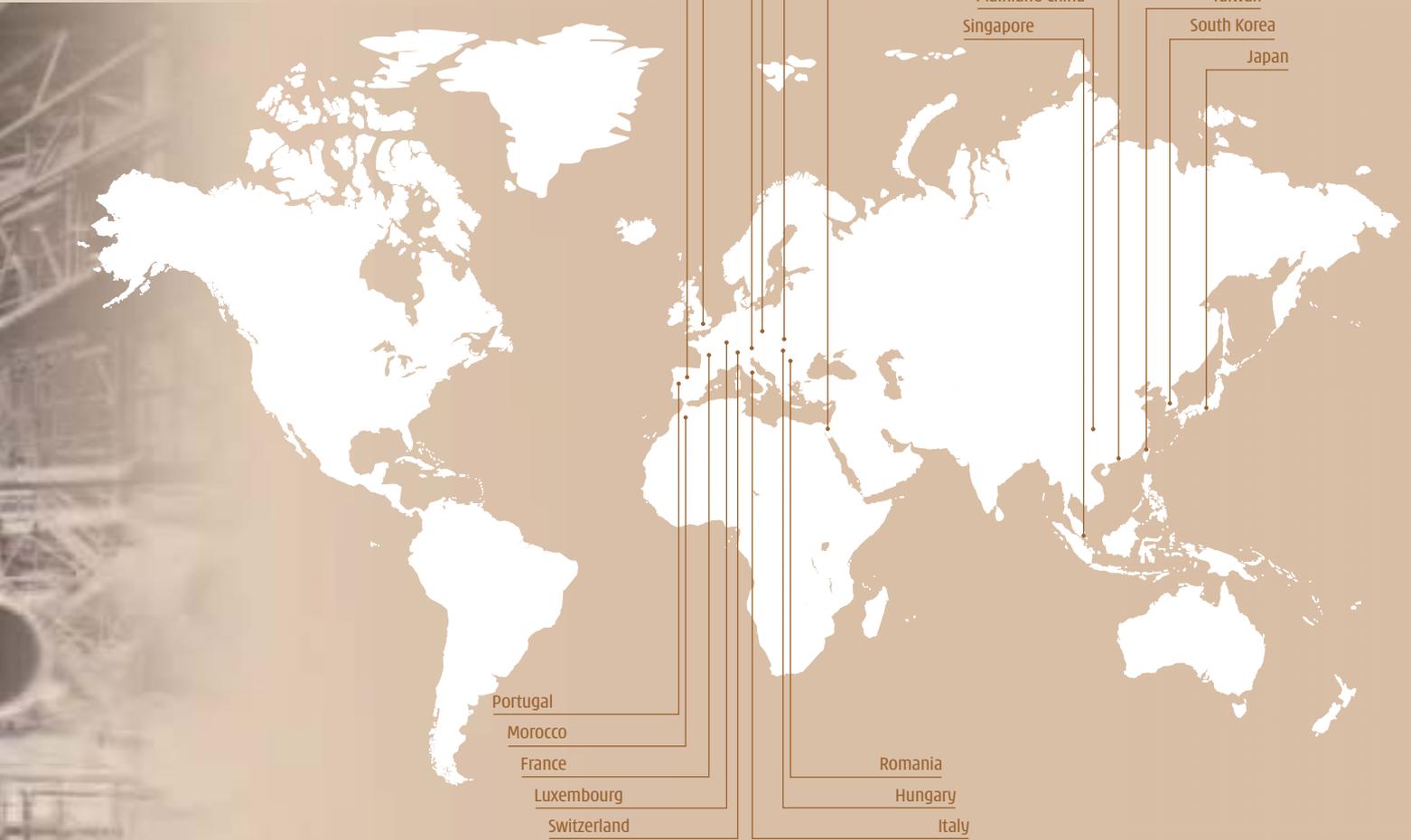




# Finance & Investments and Others



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%.

## Operations Review – Finance & Investments and Others

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
<b>Total Revenue</b>	<b>21,919</b>	22,414	-2%
- Finance & Investments	2,366	2,321	+2%
- Others	19,553	20,093	-3%
<b>EBITDA (LBITDA)</b>	<b>4,200</b>	2,179	+93%
- Finance & Investments	3,691	2,808	+31%
- Others	509	(629)	+181%
<b>EBIT (LBIT)</b>	<b>3,739</b>	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