years from the date on which the HHR Plan became unconditional. Following the expiry of the HHR Plan, no further share options can be granted under the HHR Plan but the provisions of the HHR Plan will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior to the end of the validity period or otherwise to the extent as may be required in accordance with the provisions of the HHR Plan. A summary of the HHR Plan is as follows:

(1) The purpose of the HHR Plan is to enable HHR and its subsidiaries (the "HHR Group") to grant share options to selected participants as incentives or rewards for their contribution to the HHR Group, to continue and/or render improved service with the HHR Group, and/or to establish a stronger business relationship between the HHR Group and such participants.

(2) The directors of HHR (the "HHR Directors") (which expression shall include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up share options to subscribe for HHR Shares:

    (a) any employee/consultant (as to functional areas of finance, business or personnel administration or information technology) or proposed employee/consultant (whether full time or part time, including any executive director but excluding any non-executive director) of HHR, any of its subsidiaries or any entity in which any member of the HHR Group holds any equity interest (the "HHR Invested Entity");

    (b) any non-executive directors (including independent non-executive directors) of HHR, any of its subsidiaries or any HHR Invested Entity;

    (c) any supplier of goods or services to any member of the HHR Group or any HHR Invested Entity;

    (d) any customer of any member of the HHR Group or any HHR Invested Entity;

    (e) any person or entity that provides research, development or other technological support to any member of the HHR Group or any HHR Invested Entity;

(f) any shareholder of any member of the HHR Group or any HHR Invested Entity or any holder of any securities issued by any member of the HHR Group or any HHR Invested Entity;

(g) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the HHR Group; and

(h) any company wholly owned by one or more persons belonging to any of the above classes of participants.

For the avoidance of doubt, the grant of any share options by HHR for the subscription of HHR Shares or other securities of the HHR Group to any person who falls within any of the above classes of participants shall not, by itself, unless the HHR Directors otherwise determine, be construed as a grant of share option under the HHR Plan.

The eligibility of any of the above class of participants to the grant of any share options shall be determined by the HHR Directors from time to time on the basis of their contribution to the development and growth of the HHR Group.

(3) A nominal consideration of HK$1 is payable on acceptance of the offer of the grant of a share option.

(4) Unless otherwise determined by the HHR Directors and stated in the offer of the grant of share options to a grantee, there is no minimum period required under the HHR Plan for the holding of a share option before it can be exercised.

(5) The subscription price for HHR Shares under the HHR Plan shall be a price determined by the HHR Directors but shall not be less than the highest of (a) the closing price of HHR Shares as stated in the SEHK's daily quotations sheet for trade in one or more board lots of HHR Shares on the date of the offer of grant which must be a business day; (b) the average closing price of HHR Shares as stated in the SEHK's daily quotations sheet for trade in one or more board lots of HHR Shares for the five trading days immediately preceding the date of the offer of grant which must be a business day; and (c) the nominal value of the HHR Shares.

(6) The maximum number of HHR Shares to be allotted and issued is as follows:

(a) the maximum number of HHR Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the HHR Plan and any other share option scheme of the HHR Group must not in aggregate exceed 30% of the relevant class of securities of HHR (or its subsidiaries) in issue from time to time;

(b) the total number of HHR Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the HHR Plan and any other share option scheme of the HHR Group) to be granted under the HHR Plan and any other share option scheme of the HHR Group must not in aggregate exceed 6% of the relevant class of securities of HHR (or its subsidiaries) in issue as at 20 May 2004, being the date of passing the relevant resolution adopting the HHR Plan (the "HHR General Scheme Limit"). Based on the number of HHR Shares in issue on 20 May 2004, the HHR General Scheme Limit of the HHR Plan is 402,300,015 HHR Shares. As at 6 November 2014, the total number of HHR Shares available for issue under the HHR Plan (including the share options granted but yet to be exercised) is 383,604,015, which represented approximately 4.28% of the total number of HHR Shares in issue as at that date;

(c) subject to paragraph 6(a) above and without prejudice to paragraph 6(d) below, HHR may seek approval of its shareholders (the "HHR Shareholders") in a general meeting to refresh the HHR General Scheme Limit provided that the total number of HHR Shares which may be allotted and issued upon the exercise of all share options to be granted under the HHR Plan and any other share option scheme of the HHR Group must not exceed 10% of the relevant class of securities of HHR (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, share options including those outstanding, cancelled, lapsed or exercised in accordance with the HHR Plan and any other share option scheme of the HHR Group will not be counted; and

(d) subject to paragraph 6(a) above and without prejudice to paragraph 6(c) above, HHR may seek separate approval of the HHR Shareholders in a general meeting to grant share options beyond the HHR General Scheme Limit or, if applicable, the extended limit referred to in paragraph 6(c) above to participants specifically identified by HHR before such approval is sought.

(7) The total number of HHR Shares issued and to be issued upon the exercise of the share options granted to each participant of the HHR Plan and any other share option scheme of the HHR Group (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HHR for the time being, unless approved by the HHR Shareholders in a general meeting of HHR (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

(8) A share option may be accepted by a participant within 21 days from the date of the offer of grant of the share option. A share option may be exercised in accordance with the terms of the HHR Plan at any time during a period to be determined on the date of offer for the grant of share option and notified by the HHR Directors to each grantee, which period may commence, once the offer for the grant is accepted within the prescribed time by the grantee, from the date of the offer for the grant of share options but shall end in any event not later than 10 years from the date on which the offer for the grant of the share option is made, subject to the provisions for early termination thereof.

Particulars of share options outstanding under the HHR Plan as at 1 January 2014 and 6 November 2014 as well as share options granted, exercised, cancelled or lapsed under the HHR Plan during the period from 1 January 2014 to 6 November 2014 were as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2014	Granted from 1 January 2014 to 6 November 2014	Exercised from 1 January 2014 to 6 November 2014	Lapsed/ cancelled from 1 January 2014 to 6 November 2014	Number of share options held as at 6 November 2014	Exercise period of share options [1]	Exercise price of share options HK$	Price of HHR Share on grant date of share options [2] HK$	Price of HHR Share on exercise date of share options HK$
Employees in aggregate	3.6.2005	600,000	-	-	-	600,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	200,000	-	-	-	200,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
Total:		800,000	-	-	-	800,000				

Notes:

(1) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(2) The stated price was the closing price of HHR Shares quoted on the SEHK on the trading day immediately prior to the date of grant of the share options.

As at 6 November 2014, HHR had 800,000 share options outstanding under the HHR Plan, which represented approximately 0.01% of the HHR Shares in issue as at that date.

No share option was granted under the HHR Plan during the period from 1 January 2014 to 6 November 2014.

(IV) Hutchison Telecommunications (Australia) Limited ("HTAL")

On 1 June 2007, HTAL adopted a share option plan (the "HTAL Plan") for the grant of options to acquire ordinary shares in the share capital of HTAL (the "HTAL Shares"). The HTAL Plan is valid and effective during the period commencing on 1 June 2007 and ending on 31 May 2017, being the date falling 10 years from the date on which the HTAL Plan was adopted. The HTAL Plan has a remaining term of approximately two years as at the date of this report. A summary of the HTAL Plan is as follows:

(1) The purpose of the HTAL Plan is to provide HTAL with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to HTAL Eligible Persons (as defined below).

(2) Share options may be granted to any person who is a full time or part time employee (including a director employed in an executive capacity) or a non-executive director (including any independent non-executive director) of HTAL and any of its related body corporate (within the meaning given by section 50 of the Corporations Act 2001 (Cth) of the Commonwealth of Australia (the "Corporations Act")) (the "HTAL Eligible Person") and is declared by the board of directors of HTAL (the "HTAL Board") to be an eligible person for the purposes of the HTAL Plan. The HTAL Board may, at its discretion, grant a right to a HTAL Eligible Person to acquire (in the case of a share option that has an exercise price, by subscription or purchase) HTAL Shares (the "Right").

(3) No payment is required for the grant of a Right unless the HTAL Board determines otherwise.

(4) Unless otherwise determined by the HTAL Board and stated in the offer of the grant of share options to a HTAL Eligible Person, there is no minimum period required under the HTAL Plan for the holding of a share option before it can be exercised.

(5) The exercise price (if any) for a Right, subject to any adjustment according to the rules of the HTAL Plan, will be determined by the HTAL Board or by the application of a method of calculating the exercise price that is prescribed by the HTAL Board provided that it shall not be less than the higher of:

(a) the closing price of the HTAL Shares as quoted by the Australian Securities Exchange ("ASX") on the grant date; and

(b) the average closing price of the HTAL Shares as quoted by the ASX for the five business days immediately preceding the grant date.

A HTAL Share does not have any nominal value.

(6) The maximum number of HTAL Shares which may be allotted and issued pursuant to the HTAL Plan is as follows:

(a) the maximum number of HTAL Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the HTAL Plan and any other share option scheme of HTAL or any of its subsidiaries ("Other HTAL Plan") must not in aggregate exceed 30% of the HTAL Shares in issue from time to time;

(b) the total number of HTAL Shares which may be allotted and issued upon the exercise of all Rights and share options (excluding, for this purpose, Rights and share options which have lapsed in accordance with the terms of the HTAL Plan and Other HTAL Plan) to be granted under the HTAL Plan and Other HTAL Plan must not in aggregate exceed 10% of the HTAL Shares in issue as at 1 June 2007 (the "Adoption Date"), being the date of passing the relevant resolution adopting the HTAL Plan (the "HTAL General Scheme Limit") provided that:

(i) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(b)(ii) below, the HTAL Board may, with the approval of the shareholders of the Company in a general meeting if required to do so and in compliance with other applicable requirements under the Listing Rules, refresh the HTAL General Scheme Limit provided that the total number of HTAL Shares which may be allotted and issued upon the exercise of all Rights and share options under the HTAL Plan and Other HTAL Plan must not exceed 10% of the HTAL Shares in issue at the date on which shareholders of the Company approve such refreshed limit (where applicable) and for the purpose of calculating the limit, the Rights and share options (including those outstanding, cancelled, lapsed or exercised in accordance with the HTAL Plan and Other HTAL Plan) previously granted under the HTAL Plan and Other HTAL Plan will not be counted; and

(ii) subject to paragraph (6)(a) and without prejudice to paragraph (6)(b)(i) above, the HTAL Board may, with the approval of the Company's shareholders in a general meeting if required to do so and in compliance with the other applicable requirements under the Listing Rules, grant Rights beyond the HTAL General Scheme Limit or, if applicable, the extended limit referred to in paragraph (6)(b)(i) to the participants specifically identified by the HTAL Board before such approval is sought;

(c) the limits prescribed in this paragraph are subject to any issue limitation prescribed in the Australian Securities & Investments Commission Class Order 03/184 (or any such replacement or amendment). As at the Adoption Date, the Class Order prescribes a limit of that number of HTAL Shares to be issued on exercise of a Right when aggregated with:

(i) the number of HTAL Shares which would be issued were each outstanding Right to be exercised; and

(ii) the number of HTAL Shares issued during the previous five years pursuant to the HTAL Plan or any other employee share plan,

(but disregarding any Rights acquired or HTAL Shares issued by way of or as a result of an offer to a person situated at the time of receipt of the offer outside Australia, or an offer that was an excluded offer or invitation within the meaning of the Corporations Act, or an offer that did not require disclosure to investors or the giving of a product disclosure statement because of section 1012D of the Corporations Act, or an offer made under a disclosure document or product disclosure statement) shall not exceed 5% of the total number of HTAL Shares at the time of the grant date of such Right; and

(d) the total number of HTAL Shares issued and to be issued upon the exercise of the share options granted to each participant in the HTAL Plan or Other HTAL Plan (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HTAL, unless approved by the shareholders of the Company in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

Subject to, and in accordance with, the rules of the HTAL Plan, a Right lapses on the date stated by the HTAL Board in the offer of the Rights as the "Expiry Date", or fixed by a method of calculation prescribed by the HTAL Board in the offer being no later than the date falling 10 years from the grant date of the Right.

As at the date of this report, the total number of HTAL Shares available for issue under the HTAL Plan is 35,431,271 shares which represented approximately 0.26% of the HTAL Shares in issue as at that date.

No share option was granted, exercised, cancelled or lapsed under the HTAL Plan during the year ended 31 December 2014.

As at 1 January 2014, 31 December 2014 and the date of this report, HTAL had no share options outstanding under the HTAL Plan.

(V) Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")

On 6 April 2009, HTHKH conditionally adopted a share option scheme (the "HTHKH Plan") for the grant of options to acquire ordinary shares in the share capital of HTHKH (the "HTHKH Shares"). The HTHKH Plan is valid and effective during the period commencing on 21 May 2009 and ending on 20 May 2019, being the date falling 10 years from the date on which the HTHKH Plan became unconditional. The HTHKH Plan has a remaining term of approximately four years as at the date of this report. A summary of the HTHKH Plan is as follows:

(1) The purpose of the HTHKH Plan is to enable HTHKH and its subsidiaries (the "HTHKH Group") to grant share options to selected participants as incentives or rewards for their contribution to the HTHKH Group, to continue and/or render improved service with the HTHKH Group and/or to establish a stronger business relationship between the HTHKH Group and such participants.

(2) The directors of HTHKH (the "HTHKH Directors") (which expression shall include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up share options to subscribe for HTHKH Shares:

(a) any employee or consultant (as to functional areas of finance, business or personnel administration or information technology) (whether full time or part time, including any executive director but excluding any non-executive director) of HTHKH, any of its subsidiaries or any entity in which any member of the HTHKH Group holds any equity interest (the "HTHKH Invested Entity");

(b) any non-executive directors (including independent non-executive directors) of HTHKH, any of its subsidiaries or any HTHKH Invested Entity;

(c) any supplier of goods or services to any member of the HTHKH Group or any HTHKH Invested Entity;

(d) any customer of any member of the HTHKH Group or any HTHKH Invested Entity;

(e) any person or entity that provides research, development or other technological support to any member of the HTHKH Group or any HTHKH Invested Entity;

(f) any shareholders of any member of the HTHKH Group or any HTHKH Invested Entity or any holder of any securities issued by any member of the HTHKH Group or any HTHKH Invested Entity;

(g) any other group or classes of participants contributing by way of joint venture, business alliance or other business arrangement to the development and growth of the HTHKH Group; and

(h) any company wholly owned by any one or more persons belonging to any of the above classes of participants.

For the avoidance of doubt, the grant of any share options by HTHKH for the subscription of HTHKH Shares or other securities of the HTHKH Group to any person who falls within any of the above classes of participants shall not, by itself, unless the HTHKH Directors otherwise determine, be construed as a grant of share options under the HTHKH Plan.

The eligibility of any of the above classes of participants to an offer for the grant of any share options shall be determined by the HTHKH Directors from time to time on the basis of their contribution to the development and growth of the HTHKH Group.

(3) A nominal consideration of HK$1 is payable on acceptance of the offer of the grant of a share option.

(4) Unless otherwise determined by the HTHKH Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the HTHKH Plan for the holding of a share option before it can be exercised.

(5) The subscription price for the HTHKH Shares under the HTHKH Plan shall be a price determined by the HTHKH Directors but shall not be less than the highest of (a) the closing price of HTHKH Shares as stated in the daily quotations sheet of the SEHK for trade in one or more board lots of the HTHKH Shares on the date of the offer of grant of the share options which must be a business day; (b) the average closing price of the HTHKH Shares as stated in the SEHK's daily quotations sheet for trade in one or more board lots of the HTHKH Shares for the five business days immediately preceding the date of the offer of grant of the share options which must be a business day; and (c) the nominal value of HTHKH Shares.

(6) The maximum number of HTHKH Shares which may be allotted and issued pursuant to the HTHKH Plan is as follows:

(a) the maximum number of HTHKH Shares which may be allotted and issued upon the exercise of all outstanding share options granted and yet to be exercised under the HTHKH Plan and any other share option scheme adopted by the HTHKH Group ("Other HTHKH Plan") must not in aggregate exceed 30% of the relevant class of securities of HTHKH (or its subsidiaries) in issue from time to time;

(b) the total number of HTHKH Shares which may be allotted and issued upon the exercise of all share options (excluding, for this purpose, share options which have lapsed in accordance with the terms of the HTHKH Plan and Other HTHKH Plan) to be granted under the HTHKH Plan and Other HTHKH Plan must not in aggregate exceed 10% of the relevant class of securities of HTHKH (or its subsidiaries) in issue, being 4,814,346,208 HTHKH Shares, as at 8 May 2009, the date on which the HTHKH Shares were first listed on the SEHK (the "HTHKH Listing Date") (the "HTHKH General Scheme Limit"). Based on the number of HTHKH Shares in issue on the HTHKH Listing Date, the HTHKH General Scheme Limit of the HTHKH Plan is 481,434,620 HTHKH Shares. As at the date of this report, the total number of HTHKH Shares available for issue under the HTHKH Plan (including the share options granted but yet to be exercised) is 476,884,620, representing approximately 9.90% of the total number of HTHKH Shares in issue as at that date;

(c) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(d) below, HTHKH may seek approval of its shareholders (the "HTHKH Shareholders") in a general meeting to refresh the HTHKH General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the HTHKH Shareholders for that purpose) provided that the total number of HTHKH Shares which may be allotted and issued upon the exercise of all share options to be granted under the HTHKH Plan and Other HTHKH Plan must not exceed 10% of the relevant class of securities of HTHKH (or its subsidiaries) in issue as at the date of approval of the limit and, for the purpose of calculating the limit, share options including those outstanding, cancelled, lapsed or exercised in accordance with the HTHKH Plan and Other HTHKH Plan previously granted under the HTHKH Plan and Other HTHKH Plan will not be counted;

(d) subject to paragraph (6)(a) above and without prejudice to paragraph (6)(c) above, HTHKH may seek separate approval of the HTHKH Shareholders in a general meeting to grant share options under the HTHKH Plan beyond the HTHKH General Scheme Limit (a circular containing the information required by the Listing Rules to be despatched to the HTHKH Shareholders for that purpose) or, if applicable, the extended limit referred to in paragraph (6)(c) above to participants specifically identified by HTHKH before such approval is sought; and

(e) the total number of HTHKH Shares issued and to be issued upon the exercise of the share options granted to each participant under the HTHKH Plan and Other HTHKH Plan (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the issued share capital of HTHKH, unless approved by the HTHKH Shareholders in a general meeting (with such participant and his associates (as defined in the Listing Rules) abstaining from voting) in compliance with the requirements of the Listing Rules.

A share option may be accepted by a participant within 21 days from the date of the offer of grant of the share option.

A share option may be exercised in accordance with the terms of the HTHKH Plan at any time during a period to be determined on the date of offer of grant of the share option and notified by the HTHKH Directors to each grantee, which period may commence, once the offer for the grant is accepted within the prescribed time by the grantee, from the date on which such share option is deemed to have been granted but shall end in any event not later than 10 years from the date on which the offer for grant of the share option is made, subject to the provisions for early termination thereof.

Particulars of share options outstanding under the HTHKH Plan at the beginning and at the end of the financial year ended 31 December 2014 and share options granted, exercised, cancelled or lapsed under the HTHKH Plan during the year were as follows:

Category of participant	Date of grant of share options (1)	Number of share options held as at 1 January 2014	Granted during 2014	Exercised during 2014	Lapsed/ cancelled during 2014	Number of share options held as at 31 December 2014	Exercise period of share options	Exercise price of share options (2) HK$	Price of HTHKH Share on grant date of share options (3) HK$	Price of HTHKH Share on exercise date of share options HK$
Employees in aggregate	1.6.2009	200,000	–	–	–	200,000	1.6.2009 to 31.5.2019	1.00	0.96	N/A
Total:		200,000	–	–	–	200,000				

Notes:

(1) The share options were vested according to a schedule, namely, as to as close to one-third of the HTHKH Shares which are subject to the share options as possible on each of 1 June 2009, 23 November 2009 and 23 November 2010, and provided that for the vesting to occur the grantee has to remain an Eligible Participant (as defined in the HTHKH Plan) on such vesting date.

(2) The exercise price of the share options is subject to adjustment in accordance with the provisions of the HTHKH Plan.

(3) The stated price was the closing price of the HTHKH Shares on the SEHK on the trading day immediately prior to the date of grant of the share options.

As at the date of this report, HTHKH had 200,000 share options outstanding under the HTHKH Plan, which represented approximately 0.004% of the HTHKH Shares in issue as at that date.

No share option was granted under the HTHKH Plan during the year ended 31 December 2014.

Save as disclosed above, at no time during the year was the Company or a subsidiary a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisitions of shares in or debentures of the Company or any other body corporate.

Purchase, Sale or Redemption of Shares

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the ordinary shares of the Company. In addition, the Company has not redeemed any of its ordinary shares during the year.

Major Customers and Suppliers

During the year, the respective percentage of purchases attributable to the Group's five largest suppliers combined and the turnover attributable to the Group's five largest customers combined was less than 30% of the total value of Group purchases and total Group turnover.

Public Float

As at the date of this report, based on information available to the Company and within the knowledge of the Directors of the Company, the public float capitalisation amounted to approximately HK$211,067 million, representing approximately two billion shares (47%) of the total issued shares of the Company.

Auditor

The accounts have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment.

By order of the Board

Edith Shih
Company Secretary

Hong Kong, 26 February 2015

Corporate Governance Report

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the "Group") as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles that emphasise a quality board of Directors (the "Board"), effective internal controls, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

The Company has complied throughout the year ended 31 December 2014 with all code provisions of the Corporate Governance Code (the "CG 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 reasons for deviation are explained below in this report.

THE BOARD

Corporate Strategy

The primary objective of the Company is to enhance long-term total return for 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.

Role of the Board

The Board, which is accountable to shareholders for the long-term performance of the Company, is responsible for directing the strategic objectives of the Company and overseeing the management of the business. Directors are charged with the task of promoting the success of the Company and making decisions in the best interests of the Company.

The Board, led by the Chairman, Mr Li Ka-shing, determines and monitors Group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company ("Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Group Managing Director.

Board Composition

As at 31 December 2014, the Board comprised 14 Directors, including the Chairman, Deputy Chairman, Group Managing Director, Deputy Group Managing Director, Group Finance Director, two Executive Directors, two Non-executive Directors and five Independent Non-executive Directors.

During the year, Mr Holger Kluge resigned as an Independent Non-executive Director and Mr Cheng Hoi Chuen, Vincent was appointed as an Independent Non-executive Director on 10 July 2014.

Mr Cheng is a seasoned banker who possesses in-depth knowledge and expertise in accounting, banking and finance, both locally and overseas, and he satisfies the independent requirements under the Listing Rules.

The Board is of the view that the qualification, expertise and experience of Mr Cheng would complement the existing Board. It believes that the appointment of Mr Cheng would bring a perspective of significant benefit to the Group.

The Board has adopted a policy which recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

Board appointment has been, and will continue to be, made based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board.

The Board diversity policy is available on the website of the Group (www.hutchison-whampoa.com). The Board will review and monitor from time to time the implementation of the policy to ensure its effectiveness and application.

The following is a chart showing the diversity profile of the Board:

Biographical details of the Directors are set out in the "Information on Directors" section on pages 110 to 113 and on the website of the Group. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Group and Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkexnews.hk).

The Board has assessed the independence of all the Independent Non-executive Directors of the Company and considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment. Throughout the year, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules.

Chairman, Deputy Chairman and Executive Directors

The roles of the Chairman and the Deputy Chairman are separate from that of the Group Managing Director. Such division of responsibilities reinforces the independence and accountability of these Directors.

The Chairman, assisted by the Deputy Chairman, Mr Li Tzar Kuoi, Victor, is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders and other stakeholders, as outlined later in the report.

The Group Managing Director, Mr Fok Kin Ning, Canning, assisted by the Deputy Group Managing Director, Mrs Chow Woo Mo Fong, Susan, is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's businesses, the Group Managing Director attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for maintaining the operational performance of the Group. Working with the Deputy Group Managing Director and the Group Finance Director, Mr Frank John Sixt, other Executive Directors and the executive management team of each core business division, he presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the businesses of the Group. With the assistance of the Group Finance Director, the Group Managing Director sees to it that the funding requirements of the businesses are met and closely monitors the operating and financial results of the businesses against plans and budgets, taking remedial action if necessary. He maintains an ongoing dialogue with the Chairman, the Deputy Chairman and all Directors to keep them fully informed of all major business development and issues. He is also responsible for building and maintaining an effective executive team to support him in his role.

Board Processes

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance, and business activities and development of the Group. Throughout the year, Directors participate in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Articles of Association of the Company and the Listing Rules, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such Director is not counted for quorum determination purposes.

The Company held four Board meetings in 2014 with an average of approximately 96% attendance. All Non-executive Directors (including Independent Non-executive Directors) attended the annual general meeting of the Company held on 16 May 2014 other than one Independent Non-executive Director due to personal reasons.

Name of Director	Board Meeting Attended/Eligible to Attend	2014 Annual General Meeting Attended
Chairman		
Li Ka-shing [1]	4/4	√
Executive Directors		
Li Tzar Kuoi, Victor [1] *(Deputy Chairman)*	4/4	√
Fok Kin Ning, Canning *(Group Managing Director)*	4/4	√
Chow Woo Mo Fong, Susan *(Deputy Group Managing Director)*	4/4	√
Frank John Sixt *(Group Finance Director)*	4/4	√
Lai Kai Ming, Dominic	4/4	√
Kam Hing Lam [1]	4/4	√
Non-executive Directors		
Lee Yeh Kwong, Charles	4/4	√
George Colin Magnus	4/4	√
Independent Non-executive Directors		
Cheng Hoi Chuen, Vincent [2]	2/2	N/A
Michael David Kadoorie	3/4 [4]	√
Holger Kluge [3]	1/2	-
Lee Wai Mun, Rose	4/4	√
William Shurniak	4/4	√
Wong Chung Hin	4/4	√

Notes:

(1) Mr Li Ka-shing is the father of Mr Li Tzar Kuoi, Victor and brother-in-law of Mr Kam Hing Lam.

(2) Appointed on 10 July 2014.

(3) Resigned on 10 July 2014.

(4) Due to commitment overseas, The Hon Sir Michael David Kadoorie arranged for his alternate to attend the Board Meeting held in February 2014. The attendance of the alternate has not been counted in the above attendance record.

In addition to Board meetings, the Chairman holds regular meetings with Executive Directors and at least two meetings with Non-executive Directors (including Independent Non-executive Directors) annually without the presence of Executive Directors. The Non-executive Directors (including Independent Non-executive Directors) freely provide their independent opinion to the Board.

All Non-executive Directors are engaged on service contracts for 12-month periods. All Directors are subject to re-election by shareholders at annual general meetings/general meetings and at least about once every three years on a rotation basis in accordance with the Articles of Association of the Company. A retiring Director is eligible for re-election and re-election of retiring Directors at general meetings is dealt with by separate individual resolutions. No Director has a service contract with the Company which is not terminable by the Company within one year and without payment of compensation (other than statutory compensation).

Shareholders may propose a candidate for election as Director in accordance with the Articles of Association of the Company. The procedures for such proposal are posted on the website of the Group.

Training and Commitment

Upon appointment to the Board, Directors receive a package of orientation materials on the Group and are provided with a comprehensive induction to the Group's businesses by senior executives.

The Company arranges and provides Continuous Professional Development ("CPD") training and relevant reading materials to Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. In addition, attendance at external forums or briefing sessions (including delivery of speeches) on the relevant topics also counts toward CPD training.

The Directors are required to provide the Company with details of the CPD training undertaken by them from time to time. Based on the details so provided, the CPD training undertaken by the Directors in 2014 is summarised as follows, representing an average of approximately 15.5 hours by each Director in 2014.

	Areas		
Name of Director	**Legal, Regulatory and Corporate Governance**	**Group's Businesses**	**Directors' Roles, Functions and Duties**
Chairman			
Li Ka-shing	√	√	√
Executive Directors			
Li Tzar Kuoi, Victor *(Deputy Chairman)*	√	√	√
Fok Kin Ning, Canning *(Group Managing Director)*	√	√	√
Chow Woo Mo Fong, Susan *(Deputy Group Managing Director)*	√	√	√
Frank John Sixt *(Group Finance Director)*	√	√	√
Lai Kai Ming, Dominic	√	√	√
Kam Hing Lam	√	√	√
Non-executive Directors			
Lee Yeh Kwong, Charles	√	√	√
George Colin Magnus	√	√	√
Independent Non-executive Directors			
Cheng Hoi Chuen, Vincent (1)	√	√	√
Michael David Kadoorie	√	√	√
Holger Kluge (2)	√	√	√
Lee Wai Mun, Rose	√	√	√
William Shurniak	√	√	√
Wong Chung Hin	√	√	√
Alternate Director			
William Elkin Mocatta *(Alternate Director to Michael David Kadoorie)*	√	√	√

Notes:

(1) Appointed on 10 July 2014.

(2) Resigned on 10 July 2014.

Confirmation is received from the Directors that they have provided sufficient time and attention to the affairs of the Group. Besides, Directors disclose to the Company their interests as director and other office in other public companies and organisations in a timely manner and update the Company on any subsequent changes.

Securities Transactions

The Board has adopted its own Model Code for Securities Transactions by Directors (the "HWL Securities Code") regulating Directors' dealings in securities (Group and otherwise), on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The HWL Securities Code had been updated to reflect the amendments to the Listing Rules which took effect in July 2014. In response to specific enquiries made, all Directors have confirmed that they have complied with the HWL Securities Code in their securities transactions throughout 2014.

Board Committees

The Board is supported by two permanent board committees: the Audit Committee and the Remuneration Committee, details of which are described later in this report. The terms of reference for these Committees, which have been adopted by the Board, are available on the websites of the Group and HKEx. Other board committees are established by the Board as and when warranted to take charge of specific tasks.

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 Directors, including the Chairman of the Board and the Group Managing Director.

COMPANY SECRETARY

The Company Secretary, Ms Edith Shih, is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and the timely preparation and dissemination to Directors comprehensive Board meeting agendas and papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary is responsible for ensuring that the Board is fully apprised of all legislative, regulatory and corporate governance developments of relevance to the Group and that it takes these into consideration when making decisions for the Group. From time to time, she organises seminars on specific topics of importance and interest and disseminate reference materials to Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, and the timely dissemination to shareholders and the market of information relating to the Group.

Furthermore, the Company Secretary advises the Directors on their obligations for disclosure of interests and dealings in the Group's securities, connected transactions and price-sensitive/inside information and ensures that the standards and disclosures requirements of the Listing Rules are complied with and, where required, reported in the annual report of the Company.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman and the Group Managing Director, all members of the Board have access to the advice and service of the Company Secretary. Ms Shih has been appointed as the Company Secretary of the Company since 1997 and has day-to-day knowledge of the Group's affairs. The Company Secretary confirmed that she has complied with all the required qualifications, experience and training requirements of the Listing Rules.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The responsibility of Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 167 which acknowledges the reporting responsibility of the Group's Auditor.

Annual Report and Accounts

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgments and estimates that are reasonable in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors who possess the relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Company. It is chaired by Mr Wong Chung Hin with Messrs Cheng Hoi Chuen, Vincent (who was appointed following the resignation of Mr Holger Kluge on 10 July 2014) and William Shurniak as members.

The Audit Committee held four meetings in 2014 with approximately 92% attendance.

Name of Member	Attended/Eligible to Attend
Wong Chung Hin *(Chairman)*	4/4
Cheng Hoi Chuen, Vincent [(1)]	1/1
Holger Kluge [(2)]	2/3
William Shurniak	4/4

Notes:

(1) Appointed on 10 July 2014.

(2) Resigned on 10 July 2014.

In 2014, the Audit Committee performed the duties and responsibilities under its terms of reference and other duties of the CG Code.

Under its terms of reference, the Audit Committee is required to oversee the relationship between the Company and its external auditors, review the Group's preliminary interim and annual results, and interim and annual financial statements, monitor the corporate governance of the Group including compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal audit function, engage independent legal and other advisers and conduct investigations as it determines to be necessary.

Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters have been adopted by the Audit Committee and are posted on the website of the Group.

The Audit Committee meets with the Group Finance Director and other senior management of the Group from time to time for the purposes of reviewing the interim and annual results, the interim and annual reports and other financial, internal control, corporate governance and risk management matters of the Group. It considers and discusses the reports and presentations of Management, the Group's internal and external auditors, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets at least four times a year with the Group's principal external auditor, PricewaterhouseCoopers ("PwC"), to consider the reports of PwC on the scope, strategy, progress and outcome of its independent review of the interim financial report and its annual audit of the consolidated financial statements. In addition, the Audit Committee holds regular private meetings with the external auditor, Group Finance Director and internal auditor separately without the presence of Management.

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It receives and considers the presentations of Management in relation to the reviews on the effectiveness of the Group's internal control systems and the adequacy of resources, qualifications and experience of staff in the Group's accounting and financial reporting function, as well as their training programmes and budget. In addition, the Audit Committee reviews with the Group's internal auditor the work plans for its audits together with its resource requirements and considers the reports of the Group Internal Audit General Manager to the Audit Committee on the effectiveness of internal controls in the Group business operations. Further, it also receives the reports from the Head Group General Counsel on the Group's material litigation proceedings and compliance status on regulatory requirements. These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

External Auditor

The Audit Committee reviews and monitors the external auditor's independence and objectivity and effectiveness of the audit process. It receives each year the letter from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

The Group's policy regarding the engagement of PwC for the various services listed below is as follows:

- Audit services – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.

- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the Group's pension plans, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that it must, or is best placed to, undertake in its capacity as auditor.

- Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.

- Other services – include, for example, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and the Group's internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.

- General consulting services – the external auditor is not eligible to provide services involving general consulting work.

An analysis of the fees of PwC and other external auditor is shown in note 44 to the accounts. In the year ended 31 December 2014, the PwC fees, amounting to HK$279 million, were primarily for audit services and those for non-audit services amounted to HK$33 million, 10.6% of the total fees.

INTERNAL CONTROL, CORPORATE GOVERNANCE, LEGAL & REGULATORY CONTROL AND GROUP RISK MANAGEMENT

The Board has overall responsibility for the Group's systems of internal control, corporate governance compliance and assessment and management of risks.

In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification and management of risks. It also reviews and monitors the effectiveness of the systems of internal control to ensure that the policies and procedures in place are adequate. Reporting and review activities include review by the Executive Directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by management of the business operations, review by the Board of actual results against budget, review by the Audit Committee of the ongoing work of the Group's internal audit and risk management functions, as well as regular business reviews by Executive Directors and the executive management team of each core business division.

On behalf of the Board, the Audit Committee reviews regularly the corporate governance structure and practices within the Group and monitors compliance fulfillment on an ongoing basis.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Internal Control Environment and Systems

Executive Directors are appointed to the boards of all material operating subsidiaries and associates for monitoring those companies, including attendance at board meetings, review and approval of business strategies, budgets and plans, and setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies and similarly management of each business is accountable for its conduct and performance.

The Group's internal control procedures include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Directors.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management teams and the Executive Directors as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Directors review monthly management reports on the financial results and key operating statistics of each business and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of the executive management teams of each of the major businesses attend monthly meetings with the Group Finance Director and members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations and the Group's Treasury function oversees the Group's investment and lending activities. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed weekly.

The Group Finance Director has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to approval by the Group Finance Director or an Executive Director prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The General Manager of the Group's internal audit function, reporting to the Group Finance Director on a day-to-day basis and also directly to the Audit Committee, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. Using risk assessment methodology and taking into account the dynamics of the Group's activities, internal audit derives its yearly audit plan which is reviewed by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the plan's objectives are met. Internal audit is responsible for assessing the Group's internal control system, formulating an impartial opinion on the system, and reporting its findings to the Audit Committee, the Group Finance Director and the senior management concerned as well as following up on all reports to ensure that all issues have been satisfactorily resolved. In addition, a regular dialogue is maintained with the Group's external auditor so that both are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial and operations reviews, recurring and surprise audits, fraud investigations and productivity efficiency reviews.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the General Manager of the Group's internal audit function and, as appropriate, to the Group Finance Director and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's internal control systems for the year ended 31 December 2014 covering all material financial, operational and compliance controls and risk management functions, and is satisfied that such systems are effective and adequate. In addition, it has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, and their training programmes and budget.

Corporate Governance

The Board is entrusted with the overall responsibility of developing and maintaining sound and effective corporate governance within the Group and is committed to ensuring that an effective governance structure is put in place to continuously review and improve the corporate governance practices within the Group in light of the evolving operating environment and regulatory requirements.

Under its terms of reference, the Audit Committee has been delegated the corporate governance function of the Board to monitor, procure and manage corporate governance compliance within the Group. To assist the Audit Committee in fulfilling its responsibilities, a governance working group chaired by the Deputy Group Managing Director, Mrs Chow, comprising representatives from key departments of the Company was set up to continuously examine the corporate governance structure of the Group, provide updates, identify emerging matters of compliance, structure appropriate compliance mechanisms and monitor compliance fulfillment on an ongoing basis.

The Audit Committee has reviewed the compliance status, and is satisfied that the Company has complied throughout the year with all code provisions of the CG Code, other than those in respect of the nomination committee.

Legal and Regulatory

The Group Legal Department has the responsibility of safeguarding the legal interests of the Group. The team, led by the Head Group General Counsel and Company Secretary, Ms Shih is responsible for monitoring the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal and corporate secretarial documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising Management of legal and commercial issues of concern. In addition, the Group Legal Department is also responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory framework within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings to relevant regulatory and/or government authorities on regulating issues and consultations. The Department also determines and approves the engagement of external legal advisors, ensuring the requisite professional standards are adhered to as well as most cost effective services are rendered. Further, the Group Legal Department organises and holds continuing education seminars/conferences on legal and regulatory matters of relevance to the Group for Directors, business executives and the Group legal team.

Group Risk Management

The Group Managing Director and the General Manager of the Group's risk management department, Ms Louisa Wong have the responsibility of developing and implementing risk mitigation strategies including the deployment of insurance to transfer the financial impact of risks. Ms Wong, working with business operations worldwide, is responsible for arranging appropriate insurance coverage and organising Group-wide risk reporting. Directors and Officers Liability Insurance is also in place to protect Directors and officers of the Group against their potential legal liabilities.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Committee is chaired by Mr Wong, an Independent Non-executive Director, with the Chairman Mr Li and Mr Cheng (who was appointed following the resignation of Mr Kluge on 10 July 2014), an Independent Non-executive Director, as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. The Committee meets towards the end of each year to determine the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and additional meetings where warranted.

The Remuneration Committee held a meeting in 2014 with 100% attendance.

Name of Member	Attended/Eligible to Attend
Wong Chung Hin *(Chairman)*	1/1
Li Ka-shing	1/1
Cheng Hoi Chuen, Vincent [1]	1/1
Holger Kluge [2]	N/A

Notes:

(1) Appointed on 10 July 2014.

(2) Resigned on 10 July 2014.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators, statistics and the Remuneration Bulletin), the Group's business activities and human resources issues, and headcount and staff costs. It also reviewed and approved the proposed 2015 directors' fees for Executive Directors and made recommendation to the Board on the directors' fees for Non-executive Directors. Prior to the end of the year, the Committee reviewed and approved the year end bonus and 2015 remuneration package of Executive Directors, subsidiaries' managing directors and senior executives of the Group. Executive Directors do not participate in the determination of their own remuneration.

Remuneration Policy

The remuneration of Directors and senior executives is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

2014 Remuneration

Directors' emoluments comprise payments to Directors from the Company and its subsidiaries. The emoluments of each of the Directors exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts paid to each Director in 2014 are as below:

Name of Director	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)(6)	0.05	-	-	-	-	0.05
Li Tzar Kuoi, Victor						
Paid by the Company	0.12	4.59	50.35	-	-	55.06
Paid by Cheung Kong Infrastructure Holdings Limited ("CKI")	0.08	-	24.01	-	-	24.09
Paid to the Company	(0.08)	-	-	-	-	(0.08)
	0.12	4.59	74.36	-	-	79.07
Fok Kin Ning, Canning (2)	0.12	10.84	183.12	2.22	-	196.30
Chow Woo Mo Fong, Susan (2)	0.12	8.01	41.11	1.59	-	50.83
Frank John Sixt (2)	0.12	8.03	39.83	0.69	-	48.67
Lai Kai Ming, Dominic (2)	0.12	5.45	39.26	1.01	-	45.84
Kam Hing Lam						
Paid by the Company	0.12	2.30	8.96	-	-	11.38
Paid by CKI	0.08	4.20	10.27	-	-	14.55
Paid to the Company	(0.08)	(4.20)	-	-	-	(4.28)
	0.12	2.30	19.23	-	-	21.65
Lee Yeh Kwong, Charles (4)	0.12	-	-	-	-	0.12
George Colin Magnus (4)						
Paid by the Company	0.12	-	-	-	-	0.12
Paid by CKI	0.08	-	-	-	-	0.08
	0.20	-	-	-	-	0.20
Cheng Hoi Chuen, Vincent (3)(5)(6)(7)	0.15	-	-	-	-	0.15
Michael David Kadoorie (3)	0.12	-	-	-	-	0.12
Holger Kluge (3)(5)(6)(8)	0.16	-	-	-	-	0.16
Lee Wai Mun, Rose (3)	0.12	-	-	-	-	0.12
William Shurniak (3)(5)	0.25	-	-	-	-	0.25
Wong Chung Hin (3)(5)(6)	0.31	-	-	-	-	0.31
Total:	2.20	39.22	396.91	5.51	-	443.84

Notes:

(1) No remuneration was paid to Mr Li Ka-shing during the year other than Director's fees of HK$50,000 which he paid to Cheung Kong (Holdings) Limited.

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

(3) Independent Non-executive Director. The total emoluments of the Independent Non-executive Directors of the Company are HK$1,110,000.

(4) Non-executive Director.

(5) Member of the Audit Committee.

(6) Member of the Remuneration Committee.

(7) Appointed on 10 July 2014.

(8) Resigned on 10 July 2014.

The remuneration paid to the members of senior management by bands in 2014 is set out below:

Remuneration Bands*	Number of Individuals
HK$10 million to HK$14 million	3
HK$15 million to HK$19 million	1
HK$20 million to HK$24 million	2
HK$25 million to HK$29 million	1
HK$45 million to HK$49 million	1

* rounding to the nearest million.

CODE OF CONDUCT

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is required to undertake to adhere to the Group's Code of Conduct, and is expected to achieve the highest standards set out in the Code of Conduct including avoiding conflict of interest, discrimination or harassment and bribery and corruption etc. Employees are required to report any non-compliance with the Code of Conduct to Management.

RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Group actively promotes investor relations and communication with the investment community throughout the year. Through its Chairman, Group Managing Director, Group Finance Director and the Group Corporate Affairs Department, the Group responds to requests for information and queries from the investment community including shareholders, analysts and the media through regular briefing meetings, announcements, conference calls and presentations. A policy on shareholders' communication, which is available on the Group's website, was adopted and is subject to regular review by the Board to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. An up-to-date Articles of Association of the Company is published on the websites of the Group and HKEx. Moreover, additional information on the Group is also available to shareholders and stakeholders through the Investor Relations page on the Group's website.

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Section 566 of the Companies Ordinance of Hong Kong (Chapter 622), shareholder(s) representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may request the Directors to call a general meeting and to put forward agenda items for consideration by shareholders, by sending to the Company a request (in hard copy form or in electronic form and must be authenticated by the person or persons making it) and the proposed agenda items. Shareholder(s) representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate or at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, may put forward proposals for consideration at the relevant annual general meeting of the Company by sending the request according to Section 615 of the Companies Ordinance of Hong Kong (Chapter 622).

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Group's Share Registrar. The results of the poll are published on the websites of the Group and HKEx. In addition, regular updated financial, business and other information on the Group is made available on the Group's website for shareholders and stakeholders.

The latest shareholders' meeting of the Company was the 2014 Annual General Meeting (the "AGM") which was held on 16 May 2014 at Harbour Grand Kowloon and attended by PwC and the majority of the Directors, including the Chairmen of the Board, the Audit Committee and the Remuneration Committee with attendance rate of approximately 93%. One Independent Non-executive Director was not in a position to attend the AGM due to personal reasons. Directors are requested and encouraged to attend shareholders' meetings albeit presence overseas for the Group businesses or unforeseen circumstances might prevent Directors from so doing.

Separate resolutions were proposed at that meeting on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 16 May 2014 are set out below:

Resolutions proposed at the AGM		**Percentage of Votes**
1	Adoption of the Statement of Audited Accounts and Report of the Directors and Report of the Auditor for the year ended 31 December 2013	99.96%
2	Declaration of a final dividend	99.99%
3(a)	Re-election of Mr Fok Kin Ning, Canning as a Director	96.64%
3(b)	Re-election of Mr Lai Kai Ming, Dominic as a Director	83.32%
3(c)	Re-election of Mr Kam Hing Lam as a Director	82.76%
3(d)	Re-election of Mr William Shurniak as a Director	98.03%
3(e)	Re-election of Mr Wong Chung Hin as a Director	97.93%
4	Appointment of Auditor and authorisation of Directors to fix the Auditor's remuneration	99.92%
5(1)	Granting of a general mandate to Directors to issue additional shares of the Company	76.22%
5(2)	Approval of the buy-back by the Company of its own shares	99.97%
5(3)	Extension of the general mandate regarding issue of additional shares of the Company	76.53%
6	Adoption of new Articles of Association of the Company	98.22%
7(1)	Addition of the Chinese name of the Company to its existing name	99.99%
7(2)	Amendment of the Articles of Association of the Company upon the new Company name is effective	99.79%

Accordingly, all resolutions put to shareholders at the AGM were passed. The results of the voting by poll were published on the websites of the Group and HKEx.

At the AGM, a special resolution was passed to adopt new Articles of Association of the Company in order to modernise and update the Articles of Association and to bring them in line with the new Companies Ordinance of Hong Kong (Chapter 622) which came into effect on 3 March 2014 as well as to streamline the management and operational processes of the Company. The major changes to the Articles of Association including amendments made pursuant to the new Companies Ordinance comprise the following:

- Formal migration of the mandatory clauses from the Memorandum of Association (such as the name of the Company and the limited liability of the shareholders) to the new Articles of Association given that the new Articles of Association becomes the single constitutional document of the Company due to abolition of the Memorandum of Association under the new Companies Ordinance.

- Provision to the Company with the capacity, rights, powers and privileges of a natural person and dispense with the "objects" clause.

- Removal of all the references in the Articles of Association to "authorised capital", "par" or "nominal value of shares", "unissued shares", "capital redemption reserve fund" and "share premium account" which have become obsolete due to the mandatory no par value regime under the new Companies Ordinance.

- Deletion of the article relating to conversion of shares into stock and other ancillary articles relating to stock transfer and stockholder rights as the new Companies Ordinance has repealed such power of a company.

- Provision, within 28 days, of a statement of reasons for refusal of registration of a transfer of shares, if required by the transferor or the transferee of the shares.

- Acceptance as sufficient evidence the grant of probate of the will or letters of administration of a deceased person for the purpose of registering a transmission of shares.

- Amendment of the minimum notice period for convening a general meeting (other than an annual general meeting) for passing a special resolution from 21 days to 14 days.

- Permitting the Company to hold general meetings in more than one location using any technology that enables the shareholders to listen, speak and vote at the meetings.

- Lowering the threshold for demanding a poll from 10% to 5% of the total voting rights.

- Inclusion of the mandatory requirement for the chairman of the general meeting to demand a poll if the chairman of the meeting, before or on the declaration of the result on a show of hands, knows from the proxies received by the Company that the result on a show of hands would be different from that on a poll.

- Inclusion of the following new provisions in respect of appointment of proxy:
  - allowing a proxy to exercise all or any of the shareholder's rights to attend and to speak and vote at a general meeting (including voting on a show of hands, with multiple proxies excepted);
  - providing for flexibility for return of a proxy form by various means including by electronic means and to prescribe the statutory period in various situations for the return of proxy form; and
  - setting out the notice requirement in the case of revocation of proxy's authority.
- Inclusion of the new statutory requirement to record poll results in the minutes of a general meeting.
- Requirement of shareholders' approval for service contracts entered into by the Company with its Directors for a guaranteed term of employment exceeding three years.
- Broadening of the scope of the requirement for declaration of a Director's interest by requiring a Director to declare the nature and extent of the interest of himself and his connected entities and the direct or indirect interest in any transaction, contract or arrangement of himself and his connected entities, and specify the timing and procedures of declaration of such interests by a Director in accordance with the new Companies Ordinance.
- Allowing the Company to execute a document as a deed without using its common seal as permitted under the new Companies Ordinance.
- Inclusion of the mandatory requirement in respect of registering an allotment of debenture or debenture stock in accordance with the new Companies Ordinance.
- Inclusion of the mandatory requirement in respect of disclosure of permitted indemnity provisions provided by the Company to its Directors or directors of its associated companies in the report of the Directors of the Company.
- Replacement of obsolete terms with the new terms used in new Companies Ordinance, and section references to the old Companies Ordinance with the corresponding section references of the new Companies Ordinance.

Other corporate information relating to the Company is set out in the "Information for Shareholders" section of this annual report. This includes, among others, dates for key corporate events for 2015 and public float capitalisation as at 31 December 2014.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Group Corporate Affairs Department or the Company Secretary by mail to 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong or by email at info@hwl.com.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

The Group is committed to the long-term sustainability of its businesses and the communities in which it conducts business. It has adopted a proactive approach to environmental, social and governance ("ESG") responsibility and has established a committee, chaired by the Deputy Group Managing Director, Mrs Chow, comprising representatives from key departments of the Company to spearhead the ESG activities of the Group. The committee focuses on initiatives related to stakeholders, employees, the environment, operating practices and the community. Details of the initiatives of the committee are set out on pages 100 to 109.

By order of the Board

Edith Shih
Company Secretary

Hong Kong, 26 February 2015

Independent Auditor's Report

To the Shareholders of Hutchison Whampoa Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated accounts of Hutchison Whampoa Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 168 to 274, which comprise the consolidated and Company statements of financial position as at 31 December 2014, 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 accounts

The directors of the Company are responsible for the preparation of consolidated accounts 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated accounts 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 accounts based on our audit and to report our opinion solely to you, as a body, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance 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 accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated accounts 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 accounts.

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 accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, 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 Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 February 2015

Consolidated Income Statement

for the year ended 31 December 2014

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
34,892	Revenue	4, 5	272,161	256,234
(14,179)	Cost of inventories sold		(110,596)	(102,496)
(4,436)	Staff costs		(34,604)	(33,151)
(3,098)	Telecommunications customer acquisition costs		(24,165)	(24,170)
(2,180)	Depreciation and amortisation	5	(17,003)	(15,850)
(6,532)	Other operating expenses		(50,944)	(51,265)
3,164	Change in fair value of investment properties		24,678	26
(581)	Profits on disposal of investments and others	6	(4,532)	230
	Share of profits less losses after tax of:			
1,175	Associated companies before profits on disposal of investments and others	19	9,166	10,433
1,342	Joint ventures	20	10,466	12,597
2,454	Associated companies' profits on disposal of investments and others	6	19,141	(504)
12,021		5	93,768	52,084
(1,032)	Interest expenses and other finance costs	8	(8,050)	(8,391)
10,989	**Profit before tax**		85,718	43,693
(552)	Current tax	9	(4,307)	(4,231)
44	Deferred tax	9	340	(569)
10,481	**Profit after tax**		81,751	38,893
	Allocated as:			
(1,871)	**Profit attributable to non-controlling interests and holders of perpetual capital securities**		(14,595)	(7,781)
8,610	**Profit attributable to ordinary shareholders of the Company**		67,156	31,112
US$ 2.02	**Earnings per share for profit attributable to ordinary shareholders of the Company**	11	HK$ 15.75	HK$ 7.30

Details of distributions paid to the holders of perpetual capital securities, special dividend, first interim and final dividends paid, and second interim dividend payable to the ordinary shareholders of the Company are set out in note 10.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
10,481	**Profit after tax**		**81,751**	38,893
	Other comprehensive income (losses)			
	Items that will not be reclassified to profit or loss:			
(42)	Remeasurement of defined benefit obligations recognised directly in reserves		**(324)**	694
(7)	Share of other comprehensive income (losses) of associated companies		**(55)**	563
7	Share of other comprehensive income (losses) of joint ventures		**56**	(115)
10	Tax relating to items that will not be reclassified to profit or loss	12	**75**	84
(32)			**(248)**	1,226
	Items that have been reclassified or may be subsequently reclassified to profit or loss:			
	Available-for-sale investments			
151	Valuation gains recognised directly in reserves		**1,176**	382
(62)	Valuation losses (gains) previously in reserves recognised in income statement		**(480)**	6
(1)	Gains (losses) on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves		**(5)**	346
(2,135)	Losses on translating overseas subsidiaries' net assets recognised directly in reserves		**(16,653)**	(1,774)
(466)	Gains previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement		**(3,636)**	(152)
(615)	Share of other comprehensive income (losses) of associated companies		**(4,799)**	(3,800)
(674)	Share of other comprehensive income (losses) of joint ventures		**(5,261)**	589
(7)	Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	12	**(53)**	(76)
(3,809)			**(29,711)**	(4,479)
(3,841)	Other comprehensive income (losses) after tax		**(29,959)**	(3,253)
6,640	**Total comprehensive income**		**51,792**	35,640
	Allocated as:			
(1,366)	**Attributable to non-controlling interests and holders of perpetual capital securities**		**(10,657)**	(7,878)
5,274	**Attributable to ordinary shareholders of the Company**		**41,135**	27,762

Consolidated Statement of Financial Position

at 31 December 2014

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
	ASSETS			
	Non-current assets			
22,210	Fixed assets	13	**173,234**	177,324
8,489	Investment properties	14	**66,211**	42,454
1,091	Leasehold land	15	**8,513**	9,849
10,462	Telecommunications licences	16	**81,602**	86,576
5,017	Goodwill	17	**39,132**	38,028
2,081	Brand names and other rights	18	**16,233**	18,755
16,207	Associated companies	19	**126,416**	112,058
15,312	Interests in joint ventures	20	**119,433**	111,271
2,462	Deferred tax assets	21	**19,203**	18,548
915	Other non-current assets	22	**7,139**	7,934
1,941	Liquid funds and other listed investments	23	**15,141**	17,136
86,187			**672,257**	639,933
	Current assets			
16,066	Cash and cash equivalents	24	**125,318**	85,651
8,535	Trade and other receivables	25	**66,576**	69,083
2,473	Inventories		**19,284**	20,855
27,074			**211,178**	175,589
	Current liabilities			
11,172	Trade and other payables	26	**87,139**	86,812
5,421	Bank and other debts	28	**42,281**	18,159
385	Current tax liabilities		**3,005**	3,319
16,978			**132,425**	108,290
10,096	**Net current assets**		**78,753**	67,299
96,283	**Total assets less current liabilities**		**751,010**	707,232
	Non-current liabilities			
26,325	Bank and other debts	28	**205,332**	207,195
1,026	Interest bearing loans from non-controlling shareholders	29	**8,000**	5,445
1,437	Deferred tax liabilities	21	**11,213**	10,228
395	Pension obligations	30	**3,083**	3,095
554	Other non-current liabilities	31	**4,320**	5,037
29,737			**231,948**	231,000
66,546	**Net assets**		**519,062**	476,232

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
	CAPITAL AND RESERVES			
3,772	Share capital*	32 (a)	**29,425**	29,425
5,082	Perpetual capital securities	32 (b)	**39,638**	40,244
50,917	Reserves		**397,155**	356,940
59,771	**Total ordinary shareholders' funds and perpetual capital securities**		**466,218**	426,609
6,775	Non-controlling interests		**52,844**	49,623
66,546	**Total equity**		**519,062**	476,232

* Share capital as at 31 December 2013 includes the balance on the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) totalling HK$28,359 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital. Also see note 32(a)(iii).

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

	Attributable to							
	Ordinary shareholders							
	Share capital [a]	Other reserves [b]	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*	29,425	13,760	343,180	386,365	40,244	426,609	49,623	476,232
Profit for the year	–	–	67,156	67,156	1,961	69,117	12,634	81,751
Other comprehensive income (losses)								
Available-for-sale investments								
Valuation gains recognised directly in reserves	–	1,017	–	1,017	–	1,017	159	1,176
Valuation gains previously in reserves recognised in income statement	–	(381)	–	(381)	–	(381)	(99)	(480)
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	(234)	(234)	–	(234)	(90)	(324)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	(17)	–	(17)	–	(17)	12	(5)
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(15,626)	–	(15,626)	–	(15,626)	(1,027)	(16,653)
Gains previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	–	(1,848)	–	(1,848)	–	(1,848)	(1,788)	(3,636)
Gains previously in other reserves related to subsidiaries disposed during the year transferred directly to retained profit	–	(8)	8	–	–	–	–	–
Share of other comprehensive income (losses) of associated companies	–	(4,584)	(48)	(4,632)	–	(4,632)	(222)	(4,854)
Share of other comprehensive income (losses) of joint ventures	–	(4,357)	38	(4,319)	–	(4,319)	(886)	(5,205)
Tax relating to components of other comprehensive income (losses)	–	(42)	61	19	–	19	3	22
Other comprehensive income (losses)	–	(25,846)	(175)	(26,021)	–	(26,021)	(3,938)	(29,959)
Total comprehensive income (losses)	–	(25,846)	66,981	41,135	1,961	43,096	8,696	51,792
Dividends paid relating to 2013	–	–	(7,248)	(7,248)	–	(7,248)	–	(7,248)
Dividends paid relating to 2014	–	–	(2,814)	(2,814)	–	(2,814)	–	(2,814)
Special dividends paid	–	–	(29,843)	(29,843)	–	(29,843)	–	(29,843)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(4,182)	(4,182)
Distributions paid on perpetual capital securities	–	–	–	–	(1,980)	(1,980)	–	(1,980)
Equity contribution from non-controlling interests [d]	–	–	–	–	–	–	43,805	43,805
Redemption of capital securities by a subsidiary	–	–	–	–	–	–	(2,340)	(2,340)
Redemption of preferred shares by non-controlling interests	–	–	–	–	–	–	(3,714)	(3,714)
Share option schemes of subsidiaries	–	1	–	1	–	1	2	3
Share option lapsed	–	(1)	1	–	–	–	–	–
Unclaimed dividends write back	–	–	5	5	–	5	–	5
Repurchase of perpetual capital securities [c]	–	–	(30)	(30)	(587)	(617)	–	(617)
Relating to purchase of non-controlling interests	–	(68)	–	(68)	–	(68)	31	(37)
Relating to deemed dilution of subsidiary companies [d]	–	39,077	–	39,077	–	39,077	(39,077)	–
At 31 December 2014	29,425	26,923	370,232	426,580	39,638	466,218	52,844	519,062

	Attributable to							
	Ordinary shareholders				Holders of perpetual capital securities	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital [(a)]	Other reserves [(b)]	Retained profit	Sub-total				
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 1 January 2013*	29,425	18,091	320,369	367,885	23,634	391,519	47,022	438,541
Profit for the year	–	–	31,112	31,112	1,774	32,886	6,007	38,893
Other comprehensive income (losses)								
Available-for-sale investments								
Valuation gains recognised directly in reserves	–	309	–	309	–	309	73	382
Valuation losses previously in reserves recognised in income statement	–	6	–	6	–	6	–	6
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	551	551	–	551	143	694
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	318	–	318	–	318	28	346
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(1,696)	–	(1,696)	–	(1,696)	(78)	(1,774)
Gains previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement	–	(146)	–	(146)	–	(146)	(6)	(152)
Share of other comprehensive income (losses) of associated companies	–	(3,692)	472	(3,220)	–	(3,220)	(17)	(3,237)
Share of other comprehensive income (losses) of joint ventures	–	567	(84)	483	–	483	(9)	474
Tax relating to components of other comprehensive income (losses)	–	(59)	104	45	–	45	(37)	8
Other comprehensive income (losses)	–	(4,393)	1,043	(3,350)	–	(3,350)	97	(3,253)
Total comprehensive income (losses)	–	(4,393)	32,155	27,762	1,774	29,536	6,104	35,640
Dividends paid relating to 2012	–	–	(6,523)	(6,523)	–	(6,523)	–	(6,523)
Dividends paid relating to 2013	–	–	(2,558)	(2,558)	–	(2,558)	–	(2,558)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(3,532)	(3,532)
Distributions paid on perpetual capital securities	–	–	–	–	(1,351)	(1,351)	–	(1,351)
Equity contribution from non-controlling interests	–	–	–	–	–	–	108	108
Share option schemes of subsidiaries	–	(11)	–	(11)	–	(11)	1	(10)
Share option lapsed	–	(1)	1	–	–	–	–	–
Unclaimed dividends write back	–	–	5	5	–	5	–	5
Issuance of perpetual capital securities [(c)]	–	–	–	–	17,879	17,879	–	17,879
Transaction costs in relation to issuance of perpetual capital securities	–	–	(158)	(158)	–	(158)	–	(158)
Repurchase of perpetual capital securities [(c)]	–	–	(110)	(110)	(1,692)	(1,802)	–	(1,802)
Relating to acquisition of subsidiary companies	–	–	–	–	–	–	2	2
Relating to purchase of non-controlling interests	–	21	–	21	–	21	(30)	(9)
Relating to partial disposal of subsidiary companies	–	53	(1)	52	–	52	(52)	–
At 31 December 2013	29,425	13,760	343,180	386,365	40,244	426,609	49,623	476,232

* Share capital as at 1 January 2013, 31 December 2013 and 1 January 2014 include the balance on the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) totalling HK$28,359 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital. Also see note (a).

(a) 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 and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) have become part of the Company's share capital.

(b) See note 33 for further details on other reserves.

(c) During the year ended 31 December 2014, the Group had repurchased US$75 million (approximately HK$587 million) (2013 - US$217 million, approximately HK$1,692 million) nominal amount of subordinated guaranteed perpetual capital securities (the "perpetual capital securities") that were originally issued in October 2010 at an aggregate nominal amount of US$2,000 million (approximately HK$15,600 million).

In May 2013, a wholly owned subsidiary company of the Group issued perpetual capital securities with a nominal amount of €1,750 million (approximately HK$17,879 million) for cash, which are classified as equity under Hong Kong Financial Reporting Standards.

(d) During the year ended 31 December 2014, the Group entered into a strategic alliance with Temasek Holdings (Private) Limited ("Temasek") with Temasek acquiring 24.95% equity interests in the Retail division for approximately HK$44 billion, resulting in an increase of approximately HK$39 billion in the Group's ordinary shareholders' funds.

Consolidated Statement of Cash Flows

for the year ended 31 December 2014

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
	Operating activities			
8,031	Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	34 (a)	**62,640**	60,898
(949)	Interest expenses and other finance costs paid		**(7,403)**	(7,695)
(564)	Tax paid		**(4,401)**	(3,813)
6,518	**Funds from operations**		**50,836**	49,390
(374)	Changes in working capital	34 (b)	**(2,916)**	(4,338)
6,144	**Net cash from operating activities**		**47,920**	45,052
	Investing activities			
(2,730)	Purchase of fixed assets and investment properties		**(21,289)**	(23,028)
–	Additions to leasehold land		**–**	(532)
(5)	Additions to telecommunications licences	16	**(41)**	(6,828)
(29)	Additions to brand names and other rights	18	**(229)**	(105)
(1,086)	Purchase of subsidiary companies	34 (c)	**(8,467)**	(17,651)
(127)	Additions to other unlisted investments		**(994)**	(30)
405	Repayments from associated companies and joint ventures		**3,160**	8,897
(1,692)	Purchase of and advances to (including deposits from) associated companies and joint ventures		**(13,200)**	(14,184)
103	Proceeds on disposal of fixed assets, leasehold land and investment properties and other assets		**804**	6,442
116	Proceeds on disposal of subsidiary companies	34 (d)	**905**	3,149
74	Proceeds on partial disposal / disposal of associated companies		**575**	1,895
574	Proceeds on disposal of joint ventures		**4,477**	111
2	Proceeds on disposal of other unlisted investments		**20**	17
(4,395)	Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		**(34,279)**	(41,847)
238	Disposal of liquid funds and other listed investments		**1,861**	6,245
(313)	Additions to liquid funds and other listed investments		**(2,445)**	(147)
(4,470)	**Cash flows used in investing activities**		**(34,863)**	(35,749)
1,674	**Net cash inflow before financing activities**		**13,057**	9,303

Consolidated Statement of Cash Flows

for the year ended 31 December 2014

2014 US$ millions		Note	2014 HK$ millions	2013 HK$ millions
	Financing activities			
9,986	New borrowings		77,895	28,323
(5,751)	Repayment of borrowings		(44,860)	(61,822)
5,484	Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders		42,775	(69)
(300)	Redemption of capital securities by a subsidiary		(2,340)	–
(12)	Payments to acquire additional interests in subsidiary companies		(93)	(9)
–	Proceeds on issue of perpetual capital securities, net of transaction costs		–	17,721
(79)	Repurchase of perpetual capital securities	32 (b)	(617)	(1,802)
(547)	Dividends paid to non-controlling interests		(4,265)	(3,510)
(254)	Distributions paid on perpetual capital securities		(1,980)	(1,351)
(5,116)	Dividends paid to ordinary shareholders		(39,905)	(9,081)
3,411	**Cash flows from (used in) financing activities**		26,610	(31,600)
5,085	Increase (decrease) in cash and cash equivalents		39,667	(22,297)
10,981	Cash and cash equivalents at 1 January		85,651	107,948
16,066	**Cash and cash equivalents at 31 December**		125,318	85,651
	Analysis of cash, liquid funds and other listed investments			
16,066	Cash and cash equivalents, as above	24	125,318	85,651
1,941	Liquid funds and other listed investments	23	15,141	17,136
18,007	**Total cash, liquid funds and other listed investments**		140,459	102,787
31,650	Total principal amount of bank and other debts	28	246,867	223,822
1,026	Interest bearing loans from non-controlling shareholders	29	8,000	5,445
14,669	**Net debt**		114,408	126,480
(1,026)	Interest bearing loans from non-controlling shareholders		(8,000)	(5,445)
13,643	**Net debt (excluding interest bearing loans from non-controlling shareholders)**		106,408	121,035

Notes to the Accounts

1 Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The accounts 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 2.

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 2014. 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.

The accounts also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

2 Significant accounting policies

(a) Basis of consolidation

The consolidated accounts of the Group include the accounts 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 2(c) and 2(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 2014 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 accounts, subsidiary companies are accounted for as described in note 2(a) above. In the unconsolidated accounts of the holding company, investments in subsidiary companies are carried at cost less provision for impairment in value.

(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 accounts 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.

2 Significant accounting policies (continued)

(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 accounts 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 of renewal is attached.

Depreciation of other fixed assets is provided at rates calculated to write off their costs over their estimated useful lives on a straight-line basis at the following annual rates:

Motor vehicles	20-25%
Plant, machinery and equipment	3 1/3-20%
Container terminal equipment	3-20%
Telecommunications equipment	2.5-10%
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.

(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 as determined by professional valuation. 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

Telecommunications licences are comprised of the upfront payments and non-cash consideration made for acquiring telecommunications spectrum licences plus the capitalised present value of fixed periodic payments to be made in subsequent years, together with the interest accrued prior to the date of first commercial usage of the spectrum.

Telecommunications licences 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. Telecommunications licences with finite useful lives are amortised on a straight-line basis from the date of first commercial usage of the related spectrum over the remaining expected contracted or expected licence periods ranging from approximately 9 to 20 years and are stated net of accumulated amortisation.

(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. All 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) Brand names and other rights

The payments and non-cash consideration made for acquiring brand names and other rights are capitalised. Brand names and other rights with indefinite lives are not amortised. Brand names and other rights with finite lives are amortised on a straight-line basis from the date of their first commercial usage over their estimated useful lives ranging from approximately 3 to 40 years. Brand names and other rights are stated net of accumulated amortisation, if any.

(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 accounts. 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.

2 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. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. 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.

2 Significant accounting policies (continued)

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

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 of these derivative contracts are recognised in other comprehensive income and accumulated under the heading of hedging reserve. 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.

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) Properties under development

Land for properties under development is stated at cost and development expenditure is stated at the aggregate amount of costs incurred up to the date of completion, including capitalised interest on related loans.

(q) Inventories

Inventories consist mainly of retail goods and the carrying value is mainly determined using the weighted average cost method. Inventories are stated at the lower of cost and net realisable value.

(r) 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.

(s) 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.

(t) 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.

2 Significant accounting policies (continued)

(u) Customer loyalty credits

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

(v) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs. 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 and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) have become part of the Company's share capital.

(w) 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.

(x) 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.

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.

(y) 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.

(z) 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.

2 Significant accounting policies (continued)

(z) Pension plans (continued)

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.

(aa) 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. 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.

(ab) 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 accounts of foreign operations (i.e. subsidiary companies, associated companies, joint ventures or branches whose activities are based or conducted in a country or currency other than those of the Company) 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.

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.

2 Significant accounting policies (continued)

(ac) 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.

Ports and related services

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

Property and hotels

Revenue from the sale of properties is recognised either on the date of sale or on the date of issue of the relevant occupation permit, whichever is later, and the economic benefit accrues to the Group and the significant risks and rewards of the properties accrue to the purchasers.

Rental income is recognised on a straight-line basis over the period of the lease.

Revenue from the provision of hotel management, consultancy and technical service is recognised when the service is rendered.

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.

Energy

Revenue from the sale of crude oil, natural gas, refined petroleum products and other energy products are recorded when title passes to an external party.

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

2 Significant accounting policies (continued)

(ac) Revenue recognition (continued)

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 recognised upon customer's usage of 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.

2 Significant accounting policies (continued)

At the date these accounts are authorised for issue, the following standards, amendments and interpretations were in issue, and applicable to the Group's accounts for annual accounting periods beginning on or after 1 January 2015, but not yet effective and have not been early adopted by the Group:

HKAS 1 (Amendments) (iii)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments) (iii)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments) (iii)	Agriculture: Bearer Plants
HKAS 19 (2011) (Amendments) (i)	Defined Benefit Plans – Employee Contributions
HKAS 27 (Amendments) (iii)	Equity Method in Separate Financial Statements
HKFRS 9 (2014) (v)	Financial Instruments
HKFRS 10 and HKAS 28 (Amendments) (iii)	Sale or Contribution of Asset between an Investor and its Associate or Joint Venture
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments) (iii)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments) (iii)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 15 (iv)	Revenue from Contracts with Customers
Annual Improvements 2010-2012 Cycle (ii)	Improvements to HKFRSs
Annual Improvements 2011-2013 Cycle (i)	Improvements to HKFRSs
Annual Improvements 2012-2014 Cycle (iii)	Improvements to HKFRSs

(i) Effective for the Group for annual periods beginning on or after 1 January 2015.

(ii) Effective for the Group for annual periods beginning on or after 1 January 2015, except for "Amendment to HKFRS 2 Share-based Payment" and "Amendment to HKFRS 3 Business Combinations" which are applicable to share-based payment transactions with a grant date, and business combinations for which the acquisition date, is on or after 1 July 2014.

(iii) Effective for the Group for annual periods beginning on or after 1 January 2016.

(iv) Effective for the Group for annual periods beginning on or after 1 January 2017.

(v) Effective for the Group for annual periods beginning on or after 1 January 2018.

HKFRS 15 will be effective for the Group's accounts for annual reporting periods beginning on or after 1 January 2017. 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 and as a result, it is not practicable to quantify the impact of HKFRS 15 as at the date of publication of these accounts.

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.

3 Critical accounting estimates and judgements

Note 2 includes a summary of the significant accounting policies used in the preparation of the accounts. The preparation of accounts 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 accounts. 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 accounts.

(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

The Group has made substantial investments in tangible and intangible long-lived assets, primarily in mobile and fixed-line telecommunications networks and licences, container terminals, and properties. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

The Group considers its asset impairment accounting policy to be a policy that requires one of the most extensive applications of judgements and estimates.

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.

3 Critical accounting estimates and judgements (continued)

(b) Long-lived assets (continued)

The Group's 3G businesses have achieved a fifth consecutive year of EBIT positive results but are still building up scale and growing their businesses. Impairment tests were undertaken as at 31 December 2014 and 31 December 2013 to assess whether the carrying values of the Group's telecommunications licences, network assets and goodwill were supported by the net present value of future cash flows forecast to be derived from the use of these assets for each respective business. The results of the tests undertaken as at 31 December 2014 and 31 December 2013 indicated that no impairment charge was necessary.

The future cash flow projections for the 3G businesses reflect growing recurring revenue and margins derived from an accumulating customer base and diminishing ongoing investments in network infrastructure and in customer acquisitions.

The forecast growth in recurring revenue and margins is driven primarily by the increasing size of the accumulating customer base, accompanied by profitability improvements due to beneficial changes to services usage profiles. The increase in data usage, which continued to drive growth in the mobile telecommunications business, is forecast to continue supported by the popularity of smartphones. Improving operating margins are forecast driven in part by a change in the mix from voice toward non-voice revenues; increased incoming traffic, which generates revenue from other operators, and increased percentage on-net or intra-network traffic, which avoids interconnection costs being paid to other operators to terminate calls; gradual stabilisation of European mobile termination regimes; and operating cost optimisation and cost savings achieved through cell site and network sharing, network maintenances and other outsourcing programmes, stringent cost controls, and effective working capital management. Improving profitability is also expected to continue based on the economies of scale effect that is able to be achieved in customer operation and network operations functions. Also factored into the forecasts are the potential dilutive effect of attracting lower value customer when growing the customer base and the expected effect of market competition and development.

Initial investments in the upfront licence payments and the network infrastructure which has been built for scale have been significant. However, as the network capital expenditures are forecast to decline progressively as a percentage of revenues as the network construction phase nears completion and a lower "maintenance" level of capital expenditure is required for ongoing operation. Average customer acquisition costs in the start-up years of operation have also been significant, but have declined due to the improved market acceptance of the 3G and LTE technologies and on the widening availability, improving attractiveness and comparatively lower unit cost of smartphones, and the Group's transition to a non-subsidised handset business model.

For the purposes of impairment tests, the recoverable amount of the Group's telecommunications licences, network assets and goodwill is determined based on value in use calculations. The value in use calculations primarily use cash flow projections based on financial budgets approved by management and estimated terminal value at the end of the approved financial budgets period. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenues and gross margin, timing of future capital expenditures, growth rates and selection of discount rates and the earnings multiple that can be realised for the estimated terminal value. The Group prepared the financial budgets reflecting current and prior year performances and market development expectations. Projections in excess of the approved financial budgets period are used to take into account telecommunications spectrum licence periods, increasing market share and growth momentum. For the purpose of the impairment tests, a market specific growth rate of approximately 2% was used to extrapolate cash flows beyond the approved financial budgets period. This low rate was selected solely for the purposes of the impairment tests to arrive at a conservative projection of cash flows in excess of the approved financial budgets period and does not reflect our expectation of the performance of these businesses nor our forecast of long term industry growth. The discount rates for the tests were based on country specific pre-tax risk adjusted discount rates (for example, 4% and 5.3% used in the Group's 3G operations in Italy and the UK respectively). Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

3 Critical accounting estimates and judgements (continued)

(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

Telecommunications licences comprise the right to use spectrum and the right to provide a telecommunications service. Telecommunications licences that are considered to have an indefinite useful life to the Group are not amortised. Telecommunications licences with finite useful lives are amortised on a straight-line basis from the date of first commercial usage of the related spectrum over the remaining expected licence periods and are stated net of accumulated amortisation. Licences are reviewed for impairment annually.

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.

Judgement is required to determine the useful lives of the Group's telecommunications licences. The actual economic lives of the Group's telecommunications spectrum licences may differ from the current contracted or expected licence 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. All 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 described above.

3 Critical accounting estimates and judgements (continued)

(e) Investment properties valuation

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 as determined by professional valuation. In determining the fair value of the investment properties, the valuers use assumptions and estimates that reflect, amongst other things, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Judgement is required to determine the principal valuation assumptions to determine the fair value of the investment properties. Changes in fair values of investment properties are recorded in the income statement.

(f) 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 accounts. 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 carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the deductible temporary differences and the carry forward of unutilised losses and tax credits, the asset balance will be reduced and charged to the income statement.

The 3G businesses commenced commercial operations from 2003 and some of these businesses are incurring losses as the businesses grow to operating scale. Deferred tax assets have been recognised for the deductible temporary differences and the carry forward of unutilised losses and tax credits relating to the Group's 3G operation in the UK where, amongst other things, tax losses can be carried forward indefinitely and there is availability of group relief for tax purposes that can be utilised to offset taxable profits generated by the Group's other operations in the UK. In addition, deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group's 3G operations in Ireland, Austria, Sweden and Denmark, which have become profitable and are expected to have sufficient taxable profits available in the foreseeable future to utilise their unused tax losses. The ultimate realisation of deferred tax assets recognised for **3** UK, **3** Ireland, **3** Austria, **3** Sweden and **3** Denmark 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.

3 Critical accounting estimates and judgements (continued)

(g) 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 accounts 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.

(h) Sale and leaseback transactions

The Group classifies leases into finance leases or operating leases in accordance with the accounting policies stated in note 2(x). 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 2(x). 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).

(i) 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.

4 Turnover and revenue

Turnover comprises revenues from the sales of goods and development properties, provision of services and rental income from investment properties, interest income and finance charges earned, and dividend income from equity investments. An analysis of revenue of the Company and subsidiary companies is as follows:

	2014 HK$ millions	2013 HK$ millions
Sales of goods	**166,066**	156,188
Rendering of services	**102,296**	96,475
Interest	**3,471**	3,273
Dividends	**328**	298
	272,161	256,234

5 Operating segment information

Save as disclosed in the notes below, the column headed as Company and Subsidiaries refers to the Company and subsidiary companies' respective items and the column headed as Associates and JV refers to the Group's share of associated companies and joint ventures' respective items (see notes 19 and 20), and segments are reported in a manner consistent with internal reporting provided to the board of directors of the Company who is responsible for allocating resources and assessing performance of the operating segments.

The Group's telecommunications division consists of **3** Group Europe with businesses in 6 countries in Europe, a 65.01% interest in Hutchison Telecommunications Hong Kong Holdings, which is listed on the Stock Exchange of Hong Kong, Hutchison Asia Telecommunications, and an 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").

VHA is undergoing a shareholder-sponsored restructuring under the leadership of the other shareholder under the applicable terms of the shareholders' agreement. In order to assist in providing a meaningful analysis of the ongoing operating activities, 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 note 6(e)) to separately identify them from the Group's recurring earnings profile during this phase.

Finance & Investments and Others is presented to reconcile to the totals included in the Group's income statement and statement of financial position. As additional information, "Others" is presented as a separate line item, within Finance & Investments and Others, 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 subsidiary Hutchison Harbour Ring ("HHR"), which was disposed in the year, and listed associate Tom Group. "Finance & Investments" within Finance & Investments and Others represents returns earned on the Group's holdings of cash and liquid investments.

Revenue from external customers is after elimination of inter-segment revenue. The amount eliminated mainly attributable to Property and hotels is HK$416 million (2013 – HK$384 million), Retail is HK$70 million (2013 – HK$61 million), Hutchison Telecommunications Hong Kong Holdings is HK$162 million (2013 – HK$134 million) and Hutchison Asia Telecommunications is HK$12 million (2013 – HK$10 million).

5 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	2014 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total HK$ millions	%
Ports and related services	27,914	7,710	35,624	8%	26,562	7,557	34,119	8%
Hutchison Ports Group other than HPH Trust	27,879	4,962	32,841	8%	26,488	4,872	31,360	7%
HPH Trust #	35	2,748	2,783	–	74	2,685	2,759	1%
Property and hotels	7,285	8,784	16,069	4%	6,807	17,457	24,264	6%
Retail	126,709	30,688	157,397	37%	119,637	29,510	149,147	36%
Cheung Kong Infrastructure	6,173	39,246	45,419	11%	5,087	37,373	42,460	10%
Husky Energy	–	57,368	57,368	14%	–	59,481	59,481	14%
3 Group Europe	65,599	24	65,623	16%	61,968	8	61,976	15%
Hutchison Telecommunications Hong Kong Holdings	16,296	–	16,296	4%	12,777	–	12,777	3%
Hutchison Asia Telecommunications	5,757	–	5,757	1%	6,295	–	6,295	2%
Finance & Investments and Others	16,428	5,491	21,919	5%	17,101	5,313	22,414	6%
Finance & Investments	1,472	894	2,366	–	1,432	889	2,321	1%
Others	14,956	4,597	19,553	5%	15,669	4,424	20,093	5%
	272,161	149,311	421,472	100%	256,234	156,699	412,933	100%
Non-controlling interests' share of HPH Trust's revenue	–	964	964		–	897	897	
	272,161	150,275	422,436		256,234	157,596	413,830	

\# represents the Group's attributable share of HPH Trust's revenue based on the effective shareholdings in HPH Trust during 2014. Revenue reduced by HK$964 million and HK$897 million for 2014 and 2013 respectively, being adjustments to exclude non-controlling interests' share of revenue of HPH Trust.

5 Operating segment information (continued)

(b) The Group uses two measures of segment results, EBITDA (see note 5(m)) and EBIT (see note 5(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	2014 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total HK$ millions	%
Ports and related services	8,459	3,674	12,133	12%	7,822	3,625	11,447	12%
Hutchison Ports Group other than HPH Trust	8,433	2,289	10,722	11%	7,757	2,303	10,060	11%
HPH Trust #	26	1,385	1,411	1%	65	1,322	1,387	1%
Property and hotels	7,639	2,359	9,998	10%	7,340	6,655	13,995	15%
Retail	12,606	2,943	15,549	16%	11,684	2,474	14,158	15%
Cheung Kong Infrastructure	2,465	22,018	24,483	25%	1,657	21,184	22,841	24%
Husky Energy	–	14,410	14,410	14%	–	14,779	14,779	15%
3 Group Europe	15,616	(18)	15,598	16%	12,697	(26)	12,671	13%
Hutchison Telecommunications Hong Kong Holdings	2,699	81	2,780	3%	2,694	64	2,758	3%
Hutchison Asia Telecommunications [(o)]	(278)	–	(278)	–	819	–	819	1%
Finance & Investments and Others	2,646	1,554	4,200	4%	439	1,740	2,179	2%
Finance & Investments	2,797	894	3,691	4%	1,919	889	2,808	3%
Others	(151)	660	509	–	(1,480)	851	(629)	-1%
EBITDA before property revaluation and profits on disposal of investments and others	51,852	47,021	98,873	100%	45,152	50,495	95,647	100%
Profits on disposal of investments (see note 6)	2,237	20,554	22,791		1,889	–	1,889	
Non-controlling interests' share of HPH Trust's EBITDA	–	644	644		–	634	634	
EBITDA (see note 34(a))	54,089	68,219	122,308		47,041	51,129	98,170	
Depreciation and amortisation	(17,003)	(16,378)	(33,381)		(15,850)	(15,421)	(31,271)	
Change in fair value of investment properties	24,678	514	25,192		26	2	28	
Others (see note 6)	(4,798)	(3,384)	(8,182)		–	(2,163)	(2,163)	
Group's share of the following income statement items of associated companies and joint ventures:								
Interest expenses and other finance costs	–	(6,274)	(6,274)		–	(5,768)	(5,768)	
Current tax	–	(6,625)	(6,625)		–	(6,741)	(6,741)	
Deferred tax	–	1,056	1,056		–	192	192	
Non-controlling interests	–	(326)	(326)		–	(363)	(363)	
	56,966	36,802	93,768		31,217	20,867	52,084	

\# represents the Group's attributable share of HPH Trust's EBITDA based on the effective shareholdings in HPH Trust during 2014. EBITDA reduced by HK$644 million and HK$634 million for 2014 and 2013 respectively, being adjustments to exclude non-controlling interests' share of EBITDA of HPH Trust.

5 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	Associates and JV	2014 Total		Company and Subsidiaries	Associates and JV	2013 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Ports and related services	5,474	2,470	7,944	12%	4,981	2,377	7,358	12%
Hutchison Ports Group other than HPH Trust	5,448	1,684	7,132	11%	4,916	1,657	6,573	11%
HPH Trust #	26	786	812	1%	65	720	785	1%
Property and hotels	7,420	2,241	9,661	15%	7,122	6,537	13,659	21%
Retail	10,680	2,343	13,023	20%	9,864	1,907	11,771	18%
Cheung Kong Infrastructure	2,141	16,074	18,215	28%	1,424	16,104	17,528	27%
Husky Energy	–	6,324	6,324	10%	–	7,208	7,208	11%
3 Group Europe								
EBITDA before the following non-cash items	15,616	(18)	15,598		12,697	(26)	12,671	
Depreciation	(7,535)	(3)	(7,538)		(6,941)	–	(6,941)	
Amortisation of licence fees and other rights	(1,168)	–	(1,168)		(874)	–	(874)	
EBIT (LBIT) - **3** Group Europe	6,913	(21)	6,892	10%	4,882	(26)	4,856	8%
Hutchison Telecommunications Hong Kong Holdings	1,378	2	1,380	2%	1,359	8	1,367	2%
Hutchison Asia Telecommunications (o)	(1,465)	–	(1,465)	-2%	(409)	–	(409)	-1%
Finance & Investments and Others	2,308	1,431	3,739	5%	79	1,180	1,259	2%
Finance & Investments	2,797	894	3,691	5%	1,919	889	2,808	4%
Others	(489)	537	48	–	(1,840)	291	(1,549)	-2%
EBIT before property revaluation and profits on disposal of investments and others	34,849	30,864	65,713	100%	29,302	35,295	64,597	100%
Change in fair value of investment properties	24,678	514	25,192		26	2	28	
EBIT	59,527	31,378	90,905		29,328	35,297	64,625	
Profits on disposal of investments and others (see note 6)	(2,561)	17,170	14,609		1,889	(2,163)	(274)	
Non-controlling interests' share of HPH Trust's EBIT	–	423	423		–	413	413	
Group's share of the following income statement items of associated companies and joint ventures:								
Interest expenses and other finance costs	–	(6,274)	(6,274)		–	(5,768)	(5,768)	
Current tax	–	(6,625)	(6,625)		–	(6,741)	(6,741)	
Deferred tax	–	1,056	1,056		–	192	192	
Non-controlling interests	–	(326)	(326)		–	(363)	(363)	
	56,966	36,802	93,768		31,217	20,867	52,084	

represents the Group's attributable share of HPH Trust's EBIT based on the effective shareholdings in HPH Trust during 2014. EBIT reduced by HK$423 million and HK$413 million for 2014 and 2013 respectively, being adjustments to exclude non-controlling interests' share of EBIT of HPH Trust.

5 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**	**2014 Total HK$ millions**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total HK$ millions
Ports and related services	**2,985**	**1,204**	**4,189**	2,841	1,248	4,089
Hutchison Ports Group other than HPH Trust	**2,985**	**605**	**3,590**	2,841	646	3,487
HPH Trust #	**–**	**599**	**599**	–	602	602
Property and hotels	**219**	**118**	**337**	218	118	336
Retail	**1,926**	**600**	**2,526**	1,820	567	2,387
Cheung Kong Infrastructure	**324**	**5,944**	**6,268**	233	5,080	5,313
Husky Energy	**–**	**8,086**	**8,086**	–	7,571	7,571
3 Group Europe	**8,703**	**3**	**8,706**	7,815	–	7,815
Hutchison Telecommunications Hong Kong Holdings	**1,321**	**79**	**1,400**	1,335	56	1,391
Hutchison Asia Telecommunications	**1,187**	**–**	**1,187**	1,228	–	1,228
Finance & Investments and Others	**338**	**123**	**461**	360	560	920
Finance & Investments	**–**	**–**	**–**	–	–	–
Others	**338**	**123**	**461**	360	560	920
	17,003	**16,157**	**33,160**	15,850	15,200	31,050
Non-controlling interests' share of HPH Trust's depreciation and amortisation	**–**	**221**	**221**	–	221	221
	17,003	**16,378**	**33,381**	15,850	15,421	31,271

\# represents the Group's attributable share of HPH Trust's depreciation and amortisation based on the effective shareholdings in HPH Trust during 2014. Depreciation and amortisation reduced by HK$221 million for both 2014 and 2013, being adjustments to exclude non-controlling interests' share of depreciation and amortisation of HPH Trust.

5 Operating segment information (continued)

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

	Capital expenditure							
	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2014 Total	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2013 Total
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	3,943	–	48	3,991	7,060	–	11	7,071
Hutchison Ports Group other than HPH Trust	3,943	–	48	3,991	7,060	–	11	7,071
HPH Trust	–	–	–	–	–	–	–	–
Property and hotels	152	–	–	152	535	–	–	535
Retail	2,449	–	–	2,449	2,264	–	–	2,264
Cheung Kong Infrastructure	292	–	13	305	406	–	11	417
Husky Energy	–	–	–	–	–	–	–	–
3 Group Europe [p]	11,144	38	127	11,309	10,116	6,824	60	17,000
Hutchison Telecommunications Hong Kong Holdings	1,174	3	40	1,217	1,239	4	23	1,266
Hutchison Asia Telecommunications	1,906	–	1	1,907	1,621	–	–	1,621
Finance & Investments and Others	229	–	–	229	319	–	–	319
Finance & Investments	–	–	–	–	–	–	–	–
Others	229	–	–	229	319	–	–	319
	21,289	41	229	21,559	23,560	6,828	105	30,493

5 Operating segment information (continued)

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

	Total assets							
	Company and Subsidiaries				Company and Subsidiaries			
	Segment assets (α)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2014 Total assets	Segment assets (α)	Deferred tax assets	Investments in associated companies and interests in joint ventures	2013 Total assets
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	69,324	198	25,799	95,321	71,164	169	27,548	98,881
Hutchison Ports Group other than HPH Trust	69,324	198	12,246	81,768	71,164	169	13,483	84,816
HPH Trust	–	–	13,553	13,553	–	–	14,065	14,065
Property and hotels	75,558	36	47,506	123,100	53,049	21	42,839	95,909
Retail	37,798	881	4,961	43,640	39,329	670	5,035	45,034
Cheung Kong Infrastructure	21,299	15	112,686	134,000	20,134	21	85,589	105,744
Husky Energy	–	–	47,800	47,800	–	–	51,833	51,833
3 Group Europe (r)	225,498	17,785	7	243,290	235,401	17,265	18	252,684
Hutchison Telecommunications Hong Kong Holdings	19,174	258	466	19,898	19,169	369	715	20,253
Hutchison Asia Telecommunications	22,260	1	–	22,261	20,785	1	–	20,786
Finance & Investments and Others	147,470	29	2,936	150,435	114,614	30	4,831	119,475
Finance & Investments	130,516	–	–	130,516	89,947	–	–	89,947
Others	16,954	29	2,936	19,919	24,667	30	4,831	29,528
	618,381	19,203	242,161	879,745	573,645	18,546	218,408	810,599
Reconciliation item @	2	–	3,688	3,690	–	2	4,921	4,923
	618,383	19,203	245,849	883,435	573,645	18,548	223,329	815,522

@ the reconciliation item comprises total assets of HTAL.

5 Operating segment information (continued)

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

	Total liabilities							
	Segment liabilities (s)	Current & non-current borrowings (t) and other non-current liabilities	Current & deferred tax liabilities	2014 Total liabilities	Segment liabilities (s)	Current & non-current borrowings (t) and other non-current liabilities	Current & deferred tax liabilities	2013 Total liabilities
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Ports and related services	16,210	20,367	4,707	41,284	17,031	28,559	4,843	50,433
Hutchison Ports Group other than HPH Trust	16,210	20,367	4,707	41,284	17,031	28,559	4,843	50,433
HPH Trust	–	–	–	–	–	–	–	–
Property and hotels	3,049	418	3,062	6,529	4,156	409	2,730	7,295
Retail	25,062	13,941	1,345	40,348	24,670	87	1,066	25,823
Cheung Kong Infrastructure	5,211	18,709	1,212	25,132	5,200	13,443	1,532	20,175
Husky Energy	–	–	–	–	–	–	–	–
3 Group Europe	26,131	68,018	193	94,342	23,630	101,565	930	126,125
Hutchison Telecommunications Hong Kong Holdings	3,778	4,719	437	8,934	3,860	5,447	356	9,663
Hutchison Asia Telecommunications	3,817	1,284	3	5,104	3,151	1,550	3	4,704
Finance & Investments and Others	6,963	132,477	3,259	142,699	8,085	84,776	2,087	94,948
Finance & Investments	–	117,597	–	117,597	–	78,011	–	78,011
Others	6,963	14,880	3,259	25,102	8,085	6,765	2,087	16,937
	90,221	259,933	14,218	364,372	89,783	235,836	13,547	339,166
Reconciliation item@	1	–	–	1	124	–	–	124
	90,222	259,933	14,218	364,373	89,907	235,836	13,547	339,290

@ the reconciliation item comprises total liabilities of HTAL.

Additional information in respect of geographical locations

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

	Revenue							
	Company and Subsidiaries	Associates and JV	2014 Total		Company and Subsidiaries	Associates and JV	2013 Total	
	HK$ millions	HK$ millions	HK$ millions	%	HK$ millions	HK$ millions	HK$ millions	%
Hong Kong	58,688	7,027	65,715	16%	53,536	8,676	62,212	15%
Mainland China	30,510	14,315	44,825	11%	27,152	21,667	48,819	12%
Europe	128,338	54,369	182,707	43%	120,969	49,740	170,709	41%
Canada (u)	71	56,351	56,422	13%	96	59,551	59,647	14%
Asia, Australia and others	38,126	11,758	49,884	12%	37,380	11,752	49,132	12%
Finance & Investments and Others	16,428	5,491	21,919	5%	17,101	5,313	22,414	6%
	272,161	149,311	421,472 (1)	100%	256,234	156,699	412,933 (1)	100%

(1) see note 5(a) for reconciliation to total revenue included in the Group's income statement.

5 Operating segment information (continued)

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

	EBITDA [m]							
	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total HK$ millions	%
Hong Kong	8,530	3,271	11,801	12%	8,765	4,741	13,506	14%
Mainland China	7,596	5,923	13,519	14%	5,320	8,871	14,191	15%
Europe	24,673	17,569	42,242	43%	21,158	15,767	36,925	39%
Canada [u]	51	13,151	13,202	13%	83	14,550	14,633	15%
Asia, Australia and others	8,356	5,553	13,909	14%	9,387	4,826	14,213	15%
Finance & Investments and Others	2,646	1,554	4,200	4%	439	1,740	2,179	2%
EBITDA before property revaluation and profits on disposal of investments and others	51,852	47,021	98,873 [2]	100%	45,152	50,495	95,647 [2]	100%

(2) see note 5(b) for reconciliation to total EBITDA included in the Group's income statement.

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

	EBIT [n]							
	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2014 Total HK$ millions	%	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total HK$ millions	%
Hong Kong	6,614	2,019	8,633	13%	6,861	3,253	10,114	16%
Mainland China	6,854	4,167	11,021	17%	4,693	7,879	12,572	19%
Europe	14,007	13,488	27,495	42%	11,391	12,607	23,998	37%
Canada [u]	52	5,710	5,762	9%	83	6,987	7,070	11%
Asia, Australia and others	5,014	4,049	9,063	14%	6,195	3,389	9,584	15%
Finance & Investments and Others	2,308	1,431	3,739	5%	79	1,180	1,259	2%
EBIT before property revaluation and profits on disposal of investments and others	34,849	30,864	65,713	100%	29,302	35,295	64,597	100%
Change in fair value of investment properties	24,678	514	25,192		26	2	28	
EBIT	59,527	31,378	90,905 [3]		29,328	35,297	64,625 [3]	

(3) see note 5(c) for reconciliation to total EBIT included in the Group's income statement.

5 Operating segment information (continued)

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

	Capital expenditure							
	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2014 Total	Fixed assets, investment properties and leasehold land	Telecom-munications licences	Brand names and other rights	2013 Total
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Hong Kong	1,830	3	43	1,876	2,008	4	25	2,037
Mainland China	911	–	–	911	1,654	–	–	1,654
Europe	13,250	38	127	13,415	12,460	6,824	60	19,344
Canada	–	–	–	–	–	–	–	–
Asia, Australia and others	5,069	–	59	5,128	7,119	–	20	7,139
Finance & Investments and Others	229	–	–	229	319	–	–	319
	21,289	41	229	21,559	23,560	6,828	105	30,493

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

	Total assets							
	Company and Subsidiaries				Company and Subsidiaries			
	Segment assets [q]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2014 Total assets	Segment assets [q]	Deferred tax assets	Investments in associated companies and interests in joint ventures	2013 Total assets
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
Hong Kong	101,174	300	45,589	147,063	77,353	417	28,724	106,494
Mainland China	15,635	629	66,320	82,584	14,264	495	65,724	80,483
Europe	281,208	18,058	57,787	357,053	294,553	17,424	56,252	368,229
Canada [u]	390	–	44,834	45,224	329	–	47,701	48,030
Asia, Australia and others	72,506	187	28,383	101,076	72,532	182	20,097	92,811
Finance & Investments and Others	147,470	29	2,936	150,435	114,614	30	4,831	119,475
	618,383	19,203	245,849	883,435	573,645	18,548	223,329	815,522

(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 but excludes change in fair value of investment properties. 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.

5 Operating segment information (continued)

(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.

(o) Included in EBITDA and EBIT of Hutchison Asia Telecommunications in 2014 are compensation contributions amounting to HK$238 million (2013 – HK$717 million).

(p) Included in capital expenditures of **3** Group Europe in 2014 is the effect of foreign exchange translation of overseas subsidiaries' fixed assets balances at 31 December 2014 which has an effect of decreasing total expenditures by HK$1,066 million (2013 – increasing total expenditures by HK$150 million).

(q) Segment assets comprise fixed assets, investment properties, leasehold land, telecommunications licences, goodwill, brand names and other rights, 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$135,318 million (2013 – HK$96,779 million), HK$76,697 million (2013 – HK$76,967 million), HK$295,629 million (2013 – HK$305,349 million), HK$44,876 million (2013 – HK$47,742 million) and HK$78,254 million (2013 – HK$69,478 million) respectively.

(r) Included in total assets of **3** Group Europe is unrealised foreign currency exchange losses arising in 2014 of HK$13,469 million (2013 – gains of HK$3,129 million) from the translation of overseas subsidiaries accounts to Hong Kong dollars with an offsetting amount recorded in exchange reserve.

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

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

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

6 Profits on disposal of investments and others

	Attributable to			
	Ordinary shareholders of the Company HK$ millions	Holders of perpetual capital securities HK$ millions	Non-controlling interests HK$ millions	Total HK$ millions
Year ended 31 December 2014				
Profits on disposal of investments				
Marked-to-market gain on CKI's investment in AGN [(a)]	1,748	–	489	2,237
Others				
Impairment of goodwill and store closure provisions [(b)]	(652)	–	–	(652)
Provisions relating to the restructuring of **3** Ireland business [(c)]	(3,388)	–	–	(3,388)
Impairment charges on certain port assets and related provisions [(d)]	(581)	–	(177)	(758)
	(4,621)	–	(177)	(4,798)
	(2,873)	–	312	(2,561)
HTAL – share of operating losses of joint venture VHA[(e)]	(1,732)	–	(239)	(1,971)
	(4,605)	–	73	(4,532)
Profits on disposal of investments				
Share of an associated company's gain on disposal [(f)]	16,066	–	4,488	20,554
Others				
Share of Husky Energy's impairment charge on certain crude oil and natural gas assets	(1,413)	–	–	(1,413)
	14,653	–	4,488	19,141
Year ended 31 December 2013				
Profits on disposal of investments				
3 Austria – one-time net gain [(g)]	569	–	–	569
Gain on disposal of partial interest in Westports in Malaysia at IPO [(h)]	1,056	–	264	1,320
	1,625	–	264	1,889
Others				
HTAL – share of operating losses of joint venture VHA[(e)]	(1,458)	–	(201)	(1,659)
	167	–	63	230
Others				
Share of Husky Energy's impairment charge on certain crude oil and natural gas assets	(504)	–	–	(504)

6 Profits on disposal of investments and others (continued)

(a) It represents a marked-to-market gain on CKI's investments in Australian Gas Networks Limited ("AGN") (formerly known as Envestra Limited) realised upon the disposal of its interest in AGN to a joint venture on the AGN acquisition.

(b) In 2014, the Group recognised provisions of HK$652 million on the impairment of goodwill and store closure of the Marionnaud businesses to exit Poland and downsize operations in Portugal and Spain.

(c) In 2014, the Group recognised provisions relating to the restructuring of **3** Ireland business on the acquisition of O_2 Ireland. The main classes of accounts affected by the provisions are fixed assets (see note 13), brand names and other rights (see note 18), and other payables and accruals (see note 26).

(d) In 2014, the Group recognised impairment charges on certain port assets (see note 13) and related provisions.

(e) VHA is undergoing a shareholder-sponsored restructuring under the leadership of the other shareholder under the applicable terms of the shareholders' agreement. In order to assist in providing a meaningful analysis of the ongoing operating activities, HTAL's share of VHA's results for the years ended 31 December 2014 and 2013 are presented as separate items above to separately identify them from the recurring earnings profile during this phase.

(f) It represents the Group's share of the gain arising from listed associated company, Power Assets Holdings Limited's separate listing of its Hong Kong electricity business on the Main Board of the Stock Exchange of Hong Kong.

(g) In 2013, the Group recognised a one-time net gain of HK$569 million, arising from the disposal of certain non-core telecommunications assets in Austria of HK$2,648 million, upon completion of the acquisition of Orange Austria, net with one-time costs of HK$2,079 million mainly relating to the restructuring of **3** Austria's business on the acquisition of Orange Austria. The relating tax effect is a tax credit of HK$389 million.

(h) In 2013, the Group recognised a one-time gain of HK$1,056 million, arising on the Group's reduced interest in Westports Holdings Bhd ("Westports") following Westports' successful initial public offering of its shares.

7 Directors' emoluments

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 of each of the directors of the Company exclude amounts received from the Company's listed subsidiaries and paid to the Company. The amounts paid to each director for both 2014 and 2013 are as below (also see Corporate Governance Report):

	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 [a] [f]	0.05	–	–	–	–	0.05
LI Tzar Kuoi, Victor						
Paid by the Company	0.12	4.59	50.35	–	–	55.06
Paid by Cheung Kong Infrastructure	0.08	–	24.01	–	–	24.09
Paid to the Company	(0.08)	–	–	–	–	(0.08)
	0.12	4.59	74.36	–	–	79.07
FOK Kin Ning, Canning [b]	0.12	10.84	183.12	2.22	–	196.30
CHOW WOO Mo Fong, Susan [b]	0.12	8.01	41.11	1.59	–	50.83
Frank John SIXT [b]	0.12	8.03	39.83	0.69	–	48.67
LAI Kai Ming, Dominic [b]	0.12	5.45	39.26	1.01	–	45.84
KAM Hing Lam						
Paid by the Company	0.12	2.30	8.96	–	–	11.38
Paid by Cheung Kong Infrastructure	0.08	4.20	10.27	–	–	14.55
Paid to the Company	(0.08)	(4.20)	–	–	–	(4.28)
	0.12	2.30	19.23	–	–	21.65
LEE Yeh Kwong, Charles [d]	0.12	–	–	–	–	0.12
George Colin MAGNUS [d]						
Paid by the Company	0.12	–	–	–	–	0.12
Paid by Cheung Kong Infrastructure	0.08	–	–	–	–	0.08
	0.20	–	–	–	–	0.20
CHENG Hoi Chuen, Vincent [c] [e] [f] [h]	0.15	–	–	–	–	0.15
Michael David KADOORIE [c]	0.12	–	–	–	–	0.12
Holger KLUGE [c] [e] [f] [g]	0.16	–	–	–	–	0.16
LEE Wai Mun, Rose [c]	0.12	–	–	–	–	0.12
William SHURNIAK [c] [e]	0.25	–	–	–	–	0.25
WONG Chung Hin [c] [e] [f]	0.31	–	–	–	–	0.31
Total	2.20	39.22	396.91	5.51	–	443.84

(a) No remuneration was paid to Mr Li Ka-shing during the year other than a director's fee of HK$50,000 (2013 – HK$50,000) which he paid to Cheung Kong (Holdings) Limited.

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

(c) Independent non-executive director. The total emoluments of the independent non-executive directors of the Company are HK$1,110,000 (2013 – HK$1,110,000).

(d) Non-executive director.

(e) Member of the Audit Committee.

(f) Member of the Remuneration Committee.

(g) Resigned on 10 July 2014.

(h) Appointed on 10 July 2014.

(i) Appointed on 18 January 2013.

7 Directors' emoluments (continued)

	2013					
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 [(a)] [(f)]	0.05	–	–	–	–	0.05
LI Tzar Kuoi, Victor						
Paid by the Company	0.12	4.59	47.95	–	–	52.66
Paid by Cheung Kong Infrastructure	0.08	–	22.87	–	–	22.95
Paid to the Company	(0.08)	–	–	–	–	(0.08)
	0.12	4.59	70.82	–	–	75.53
FOK Kin Ning, Canning [(b)]	0.12	10.85	175.00	2.22	–	188.19
CHOW WOO Mo Fong, Susan [(b)]	0.12	8.01	39.16	1.59	–	48.88
Frank John SIXT [(b)]	0.12	7.99	37.88	0.69	–	46.68
LAI Kai Ming, Dominic [(b)]	0.12	5.44	37.39	1.01	–	43.96
KAM Hing Lam						
Paid by the Company	0.12	2.30	8.54	–	–	10.96
Paid by Cheung Kong Infrastructure	0.08	4.20	9.78	–	–	14.06
Paid to the Company	(0.08)	(4.20)	–	–	–	(4.28)
	0.12	2.30	18.32	–	–	20.74
LEE Yeh Kwong, Charles [(d)] [(i)]	0.11	–	–	–	–	0.11
George Colin MAGNUS [(d)]						
Paid by the Company	0.12	–	–	–	–	0.12
Paid by Cheung Kong Infrastructure	0.08	–	–	–	–	0.08
	0.20	–	–	–	–	0.20
Michael David KADOORIE [(c)]	0.12	–	–	–	–	0.12
Holger KLUGE [(c)] [(e)] [(f)]	0.31	–	–	–	–	0.31
LEE Wai Mun, Rose [(c)]	0.12	–	–	–	–	0.12
William SHURNIAK [(c)] [(e)]	0.25	–	–	–	–	0.25
WONG Chung Hin [(c)] [(e)] [(f)]	0.31	–	–	–	–	0.31
Total	2.19	39.18	378.57	5.51	–	425.45

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 (2013 – nil).

In 2014, the five individuals whose emoluments were the highest for the year were four directors of the Company and one director of a subsidiary of the Company. The remuneration of the director of the subsidiary company consisted of basic salary, allowances and benefits-in-kind – HK$2.76 million; provident fund contribution – HK$0.19 million; discretionary bonus – HK$4.8 million and cash value of share options exercised during the year – HK$72.42 million.

In 2013, the five individuals whose emoluments were the highest for the year were five directors of the Company.

8 Interest expenses and other finance costs

	2014 HK$ millions	2013 HK$ millions
Bank loans and overdrafts	**1,363**	1,306
Other loans repayable within 5 years	**101**	73
Other loans not wholly repayable within 5 years	**23**	28
Notes and bonds repayable within 5 years	**3,740**	3,374
Notes and bonds not wholly repayable within 5 years	**2,014**	2,652
	7,241	7,433
Interest bearing loans from non-controlling shareholders repayable within 5 years	**176**	186
Interest bearing loans from non-controlling shareholders not wholly repayable within 5 years	**3**	5
	7,420	7,624
Amortisation of loan facilities fees and premiums or discounts relating to borrowings	**309**	274
Notional non-cash interest accretion [(a)]	**338**	422
Other finance costs	**86**	244
	8,153	8,564
Less: interest capitalised [(b)]	**(103)**	(173)
	8,050	8,391

(a) Notional non-cash interest accretion represents notional adjustments to accrete the carrying amount of certain obligations recognised in the statement of financial position such as asset retirement obligation 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 6.6% per annum (2013 – 0.1% to 6.6% per annum).

9 Tax

	Current tax HK$ millions	Deferred tax HK$ millions	2014 Total HK$ millions	Current tax HK$ millions	Deferred tax HK$ millions	2013 Total HK$ millions
Hong Kong	**522**	**316**	**838**	601	378	979
Outside Hong Kong	**3,785**	**(656)**	**3,129**	3,630	191	3,821
	4,307	**(340)**	**3,967**	4,231	569	4,800

Hong Kong profits tax has been provided for at the rate of 16.5% (2013 - 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:

	2014 HK$ millions	2013 HK$ millions
Tax calculated at the domestic rates applicable in the country concerned	**9,785**	5,537
Tax effect of:		
Tax losses not recognised	**2,200**	1,216
Tax incentives	**–**	(21)
Income not subject to tax	**(5,272)**	(1,034)
Expenses not deductible for tax purposes	**1,362**	1,066
Recognition of previously unrecognised tax losses	**(2,500)**	(1,747)
Utilisation of previously unrecognised tax losses	**(188)**	(56)
Under provision in prior years	**9**	669
Deferred tax assets written off	**–**	(7)
Other temporary differences	**(1,351)**	(745)
Effect of change in tax rate	**(78)**	(78)
Total tax for the year	**3,967**	4,800

10 Distributions and dividends

	2014 HK$ millions	2013 HK$ millions
Distributions paid on perpetual capital securities	**1,980**	1,351
Dividends paid and payable on ordinary shares		
First interim dividend, paid of HK$0.66 per share (2013 – HK$0.60)	**2,814**	2,558
Second interim dividend, in lieu of Final dividend, payable of HK$1.755 per share (2013 – Final dividend, HK$1.70)	**7,482**	7,248
	10,296	9,806
Special dividend, paid of HK$7.00 per share (2013 – nil)	**29,843**	–
	40,139	9,806

11 Earnings per share for profit attributable to ordinary shareholders of the Company

The calculation of earnings per share is based on profit attributable to ordinary shareholders of the Company HK$67,156 million (2013 – HK$31,112 million) and on 4,263,370,780 shares in issue during 2014 (2013 – 4,263,370,780 shares).

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 2014. The employee share options of these subsidiary and associated companies outstanding as at 31 December 2014 did not have a dilutive effect on earnings per share.

12 Other comprehensive income (losses)

	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	1,176	(61)	1,115
Valuation gains previously in reserves recognised in income statement	(480)	–	(480)
Remeasurement of defined benefit obligations recognised directly in reserves	(324)	75	(249)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	(5)	8	3
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(16,653)	–	(16,653)
Gains previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	(3,636)	–	(3,636)
Share of other comprehensive income (losses) of associated companies	(4,854)	–	(4,854)
Share of other comprehensive income (losses) of joint ventures	(5,205)	–	(5,205)
	(29,981)	22	(29,959)

	2013		
	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	382	(64)	318
Valuation losses previously in reserves recognised in income statement	6	–	6
Remeasurement of defined benefit obligations recognised directly in reserves	694	84	778
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	346	(12)	334
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(1,774)	–	(1,774)
Gains previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement	(152)	–	(152)
Share of other comprehensive income (losses) of associated companies	(3,237)	–	(3,237)
Share of other comprehensive income of joint ventures	474	–	474
	(3,261)	8	(3,253)

13 Fixed assets

	Land and buildings HK$ millions	Telecom-munications network assets HK$ millions	Other assets HK$ millions	Total HK$ millions
Cost				
At 1 January 2013	47,970	137,877	106,315	292,162
Additions	3,078	2,207	17,320	22,605
Relating to subsidiaries acquired	527	822	1,047	2,396
Disposals	(688)	(1,174)	(3,198)	(5,060)
Relating to subsidiaries disposed	–	–	(5)	(5)
Transfer from (to) other assets	(443)	8	193	(242)
Transfer between categories / investment properties / leasehold land	1,566	6,264	(5,591)	2,239
Exchange translation differences	(27)	160	1,435	1,568
At 1 January 2014	**51,983**	**146,164**	**117,516**	**315,663**
Additions	**2,218**	**2,689**	**16,277**	**21,184**
Relating to subsidiaries acquired	**1**	**660**	**67**	**728**
Disposals	**(342)**	**(662)**	**(3,317)**	**(4,321)**
Relating to subsidiaries disposed	**(4)**	**–**	**(4)**	**(8)**
Write-off for the year [(a)]	**–**	**(552)**	**(15)**	**(567)**
Transfer to other assets	**(253)**	**–**	**(14)**	**(267)**
Transfer between categories / leasehold land	**890**	**7,693**	**(8,036)**	**547**
Exchange translation differences	**(1,763)**	**(10,783)**	**(7,429)**	**(19,975)**
At 31 December 2014	**52,730**	**145,209**	**115,045**	**312,984**
Accumulated depreciation and impairment				
At 1 January 2013	11,803	49,831	62,940	124,574
Relating to subsidiaries acquired	146	42	518	706
Charge for the year	1,291	7,227	5,328	13,846
Disposals	(46)	(976)	(2,987)	(4,009)
Relating to subsidiaries disposed	–	–	(4)	(4)
Impairment recognised for the year [(b)]	–	426	–	426
Transfer from (to) other assets	(5)	3	6	4
Transfer between categories / investment properties / leasehold land	28	746	369	1,143
Exchange translation differences	72	633	948	1,653
At 1 January 2014	**13,289**	**57,932**	**67,118**	**138,339**
Relating to subsidiaries acquired	**–**	**–**	**2**	**2**
Charge for the year	**1,414**	**7,173**	**6,117**	**14,704**
Disposals	**(106)**	**(638)**	**(3,113)**	**(3,857)**
Relating to subsidiaries disposed	**(1)**	**–**	**(3)**	**(4)**
Impairment recognised and write-off for the year [(a)]	**140**	**(163)**	**219**	**196**
Transfer to other assets	**(124)**	**–**	**(106)**	**(230)**
Transfer between categories / leasehold land	**(10)**	**(892)**	**923**	**21**
Exchange translation differences	**(504)**	**(3,477)**	**(5,440)**	**(9,421)**
At 31 December 2014	**14,098**	**59,935**	**65,717**	**139,750**
Net book value				
At 31 December 2014	**38,632**	**85,274**	**49,328**	**173,234**
At 31 December 2013	38,694	88,232	50,398	177,324
At 1 January 2013	36,167	88,046	43,375	167,588

13 Fixed assets (continued)

(a) Mainly relates to restructuring of **3** Ireland (see note 6(c)) and impairment on port assets (see note 6(d)).

(b) Mainly relates to restructuring of **3** Austria (see note 6(g)).

Land and buildings include projects under development in the amount of HK$3,527 million (2013 – HK$4,102 million).

Cost and net book value of fixed assets include HK$149,644 million (2013 – HK$153,058 million) and HK$84,404 million (2013 – HK$87,820 million) respectively, relating to **3** Group Europe. Impairment tests were undertaken at 31 December 2014 and 31 December 2013 to assess whether the carrying value of the Group's 3G telecommunications licences and network assets were supported by the net present value of future cash flows forecast to be derived from the use of these assets for each respective business. Note 3(b) contains information about the estimates, assumptions and judgements relating to the impairment tests. Save as disclosed above, the results of the tests undertaken as at 31 December 2014 and 31 December 2013 indicated that no other impairment charge was necessary.

14 Investment properties

	2014 HK$ millions	2013 HK$ millions
Valuation		
At 1 January	**42,454**	43,652
Additions	**105**	423
Disposals	**(21)**	(98)
Relating to subsidiaries disposed	**(1,032)**	(573)
Change in fair value of investment properties	**24,678**	26
Transfer to fixed assets	**–**	(1,040)
Exchange translation differences	**27**	64
At 31 December	**66,211**	42,454

The Group's investment properties comprise:

	2014 HK$ millions	2013 HK$ millions
Hong Kong		
Long leasehold (not less than 50 years)	**30,345**	17,303
Medium leasehold (less than 50 years but not less than 10 years)	**35,079**	23,347
Outside Hong Kong		
Freehold	**725**	708
Medium leasehold	**62**	1,096
	66,211	42,454

14 Investment properties (continued)

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

	2014 HK$ millions	2013 HK$ millions
Within 1 year	**2,955**	2,975
After 1 year, but within 5 years	**4,407**	5,874
After 5 years	**1,204**	126

(a) Fair value measurements

The table below analyses recurring fair value measurements for investment properties located in Hong Kong and outside Hong Kong. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2014				
Hong Kong	**–**	**304**	**65,120**	**65,424**
Outside Hong Kong	**–**	**–**	**787**	**787**
	–	**304**	**65,907**	**66,211**

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2013				
Hong Kong	–	268	40,382	40,650
Outside Hong Kong	–	–	1,804	1,804
	–	268	42,186	42,454

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.

Investment properties have been fair valued as at 31 December 2014 and 31 December 2013 by DTZ Debenham Tie Leung Limited, professional valuers. The fair value of the investment properties was determined based on, amongst other things, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

14 Investment properties (continued)

(a) Fair value measurements (continued)

The movements of the balance of investment properties measured at fair value based on Level 3 are as follows:

	2014 HK$ million	2013 HK$ million
At 1 January	**42,186**	43,414
Additions	**105**	423
Disposals	**(21)**	(98)
Relating to subsidiaries disposed	**(1,032)**	(573)
Change in fair value of investment properties	**24,678**	(4)
Transfer to fixed assets	**–**	(1,040)
Exchange translation differences	**(9)**	64
At 31 December	**65,907**	42,186

The valuations are derived using the income capitalisation method. This method is based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

Information about fair value measurements based on Level 3 fair value hierarchy:

Description	2014 Fair value HK$ million	Valuation techniques	Range of significant unobservable inputs Rental rates	 Capitalisation rates
Office properties in Hong Kong	**40,493**	Income capitalisation method	HK$22.7 per square foot ("psf") to HK$112.7 psf	4.5% to 5%
Commercial properties in Hong Kong	**14,296**	Income capitalisation method	HK$13.5 psf to HK$79.6 psf	4.75% to 6.75%
Residential properties in Hong Kong	**1,529**	Income capitalisation method	HK$14.5 psf to HK$45 psf	2% to 2.5%
Industrial properties in Hong Kong	**8,802**	Income capitalisation method	HK$6.6 psf to HK$18 psf	5.5% to 5.75%
Other properties outside Hong Kong	**787**	Income capitalisation method	HK$49.6 per square meter ("psm") to HK$151 psm	6% to 7.5%

14 Investment properties (continued)

(a) Fair value measurements (continued)

Description	2013 Fair value HK$ million	Valuation techniques	Range of significant unobservable inputs	
			Rental rates	Capitalisation rates
Office properties in Hong Kong	27,979	Income capitalisation method	HK$17.9 psf to HK$112.2 psf	4.75% to 6%
Commercial properties in Hong Kong	7,527	Income capitalisation method	HK$10.5 psf to HK$69.7 psf	6% to 9.75%
Residential properties in Hong Kong	937	Income capitalisation method	HK$24.8 psf to HK$50.5 psf	2.75% to 3.75%
Industrial properties in Hong Kong	3,939	Income capitalisation method	HK$2.7 psf to HK$17 psf	8% to 11.5%
Other properties outside Hong Kong	1,804	Income capitalisation method	HK$63.5 psm to HK$281.6 psm	6% to 8.5%

For rental rate, the higher the rental rate, the higher the fair value will be. For capitalisation rate, the higher the capitalisation rate, the lower the fair value will be.

15 Leasehold land

	2014 HK$ millions	2013 HK$ millions
Net book value		
At 1 January	**9,849**	9,495
Additions	**–**	532
Amortisation for the year	**(444)**	(454)
Relating to subsidiaries disposed	**(2)**	–
Transfer from other assets	**–**	217
Transfer to fixed assets	**(526)**	(56)
Exchange translation differences	**(364)**	115
At 31 December	**8,513**	9,849

The Group's leasehold land comprises:

	2014 HK$ millions	2013 HK$ millions
Outside Hong Kong		
Long leasehold	**1,005**	1,040
Medium leasehold	**7,508**	8,809
	8,513	9,849

16 Telecommunications licences

	2014 HK$ millions	2013 HK$ millions
Net book value		
At 1 January	**86,576**	78,655
Additions	**41**	6,828
Relating to subsidiaries acquired	**2,206**	440
Amortisation for the year	**(894)**	(774)
Exchange translation differences	**(6,327)**	1,427
At 31 December	**81,602**	86,576
Cost	**109,084**	114,999
Accumulated amortisation and impairment	**(27,482)**	(28,423)
	81,602	86,576

The carrying amount of the Group's telecommunications licences with indefinite useful life in Italy and the UK is €3,195 million (2013 – €3,192 million) and £3,367 million (2013 – £3,366 million), respectively.

In accordance with the Group's accounting policy on asset impairment (see note 2(y)), the carrying values of telecommunications licences were tested for impairment as at 31 December 2014 and 31 December 2013. Note 3(b) contains information about the estimates, assumptions and judgements relating to telecommunications licences impairment tests. The results of the tests undertaken as at 31 December 2014 and 31 December 2013 indicated no impairment charge was necessary.

17 Goodwill

	2014 HK$ millions	2013 HK$ millions
Cost		
At 1 January	**38,028**	26,492
Relating to subsidiaries acquired	**5,783**	11,380
Impairment recognised [(a)]	**(323)**	–
Relating to subsidiaries disposed	**(409)**	(161)
Exchange translation differences	**(3,947)**	317
At 31 December	**39,132**	38,028

The carrying amount of goodwill primarily arises from the acquisition of four retail chains: Marionnaud of €645 million (2013 – €645 million), Kruidvat of €600 million (2013 – €600 million), The Perfume Shop of £140 million (2013 – £140 million), Superdrug of £78 million (2013 – £78 million), **3** Austria of €970 million (2013 – €970 million), **3** Italy of €275 million (2013 – €275 million), **3** Ireland of €547 million (2013 – nil), Hutchison Telecommunications Hong Kong Holdings of HK$3,754 million (2013 – HK$3,754 million) and Hutchison Asia Telecommunications of HK$864 million (2013 – HK$892 million).

In accordance with the Group's accounting policy on asset impairment (see note 2(y)), the carrying values of goodwill were tested for impairment as at 31 December 2014 and 31 December 2013. Note 3(b) contains information about the estimates, assumptions and judgements relating to goodwill impairment tests. Save as disclosed above, the results of the tests undertaken as at 31 December 2014 and 31 December 2013 indicated no other impairment charge was necessary.

(a) Mainly relates to store closures of the Marionnaud businesses to exit Poland and downsize operations in Portugal and Spain (see note 6(b)).

18 Brand names and other rights

	Brand names HK$ millions	Other rights HK$ millions	Total HK$ millions
Net book value			
At 1 January 2014	**2,129**	**16,626**	**18,755**
Additions	**–**	**229**	**229**
Relating to subsidiaries acquired	**28**	**1,398**	**1,426**
Impairment recognised and write-off for the year [(a)]	**–**	**(1,970)**	**(1,970)**
Disposal	**–**	**(22)**	**(22)**
Amortisation for the year	**(13)**	**(948)**	**(961)**
Exchange translation differences	**(183)**	**(1,041)**	**(1,224)**
At 31 December 2014	**1,961**	**14,272**	**16,233**
Cost	**2,045**	**23,110**	**25,155**
Accumulated amortisation	**(84)**	**(8,838)**	**(8,922)**
	1,961	**14,272**	**16,233**

	Brand names HK$ millions	Other rights HK$ millions	Total HK$ millions
Net book value			
At 1 January 2013	1,954	13,374	15,328
Additions	–	105	105
Relating to subsidiaries acquired	132	4,376	4,508
Impairment recognised for the year [(b)]	–	(622)	(622)
Disposal	–	(43)	(43)
Transfer from fixed assets	–	22	22
Amortisation for the year	(13)	(763)	(776)
Exchange translation differences	56	177	233
At 31 December 2013	2,129	16,626	18,755
Cost	2,202	25,404	27,606
Accumulated amortisation	(73)	(8,778)	(8,851)
	2,129	16,626	18,755

(a) Mainly relates to restructuring of **3** Ireland (see note 6(c)).

(b) Mainly relates to restructuring of **3** Austria (see note 6(g)).

The brand names as at 31 December 2014 primarily resulted from the acquisitions of Marionnaud and The Perfume Shop in 2005 and are assessed to have indefinite useful lives. The factors considered in the assessment of the useful lives include analysis of market and competitive trends, product life cycles, brand extension opportunities and management's long term strategic development.

The value of brand names acquired in 2005 was determined by an external valuer based on a royalty relief methodology, a commonly applied approach to valuing brand names, which was completed in December 2005. Brand names were tested for impairment as at 31 December 2014 and 31 December 2013 and the results of the tests indicated no impairment charge was necessary.

Other rights, which include rights of use of telecommunications network infrastructure sites of HK$6,942 million (2013 – HK$8,293 million), operating and service content rights of HK$4,517 million (2013 – HK$5,018 million), resource consents and customer lists of HK$2,813 million (2013 – HK$3,315 million) are amortised over their finite useful lives.

19 Associated companies

	2014 HK$ millions	2013 HK$ millions
Unlisted shares	**3,744**	3,744
Listed shares, Hong Kong	**9,512**	9,512
Listed shares, outside Hong Kong	**34,617**	34,617
Share of undistributed post acquisition reserves	**73,292**	56,951
	121,165	104,824
Amounts due from associated companies	**5,251**	7,234
	126,416	112,058

The market value of the above listed investments at 31 December 2014 was HK$144,274 million (2013 – HK$151,663 million), inclusive of HK$61,474 million (2013 – HK$81,864 million) and HK$62,386 million (2013 – HK$51,145 million) for material associated companies, namely Husky Energy and Power Assets.

There are no material contingent liabilities relating to the Group's interests in the associated companies, save as for those disclosed in note 37.

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

	Material associated companies		**Other associated companies**	**2014 Total**
	Husky Energy HK$ millions	**Power Assets HK$ millions**	**HK$ millions**	**HK$ millions**
Group's share of the following items of the associated companies*:				
Profits less losses after tax (before profits on disposal of investments and others)	**4,028**	**3,159**	**1,979**	**9,166**
Profits on disposal of investments and others	**(1,413)**	**20,554**	**–**	**19,141**
Other comprehensive income (losses)	**(3,753)**	**(728)**	**(373)**	**(4,854)**
Total comprehensive income (losses)	**(1,138)**	**22,985**	**1,606**	**23,453**

	Material associated companies		Other associated companies	2013 Total
	Husky Energy HK$ millions	Power Assets HK$ millions	HK$ millions	HK$ millions
Group's share of the following items of the associated companies*:				
Profits less losses after tax (before impairment charge)	4,623	4,340	1,470	10,433
Impairment charge	(504)	–	–	(504)
Other comprehensive income (losses)	(3,197)	206	(246)	(3,237)
Total comprehensive income	922	4,546	1,224	6,692

19 Associated companies (continued)

	2014		2013	
	Husky Energy HK$ millions	**Power Assets HK$ millions**	Husky Energy HK$ millions	Power Assets HK$ millions
Dividends received from associated companies	**2,874**	**2,132**	3,092	2,057
Gross amount of the following items of the associated companies*:				
Total revenue	**168,878**	**2,131**	175,008	11,578
EBITDA	**42,419**	**72,306**	43,481	20,121
EBIT	**18,611**	**67,287**	21,207	15,115
Other comprehensive income (losses)	**(11,046)**	**(1,870)**	(9,481)	530
Total comprehensive income (losses)	**(3,352)**	**59,322**	2,636	11,844
Current assets	**31,135**	**62,100**	35,747	10,494
Non-current assets	**235,059**	**73,222**	240,667	93,605
Current liabilities	**39,197**	**2,700**	30,265	4,952
Non-current liabilities	**84,689**	**10,486**	93,638	30,848
Net assets (net of preferred shares)	**138,736**	**122,136**	150,395	68,299
Reconciliation to the carrying amount of the Group's interests in associated companies:				
Group's interest	**34%**	**39%**	34%	39%
Group's share of net assets	**47,129**	**47,474**	51,104	26,548
Amounts due from associated companies	**671**	**–**	729	–
Adjustment to cost of investment	**–**	**4,546**	–	4,546
Carrying amount	**47,800**	**52,020**	51,833	31,094

* after translation into Hong Kong dollars and consolidation adjustments

Particulars regarding the principal associated companies are set forth on pages 269 to 274.

20 Interests in joint ventures

	2014 HK$ millions	2013 HK$ millions
Joint ventures		
Unlisted shares	**73,499**	66,769
Share of undistributed post acquisition reserves	**16,411**	20,559
	89,910	87,328
Amounts due from joint ventures	**29,523**	23,943
	119,433	111,271

There are no material contingent liabilities relating to the Group's interests in the joint ventures, save as for those disclosed in note 37.

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

	2014 HK$ millions	2013 HK$ millions
Profits less losses after tax [(a)]	**10,466**	12,597
Other comprehensive income (losses)	**(5,205)**	474
Total comprehensive income	**5,261**	13,071
Capital commitments	**1,562**	2,123

(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 6(e)) to separately identify it from the recurring earnings profile.

Particulars regarding the principal joint ventures are set forth on pages 269 to 274.

21 Deferred tax

	2014 HK$ millions	2013 HK$ millions
Deferred tax assets	**19,203**	18,548
Deferred tax liabilities	**11,213**	10,228
Net deferred tax assets	**7,990**	8,320

Movements in net deferred tax assets are summarised as follows:

	2014 HK$ millions	2013 HK$ millions
At 1 January	**8,320**	9,091
Relating to subsidiaries acquired	**(170)**	(271)
Relating to subsidiaries disposed	**492**	1
Transfer to current tax	**(13)**	(27)
Net credit to other comprehensive income	**22**	8
Net credit (charge) to the income statement		
Unused tax losses	**916**	(107)
Accelerated depreciation allowances	**(306)**	(104)
Fair value adjustments arising from acquisitions	**176**	140
Withholding tax on undistributed earnings	**(132)**	(65)
Other temporary differences	**(314)**	(433)
Exchange translation differences	**(1,001)**	87
At 31 December	**7,990**	8,320

Analysis of net deferred tax assets (liabilities):

	2014 HK$ millions	2013 HK$ millions
Unused tax losses	**20,669**	19,987
Accelerated depreciation allowances	**(5,717)**	(5,558)
Fair value adjustments arising from acquisitions	**(3,698)**	(3,920)
Revaluation of investment properties and other investments	**(11)**	(307)
Withholding tax on undistributed earnings	**(398)**	(302)
Other temporary differences	**(2,855)**	(1,580)
	7,990	8,320

21 Deferred tax (continued)

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.

During the year, deferred tax assets of HK$2,134 million (2013 – HK$1,586 million) have been recognised for the losses of **3** Group Europe. At 31 December 2014, the Group has recognised accumulated deferred tax assets amounting to HK$19,203 million (2013 – HK$18,548 million) of which HK$17,785 million (2013 – HK$17,265 million) relates to **3** Group Europe.

Note 3(f) 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$22,525 million at 31 December 2014 (2013 – HK$22,977 million) in respect of unutilised tax losses, tax credits and deductible temporary differences totalling HK$94,257 million (2013 – HK$96,430 million). These unutilised tax losses, tax credits and deductible temporary differences can be carried forward against future taxable income. Of this amount, HK$67,210 million (2013 – HK$73,534 million) can be carried forward indefinitely and the balances expire in the following years:

	2014 **HK$ millions**	2013 HK$ millions
In the first year	**4,406**	2,577
In the second year	**2,763**	3,193
In the third year	**2,473**	2,484
In the fourth year	**9,455**	5,350
In the fifth to tenth years inclusive	**7,950**	9,292
	27,047	22,896

22 Other non-current assets

	2014 HK$ millions	2013 HK$ millions
Other unlisted investments		
Loans and receivables		
Unlisted debt securities	383	392
Other receivables	3,610	4,020
	3,993	4,412
Available-for-sale investments		
Unlisted equity securities	1,798	929
Fair value hedges (see note 28(a))		
Interest rate swaps	1,262	1,813
Cross currency interest rate swaps	–	738
Cash flow hedges (see note 28(a))		
Interest rate swaps	14	42
Forward foreign exchange contracts	72	–
	7,139	7,934

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 2014 is 1.7% (2013 – 1.9%).

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.

23 Liquid funds and other listed investments

	2014 HK$ millions	2013 HK$ millions
Available-for-sale investments		
Managed funds, outside Hong Kong	4,576	4,522
Listed / traded debt securities, outside Hong Kong	2,806	3,725
Listed equity securities, Hong Kong	4,817	2,130
Listed equity securities, outside Hong Kong	2,641	6,422
	14,840	16,799
Loans and receivables		
Long term deposits	–	36
Financial assets at fair value through profit or loss	301	301
	15,141	17,136

23 Liquid funds and other listed investments (continued)

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

	2014 HK$ millions	2013 HK$ millions
Listed debt securities	**4,566**	4,488
Cash and cash equivalents	**10**	34
	4,576	4,522

Included in listed / traded debt securities outside Hong Kong are notes issued by listed associated company, Husky Energy Inc. Of the principal amount held of US$103 million as at 31 December 2013, US$78 million matured and was redeemed during the current year and the balance of US$25 million held as at 31 December 2014 will mature in 2019.

The fair value of the available-for-sale investments and financial assets designated as "at fair value through profit or loss" are based on quoted market prices. The market value of the liquid funds and other listed investments excluding long term deposits at 31 December 2014 was HK$15,141 million (2013 – HK$17,100 million).

Loans and receivables, represent long term deposits, are carried at amortised cost, which approximates their fair value as the deposits carry floating interest rates and are repriced every three months based on the prevailing market interest rates. The weighted average effective interest rate on long term deposits as at 31 December 2013 was 2.1%.

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

	2014			2013		
	Available-for-sale investments Percentage	**Loans and receivables Percentage**	**Financial assets at fair value through profit or loss Percentage**	Available-for-sale investments Percentage	Loans and receivables Percentage	Financial assets at fair value through profit or loss Percentage
HK dollars	**32%**	**–**	**–**	13%	–	–
US dollars	**36%**	**–**	**83%**	35%	–	83%
Other currencies	**32%**	**–**	**17%**	52%	100%	17%
	100%	**–**	**100%**	100%	100%	100%

23 Liquid funds and other listed investments (continued)

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

	2014 Percentage	2013 Percentage
Credit ratings		
Aaa / AAA	**16%**	24%
Aa1 / AA+	**50%**	31%
Aa2 / AA	**–**	4%
Aa3 / AA-	**2%**	1%
A2 / A	**1%**	1%
Other investment grades	**3%**	11%
Unrated	**28%**	28%
	100%	100%
Sectorial		
US Treasury notes	**46%**	26%
Government and government guaranteed notes	**20%**	32%
Husky Energy Inc notes	**3%**	11%
Financial institutions notes	**3%**	3%
Others	**28%**	28%
	100%	100%
Weighted average maturity	**3.0 years**	3.1 years
Weighted average effective yield	**1.63%**	1.90%

24 Cash and cash equivalents

	2014 HK$ millions	2013 HK$ millions
Cash at bank and in hand	**31,011**	24,149
Short term bank deposits	**94,307**	61,502
	125,318	85,651

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

25 Trade and other receivables

	2014 HK$ millions	2013 HK$ millions
Trade receivables [a]	**22,550**	24,991
Less: provision for estimated impairment losses for bad debts [b]	**(4,297)**	(4,296)
Trade receivables – net	**18,253**	20,695
Other receivables and prepayments	**47,167**	48,231
Fair value hedges (see note 28(a))		
Cross currency interest rate swaps	**327**	76
Cash flow hedges (see note 28(a))		
Forward foreign exchange contracts	**829**	81
	66,576	69,083

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 years ended 31 December 2014 and 2013.

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

	2014 HK$ millions	2013 HK$ millions
Less than 31 days	**11,298**	13,571
Within 31 to 60 days	**1,767**	2,091
Within 61 to 90 days	**930**	870
Over 90 days	**8,555**	8,459
	22,550	24,991

25 Trade and other receivables (continued)

(b) As at 31 December 2014, out of the trade receivables of HK$22,550 million (2013 – HK$24,991 million), HK$15,307 million (2013 – HK$13,956 million) are impaired and it is assessed that a portion of these receivables is expected to be recoverable. The amount of the provision for estimated impairment losses for bad debts is HK$4,297 million (2013 – HK$4,296 million). The ageing analysis of these trade receivables is as follows:

	2014 **HK$ millions**	2013 HK$ millions
Not past due	**6,759**	5,632
Past due less than 31 days	**1,207**	1,108
Past due within 31 to 60 days	**507**	420
Past due within 61 to 90 days	**457**	471
Past due over 90 days	**6,377**	6,325
	15,307	13,956

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

	2014 **HK$ millions**	2013 HK$ millions
At 1 January	**4,296**	4,307
Additions	**1,886**	1,365
Utilisations	**(858)**	(1,123)
Write back	**(127)**	(30)
Exchange translation differences	**(900)**	(223)
At 31 December	**4,297**	4,296

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

	2014 **HK$ millions**	2013 HK$ millions
Not past due	**3,344**	6,293
Past due less than 31 days	**1,426**	2,077
Past due within 31 to 60 days	**331**	602
Past due within 61 to 90 days	**421**	400
Past due over 90 days	**1,721**	1,663
	7,243	11,035

26 Trade and other payables

	2014 HK$ millions	2013 HK$ millions
Trade payables [(a)]	21,760	22,309
Other payables and accruals	63,473	61,901
Provisions (see note 27)	824	928
Interest free loans from non-controlling shareholders	1,057	1,181
Cash flow hedges (see note 28(a))		
Interest rate swaps	24	–
Forward foreign exchange contracts	1	493
	87,139	86,812

The Group's five largest suppliers accounted for less than 27% of the Group's cost of purchases for the year ended 31 December 2014 (2013 – less than 29%).

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

	2014 HK$ millions	2013 HK$ millions
Less than 31 days	13,146	15,176
Within 31 to 60 days	3,401	3,221
Within 61 to 90 days	1,877	1,607
Over 90 days	3,336	2,305
	21,760	22,309

27 Provisions

	Restructuring and closure provision HK$ millions	Assets retirement obligation HK$ millions	Others HK$ millions	Total HK$ millions
At 1 January 2013	648	741	450	1,839
Additions	14	46	112	172
Relating to subsidiaries acquired	–	292	–	292
Interest accretion	19	38	–	57
Utilisations	(177)	–	(80)	(257)
Write back	(6)	(96)	(83)	(185)
Exchange translation differences	9	9	13	31
At 1 January 2014	507	1,030	412	1,949
Additions	39	47	97	183
Interest accretion	16	30	–	46
Utilisations	(36)	(16)	(46)	(98)
Write back	(7)	–	(100)	(107)
Exchange translation differences	(27)	(138)	(33)	(198)
At 31 December 2014	492	953	330	1,775

27 Provisions (continued)

Provisions are analysed as:

	2014 HK$ millions	2013 HK$ millions
Current portion (see note 26)	**824**	928
Non-current portion (see note 31)	**951**	1,021
	1,775	1,949

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.

28 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:

	2014			2013		
	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	**14,995**	**45,867**	**60,862**	7,646	57,886	65,532
Other loans	**261**	**339**	**600**	295	429	724
Notes and bonds	**26,746**	**158,659**	**185,405**	10,206	147,360	157,566
Total principal amount of bank and other debts	**42,002**	**204,865**	**246,867**	18,147	205,675	223,822
Unamortised loan facilities fees and premiums or discounts related to debts	**(48)**	**(760)**	**(808)**	(64)	(686)	(750)
Unrealised gain on bank and other debts pursuant to interest rate swap contracts [(a)]	**327**	**1,227**	**1,554**	76	2,206	2,282
	42,281	**205,332**	**247,613**	18,159	207,195	225,354

28 Bank and other debts (continued)

Analysis of principal amount of bank and other debts:

	2014			2013		
	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						
Repayable within 5 years	**14,995**	**44,395**	**59,390**	7,646	56,871	64,517
Not wholly repayable within 5 years	**–**	**1,472**	**1,472**	–	1,015	1,015
	14,995	**45,867**	**60,862**	7,646	57,886	65,532
Other loans						
Repayable within 5 years	**239**	**24**	**263**	268	78	346
Not wholly repayable within 5 years	**22**	**315**	**337**	27	351	378
	261	**339**	**600**	295	429	724
Notes and bonds						
HK$260 million notes, 4% due 2027	**–**	**260**	**260**	–	260	260
US$1,309 million notes, 6.25% due 2014	**–**	**–**	**–**	10,206	–	10,206
US$2,189 million notes, 4.625% due 2015	**17,077**	**–**	**17,077**	–	17,077	17,077
US$300 million notes, LIBOR + 0.7% due 2017	**–**	**2,340**	**2,340**	–	–	–
US$500 million notes-Series B, 7.45% due 2017	**–**	**3,900**	**3,900**	–	3,900	3,900
US$1,000 million notes, 2% due 2017	**–**	**7,800**	**7,800**	–	7,800	7,800
US$1,000 million notes, 3.5% due 2017	**–**	**7,800**	**7,800**	–	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**	–	7,800	7,800
US$1,500 million notes, 7.625% due 2019	**–**	**11,700**	**11,700**	–	11,700	11,700
US$1,500 million (2013: US$1,480 million) notes, 4.625% due 2022	**–**	**11,700**	**11,700**	–	11,544	11,544
US$500 million notes, 3.25% due 2022	**–**	**3,900**	**3,900**	–	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**	–	2,565	2,565
US$25 million notes-Series D, 6.988% due 2037	**–**	**196**	**196**	–	196	196
US$1,144 million notes, 7.45% due 2033	**–**	**8,926**	**8,926**	–	8,926	8,926
EUR603 million notes, 4.125% due 2015	**5,727**	**–**	**5,727**	–	6,378	6,378
EUR669 million notes, 4.625% due 2016	**–**	**6,357**	**6,357**	–	7,079	7,079
EUR1,750 million notes, 4.75% due 2016	**–**	**16,625**	**16,625**	–	18,515	18,515
EUR1,250 million notes, 2.5% due 2017	**–**	**11,875**	**11,875**	–	13,225	13,225
EUR1,500 million notes, 1.325% due 2021	**–**	**14,250**	**14,250**	–	–	–
EUR750 million notes, 3.625% due 2022	**–**	**7,125**	**7,125**	–	7,935	7,935
GBP325 million bonds, 6.75% due 2015	**3,942**	**–**	**3,942**	–	4,124	4,124
GBP113 million bonds, 5.625% due 2017	**–**	**1,371**	**1,371**	–	1,435	1,435
GBP303 million bonds, 5.625% due 2026	**–**	**3,675**	**3,675**	–	3,845	3,845
JPY3,000 million notes, 1.75% due 2019	**–**	**199**	**199**	–	226	226
JPY15,000 million notes, 2.6% due 2027	**–**	**995**	**995**	–	1,130	1,130
	26,746	**158,659**	**185,405**	10,206	147,360	157,566
	42,002	**204,865**	**246,867**	18,147	205,675	223,822

28 Bank and other debts (continued)

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

	2014			2013		
	Current portion	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ millions	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	HK$ millions
Bank loans						
Current portion	**14,995**	**–**	**14,995**	7,646	–	7,646
After 1 year, but within 2 years	**–**	**5,359**	**5,359**	–	39,423	39,423
After 2 years, but within 5 years	**–**	**39,036**	**39,036**	–	17,448	17,448
After 5 years	**–**	**1,472**	**1,472**	–	1,015	1,015
	14,995	**45,867**	**60,862**	7,646	57,886	65,532
Other loans						
Current portion	**261**	**–**	**261**	295	–	295
After 1 year, but within 2 years	**–**	**54**	**54**	–	71	71
After 2 years, but within 5 years	**–**	**89**	**89**	–	131	131
After 5 years	**–**	**196**	**196**	–	227	227
	261	**339**	**600**	295	429	724
Notes and bonds						
Current portion	**26,746**	**–**	**26,746**	10,206	–	10,206
After 1 year, but within 2 years	**–**	**22,982**	**22,982**	–	27,579	27,579
After 2 years, but within 5 years	**–**	**70,385**	**70,385**	–	59,754	59,754
After 5 years	**–**	**65,292**	**65,292**	–	60,027	60,027
	26,746	**158,659**	**185,405**	10,206	147,360	157,566
	42,002	**204,865**	**246,867**	18,147	205,675	223,822

The bank and other debts of the Group as at 31 December 2014 are secured to the extent of HK$1,751 million (2013 – HK$1,940 million).

Borrowings with principal amount of HK$63,417 million (2013 – HK$64,789 million) bear interest at floating interest rates and borrowings with principal amount of HK$183,450 million (2013 – HK$159,033 million) bear interest at fixed interest rates.

28 Bank and other debts (continued)

Borrowings at principal amount are denominated in the following currencies (inclusive of the effect of hedging transactions):

	2014 Percentage	2013 Percentage
US dollars	**41%**	31%
Euro	**34%**	33%
HK dollars	**13%**	22%
British Pounds	**6%**	7%
Other currencies	**6%**	7%
	100%	100%

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. 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 2014, the notional amount of the outstanding interest rate swap agreements with financial institutions amounted to HK$64,793 million (2013 – HK$62,708 million).

In addition, interest rate swap agreements with notional amount of HK$5,995 million (2013 – HK$6,540 million) 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.

As at 31 December 2014, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$16,968 million (2013 – HK$28,593 million) to Hong Kong dollar principal amount of borrowings to match currency exposures of the underlying businesses.

28 Bank and other debts (continued)

(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:

	2014			2013		
	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 note 22)	**–**	**1,262**	**1,262**	–	1,813	1,813
Cross currency interest rate swaps (see notes 22 and 25)	**327**	**–**	**327**	76	738	814
	327	**1,262**	**1,589**	76	2,551	2,627
Derivative financial liabilities						
Interest rate swaps (see note 31)	**–**	**(35)**	**(35)**	–	(345)	(345)
	–	**(35)**	**(35)**	–	(345)	(345)
	327	**1,227**	**1,554**	76	2,206	2,282
Cash flow hedges						
Derivative financial assets						
Interest rate swaps (see note 22)	**–**	**14**	**14**	–	42	42
Forward foreign exchange contracts (see notes 22 and 25)	**829**	**72**	**901**	81	–	81
	829	**86**	**915**	81	42	123
Derivative financial liabilities						
Interest rate swaps (see notes 26 and 31)	**(24)**	**(80)**	**(104)**	–	(163)	(163)
Forward foreign exchange contracts (see notes 26 and 31)	**(1)**	**–**	**(1)**	(493)	(253)	(746)
	(25)	**(80)**	**(105)**	(493)	(416)	(909)
	804	**6**	**810**	(412)	(374)	(786)

29 Interest bearing loans from non-controlling shareholders

	2014 HK$ millions	2013 HK$ millions
Interest bearing loans from non-controlling shareholders	**8,000**	5,445

These loans bear interest at rates ranging from HIBOR+0.8% to 6% per annum for both 2014 and 2013. The carrying amount of the borrowings approximates their fair value.

30 Pension plans

	2014 HK$ millions	2013 HK$ millions
Defined benefit assets	–	–
Defined benefit liabilities	3,083	3,095
Net defined benefit liabilities	3,083	3,095

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 2014 and 31 December 2013 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:

	2014	2013
Discount rates	0.7%-3.8%	1.5%-4.7%
Future salary increases	0.5%-4.0%	0.5%-4.0%
Interest credited on two principal plans in Hong Kong	5.0%-6.0%	5.0%-6.0%

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

	2014 HK$ millions	2013 HK$ millions
Present value of defined benefit obligations	18,883	17,391
Fair value of plan assets	15,801	14,300
	3,082	3,091
Restrictions on assets recognised	1	4
Net defined benefit liabilities	3,083	3,095

30 Pension plans (continued)

(a) Defined benefit plans (continued)

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 2014	17,391	(14,300)	4	3,095
Net charge (credit) to the income statement				
Current service cost	563	31	–	594
Past service cost and gains and losses on settlements	(95)	–	–	(95)
Interest cost (income)	635	(501)	–	134
	1,103	(470)	–	633
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial gain arising from change in demographic assumptions	(40)	–	–	(40)
Actuarial loss arising from change in financial assumptions	2,083	–	–	2,083
Actuarial loss arising from experience adjustment	14	–	–	14
Return on plan assets excluding interest income	–	(1,730)	–	(1,730)
Change in asset ceiling	–	–	(3)	(3)
Exchange translation differences	(925)	752	–	(173)
	1,132	(978)	(3)	151
Contributions paid by the employer	–	(677)	–	(677)
Contributions paid by the employee	104	(104)	–	–
Benefits paid	(728)	728	–	–
Transfer to other liabilities	(119)	–	–	(119)
At 31 December 2014	18,883	(15,801)	1	3,083

30 Pension plans (continued)

(a) Defined benefit plans (continued)

	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 2013	16,325	(13,038)	329	3,616
Net charge (credit) to the income statement				
Current service cost	554	19	–	573
Past service cost and gains and losses on settlements	(4)	–	–	(4)
Interest cost (income)	430	(351)	–	79
	980	(332)	–	648
Net charge (credit) to other comprehensive income				
Remeasurements loss (gain):				
Actuarial loss arising from change in demographic assumptions	19	–	–	19
Actuarial gain arising from change in financial assumptions	(106)	–	–	(106)
Actuarial loss arising from experience adjustment	81	–	–	81
Return on plan assets excluding interest income	–	(335)	–	(335)
Change in asset ceiling	–	–	(325)	(325)
Exchange translation differences	534	(517)	–	17
	528	(852)	(325)	(649)
Contributions paid by the employer	–	(549)	–	(549)
Contributions paid by the employee	110	(110)	–	–
Benefits paid	(581)	581	–	–
Relating to subsidiaries acquired	57	–	–	57
Transfer to other liabilities	(28)	–	–	(28)
At 31 December 2013	17,391	(14,300)	4	3,095

30 Pension plans (continued)

(a) Defined benefit 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 2014. 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 31 July 2013 reported a funding level of 119% 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 2014, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year, forfeited contributions totalling HK$24 million (2013 – HK$19 million) were used to reduce the current year's level of contributions and HK$1 million was available at 31 December 2014 (2013 – HK$2 million) 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 was assumed on acquisition of a subsidiary company in 2002. It is not open to new entrants. The latest formal valuation for funding purposes was carried out at 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 has made additional cash contributions totalling £3.75 million in 2014 (2013 – £4 million), and will make further additional contributions of £3.7 million per annum from 1 January 2015 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.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(i) Plan assets

Fair value of the plan assets are analysed as follows:

	2014 Percentage	2013 Percentage
Equity instruments		
Consumer markets and manufacturing	**9%**	10%
Energy and utilities	**3%**	4%
Financial institutions and insurance	**8%**	8%
Telecommunications and information technology	**4%**	4%
Units trust and equity instrument funds	**4%**	10%
Others	**10%**	11%
	38%	47%
Debt instruments		
US Treasury notes	**1%**	1%
Government and government guaranteed notes	**8%**	8%
Financial institutions notes	**3%**	3%
Others	**6%**	6%
	18%	18%
Qualifying insurance policies	**32%**	28%
Properties	**3%**	3%
Other assets	**9%**	4%
	100%	100%

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

	2014 Percentage	2013 Percentage
Aaa / AAA	**50%**	44%
Aa1 / AA+	**4%**	5%
Aa2 / AA	**6%**	6%
Aa3 / AA-	**2%**	1%
A1 / A+	**3%**	1%
A2 / A	**12%**	12%
Other investment grades	**18%**	18%
No investment grades	**5%**	13%
	100%	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$15,801 million (2013 – HK$14,300 million) includes investments in the Company's shares with a fair value of HK$75 million (2013 – HK$97 million).

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, the liquidity requirements of the plans.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

(ii) Defined benefit obligation

The average duration of the defined benefit obligation as at 31 December 2014 is 17 years (2013 – 17 years).

The Group expects to make contributions of HK$682 million (2013 – HK$639 million) to the defined benefit plans during the 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 an 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 3.9% or increase by 4.1% respectively (2013 – decrease by 3.1% or increase by 3.2% respectively).

If the future salary increase is 0.25% higher or lower, the defined benefit obligation would increase by 0.35% or decrease by 0.34% respectively. (2013 – increase by 0.3% or decrease by 0.4% respectively).

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$1,221 million (2013 – HK$1,134 million) which has been charged to the profit or loss for the year. Forfeited contributions of HK$1 million (2013 – nil) were used to reduce the current year's level of contributions and forfeited contribution of HK$2 million was available at 31 December 2014 (2013 – HK$2 million) to reduce future years' contributions.

31 Other non-current liabilities

	2014 HK$ millions	2013 HK$ millions
Fair value hedges (see note 28(a))		
Interest rate swaps	**35**	345
Cash flow hedges (see note 28(a))		
Interest rate swaps	**80**	163
Forward foreign exchange contracts	**–**	253
Obligations for telecommunications licences and other rights	**3,254**	3,255
Provisions (see note 27)	**951**	1,021
	4,320	5,037

32 Share capital and capital management

(a) Share capital

	2014 Number of shares	2013 Number of shares	2014 HK$ millions	2013 HK$ millions
Authorised (i):				
Ordinary shares (2013 – HK$0.25 each)	**N/A (i)**	5,500,000,000	**N/A (ii)**	1,375
7½% cumulative redeemable participating preference shares (2013 – HK$1 each)	**N/A (i)**	402,717,856	**N/A (ii)**	403
				1,778
Issued and fully paid:				
Ordinary shares				
At 1 January	**4,263,370,780**	4,263,370,780	**1,066**	1,066
Transition to no-par value regime on 3 March 2014 (iii)	**–**	–	**28,359**	–
At 31 December	**4,263,370,780**	4,263,370,780	**29,425**	1,066
Share premium account (iii)			**–**	27,955
Capital redemption reserve (iii)			**–**	404
Share capital (iii) as at 31 December 2014 / share capital, share premium and capital redemption reserve as at 31 December 2013			**29,425**	29,425

(i) Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists. As the Company has no cumulative redeemable participating preference shares in issue at the time of transition to Hong Kong Companies Ordinance (Cap. 622), the cumulative redeemable participating preference shares are not preserved as part of the transition to the new regime.

(ii) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(iii) 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 and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) have become part of the Company's share capital.

32 Share capital and capital management (continued)

(b) Perpetual capital securities

In October 2010, May 2012 and May 2013, wholly owned subsidiary companies of the Group issued perpetual capital securities with nominal amount of US$2,000 million (approximately HK$15,600 million), US$1,000 million (approximately HK$7,800 million) and €1,750 million (approximately HK$17,879 million) respectively for cash. 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.

During the year ended 31 December 2014, the Group had repurchased US$75 million (approximately HK$587 million) (2013 – US$217 million, approximately HK$1,692 million) nominal amount of perpetual capital securities that were originally issued in October 2010.

(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 2014, total equity amounted to HK$519,062 million (2013 – HK$476,232 million), and consolidated net debt of the Group, excluding loans from non-controlling shareholders which are viewed as quasi equity, was HK$106,408 million (2013 - HK$121,035 million). The Group's net debt to net total capital ratio decreased to 16.8% from 20.0% at the end of last year.

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

	2014	2013
A1 – excluding interest-bearing loans from non-controlling shareholders from debt	**16.8%**	20.0%
A2 – as in A1 above and investments in listed subsidiaries and associated companies marked to market value	**15.7%**	18.2%
B1 – including interest-bearing loans from non-controlling shareholders as debt	**18.0%**	20.9%
B2 – as in B1 above and investments in listed subsidiaries and associated companies marked to market value	**16.9%**	19.0%

(i) Net debt is defined on the Consolidated Statement of Cash Flows. Net total capital is defined as total principal amount of bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

33 Other reserves

	Attributable to ordinary shareholders		
	Exchange reserve	Others [a]	Total
	HK$ millions	HK$ millions	HK$ millions
At 1 January 2014	6,789	6,971	13,760
Other comprehensive income (losses)			
Available-for-sale investments			
Valuation gains recognised directly in reserves	–	1,017	1,017
Valuation gains previously in reserves recognised in income statement	–	(381)	(381)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	(17)	(17)
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(15,626)	–	(15,626)
Gains previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	(417)	(1,431)	(1,848)
Gains previously in other reserves related to subsidiaries disposed during the year transferred directly to retained profit	–	(8)	(8)
Share of other comprehensive income (losses) of associated companies	(4,488)	(96)	(4,584)
Share of other comprehensive income (losses) of joint ventures	(3,884)	(473)	(4,357)
Tax relating to components of other comprehensive income (losses)	–	(42)	(42)
Other comprehensive income (losses)	(24,415)	(1,431)	(25,846)
Share option schemes of subsidiaries	–	1	1
Share option lapsed	–	(1)	(1)
Relating to purchase of non-controlling interests	–	(68)	(68)
Relating to deemed dilution of subsidiary companies	1,210	37,867	39,077
At 31 December 2014	(16,416)	43,339	26,923

33 Other reserves (continued)

	Attributable to ordinary shareholders		
	Exchange reserve	Others [(a)]	Total
	HK$ millions	HK$ millions	HK$ millions
At 1 January 2013	12,064	6,027	18,091
Other comprehensive income (losses)			
Available-for-sale investments			
Valuation gains recognised directly in reserves	–	309	309
Valuation losses previously in reserves recognised in income statement	–	6	6
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	318	318
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	(1,696)	–	(1,696)
Gains previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement	(146)	–	(146)
Share of other comprehensive income (losses) of associated companies	(4,044)	352	(3,692)
Share of other comprehensive income (losses) of joint ventures	610	(43)	567
Tax relating to components of other comprehensive income (losses)	–	(59)	(59)
Other comprehensive income (losses)	(5,276)	883	(4,393)
Share option schemes of subsidiaries	–	(11)	(11)
Share option lapsed	–	(1)	(1)
Relating to purchase of non-controlling interests	–	21	21
Relating to partial disposal of subsidiary companies	1	52	53
At 31 December 2013	6,789	6,971	13,760

(a) Others comprise revaluation reserve, hedging reserve and other capital reserves. As at 31 December 2014, revaluation reserve surplus amounted to HK$2,848 million (1 January 2014 – HK$3,883 million and 1 January 2013 – HK$3,690 million), hedging reserve deficit amounted to HK$842 million (1 January 2014 – HK$440 million and 1 January 2013 – HK$1,125 million) and other capital reserves surplus amounted to HK$41,333 million (1 January 2014 – HK$3,528 million and 1 January 2013 – HK$3,462 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.

34 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

	2014 HK$ millions	2013 HK$ millions
Profit after tax	**81,751**	38,893
Less: share of profits less losses after tax of		
Associated companies before profits on disposal of investments and others	**(9,166)**	(10,433)
Joint ventures	**(10,466)**	(12,597)
Associated companies' profits on disposal of investments and others	**(19,141)**	504
	42,978	16,367
Adjustments for:		
Current tax charge	**4,307**	4,231
Deferred tax charge (credit)	**(340)**	569
Interest expenses and other finance costs	**8,050**	8,391
Change in fair value of investment properties	**(24,678)**	(26)
Depreciation and amortisation	**17,003**	15,850
Others (see note 6)	**6,769**	1,659
EBITDA of Company and subsidiaries (i)	**54,089**	47,041
Loss on disposal of other unlisted investments	**–**	82
Profit on disposal of fixed assets, leasehold land and investment properties and other assets	**(295)**	(4,109)
Dividends received from associated companies and joint ventures	**14,011**	14,906
Distribution from property joint ventures	**55**	4,928
Profit on disposal of subsidiary companies (ii)	**(2,844)**	(1,672)
Profit on disposal of associated companies and joint ventures (iii)	**(2,814)**	(111)
Profit on partial disposal of an associated company	**–**	(1,320)
Other non-cash items	**438**	1,153
	62,640	60,898

34 Notes to consolidated statement of cash flows (continued)

(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 (continued)

(i) Reconciliation of EBITDA:

	2014 **HK$ millions**	2013 HK$ millions
EBITDA of Company and subsidiaries	**54,089**	47,041
Share of EBITDA of associated companies and joint ventures		
Share of profits less losses after tax:		
Associated companies before profits on disposal of investments and others	**9,166**	10,433
Joint ventures	**10,466**	12,597
Associated companies' profits on disposal of investments and others	**19,141**	(504)
Adjustments for:		
Depreciation and amortisation	**16,378**	15,421
Change in fair value of investment properties	**(514)**	(2)
Interest expenses and other finance costs	**6,274**	5,768
Current tax charge	**6,625**	6,741
Deferred tax credit	**(1,056)**	(192)
Non-controlling interests	**326**	363
Others (see note 6)	**1,413**	504
	68,219	51,129
EBITDA (see notes 5(b) and 5(m))	**122,308**	98,170

(ii) The profits on disposal of subsidiary companies for the years ended 31 December 2014 and 2013 are recognised in the consolidated income statement and are included in the line items titled profits on disposal of investments and others of HK$2,237 million (2013 - nil) and other operating expenses of HK$607 million (2013 - HK$1,672 million).

(iii) The profits on disposal of associated companies and joint ventures for the years ended 31 December 2014 and 2013 are recognised in the consolidated income statement and are included in the line item titled other operating expenses.

34 Notes to consolidated statement of cash flows (continued)

(b) Changes in working capital

	2014 HK$ millions	2013 HK$ millions
Decrease (increase) in inventories	191	(1,100)
Decrease (increase) in debtors and prepayments	448	(6,484)
Increase (decrease) in creditors	(390)	4,726
Other non-cash items	(3,165)	(1,480)
	(2,916)	(4,338)

(c) Purchase of subsidiary companies

On 14 July 2014, the Group has completed its acquisition of the O_2 Ireland business in Ireland. As a result of the acquisition, the Group has increased its market share of the Irish mobile telecommunications services. The Group expects synergies and other benefits from combining the infrastructure and operations of O_2 Ireland with **3** Ireland, and costs savings through economies of scale.

The following table summarises the consideration paid for O_2 Ireland and other acquisitions completed in the current year, and the amounts of the assets acquired and liabilities assumed recognised at the respective acquisition date.

	2014			2013
	O_2 Ireland HK$ millions	Others HK$ millions	Total HK$ millions	Total HK$ millions
Fair value				
Fixed assets	660	66	726	1,690
Telecommunications licences	2,206	–	2,206	440
Brand names and other rights	1,392	34	1,426	4,508
Interests in joint ventures	–	–	–	139
Deferred tax assets	–	–	–	285
Liquid funds and other listed investments	–	–	–	6
Trade and other receivables	1,802	165	1,967	989
Inventories	33	25	58	980
Creditors and current tax liabilities	(2,339)	(126)	(2,465)	(1,844)
Bank and other debts	–	(38)	(38)	(307)
Deferred tax liabilities	(164)	(6)	(170)	(556)
Pension obligations	–	–	–	(57)
Other non-current liabilities	(967)	–	(967)	–
Non-controlling interests	–	(59)	(59)	(2)
	2,623	61	2,684	6,271
Goodwill arising on acquisition	5,702	81	5,783	11,380
Discharged by cash payment	8,325	142	8,467	17,651
Net cash outflow (inflow) arising from acquisition:				
Cash payment	8,667	222	8,889	19,169
Cash and cash equivalents acquired	(342)	(80)	(422)	(1,518)
Total net cash paid	8,325	142	8,467	17,651

(c) Purchase of subsidiary companies (continued)

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. As additional information, the amount deductible for tax purposes (i.e. tax base) of the identifiable assets acquired and liabilities assumed relating to the acquisition of O_2 Ireland are different from and, in general, greater than the amounts shown above.

The contribution to the Group's revenue and profit after tax from these subsidiaries acquired since the respective date of acquisition is not material.

Acquisition related costs of approximately HK$195 million (2013 - HK$200 million) had been charged to income statement during the year and included in the line item titled profits on disposal of investments and others.

The 2013 comparative information mainly related to **3** Austria's acquisition of 100% interest of Orange Austria which was completed on 4 January 2013.

(d) Disposal of subsidiary companies

	2014 HK$ millions	2013 HK$ millions
Aggregate net assets disposed at date of disposal (excluding cash and cash equivalents):		
Fixed assets	**4**	1
Investment properties	**1,032**	573
Leasehold land	**2**	–
Goodwill	**409**	161
Interests in joint ventures	**–**	854
Liquid funds and other listed investments	**3,671**	–
Trade and other receivables	**20**	18
Inventories	**–**	26
Creditors and current tax liabilities	**(106)**	(31)
Deferred tax liabilities	**(492)**	(1)
Non-controlling interests	**(1,787)**	–
Reserves	**(1,697)**	(124)
	1,056	1,477
Profits on disposal*	**2,844**	1,672
	3,900	3,149
Less: Investments retained subsequent to disposal	**(2,995)**	–
	905	3,149
Satisfied by:		
Cash and cash equivalents received as consideration	**3,823**	3,161
Less: Cash and cash equivalents sold	**(2,918)**	(12)
Total net cash consideration	**905**	3,149

* See note 34 (a) (ii).

The effect on the Group's results from the subsidiaries disposed are not material for the years ended 31 December 2014 and 2013.

35 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.

36 Pledge of assets

At 31 December 2014, assets of the Group totalling HK$1,922 million (2013 – HK$2,299 million) were pledged as security for bank and other debts.

37 Contingent liabilities

At 31 December 2014, Hutchison Whampoa Limited, and its subsidiaries provide guarantees in respect of bank and other borrowing facilities to associated companies and joint ventures of HK$25,285 million (2013 – HK$24,610 million).

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

	2014 **HK$ millions**	2013 HK$ millions
To associated companies		
Other businesses	**1,784**	1,973
To joint ventures		
Property businesses	**1,239**	868
Other businesses	**20,869**	19,998
	22,108	20,866

At 31 December 2014, the Group had provided performance and other guarantees of HK$3,694 million (2013 - HK$4,131 million).

38 Commitments

The outstanding Group commitments not provided for in the accounts at 31 December 2014 are as follows:

Capital commitments

(a) Contracted for:

(i) Ports and related services – HK$648 million (2013 – HK$1,111 million)

(ii) **3** Group Europe – HK$1,815 million (2013 – HK$630 million)

(iii) Telecommunications, Hong Kong and Asia – HK$16,990 million (2013 – HK$17,102 million)

(iv) Investment properties, Hong Kong – HK$131 million (2013- HK$3 million)

(v) Other fixed assets – HK$174 million (2013 – HK$387 million)

(b) Authorised but not contracted for:

The Group, as part of its annual budget process, budgets for future capital expenditures and these amounts are shown below. These budgeted amounts are subject to a rigorous authorisation process before the expenditure is committed.

(i) Ports and related services – HK$3,838 million (2013 – HK$3,713 million)

(ii) **3** Group Europe – HK$8,986 million (2013 – HK$10,265 million)

(iii) Telecommunications, Hong Kong and Asia – HK$2,156 million (2013 – HK$2,646 million)

(iv) Investment properties, Hong Kong – HK$550 million (2013 – HK$1,522 million)

(v) Investment in joint ventures, Hong Kong – HK$109 million (2013 – HK$175 million)

(vi) Investment in joint ventures outside Hong Kong – HK$3,530 million (2013 – HK$401 million)

(vii) Other fixed assets – HK$5,446 million (2013 – HK$4,870 million)

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

(a) In the first year – HK$11,749 million (2013 – HK$11,953 million)

(b) In the second to fifth years inclusive – HK$21,839 million (2013 – HK$22,228 million)

(c) After the fifth year – HK$37,537 million (2013 – HK$38,894 million)

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

(a) In the first year – HK$1,604 million (2013 – HK$1,612 million)

(b) In the second to fifth years inclusive – HK$4,397 million (2013 – HK$4,782 million)

(c) After the fifth year – HK$984 million (2013 – HK$2,069 million)

39 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 19 and 20 are unsecured. Balances totalling HK$21,550 million (2013 – HK$20,451 million) are interest bearing. In addition, during 2009, the Group acquired traded debt securities outside Hong Kong with a principal amount of US$200 million notes issued by listed associated company, Husky Energy Inc and in the same year, sold certain of these notes with a principal amount of US$97 million. As disclosed in note 23, of the principal amount held of US$103 million as at 31 December 2013, US$78 million matured and was redeemed during the current year and the balance of US$25 million held as at 31 December 2014 will mature in 2019.

The Group has entered into joint ventures with Cheung Kong (Holdings) Limited, a substantial shareholder of the Company, to undertake various, mainly property and infrastructure, projects. At 31 December 2014, included in associated companies and interests in joint ventures on the statement of financial position is a total amount of HK$50,705 million (2013 – HK$38,221 million) representing equity contributions to and the net amount due from these related entities. The Group had guaranteed bank and other borrowing facilities of HK$4,417 million (2013 – HK$4,105 million) for the benefit of these same entities.

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) as disclosed in note 7.

40 Legal proceedings

As at 31 December 2014, 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.

41 Subsequent events

On 9 January 2015, Cheung Kong (Holdings) Limited ("Cheung Kong") and the Company made a joint announcement to create two new leading Hong Kong listed companies through a business combination, reorganisation and spin-off, whereby CK Hutchison Holdings Limited ("CKH Holdings") will hold all the non-property businesses of the Group and Cheung Kong group, and Cheung Kong Property Holdings Limited ("CK Property") will hold the property businesses of both groups. Qualifying Cheung Kong and Company shareholders will receive shares in both CKH Holdings and CK Property through a series of transactions and will cease to be shareholders of Cheung Kong and the Company. The transactions are subject to regulatory, shareholders and other customary approvals. It is expected that the transactions will be completed before the end of the first half of 2015. There will be no change in business strategies or underlying operations whilst the reorganisation is being completed or following completion of the reorganisation.

On 21 January 2015, Cheung Kong Infrastructure ("CKI"), a subsidiary company of the Group raised approximately HK$4,600 million by issuing new shares. Following this transaction, the Group's interest in CKI's ordinary shares has reduced from approximately 78.155% to 75.674%.

On 23 January 2015, the Group has agreed to enter into exclusive negotiations with Telefónica, S.A. for the potential acquisition by the Group of Telefónica, S.A.'s UK subsidiary, O_2 UK, for an indicative price in cash of £9.25 billion which would be paid at closing and deferred upside interest sharing payments of up to a further £1 billion in the aggregate payable after the cumulative cashflow of the combined business of Hutchison 3G UK Limited and O_2 UK achieves agreed financial targets. The timing and amounts of these payments will depend on the actual cash flows of the combined business. The transaction remains subject to, inter alia, satisfactory due diligence over O_2 UK, agreement on terms and signing of definitive agreements and the obtaining of all required corporate and regulatory approvals.

42 US dollar equivalents

Amounts in these accounts are stated in Hong Kong dollars (HK$), the currency of the place in which the Company is incorporated and is the functional currency of the Company. The translation into US dollars of these accounts as of, and for the year ended, 31 December 2014, 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.

43 Approval of accounts

The accounts set out on pages 168 to 274 were approved and authorised for issue by the Board of Directors on 26 February 2015.

44 Profit before tax

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

	2014 HK$ millions	2013 HK$ millions
Credits:		
Share of profits less losses of associated companies (including share of gain on disposal of HK$20,554 million less share of impairment charge of HK$1,413 million of associated companies in 2014 and share of impairment charge of an associated company of HK$504 million in 2013)		
Listed	**27,069**	9,055
Unlisted	**1,238**	874
	28,307	9,929
Share of gross rental income of associated companies and joint ventures	**512**	528
Gross rental income from investment properties held by:		
Listed subsidiary – HHR	**75**	84
Other subsidiaries (excluding HHR)	**4,020**	3,731
Less: intra group rental income	**(445)**	(408)
	3,650	3,407
Less: related outgoings	**(75)**	(106)
Net rental income of subsidiary companies	**3,575**	3,301
Dividend and interest income from managed funds and other investments		
Listed	**484**	564
Unlisted	**54**	35
Charges:		
Depreciation and amortisation		
Fixed assets	**14,704**	13,846
Leasehold land	**444**	454
Telecommunications licences	**894**	774
Brand names and other rights	**961**	776
	17,003	15,850
Inventories write-off	**1,012**	933
Operating leases		
Properties	**19,311**	18,262
Hire of plant and machinery	**2,254**	2,323
Auditors' remuneration		
Audit and audit related work – PricewaterhouseCoopers [(a)]	**210**	193
– other auditors	**13**	12
Non-audit work – PricewaterhouseCoopers	**33**	44
– other auditors	**34**	30

(a) in addition to the auditors' remuneration charged to the consolidated income statement as disclosed above, auditors' remuneration charged directly to equity (for audit and audit related work – PricewaterhouseCoopers) amounted to HK$69 million (2013 – nil).

45 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. 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 assets and liabilities. 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 strong financial position. Cash, liquid funds and other listed investments ("liquid assets") amounted to HK$140,459 million at 31 December 2014, an increase of 37% from the balance of HK$102,787 million at 31 December 2013, mainly reflecting net cash proceeds of HK$13,853 million, after special dividend of HK$7.00 per share amounting to HK$29,843 million, from Temasek's acquisition of a 24.95% equity interest in A.S. Watson Holdings Limited during the year, the cash raised from debt capital market of HK$42,030 million, the cash arising from positive funds from operations from the Group's businesses and cash from new borrowings, net of utilisation of cash for dividend payments to ordinary and non-controlling shareholders as well as distributions to perpetual capital securities holders, the repayment and early repayment of certain borrowings, the acquisition of O_2 Ireland in Ireland of HK$8,325 million, purchase of additional interest of 27.51% in the AGN by listed subsidiary, CKI of HK$4,705 million, the redemption of perpetual capital securities issued in 2012 of US$300 million (approximately HK$2,340 million) by listed subsidiary, CKI, advances to property joint ventures, and the acquisition of fixed assets. Liquid assets were denominated as to 16% in HK dollars, 46% in US dollars, 9% in Renminbi, 15% in Euro, 6% in British Pounds and 8% in other currencies (2013 - 21% were denominated in HK dollars, 33% in US dollars, 15% in Renminbi, 10% in Euro, 6% in British Pounds and 15% in other currencies).

Cash and cash equivalents represented 89% (2013 - 84%) of the liquid assets, US Treasury notes and listed / traded debt securities 6% (2013 - 8%) and listed equity securities 5% (2013 - 8%).

The US Treasury notes and listed / traded debt securities, including those held under managed funds, consisted of US Treasury notes of 46% (2013 - 26%), government and government guaranteed notes of 20% (2013 - 32%), notes issued by the Group's associated company, Husky Energy Inc of 3% (2013 - 11%), notes issued by financial institutions of 3% (2013 - 3%), and others of 28% (2013 - 28%). Of these US Treasury notes and listed / traded debt securities, 66% (2013 - 55%) are rated at Aaa/AAA or Aa1/AA+ with an average maturity of 3.0 years (2013 - 3.1 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.

(b) Interest rate exposure (continued)

At 31 December 2014, approximately 26% (2013 - approximately 29%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 74% (2013 - approximately 71%) were at fixed rates. The Group has entered into various interest rate agreements with major financial institution counterparties to swap approximately HK$64,793 million (2013 - approximately HK$62,708 million) principal amount of fixed interest rate borrowings to effectively become floating interest rate borrowings. In addition, HK$5,995 million (2013 - HK$6,540 million) principal amount of floating interest rate borrowings were swapped to fixed interest rate borrowings. After taking into consideration these interest rate swaps, approximately 50% (2013 - approximately 54%) of the Group's total principal amount of bank and other debts were at floating rates and the remaining 50% (2013 - approximately 46%) were at fixed rates at 31 December 2014. All of the aforementioned interest rate derivatives are designated as hedges and these hedges are considered highly effective.

(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 the 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. During the year, the currencies of certain countries where the Group has overseas operations, including Euro, British Pound, the Canadian and Australian dollars as well as Renminbi in the Mainland, fluctuated against the Hong Kong dollar. This gave rise to an unrealised loss of approximately HK$23,998 million (2013 – HK$5,130 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associated companies and joint ventures. This unrealised loss is reflected as a movement in the Consolidated Statement of Changes in Equity under the heading of other reserves.

At 31 December 2014, the Group had currency swap arrangements with banks to swap US dollar principal amount of borrowings equivalent to HK$16,968 million (2013 - HK$28,593 million) to Hong Kong dollar principal amount of borrowings to match the currency exposures of the underlying businesses. The Group's total principal amount of bank and other debts, after the above swaps, are denominated as follows: 41% in US dollars, 34% in Euro,13% in HK dollars, 6% in British Pounds and 6% in other currencies (2013 - 31% in US dollars, 33% in Euro, 22% in HK dollars, 7% in British Pounds and 7% in other currencies).

(d) Credit exposure

The Group's holdings of cash, managed funds and other liquid investments, and interest rate and foreign currency swaps and forward 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, which is continuously monitored by the local operational management.

45 Financial risk management (continued)

(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 11% (2013 – approximately 16%) 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.

(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 re-measurement 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.

(f) Market risks sensitivity analyses (continued)

(i) Interest rate sensitivity analysis (continued)

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

- cash and cash equivalents (see note 24)
- some of the listed debt securities and managed funds (see note 23) carried at fair value that bear interest at fixed rate
- some of the listed debt securities and managed funds (see note 23) that bear interest at floating rate
- some of the bank and other debts (see note 28) that bear interest at floating rate
- interest bearing loans from non-controlling shareholders (see note 29)

Under these assumptions, the impact of a hypothetical 100 basis points increase in market interest rate at the end of the reporting period, with all other variables held constant:

- profit for the year would decrease by HK$201 million (2013 – HK$399 million) due to increase in interest expense;
- total equity would decrease by HK$201 million (2013 – HK$399 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 (2013 – HK$76 million).

(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.

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 24)
- some of the liquid funds and other listed investments (see note 23)
- some of the bank and other debts (see note 28)

45 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

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

Under these assumptions, the impact of a hypothetical 10% 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.

	2014		2013	
	Hypothetical increase (decrease) in profit for the year HK$ millions	**Hypothetical increase (decrease) in total equity HK$ millions**	Hypothetical increase (decrease) in profit for the year HK$ millions	Hypothetical increase (decrease) in total equity HK$ millions
Euro	**1,071**	**1,072**	115	112
British Pounds	**250**	**(2,039)**	242	(2,203)
Australian dollars	**79**	**(487)**	133	(255)
Renminbi	**19**	**47**	13	35
US dollars	**992**	**991**	986	986
Japanese Yen	**(199)**	**(111)**	(227)	(205)

(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 23)
- financial assets at fair value through profit or loss (see note 23)

Under these assumptions, the impact of a hypothetical 10% 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$30 million (2013 – HK$30 million) due to increase in gains on financial assets at fair value through profit or loss;
- total equity would increase by HK$30 million (2013 – HK$30 million) due to increase in gains on financial assets at fair value through profit or loss; and
- total equity would increase by HK$1,484 million (2013 – HK$1,680 million) due to increase in gains on available-for-sale investments which are recognised in other comprehensive income.

45 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 amount HK$ millions	Carrying amounts HK$ millions
At 31 December 2014						
Trade payables	21,760	–	–	21,760	–	21,760
Other payables and accruals	63,473	–	–	63,473	–	63,473
Interest free loans from non-controlling shareholders	1,057	–	–	1,057	–	1,057
Bank loans	14,995	44,395	1,472	60,862	(196)	60,666
Other loans	261	143	196	600	(1)	599
Notes and bonds	26,746	93,367	65,292	185,405	943	186,348
Interest bearing loans from non-controlling shareholders	–	7,767	233	8,000	–	8,000
Obligations for telecommunications licences and other rights	1,013	1,739	984	3,736	(482)	3,254
Fair value hedges – Interest rate swaps (net settled)	(122)	140	–	18	17	35
	129,183	147,551	68,177	344,911	281	345,192

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$13,461 million in "within 1 year" maturity band, HK$22,643 million in "after 1 year, but within 5 years" maturity band, and HK$17,210 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 2014				
Derivative settled gross:				
Cash flow hedges – interest rate swaps				
Net inflow	15	41	–	56
Cash flow hedges – forward foreign exchange contracts				
Inflow	1,349	–	–	1,349
Outflow	(1,356)	–	–	(1,356)

45 Financial risk management (continued)

(g) Contractual maturities of financial liabilities (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows	Difference from carrying amount	Carrying amounts
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2013						
Trade payables	22,309	–	–	22,309	–	22,309
Other payables and accruals	61,901	–	–	61,901	–	61,901
Interest free loans from non-controlling shareholders	1,181	–	–	1,181	–	1,181
Bank loans	7,646	56,871	1,015	65,532	(176)	65,356
Other loans	295	202	227	724	(2)	722
Notes and bonds	10,206	87,333	60,027	157,566	1,710	159,276
Interest bearing loans from non-controlling shareholders	–	5,212	233	5,445	–	5,445
Obligations for telecommunications licences and other rights	915	2,208	814	3,937	(682)	3,255
Fair value hedges – Interest rate swaps (net settled)	(144)	(35)	510	331	14	345
	104,309	151,791	62,826	318,926	864	319,790

The table above excludes interest accruing and payable on certain of these liabilities which are estimated to be HK$8,243 million in "within 1 year" maturity band, HK$21,129 million in "after 1 year, but within 5 years" maturity band, and HK$17,743 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	After 1 year, but within 5 years	After 5 years	Total undiscounted cash flows
	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2013				
Derivative settled gross:				
Cash flow hedges – interest rate swaps				
Net outflow	(229)	(501)	(402)	(1,132)
Cash flow hedges – forward foreign exchange contracts				
Inflow	20,824	5,992	–	26,816
Outflow	(21,092)	(6,218)	–	(27,310)

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

	2014	2013
	HK$ millions	HK$ millions
Change in fair value of financial assets at fair value through profit or loss	**–**	(128)
Losses arising on derivatives in a designated fair value hedge	**(605)**	(2,247)
Gains arising on adjustment for hedged item in a designated fair value hedge	**605**	2,247
Interest income on available-for-sale financial assets	**207**	298

45 Financial risk management (continued)

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

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

	2014		2013	
	Carrying amount HK$ millions	**Fair value HK$ millions**	Carrying amount HK$ millions	Fair value HK$ millions
Financial assets				
Loans and receivables *				
Trade receivables (see note 25)	**18,253**	**18,253**	20,695	20,695
Other receivables and prepayments (see note 25)	**47,167**	**47,167**	48,231	48,231
Unlisted debt securities (see note 22)	**383**	**383**	392	392
Other receivables (see note 22)	**3,610**	**3,610**	4,020	4,020
Long term deposits (see note 23)	**–**	**–**	36	36
	69,413	**69,413**	73,374	73,374
Available-for-sale investments #				
Unlisted equity securities (see note 22)	**1,798**	**1,798**	929	929
Managed funds, outside Hong Kong (see note 23)	**4,576**	**4,576**	4,522	4,522
Listed / traded debt securities, outside Hong Kong (see note 23)	**2,806**	**2,806**	3,725	3,725
Listed equity securities, Hong Kong (see note 23)	**4,817**	**4,817**	2,130	2,130
Listed equity securities, outside Hong Kong (see note 23)	**2,641**	**2,641**	6,422	6,422
Financial assets at fair value through profit or loss # (see note 23)	**301**	**301**	301	301
	16,939	**16,939**	18,029	18,029
Fair value hedges #				
Interest rate swaps (see note 22)	**1,262**	**1,262**	1,813	1,813
Cross currency interest rate swaps (see notes 22 and 25)	**327**	**327**	814	814
Cash flow hedges #				
Interest rate swaps (see note 22)	**14**	**14**	42	42
Forward foreign exchange contracts (see notes 22 and 25)	**901**	**901**	81	81
	2,504	**2,504**	2,750	2,750
	88,856	**88,856**	94,153	94,153

45 Financial risk management (continued)

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

	2014		2013	
	Carrying amount HK$ millions	**Fair value HK$ millions**	Carrying amount HK$ millions	Fair value HK$ millions
Financial liabilities				
Financial liabilities *				
Trade payables (see note 26)	**21,760**	**21,760**	22,309	22,309
Other payables and accruals (see note 26)	**63,473**	**63,473**	61,901	61,901
Interest free loans from non-controlling shareholders (see note 26)	**1,057**	**1,057**	1,181	1,181
Bank and other debts (see note 28)	**247,613**	**262,912**	225,354	236,743
Interest bearing loans from non-controlling shareholders (see note 29)	**8,000**	**8,000**	5,445	5,445
Obligations for telecommunications licences and other rights (see note 31)	**3,254**	**3,254**	3,255	3,255
	345,157	**360,456**	319,445	330,834
Fair value hedges #				
Interest rate swaps (see note 31)	**35**	**35**	345	345
Cash flow hedges #				
Interest rate swaps (see notes 26 and 31)	**104**	**104**	163	163
Forward foreign exchange contracts (see notes 26 and 31)	**1**	**1**	746	746
	140	**140**	1,254	1,254
	345,297	**360,596**	320,699	332,088

* carried at amortised costs (see note 45(j) (ii) below)

\# carried at fair value (see note 45(j) (i) below)

45 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 2014				
Available-for-sale investments				
Unlisted equity securities (see note 22)	–	–	1,798	1,798
Managed funds, outside Hong Kong (see note 23)	4,576	–	–	4,576
Listed / traded debt securities, outside Hong Kong (see note 23)	737	2,069	–	2,806
Listed equity securities, Hong Kong (see note 23)	4,817	–	–	4,817
Listed equity securities, outside Hong Kong (see note 23)	2,641	–	–	2,641
Financial assets at fair value through profit or loss (see note 23)	–	301	–	301
	12,771	2,370	1,798	16,939
Fair value hedges				
Interest rate swaps (see note 22)	–	1,262	–	1,262
Cross currency interest rate swaps (see note 25)	–	327	–	327
Cash flow hedges				
Interest rate swaps (see note 22)	–	14	–	14
Forward foreign exchange contracts (see notes 22 and 25)	–	901	–	901
	–	2,504	–	2,504
Fair value hedges				
Interest rate swaps (see note 31)	–	(35)	–	(35)
Cash flow hedges				
Interest rate swaps (see notes 26 and 31)	–	(104)	–	(104)
Forward foreign exchange contracts (see note 26)	–	(1)	–	(1)
	–	(140)	–	(140)

45 Financial risk management (continued)

(j) Fair value measurements (continued)

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

Fair value hierarchy (continued)

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2013				
Available-for-sale investments				
Unlisted equity securities (see note 22)	–	–	929	929
Managed funds, outside Hong Kong (see note 23)	4,522	–	–	4,522
Listed / traded debt securities, outside Hong Kong (see note 23)	1,416	2,309	–	3,725
Listed equity securities, Hong Kong (see note 23)	2,130	–	–	2,130
Listed equity securities, outside Hong Kong (see note 23)	5,100	–	1,322	6,422
Financial assets at fair value through profit or loss (see note 23)	–	301	–	301
	13,168	2,610	2,251	18,029
Fair value hedges				
Interest rate swaps (see note 22)	–	1,813	–	1,813
Cross currency interest rate swaps (see notes 22 and 25)	–	814	–	814
Cash flow hedges				
Interest rate swaps (see note 22)	–	42	–	42
Forward foreign exchange contracts (see note 25)	–	81	–	81
	–	2,750	–	2,750
Fair value hedges				
Interest rate swaps (see note 31)	–	(345)	–	(345)
Cash flow hedges				
Interest rate swaps (see note 31)	–	(163)	–	(163)
Forward foreign exchange contracts (see notes 26 and 31)	–	(746)	–	(746)
	–	(1,254)	–	(1,254)

45 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.

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.

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:

	2014 **HK$ millions**	2013 HK$ millions
At 1 January	**2,251**	2,159
Total gains (losses) recognised in		
Income statement	**(500)**	79
Other comprehensive income	**23**	79
Additions	**105**	31
Disposals	**(56)**	(100)
Exchange translation differences	**(25)**	3
At 31 December	**1,798**	2,251
Total gains (losses) recognised in income statement relating to those financial assets and financial liabilities held at the end of the reporting period	**(500)**	79

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.

45 Financial risk management (continued)

(j) Fair value measurements (continued)

(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 HK$ millions	**Level 2 HK$ millions**	**Level 3 HK$ millions**	**Total HK$ millions**
At 31 December 2014				
Bank and other debts	**199,308**	**63,604**	**–**	**262,912**

	Level 1 HK$ millions	Level 2 HK$ millions	Level 3 HK$ millions	Total HK$ millions
At 31 December 2013				
Bank and other debts	170,667	66,076	–	236,743

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.

(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)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2014						
Financial assets						
Trade receivables	242	(98)	144	(105)	–	39
Other receivables and prepayments	302	(172)	130	–	–	130
Fair value hedges						
Interest rate swaps	1,262	–	1,262	(17)	–	1,245
Cross currency interest rate swaps	327	–	327	–	–	327
Cash flow hedges						
Interest rate swaps	14	–	14	–	–	14
Forward foreign exchange contracts	901	–	901	(1)	–	900
	3,048	(270)	2,778	(123)	–	2,655
Financial liabilities						
Trade payables	(290)	270	(20)	–	–	(20)
Other payables and accruals	(798)	–	(798)	105	–	(693)
Fair value hedges						
Interest rate swaps	(35)	–	(35)	17	–	(18)
Cash flow hedges						
Interest rate swaps	(104)	–	(104)	–	–	(104)
Forward foreign exchange contracts	(1)	–	(1)	1	–	–
	(1,228)	270	(958)	123	–	(835)

45 Financial risk management (continued)

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

	Gross amounts of recognised financial assets (liabilities)	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amounts
				Financial assets (liabilities)	Cash collateral pledged (received)	
	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions	HK$ millions
At 31 December 2013						
Financial assets						
Trade receivables	918	(314)	604	(148)	–	456
Fair value hedges						
Interest rate swaps	1,813	–	1,813	(345)	–	1,468
Cross currency interest rate swaps	814	–	814	–	–	814
Cash flow hedges						
Interest rate swaps	42	–	42	–	–	42
Forward foreign exchange contracts	81	–	81	(74)	–	7
	3,668	(314)	3,354	(567)	–	2,787
Financial liabilities						
Trade payables	(1,247)	314	(933)	129	–	(804)
Other payables and accruals	(632)	–	(632)	19	–	(613)
Fair value hedges						
Interest rate swaps	(345)	–	(345)	345	–	–
Cash flow hedges						
Interest rate swaps	(163)	–	(163)	–	–	(163)
Forward foreign exchange contracts	(746)	–	(746)	74	–	(672)
	(3,133)	314	(2,819)	567	–	(2,252)

46 Statement of financial position of the Company, unconsolidated

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company as at 31 December 2014 is set out as follows:

	2014 HK$ millions	2013 HK$ millions
Assets		
Non-current assets		
Subsidiary companies – Unlisted shares [(a)]	**39,931**	39,931
Current assets		
Amounts due from subsidiary companies [(b)]	**39,704**	69,533
Other receivables	**909**	–
Current liabilities		
Other payables and accruals	**72**	72
Net current assets	**40,541**	69,461
Net assets	**80,472**	109,392
Capital and reserves		
Share capital* (see note 32(a))	**29,425**	29,425
Reserves [(c)]	**51,047**	79,967
Shareholders' funds	**80,472**	109,392

* Share capital as at 31 December 2013 includes the balance on the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) totalling HK$28,359 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital. Also see note 32(a)(iii).

Fok Kin Ning, Canning
Director

Frank John Sixt
Director

46 Statement of financial position of the Company, unconsolidated (continued)

(a) Particulars regarding the principal subsidiary companies are set forth on pages 269 to 274.

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

(c) Reserves

	Retained profit HK$ millions	Total HK$ millions
At 1 January 2013	79,036	79,036
Profit for the year	10,007	10,007
Unclaimed dividend write back	5	5
Dividends paid relating to 2012	(6,523)	(6,523)
Dividends paid relating to 2013	(2,558)	(2,558)
At 31 December 2013	**79,967**	**79,967**
Profit for the year	**10,980**	**10,980**
Unclaimed dividend write back	**5**	**5**
Dividends paid relating to 2013	**(7,248)**	**(7,248)**
Dividends paid relating to 2014	**(2,814)**	**(2,814)**
Special dividends paid	**(29,843)**	**(29,843)**
At 31 December 2014	**51,047**	**51,047**

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

(e) Pursuant to the disclosure requirement of the Hong Kong Companies Ordinance, the Company is required to disclose that it has guaranteed the borrowings of its finance and other subsidiary companies which have been consolidated and included in the consolidated statement of financial position of the Group. Of the consolidated borrowings included in note 28 totalling HK$247,613 million (2013 - HK$225,354 million), the Company has guaranteed a total of HK$193,371 million (2013 - HK$179,993 million) which has been borrowed in the name of subsidiary companies. The Company has also guaranteed perpetual capital securities which the nominal amount are US$3,000 million and €1,750 million, approximately HK$41,279 million as at 31 December 2014 (2013 - US$3,000 million and €1,750 million, approximately HK$41,279 million) issued by wholly owned subsidiary companies.

(f) The Company has provided some guarantees in respect of the bank and other borrowing facilities utilised by the associated companies and joint ventures totalling HK$1,784 million (2013 - HK$1,973 million) and HK$19,531 million (2013 - HK$19,998 million) respectively and other guarantees of HK$8,099 million (2013 - HK$9,983 million). These amounts have been included in the Group's contingent liabilities disclosed in note 37.

(g) Pursuant to the disclosure requirement of the Hong Kong Companies Ordinance, the net profit of the Company is HK$10,980 million (2013 – HK$10,007 million) and is included in determining the profit attributable to ordinary shareholders of the Company in the consolidated income statement.

(h) Reserves of the Company available for distribution to shareholders of the Company as at 31 December 2014 amounting to HK$51,047 million (2013 – HK$79,967 million).

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2014

	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
	ECT Home Terminal B.V.	Netherlands	EUR	18,000	75	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	28	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

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2014

	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 (continued)					
	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	41	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
✡	Taranto Container Terminal S.p.A.	Italy	EUR	1,280,000	40	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	1,801,666,000	56	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
✡ ⌘	Zhuhai International Container Terminals (Gaolan) Limited	China	USD	105,750,000	40	Container terminal operating
✡ ⌘	Zhuhai International Container Terminals (Jiuzhou) Limited	China	USD	52,000,000	40	Container terminal operating
	Property and hotels					
	Aberdeen Commercial Investments Limited	Hong Kong	HKD	2	100	Property owning
	Consolidated Hotels Limited	Hong Kong	HKD	78,000,000	39	Investment in hotel
	Elbe Office Investments Limited	Hong Kong	HKD	2	100	Property owning
	Foxton Investments Limited	Hong Kong	HKD	10,000	100	Property owning
	Glenfuir Investments Limited	Hong Kong	HKD	1,000,000	100	Property owning
#	Harbour Plaza Hotel Management Limited	Hong Kong	HKD	2	50	Hotel management
	Hongville Limited	Hong Kong	HKD	2	100	Property owning

	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
	Property and hotels (continued)					
✡ ⌖	Hutchison Enterprises (Chongqing) Limited	China	RMB	470,000,000	50	Property owning
	Hutchison Estate Agents Limited	Hong Kong	HKD	50,000	100	Property management, agency & related services
	Hutchison Hotel Hong Kong Limited	Hong Kong	HKD	2	100	Investment in hotel
	Hutchison Lucaya Limited	Bahamas	USD	5,000	100	Investment in hotel
	Hutchison Whampoa Properties Limited	Hong Kong	HKD	2	100	Holding company
✡ ⚐ +	Hutchison Whampoa Properties (Beijing Chaoyang) Limited	China	USD	81,579,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Changchun) Limited	China	USD	34,870,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (ChangSha WangCheng) Limited	China	RMB	679,000,000	50	Property developing
✡ ⌖ +	Hutchison Whampoa Properties (Chengdu) Limited	China	RMB	1,650,000,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited	China	RMB	250,000,000	50	Property developing
✡ ⌘ +	Hutchison Whampoa Properties (Chongqing Nanan) Limited	China	RMB	3,300,000,000	48	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Guangzhou Panyu) Limited	China	RMB	285,000,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Shanghai) Gubei Limited	China	USD	48,550,000	50	Property developing & investment
# ⌖ +	Hutchison Whampoa Properties (Shanghai) Lujiazui Limited	China	USD	372,000,000	25	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Shenzhen) Co., Ltd.	China	USD	100,000,000	50	Property developing & investment
✡ ⚐ +	Hutchison Whampoa Properties (Tianjin) Limited	China	USD	47,500,000	40	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Wuhan Jianghan North) Limited	China	USD	144,400,000	50	Property developing & investment
✡ ⌖ +	Hutchison Whampoa Properties (Wuhan Jianghan South) Limited	China	USD	147,300,000	50	Property developing
✡ ⌖ +	Hutchison Whampoa Properties (Xi An) Limited	China	USD	59,600,000	50	Property developing
✡ ⌖ +	Hutchison Whampoa Properties (Zhuhai) Company Limited	China	USD	15,000,000	50	Property developing & investment
	Hybonia Limited	Hong Kong	HKD	20	100	Property owning
✡ ⌘ +	Jiangmen Hutchison Whampoa Properties Limited	China	RMB	120,000,000	45	Property developing
✡ +	Konorus Investment Limited	Hong Kong	HKD	2	43	Property developing
✡	Marketon Investment Limited	Hong Kong	HKD	4	50	Investment in hotel
	Matrica Limited	Hong Kong	HKD	20	70	Property owning and hotel operation
	Omaha Investments Limited	Hong Kong	HKD	10,000	100	Property owning
	Palliser Investments Limited	Hong Kong	HKD	100,000	100	Property owning
#	Randash Investment Limited	Hong Kong	HKD	110	39	Investment in hotel
✡ ⚐ +	Regal Lake Property Development Limited Guangzhou	China	RMB	1,040,640,000	40	Property developing
	Rhine Office Investments Limited	Hong Kong	HKD	2	100	Property owning
	Richmond Investments Limited	Hong Kong	HKD	10,000	100	Property owning

Principal Subsidiary and Associated Companies and Joint Ventures

at 31 December 2014

	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
	Property and hotels (continued)					
✡ ✟ +	Shanghai Helian Property Development Co., Ltd.	China	USD	74,700,000	50	Property developing
✡ ⚐	Shanghai Westgate Mall Co., Ltd.	China	USD	40,000,000	30	Property owning
✡ ✟ +	Shanghai Yahui Property Development Co., Limited	China	USD	30,000,000	50	Property developing
✡ ⚐ +	Shenzhen Hutchison Whampoa CATIC Properties Limited	China	RMB	620,000,000	40	Property developing & investment
✡ ✟ +	Shenzhen Hutchison Whampoa Guanlan Properties Limited	China	RMB	250,000,000	50	Property developing
✡ ✟ +	Shenzhen Hutchison Whampoa Longgang Properties Limited	China	RMB	232,000,000	50	Property developing
#	The Kowloon Hotel Limited	Bahamas/Hong Kong	USD	5	50	Investment in hotel
	Tremayne Investments Limited	Hong Kong	HKD	2,000,000	100	Property owning
	Turbo Top Limited	Hong Kong	HKD	2	100	Property owning
	Vember Lord Limited	Hong Kong	HKD	2	100	Property owning
	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 Limited	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	350,000	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					
✡	Australian Gas Network Limited	Australia	AUD	879,082,753	35	Natural gas distribution
✡ +	AVR-Afvalverwerking B.V.	Netherlands	EUR	1	27	Producing energy from waste
❋ +	Cheung Kong Infrastructure Holdings Limited	Bermuda/Hong Kong	HKD	2,495,845,400	78	Holding Company
✡ +	Enviro Waste Services Limited	New Zealand	NZD	84,768,736	78	Waste management services
❋ # +	Husky Energy Inc.	Canada	CAD	6,939,096,660	34	Integrated energy businesses
✡ +	Northern Gas Networks Holdings Limited	United Kingdom	GBP	571,670,980	37	Gas distribution
✡ +	Northumbrian Water Group Limited	United Kingdom	GBP	51,862,385	31	Water & sewerage businesses
❋ # +	Power Assets Holdings Limited	Hong Kong	HKD	6,610,008,417	30	Investment holdings in power and utility-related businesses
✡ +	UK Power Networks Holdings Limited	United Kingdom	GBP	10,000,000	31	Electricity distribution
✡ +	Wales & West Gas Networks (Holdings) Limited	United Kingdom	GBP	290,272,506	23	Gas distribution

	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
	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	1	100	Mobile telecommunications services
	Hutchison Global Communications Limited	Hong Kong	HKD	20	65	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	65	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	49	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	Mobile telecommunications services
	Finance & investments and others					
	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
✡ ⌘	Guangzhou Aircraft Maintenance Engineering Company Limited	China	USD	65,000,000	50	Aircraft maintenance
❋	Hutchison China MediTech Limited	Cayman Islands/China	USD	53,076,676	69	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 SAS	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	24	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 Hutchison International Limited which is 100% directly held by the Company, the interests in the remaining subsidiary and associated companies and joint ventures are held indirectly.

❋ Companies 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

⚐ Cooperative 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 the 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 38% and 4% of the Group's respective items.

Schedule of Principal Properties

at 31 December 2014

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Hutchison House, 10 Harcourt Road, Hong Kong	IL 8286	Long	100%	503,715	C	Existing
Cheung Kong Center, 2 Queen's Road Central, Hong Kong	IL 8887	Medium	100%	1,263,363	C	Existing
China Building, 29 Queen's Road Central, Hong Kong	IL 2317	Long	100%	258,751	C	Existing
28 Barker Road, The Peak, Hong Kong	RBL126 and extension thereto	Medium	100%	12,271	R	Existing
Cavendish Centre, 23 Yip Hing Street, Wong Chuk Hang, Hong Kong	AIL 399	Long	100%	342,868	I	Existing
Aberdeen Centre, Aberdeen, Hong Kong	AIL 302 & 304	Long	100%	345,026	C	Existing
Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong	IL 8885	Medium	39%	343,081	H	Existing
One and Two Harbourfront and Harbour Grand Kowloon, Hung Hom, Kowloon	Sec A, B & RP of HHML 6 and extension thereto	Long Long	100% 100%	862,988 510,932	C H	Existing Existing
Harbour Plaza Metropolis, Metropolis Drive, Hung Hom, Kowloon	KIL 11077	Medium	50%	461,310	H	Existing
Hunghom Bay Centre, Hung Hom, Kowloon	RP of HHML 1	Long	100%	80,402	C	Existing
Whampoa Garden, Hung Hom, Kowloon	KIL 10750 Sec A-H & Sec J-L	Long	100%	1,713,990	C	Existing
Sheraton Hong Kong Hotel & Towers, Salisbury Road, Tsim Sha Tsui, Kowloon	KIL 9172	Long	39%	666,638	H	Existing
The Kowloon Hotel, 19-21 Nathan Road, Kowloon	KIL 10737	Medium	50%	329,486	H	Existing
Victoria Mall, Canton Road, Kowloon	RP of KIL 11086	Medium	43%	168,282	C	Existing
Hutchison Logistics Centre, Kwai Chung, New Territories	M/F to 6/F on KCL No 4 G/F on KCL No 4	Medium Medium	100% 28%	4,705,141 737,394	C/W C/W	Existing Existing
Watson Centre, 16-22 Kung Yip Street, Kwai Chung, New Territories	KCTL 258	Medium	100%	687,200	I	Existing
Office Tower at Container Terminal No 9, Hutchison Telecom Tower 99 Cheung Fai Road, Tsing Yi, New Territories	TYTL 139	Medium Medium	28% 100%	59,713 300,268	C C	Existing Existing
Rambler Garden Hotel Rambler Oasis Hotel Rambler Plaza Tsing Yi, New Territories	TYTL 140 TYTL 140 TYTL 140	Medium Medium Medium	70% 70% 70%	211,108 213,235 60,859	H H C	Existing Existing Existing
Watson House, Wo Liu Hang Road, Shatin, New Territories	STTL 61	Medium	100%	280,900	C/W	Existing
Horizon Suite Hotel at Tolo Harbour, Ma On Shan, New Territories	STTL 461	Medium	49%	602,784	H	Existing
Watson's Water Centre, 6 Dai Li Street, Tai Po Industrial Estate, New Territories	Tai Po Town Lot 1 Sec B SS2	Medium	100%	255,138	I	Existing
Food Distribution Depot, Sheung Shui, New Territories	FSSTL 97	Medium	100%	142,394	I	Existing
Cement Manufacturing Plant, Tap Shek Kok, Tuen Mun, New Territories	TMTL 201	Medium	78%	1,645,301	I	Existing
The Great Wall Sheraton Hotel Beijing, 10 North Dong San Huan Road, Chao Yang District, Beijing, China	Chaoyang District, Beijing	Medium	50%	898,800	H	Existing

Schedule of Principal Properties
at 31 December 2014

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
The Greenwich,	Chaoyang District, Beijing					
Yao Jia Yuan Dong Li,	Commercial	Medium	50%	21,732	C	Existing
Chaoyang District, Beijing, China	Phase 1C	Long	50%	49,251	R	Existing
(site area approx 2,882,120 sq ft)	Phase 2A	Long	50%	195,645	R	2017 (5 %)
	Phases 2B & 2C	Long	50%	2,338,253	R	2018 (5 %)
Beixinjiayuan, Changping District, Beijing, China (site area approx 2,742,028 sq ft)	Changping District, Beijing	Long	50%	861,112	R	2020 (1%)
Regency Park,	Jingyue Economic Development Zone,					
Jingyue Economic Development Zone,	Changchun					
Changchun, China	Phases 1A, 2 & 3	Medium	50%	156,635	R	Existing
(site area approx 9,910,215 sq ft)	Phases 4A & 4B	Medium	50%	779,457	R	2015 (40%)
	Phases 4A & 4B	Medium	50%	1,231,799	R/C	2016 (40%)
Regency Residence,	Nanguan District, Changchun					
Nanguan District, Changchun, China	Phases 1, 2A & 2B	Medium	50%	110,847	R/C	Existing
	Phase 1	Medium	50%	32,293	C	Existing
Regency Cove,	Changchun National Hi-Tech	Long	50%	2,411,081	R	2015 (50%)
Changchun National Hi-Tech Industrial Development Zone, Changchun, China (site area approx 1,710,298 sq ft)	Industrial Development Zone, Changchun	Medium	50%	123,344	C	2015 (50%)
Noble Hills,	Wangcheng County, Changsha					
Wangcheng County, Changsha, China	Phase 1	Long	50%	34,864	R/C	Existing
(site area approx 5,989,357 sq ft)	Phase 3	Long	50%	919,050	R	Existing
	Phase 4	Long	50%	1,476,247	R	2017 (10%)
	Phase 5	Long	50%	1,390,438	R/C	2018 (1%)
Regency Park,	Tianning District, Changzhou					
Tianning District, Changzhou, China	Phases 1, 2, 3A &3B	Long	50%	1,072,326	R	Existing
Le Parc,	Chengdu High-Tech Zone, Chengdu					
Chengdu High-Tech Zone, Chengdu, China (site area approx 8,736,146 sq ft)	Phases 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B & 5A	Long	50%	1,642,529	R	Existing
	Phase 5B	Long	50%	1,593,223	R	2015 (80%)
	Phases 6A & 6B	Medium	50%	43,546	C	Existing
	Phases 6B & 6C	Medium	50%	479,015	C	2017 (2%)
	Phases 6C, 7A & 8B	Long	50%	7,226,301	R	2018 (2%)
	Phases 6C, 7A, 7B, 8A & 8B	Medium	50%	1,378,210	C	2018 (2%)
Regency Oasis,	Wenjiang District, Chengdu					
Wenjiang District, Chengdu, China	Phases 1A, 1B & 2	Long	50%	1,789,147	R	Existing
	Phase 1B	Medium	50%	11,730	C	Existing
Metropolitan Plaza, Ba Yi Lu, Yuzhong District, Chongqing, China	Yuzhong District, Chongqing	Medium	50%	1,511,515	C	Existing
Harbour Plaza Chongqing, Zou Rong Lu, Yuzhong District, Chongqing, China	Yuzhong District, Chongqing	Medium	50%	556,972	H	Existing
Cape Coral,	Nanan District, Chongqing					
Nanan District, Chongqing, China	Phases 1A, 1B & 2A	Medium	48%	185,342	R/C	Existing
	Phase 2B	Medium	48%	402,946	R	Existing
Noble Hills,	Douxi, Chongqing					
Douxi, Chongqing, China	Phases 1B, 1C, 2B & 2C	Medium	50%	445,971	R	Existing
	Phase 2A	Medium	50%	16,281	R/C	Existing
Regency Hills,	Yangjiashan, Chongqing					
Yangjiashan, Chongqing, China	Land No. 8A	Medium	48%	25,833	C	2015 (1%)
(site area approx 11,209,095 sq ft)	Land No. 1	Medium	48%	2,109,541	R	2015 (50%)
	Land No. 11A	Medium	48%	386,941	R/C	2016 (1%)
	Land No. 11B	Medium	48%	202,264	C	2017 (1%)
	Lands No. 13 &14	Medium	48%	4,263,495	R/C	2017 (1%)
	Lands No. 2-7, 8B, 9-10, 12, 15-18	Medium	48%	28,480,569	R/C	2023 (1%)

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Regency Lakeview, Zhaomushan,	Liangjiang New Area, Chongqing					
Liangjiang New Area, Chongqing, China	Land No. G19	Medium	50%	787,648	R	2015 (75%)
(site area approx 1,425,905 sq ft)	Land No. G18	Medium	50%	2,176,439	R	2016 (25%)
A commercial and residential development at	Jinzhou New Area, Dalian					
Wolong Bay, Jinzhou New Area, Dalian, China	Land No. 5B	Medium	50%	618,332	R/C	2016 (30%)
(site area approx 3,437,548 sq ft)	Land No. 5A	Medium	50%	977,351	R	2017 (1%)
	Lands No. 6A & 6B	Medium	50%	2,674,022	R/C	2018 (1%)
A commercial and residential development at	Xigang District, Dalian	Long	50%	3,390,629	R	2019 (1%)
Heizuizi Wharf and the surrounding area,		Medium	50%	2,045,141	C	2019 (1%)
Xigang District, Dalian, China						
(site area approx 1,538,161 sq ft)						
Cape Coral,	Panyu District, Guangzhou					
Panyu District, Guangzhou, China	Phases 2, 3A & 3B	Long	50%	176,455	R	Existing
(site area approx 4,840,181 sq ft)	Phase 4A	Long	50%	828,422	R/C	2015 (82%)
	Phase 4B	Long	50%	1,041,601	R	2016 (10%)
Noble Hills,	Zengcheng, Guangzhou					
Zengcheng, Guangzhou, China	Phases 1A & 1B	Long	50%	446,149	R	Existing
(site area approx 22,740,585 sq ft)	Phase 1A	Long	50%	16,146	C	2015 (95%)
	Phases 2 & 3	Long	50%	2,440,521	R	2017 (1%)
Guangzhou Guoji Wanjucheng,	Huangpu District, Guangzhou					
Nangang Village Head of Lang Bridge,	Phases 1 & 2A	Medium	30%	1,136,776	C	Existing
Huangpu District, Guangzhou, China	Phases 2B & 2C (1)	Medium	30%	1,070,604	C	2015 (99%)
(site area approx 3,458,021 sq ft)	Phases 2C (2) & 3	Medium	30%	2,353,575	C	2017 (1%)
Yuhu Mingdi,	Luogang District, Guangzhou					
Zhongxin Town, Luogang District,	Phase 1	Long	40%	22,346	R	Existing
Guangzhou, China	Phase 2(1)	Long	40%	755,435	R	2015 (75%)
(site area approx 2,427,765 sq.ft)	Phase 2(2)	Long	40%	599,504	R	2016 (30%)
	Phase 3	Long	40%	668,230	R	2015 (45%)
Emerald Cove, Nanzhuang Town,	Chancheng District, Foshan					
Chancheng District, Foshan, China	Phase 1A	Long	50%	235,073	R	2015 (80%)
(site area approx 805,764 sq ft)	Phase 1B	Long	50%	973,767	R	2016 (50%)
	Phase 2A	Long	50%	258,409	R	2015 (50%)
	Phase 2B	Long	50%	523,954	R	2016 (20%)
	Phase 1B	Long	50%	4,338	C	2016 (20%)
Laguna Verona,	Hwang Gang Lake, Dongguan					
Hwang Gang Lake, Dongguan, China	Phases D1a, D1b, D1c, G1a, E1 & E2	Long	49.9%	942,378	R	Existing
(site area approx 35,194,412 sq ft)	Phase C	Medium	49.9%	9,321	C	Existing
	Phase G1a	Long	49.9%	48,072	C	Existing
	Phase H	Long	49.9%	465,248	R	2016 (10%)
	Phase D2a	Long	49.9%	681,129	R	2016 (20%)
	Phase D2b	Long	49.9%	795,119	R	2015 (20%)
	Phases G1b1 & G2a1	Long	49.9%	1,183,932	R/C	2016 (10%)
	Phases D2c, F, G1b2, G1b3, G2a2, G2a3 & G2b	Long	49.9%	11,722,027	R/C	2027 (1%)
Harbour Plaza Golf Club,	Hwang Gang Lake, Dongguan	Medium	50%	14,257,654	G	Existing
Hwang Gang Lake, Dongguan, China	Golf course					
Le Parc,	Futian District, Shenzhen	Long	50%	102,953	C	Existing
Futian District, Shenzhen, China						
Regency Park,	Baoan District, Shenzhen					
Guanlan, Baoan District, Shenzhen, China	Phases 1 & 3	Long	50%	74,056	R	Existing
Le Sommet,	Longgang District, Shenzhen					
Longgang District, Shenzhen, China	Phases 1A, 1B, 3 & 4B	Long	50%	24,348	R/C	Existing
Century Place,	Futian District, Shenzhen					
Shennan Road, Huaqiangbei, Futian District,	Phases 1 & 2	Medium	40%	611,928	C	Existing
Shenzhen, China	Phase 1	Medium	40%	4,273	R	Existing
Noble Hills,	Baoan District, Shenzhen	Long	50%	102,537	R/C	Existing
Guanlan, Baoan District, Shenzhen, China						

Schedule of Principal Properties

at 31 December 2014

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
A commercial development at land lots G/M and H, Futian District, Shenzhen, China (site area approx 160,420 sq ft)	Futian District, Shenzhen	Medium	25%	484,376	C	2015 (55%)
A residential development at Aotou, Daya Bay, Huizhou, China (site area approx 861,672 sq ft)	Daya Bay, Huizhou					
	Phases 1 & 2	Long	50%	2,527,966	R/C	2019 (1%)
Horizon Costa, Qiao Island, Zhuhai, China (site area approx 2,152,780 sq ft)	Qiao Island, Zhuhai					
	Phase 1	Long	50%	1,202,801	R/C	2017 (1%)
	Phase 2	Long	50%	1,354,314	R	2018 (1%)
A residential development at Cuilihu, Zhongshan, China (site area approx 1,128,143 sq ft)	Cuilihu, Zhongshan	Long	50%	669,988	R/C	2016 (1%)
Silver Cove, Yin Hu Wan, Jiangmen, China (site area approx 14,351,863 sq ft)	Yin Hu Wan, Jiangmen					
	Phases 1, 4 (A&B) & 3	Long	45%	1,798,583	R	2019 (1%)
	Phases 2, 5 & 6	Long	45%	2,593,562	R	2022 (1%)
	Commercial & Hotel	Medium	45%	270,884	C/H	2016 (1%)
Emerald City, Yingtiandajie, Jianye District, Nanjing, China (site area approx 1,286,318 sq ft)	Jianye District, Nanjing					
	Phase 1A	Long	50%	471,825	R	2015 (80%)
	Phases 1B & 1C	Long	50%	575,696	R	2015 (90%)
	Phase 1B	Long	50%	1,085,324	R	2015 (60%)
	Phase 1C	Long	50%	946,093	R	2015 (50%)
	Phases 2A & 2B	Medium	50%	210,047	C	2015 (90%)
	Phase 2C	Medium	50%	577,386	C	2015 (60%)
The Harbourfront, Shibei District, Qingdao, China (site area approx 3,329,597 sq ft)	Shibei District, Qingdao					
	Lands No. 1, 2 & 4	Long	45%	666,523	R/C	Existing
	Land No. 3	Long	45%	249,284	R	Existing
	Land No. 5	Long	45%	2,733,934	R/C	2016 (40%)
	Land No. 6	Long	45%	2,430,456	R/C	2015 (90%)
	Land No. 7	Long	45%	865,095	R/C	2017 (2%)
	Land No. 8	Medium	45%	337,765	C	Existing
Westgate Mall & Tower, Nanjing Xi Lu/Jiang Ning Lu, Jing An District, Shanghai, China	Jing An District, Shanghai	Short	30%	1,099,361	C	Existing
Seasons Villas, Huamu Road, Pudong New District, Shanghai, China	Pudong New District, Shanghai					
	Phases 2, 3, 4A & 5	Long	50%	108,506	R	Existing
Century Link, Lot 2-4 Century Avenue, Pudong New District, Shanghai, China (site area approx 551,984 sq ft)	Lot 2-4 Century Avenue, Pudong New District, Shanghai	Medium	25%	2,351,449	C	2015 (38.7%)
Regency Cove, Qian Kun Road, Maqiao Town, Minhang District, Shanghai, China	Minhang District, Shanghai					
	Phases 1A, 1B & 2	Long	43%	246,802	R	Existing
City Link, Xin Zha Road, Jing An District, Shanghai, China (site area approx 156,378 sq ft)	Jing An District, Shanghai	Medium	30%	624,037	C	2017 (27%)
Upper West Shanghai Putuo District, Shanghai, China (site area approx 1,903,638 sq ft)	Putuo District, Shanghai					
	Phase 1A	Medium	30.6%	146,185	C	Existing
	Phase 1B	Medium	30.6%	1,112,019	C	2015 (95%)
	Phase 2	Medium	30.6%	1,499,594	C/H	2018 (20%)
	Phase 3	Medium	30.6%	2,540,065	C/H	2018 (1%)
	Phase 4	Medium	30.6%	464,936	C	2017 (2%)
	Phase 4	Long	30.6%	413,334	R	2018 (2%)
	Phase 4	Medium	30.6%	382,528	C	2018 (10%)
	Phase 5	Long	30.6%	1,136,667	R	2018 (1%)
	Phase 5	Medium	30.6%	54,680	C	2018 (1%)

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Hupan Mingdi,	Jiading District, Shanghai	Long	50%	1,484,514	R	2015 (90%)
Nanxiang Town, Jiading District, Shanghai, China		Long	50%	779,845	R	2016 (30%)
(site area approx 2,277,864 sq ft)		Long	50%	839,465	R	2017 (10%)
		Medium	50%	10,634	C	2015 (95%)
		Medium	50%	436,950	C	2016 (60%)
Regency Garden,	Pudong New District, Shanghai					
Hu Nan Road/Fang Rong Road, Zhoupu Town,	Phases 1, 2A, 3 & 4	Long	43%	78,330	R	Existing
Pudong New District, Shanghai, China	Phase 5A	Long	43%	387,289	R	2015 (25%)
(site area approx 2,835,394 sq ft)	Phase 5B	Long	43%	962,847	R	2016 (1%)
Riviera Palace,	Qing Pu District, Shanghai					
Zhao Xiang Town, Qing Pu District, Shanghai, China	Phase 1A	Long	50%	388,297	R	2015 (96%)
(site area approx 1,555,190 sq ft)	Phase 1B	Long	50%	420,352	R	2015 (73%)
	Phase 2A	Long	50%	818,056	R	2015 (55%)
Royal Waterfront,	Qing Pu District, Shanghai					
Zhao Xiang Town, Qing Pu District, Shanghai, China	Phase 1	Long	50%	343,777	R	2015 (85%)
(site area approx 797,508 sq ft)	Phase 2	Long	50%	519,810	R	2015 (65%)
The Metropolitan Tianjin,	Heping District, Tianjin					
Yingkoudao, Heping District, Tianjin, China	Phases 1 & 2	Medium	40%	1,915,838	C	Existing
	Phase 2	Long	40%	5,686	R	Existing
Millennium Waterfront,	Jianghan District, Wuhan					
Hualou Jie, Jianghan District, Wuhan, China	Phase 1A	Medium	50%	187,378	C	Existing
(site area approx 1,192,616 sq ft)	Phases 1B & 2A	Long	50%	4,476,035	R	2015 (60%)
	Phases 1B & 2A	Medium	50%	650,246	C	2015 (60%)
	Phase 2B	Medium	50%	908,699	C	2016 (60%)
The Metropolitan,	Jianghan District, Wuhan					
Laopupian, Jianghan District, Wuhan, China	Phase 1	Long	50%	879,325	R	2015 (10%)
(site area approx 379,654 sq ft)	Phase 1	Medium	50%	1,255,060	C	2015 (10%)
Regency Cove,	Caidian District, Wuhan					
Caidian District, Wuhan, China	Phase 1	Long	50%	961,830	R	Existing
(site area approx 8,481,361 sq ft)	Phases 2-9	Long	50%	15,422,688	R/C/H	2024 (1%)
The Greenwich,	Xian Hi-Tech Industries					
Xian Hi-Tech Industries Development Zone,	Development Zone, Xian					
Xian, China	Phases 2A & 2B	Medium	50%	261,498	R/C	Existing
(site area approx 5,190,066 sq ft)	Phases 3A & 3B	Medium	50%	200,833	R	Existing
	Phases 4A & 4B	Long	50%	3,086,807	R/C	2016 (30%)
Albion Riverside, Wandsworth, London, United Kingdom	Wandsworth, London	Freehold	45%	79,242*	C	Existing
Chelsea Waterfront at Lots Road, Chelsea, London, United Kingdom (site area approx 383,410 sq ft)	Chelsea/Fulham, London	Freehold	95%	836,076*	R/C	2018 (5%)
A commercial and residential development at Convoys Wharf, London, United Kingdom (site area approx 1,737,293 sq ft)	Convoys Wharf, London	Freehold	100%	3,148,811*	R/C	2024 (1%)
Marina Bay Suites,	Land Parcel 662, Singapore					
Marina Boulevard/Central Boulevard, Singapore	Phase 2	Long	17%	53,699	R	Existing
Upper Serangoon Road, Singapore	9779T of Mukim No 22	Long	50%	299,150	R	2019 (0%)
(site area approx 108,687 sq ft)	Land Parcel No: 894	Long	50%	26,910	C	2019 (0%)
Bahamas Grand Lucayan	Freeport, Grand Bahama Island	Freehold	100%	1,027,494	H	Existing
Grand Bahama, Bahamas	Bahamas	Freehold	100%	320 acres	G	Existing
Container Terminal No 4, Kwai Chung, New Territories	KCL No 4	Medium	28%	70 acres	CT	Existing
Container Terminal No 6, Kwai Chung, New Territories	KCL No 6	Medium	28%	71 acres	CT	Existing

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Container Terminal No 7, Kwai Chung, New Territories	KCL No 7 and extension	Medium	28%	85 acres	CT	Existing
Container Terminal No 8 East, Kwai Chung, New Territories	KCL No 8 East	Medium	14%	74 acres	CT	Existing
Container Terminal No 8 West, Kwai Chung, New Territories	KCL No 8 West	Medium	11%	71 acres	CT	Existing
Container Terminal No 9, Tsing Yi, New Territories	TYTL 139 TYL 9 (co-grantee)	Medium	28%	47 acres	CT	Existing
Mid-Stream Terminal, Stonecutters Island, Hong Kong	KCTL No 479	Medium	28%	360,000	CT	Existing
River Trade Terminal, Tuen Mun, New Territories	TMTL No 393	Medium	40%	7,000,000	CT	Existing
Container Terminal at Yantian Port, Shenzhen, China (Phases I & II)	Yantian, Shenzhen	Medium	16%	13,947,657	CT	Existing
Container Terminal at Yantian Port, Shenzhen, China (Phase III & Expansion)	Yantian, Shenzhen	Medium	14%	24,341,000	CT	Existing
Container Terminal at West Port, Shenzhen, China (Phases I & II)	Yantian, Shenzhen	Medium	14%	2,425,843	CT	Existing
Inland Container Depot and Warehousing, Guanlan, Shenzhen, China	Guanlan, Shenzhen	Medium	22%	3,591,699	D/W	Existing
Container Terminal at Dayabay, Huizhou, Guangdong, China (Phase 1)	Dayabay, Huizhou, Guangdong	Medium	27%	5,597,417	CT	Existing
Container Terminal at Dayabay, Huizhou, Guangdong, China (Phase 2)	Dayabay, Huizhou, Guangdong	Medium	64%	6,458,558	CT	2015 (96%)
Container Terminal at Jiuzhou, Zhuhai, Guangdong, China	Lovers Avenue South, Zhuhai, Guangdong	Medium	40%	1,659,592	CT	Existing
Multi purpose Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	2,242,392	CT	Existing
Container Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China (Phase 1)	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	6,072,998	CT	2015 (94%)
Container Terminal at Zhuhai Port, Gaolan, Zhuhai, Guangdong, China (Phase 2)	Zhuhai Port, Zhuhai, Guangdong	Medium	40%	7,532,875	CT	2017 (15%)
Container Terminal at Zhuchi Port, Shantou, Guangdong, China	Zhuchi Port, Shantou, Guangdong	Medium	56%	4,582,505	CT	Existing
Container Terminal at San Shan Port, Nanhai, Guangdong, China	San Shan Island, Nanhai, Guangdong	Medium	40%	4,256,425	CT	Existing
Container Terminal at Gaosha Port, Jiangmen, Guangdong, China	Gaoshawei, Baishi Administration Area, Jiangmen, Guangdong	Medium	40%	1,337,675	CT	Existing
Container Terminal at Haicang Port, Xiamen, Fujian, China	Berth 1, Haicang Port Zone, Xiamen, Fujian	Medium	39%	2,751,137	CT	Existing
Container Terminal at Haicang Port, Xiamen, Fujian, China	Berth 2 & 3, Haicang Port Zone, Xiamen, Fujian	Medium	39%	5,016,444	CT	Existing
Container Terminal at Waigaoqiao, Phase V, Shanghai, China	Waigaoqiao, Phase V, Pudong, Shanghai	Medium	40%	17,534,372	CT	Existing
Container Terminals at Beilun, Ningbo, Zhejiang, China	Beilun, Ningbo, Zhejiang	Medium	39%	8,198,101	CT	Existing
Multi-Purpose Terminal at Laem Chabang, Thailand	A2, Laem Chabang	Medium	70%	42 acres	CT	Existing
Container Terminal at Laem Chabang, Thailand	A3, C1, C2, D1, D2, D3, Laem Chabang	Medium	64%	356 acres	CT	2021 (49%)

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Container Terminals at Thi Vai-Cai Mep Port Area, Ba Ria-Vung Tau Province, Vietnam	Lot No.105 (Map Street No. 08) Phu My Town, Tan Thanh District, Ba Ria-Vung Tau Province, Vietnam	Medium	56%	3,631,171	CT	Existing
Container Terminal at Tanjung Priok, Jakarta, Indonesia	CT 1 & CT 2 Tanjung Priok, Jakarta	Medium	41%	246 acres	CT	2016 (93%)
Container Terminal at Tanjung Priok, Jakarta, Indonesia	CT 3 Tanjung Priok, Jakarta	Medium	36%	76 acres	CT	Existing
Container Terminal at Port Klang, Selangor, Malaysia	Westports, Port Klang, Pulau Indah	Medium	19%	63,184,154	CT	Existing
Container Terminal at Karachi, Pakistan (Phases I & II)	Berth Nos 28 to 30 West Wharf	Medium	80%	1,466,286	CT	Existing
Container Terminal at Karachi, Pakistan (Phase III)	Berth Nos 26 to 27 West Wharf	Medium	80%	1,336,082	CT	Existing
Deep Water South Asia Pakistan Terminals	Phase 1A/1B, Pakistan Deep Water Container Port, East of Keamari Groyne, Karachi, Pakistan	Medium	72%	5,166,720	CT	2015 (25%)
Container Terminal at 314, Chungjang-daero, Dong-gu, Busan, South Korea	Jasungdae, Busan	Medium	80%	6,718,338	CT	Existing
Container Terminal at #240,Keonbudu-ro, Gwangyang-si, Jeollanam-do, South Korea	Gwangyang, Gwangyang-si Phase 2-2	Medium	71%	5,737,351	CT	Existing
Container Terminal at Sohar, Sultanate of Oman (Phase 2C1)	Plot 2C1, Sohar Industrial Port	Medium	52%	74 acres	CT	Existing
Multi-Purpose Terminal at Ajman, United Arab Emirates	Ajman Port	Short	80%	2,134,454	CT	Existing
Container Terminal No 11 at Port of Brisbane, Queensland, Australia	Port of Brisbane, Queensland, Australia	Medium	80%	34 acres	CT	Existing
Container Terminal No 12 at Port of Brisbane, Queensland, Australia	Port of Brisbane, Queensland, Australia	Medium	80%	30 acres	CT	2018 (1%)
Intermodal Terminal at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	42 acres	D/W	2015 (85%)
Empty Container Storage "A" at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	13 acres	D/W	2018 (1%)
Empty Container Storage "B" at Enfield, New South Wales, Australia	Enfield, New South Wales, Australia	Medium	80%	12 acres	D/W	2016 (1%)
Container Terminal No 3 at Port Botany, New South Wales, Australia	Port Botany, New South Wales, Australia	Medium	80%	119 acres	CT	Existing
Container Terminal at Felixstowe, United Kingdom	Felixstowe, County of Suffolk	Long Freehold	80% 80%	479 acres 250 acres	CT CT	Existing Existing
Container Terminal at Thamesport, United Kingdom	Isle of Grain County of Kent	Long	64%	240 acres	CT	Existing
Multi purpose freight & passenger port & Bathside Bay Land, Harwich, United Kingdom	Harwich, County of Essex	Freehold Freehold	80% 80%	185 acres 250 acres	P CT	Existing 2021 (25%)
Container Terminal in Taranto Port, Molo Polisettoriale, Italy	Molo Polisettoriale, Taranto Port, S.S. 106	Long	40%	252 acres	CT	Existing
Container Terminal at Amsterdam, The Netherlands	Amsterdam Container Terminal	Long	56%	136 acres	CT	Existing
Container Terminal at Rotterdam, The Netherlands	Home Terminal, Rotterdam Delta Terminal, Rotterdam Euromax Terminal, Rotterdam	Short Medium Medium	75% 71% 75%	161 acres 672 acres 207 acres	CT CT CT	Existing Existing Existing
Inland Container Terminal at Venlo, The Netherlands	TCT Venlo Terminal (Rail) TCT Venlo Terminal (Barge)	Freehold Long	75% 75%	16 acres 5 acres	CT CT	Existing Existing
Inland Container Terminal at Moerdijk, The Netherlands	Moerdijk Container Terminal	Long	37%	58 acres	CT	Existing

Schedule of Principal Properties

at 31 December 2014

Description	Lot number	Lease term	Group's interest	Approximate gross floor area (sq ft unless otherwise stated)	Type	Estimated completion date (% complete)
Inland Container Terminal at Willebroek, Belgium	TCT Belgium Terminal, Willebroek	Freehold	75%	25 acres	CT	Existing
Inland Container Terminal at Duisburg, Germany	DeCeTe Terminal, Duisburg	Short	39%	23 acres	CT	Existing
		Medium	39%	7 acres	CT	Existing
	ECT Duisburg, Duisburg	Short	75%	12 acres	CT	Existing
Container Terminal at Stockholm, Sweden	Stockholm Container Terminal (CTF)	Medium	80%	21 acres	CT	Existing
Container Depot at Can Tunis, Barcelona, Spain	Barcelona Europe South Terminal (BEST) Barcelona, Spain	Medium	80%	625,308	D/W	Existing
Container Terminal at Muelle Prat, Barcelona, Spain	Barcelona Europe South Terminal (BEST) Barcelona, Spain					
	Phase 1A	Medium	80%	6,436,504	CT	Existing
	Phase 1B.1	Medium	80%	1,555,973	CT	2015 (63%)
Container Terminal at Gdynia, Poland	Port of Gdynia, Poland	Long	79%	49 acres	CT	2016 (70%)
Empty Container Depot at Golebia St Gdynia, Poland	Gdynia, Poland	Short	79%	2 acres	D	Existing
Empty Container Depot at Hutnicza St Gdynia, Poland	Gdynia, Poland	Short	79%	5 acres	D	Existing
Container Terminal at Alexandria, Egypt	Alexandria	Medium	40%	1,207,731	CT	Existing
	El Dekheila	Medium	40%	2,004,848	CT	Existing
Container Terminal at Veracruz, Mexico	Recinio portuario, Zona II Puerto de Veracruz, Veracruz	Medium	80%	4,492,133	CT	Existing
Container Terminal at Ensenada, Baja California, Mexico	Ensenada, Baja California	Medium	80%	1,522,508	CT	Existing
Cruise Port & Marina at Ensenada, Baja California, Mexico	Ensenada, Baja California	Medium	80%	2,137,449	P	Existing
Container Terminal at Manzanillo, Mexico	CT Manzanillo	Medium	80%	914,468	CT	Existing
Inland Container Depot at Manzanillo, Mexico	Ejido Tapeixtles	Freehold	80%	645,835	D/W	Existing
Inland Container Depot at Santa Fe, Veracruz, Mexico	Ejido Delfino Vict.	Freehold	80%	1,723,141	D/W	Existing
Container Terminal at Lazaro Cardenas, Michoacan, Mexico	Lazaro Cardenas, Michoacan	Freehold	80%	2,220,024	CT	Existing
	Phase I	Medium	80%	3,049,416	CT	Existing
	Phase II	Medium	80%	3,049,416	CT	Existing
	Multipurpose Terminals	Medium	80%	2,105,752	CT	Existing
Container Terminal at Buenos Aires, Argentina	Puerto Nuevo, Buenos Aires	Short	80%	2,918,520	CT	Existing
Grand Bahama Airport Company Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	2,655 acres	A	Existing
Sea Air Business Centre at Freeport, Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	721 acres	C	Existing
Freeport Harbour Company Bahamas	Freeport, Grand Bahamas Island	Freehold	40%	1,630 acres	P/CT	Existing
Freeport Container Port Bahamas	Freeport, Grand Bahamas Island	Long	41%	168 acres	CT	Existing
Container Terminal at Port of Dar es Salaam, Tanzania	Container Terminal, Port of Dar es Salaam, Tanzania	Medium	56%	2,583,336	CT	Existing
Tanzania International Container Terminal Services, Kurasini Inland Container Depot, Kurasini, Dar es Salaam, Tanzania	Kurasini Inland Container Depot, Kurasini, Dar es Salaam, Tanzania	Medium	56%	721,181	D	Existing
Tanzania International Container Terminal Services, Ubungo Inland Container Depot, Ubungo, Dar es Salaam, Tanzania	Ubungo Inland Container Depot, Ubungo, Dar es Salaam, Tanzania	Medium	56%	925,695	D	Existing

Lease term: Long = lease not less than 50 years; Medium = lease less than 50 years but not less than 10 years; Short = lease less than 10 years.

* Total net floor area for UK projects

A = Airport C = Commercial CT = Container Terminal D = Depot G = Golf Course H = Hotel I = Industrial

P = Cruise Port R = Residential W = Warehouse

Ten Year Summary

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
CONSOLIDATED INCOME STATEMENT										
HK$ millions										
Revenue	182,526	183,790	218,678	235,478	208,808	209,180	233,700	243,089	256,234	**272,161**
Profit attributable to ordinary shareholders of the Company	12,465	17,041	33,171	12,113	13,722	20,005	55,824	25,897	31,112	**67,156**
Dividends	7,375	7,375	7,375	7,375	7,375	8,185	8,868	8,868	9,806	**40,139**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION										
HK$ millions										
ASSETS										
Non-current assets										
Fixed assets	129,467	145,280	186,342	178,143	176,192	167,851	155,502	167,588	177,324	**173,234**
Investment properties	38,557	41,657	43,680	41,282	42,323	43,240	42,610	43,652	42,454	**66,211**
Leasehold land	27,150	30,194	31,272	29,848	29,191	27,561	10,004	9,495	9,849	**8,513**
Telecommunications licences	84,624	89,077	91,897	72,175	70,750	68,333	75,503	78,655	86,576	**81,602**
Goodwill	17,959	21,840	31,573	30,436	28,858	27,332	26,338	26,492	38,028	**39,132**
Brand names and other rights	3,579	7,582	10,901	10,486	7,351	12,865	12,615	15,328	18,755	**16,233**
Associated companies	62,201	71,603	71,966	71,525	77,270	84,799	105,505	113,306	112,058	**126,416**
Interests in joint ventures	40,383	41,833	43,144	50,462	58,141	74,891	99,758	108,949	111,271	**119,433**
Deferred tax assets	15,623	17,146	17,605	13,236	14,645	14,091	16,985	18,059	18,548	**19,203**
Other non-current assets	4,426	3,762	5,082	8,904	5,286	9,131	10,184	9,579	7,934	**7,139**
Liquid funds and other listed investments	60,669	66,251	69,192	30,735	23,213	24,585	20,239	23,499	17,136	**15,141**
	484,638	536,225	602,654	537,232	533,220	554,679	575,243	614,602	639,933	**672,257**
Current assets	106,208	130,721	187,680	130,581	157,260	166,614	145,292	189,269	175,589	**211,178**
Total assets	590,846	666,946	790,334	667,813	690,480	721,293	720,535	803,871	815,522	**883,435**
Current liabilities	84,202	90,291	142,732	107,818	93,867	106,911	109,359	120,923	108,290	**132,425**
Non-current liabilities										
Bank and other debts	233,454	260,970	260,086	234,141	242,851	228,134	189,719	220,440	207,195	**205,332**
Interest bearing loans from non-controlling shareholders	5,429	12,030	12,508	13,348	13,424	13,493	6,502	6,307	5,445	**8,000**
Deferred tax liabilities	10,234	11,067	13,703	9,501	9,063	9,856	8,888	8,968	10,228	**11,213**
Pension obligations	2,323	2,431	1,520	2,584	2,480	1,741	3,041	3,616	3,095	**3,083**
Other non-current liabilities	4,354	6,368	5,929	4,586	4,520	3,945	4,296	5,076	5,037	**4,320**
	255,794	292,866	293,746	264,160	272,338	257,169	212,446	244,407	231,000	**231,948**
Net assets	250,850	283,789	353,856	295,835	324,275	357,213	398,730	438,541	476,232	**519,062**
CAPITAL AND RESERVES										
Share capital [(1)]	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	29,425	**29,425**
Perpetual capital securities	-	-	-	-	-	15,600	15,600	23,400	40,244	**39,638**
Reserves	239,870	266,324	304,818	262,945	285,784	297,325	342,905	367,053	356,940	**397,155**
Total ordinary shareholders' funds and perpetual capital securities	240,936	267,390	305,884	264,011	286,850	313,991	359,571	391,519	426,609	**466,218**
Non-controlling interests	9,914	16,399	47,972	31,824	37,425	43,222	39,159	47,022	49,623	**52,844**
Total equity	250,850	283,789	353,856	295,835	324,275	357,213	398,730	438,541	476,232	**519,062**

Ten Year Summary

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
PERFORMANCE DATA										
Earnings per share for profit attributable to ordinary shareholders of the Company – (HK$)	2.92	4.00	7.78	2.84	3.22	4.69	13.09	6.07	7.30	**15.75**
Dividends per share – (HK$) (3)	1.73	1.73	1.73	1.73	1.73	1.92	2.08	2.08	2.30	**2.415**
Special dividend per share – (HK$)	–	–	–	–	–	–	–	–	–	**7.000**
Dividend cover (3)	1.7	2.3	4.5	1.6	1.9	2.4	6.3	2.9	3.2	**6.5**
Return on average ordinary shareholders' funds (%)	5.1%	6.7%	11.6%	4.3%	5.0%	6.8%	17.4%	7.3%	8.2%	**16.5%**
Current ratio	1.3	1.4	1.3	1.2	1.7	1.6	1.3	1.6	1.6	**1.6**
Net debts – (HK$ millions)	153,187	157,111	130,780	165,863	143,355	131,125	127,076	124,705	121,035	**106,408**
Net debt / Net total capital (%) (2)	37.1%	34.5%	26.1%	34.7%	29.7%	26.0%	23.8%	21.9%	20.0%	**16.8%**
Net assets attributable to ordinary shareholders of the Company per share – book value (HK$)	56.5	62.7	71.8	61.9	67.3	70.0	80.7	86.3	90.6	**100.1**
Number of shares (million)	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	4,263.3	**4,263.3**

(1) Share capital as at 31 December 2013 includes the balance on the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) totalling HK$28,359 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital.

(2) Net debt is defined on the Consolidated Statement of Cash Flows. Net total capital is defined as total principal amount of bank and other debts plus total equity and loans from non-controlling shareholders net of total cash, liquid funds and other listed investments.

(3) Excluded special dividend of HK$7.00 per share in 2014.

Information for Shareholders

LISTING	The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited
STOCK CODE	13
PUBLIC FLOAT CAPITALISATION	Approximately HK$178,556 million, representing approximately two billion shares (47%) of the total issued shares of the Company, as at 31 December 2014

FINANCIAL CALENDAR

Payment of Special Dividend:	14 May 2014
Payment of 2014 First Interim Dividend:	10 September 2014
2014 Final Results Announcement:	26 February 2015
Record Date for 2014 Second Interim Dividend:	17 March 2015
Payment of 2014 Second Interim Dividend:	15 April 2015

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INVESTOR INFORMATION

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