Hutchison Whampoa Limited
和記黃埔有限公司

(incorporated in Hong Kong with limited liability)
(Stock Code: 13)

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

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 of HK$7.00 per share in 2014.

22/F, Hutchison House, 10 Harcourt Road, Hong Kong
Tel +852 2128 1188 Fax +852 2128 1705
www.hutchison-whampoa.com

- Total revenue grew 2% to HK$421,472 million.
- EBITDA and EBIT, before property revaluation and profits on disposal of investments and others, grew 3% and 2% respectively.
- Profit attributable to ordinary shareholders and earnings per share for the year were HK$67,156 million and HK$15.75 respectively, a 116% increase over last year, of which HK$32,008 million or HK$7.51 per share were recurring, a 3% increase over last year.
- A special dividend to the shareholders of HK$7.00 per share, amounting to approximately HK$30 billion was paid in May 2014.
- Second interim dividend, in lieu of final dividend, of HK$1.755 per share is declared, together with the first interim dividend of HK$0.66 per share, total full year dividend (excluding the special dividend of HK$7.00 per share that was paid in May 2014) amounted to HK$2.415 per share, a 5.0% increase from last year.

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
Cheung Kong Infrastructure Holdings Limited ("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

Hutchison Whampoa Limited
Consolidated Income Statement
for the year ended 31 December 2014

	Note	**2014** **HK$ millions**	2013 HK$ millions
Revenue	2	**272,161**	256,234
Cost of inventories sold		**(110,596)**	(102,496)
Staff costs		**(34,604)**	(33,151)
Telecommunications customer acquisition costs		**(24,165)**	(24,170)
Depreciation and amortisation	2	**(17,003)**	(15,850)
Other operating expenses		**(50,944)**	(51,265)
Change in fair value of investment properties		**24,678**	26
Profits on disposal of investments and others	3	**(4,532)**	230
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	3	**19,141**	(504)
	2	**93,768**	52,084
Interest expenses and other finance costs	4	**(8,050)**	(8,391)
Profit before tax		**85,718**	43,693
Current tax	5	**(4,307)**	(4,231)
Deferred tax	5	**340**	(569)
Profit after tax		**81,751**	38,893
Allocated as :			
Profit attributable to non-controlling interests and holders of perpetual capital securities		**(14,595)**	(7,781)
Profit attributable to ordinary shareholders of the Company		**67,156**	31,112
Earnings per share for profit attributable to ordinary shareholders of the Company	6	**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 7.

Hutchison Whampoa Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2014

	2014 **HK$ millions**	2013 HK$ millions
Profit after tax	**81,751**	38,893
Other comprehensive income (losses)		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligations recognised directly in reserves	**(324)**	694
Share of other comprehensive income (losses) of associated companies	**(55)**	563
Share of other comprehensive income (losses) of joint ventures	**56**	(115)
Tax relating to items that will not be reclassified to profit or loss	**75**	84
	(248)	1,226
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Available-for-sale investments		
Valuation gains recognised directly in reserves	**1,176**	382
Valuation losses (gains) previously in reserves recognised in income statement	**(480)**	6
Gains (losses) on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	**(5)**	346
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	**(16,653)**	(1,774)
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)
Share of other comprehensive income (losses) of associated companies	**(4,799)**	(3,800)
Share of other comprehensive income (losses) of joint ventures	**(5,261)**	589
Tax relating to items that have been reclassified or may be subsequently reclassified to profit or loss	**(53)**	(76)
	(29,711)	(4,479)
Other comprehensive income (losses) after tax	**(29,959)**	(3,253)
Total comprehensive income	**51,792**	35,640
Allocated as :		
Attributable to non-controlling interests and holders of perpetual capital securities	**(10,657)**	(7,878)
Attributable to ordinary shareholders of the Company	**41,135**	27,762

Hutchison Whampoa Limited
Consolidated Statement of Financial Position
at 31 December 2014

	Note	**2014 HK$ millions**	2013 HK$ millions
ASSETS			
Non-current assets			
Fixed assets		**173,234**	177,324
Investment properties		**66,211**	42,454
Leasehold land		**8,513**	9,849
Telecommunications licences		**81,602**	86,576
Goodwill		**39,132**	38,028
Brand names and other rights		**16,233**	18,755
Associated companies		**126,416**	112,058
Interests in joint ventures		**119,433**	111,271
Deferred tax assets		**19,203**	18,548
Other non-current assets		**7,139**	7,934
Liquid funds and other listed investments		**15,141**	17,136
		672,257	639,933
Current assets			
Cash and cash equivalents	8	**125,318**	85,651
Trade and other receivables	9	**66,576**	69,083
Inventories		**19,284**	20,855
		211,178	175,589
Current liabilities			
Trade and other payables	10	**87,139**	86,812
Bank and other debts		**42,281**	18,159
Current tax liabilities		**3,005**	3,319
		132,425	108,290
Net current assets		**78,753**	67,299
Total assets less current liabilities		**751,010**	707,232
Non-current liabilities			
Bank and other debts		**205,332**	207,195
Interest bearing loans from non-controlling shareholders		**8,000**	5,445
Deferred tax liabilities		**11,213**	10,228
Pension obligations		**3,083**	3,095
Other non-current liabilities		**4,320**	5,037
		231,948	231,000
Net assets		**519,062**	476,232
CAPITAL AND RESERVES			
Share capital*		**29,425**	29,425
Perpetual capital securities		**39,638**	40,244
Reserves		**397,155**	356,940
Total ordinary shareholders' funds and perpetual capital securities		**466,218**	426,609
Non-controlling interests		**52,844**	49,623
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.*

Hutchison Whampoa Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2014

	Attributable to							
	Ordinary shareholders							
	Share capital [a] HK$ millions	Other reserves [b] HK$ millions	Retained profit HK$ millions	Sub-total HK$ millions	Holders of perpetual capital securities HK$ millions	Total ordinary shareholders' funds and perpetual capital securities HK$ millions	Non-controlling interests HK$ millions	Total equity 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

Hutchison Whampoa Limited
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 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).*

Hutchison Whampoa Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2014

(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) Other reserves comprise exchange reserve, revaluation reserve, hedging reserve and other capital reserves. As at 31 December 2014, exchange reserve deficit amounted to HK$16,416 million (1 January 2014 - surplus of HK$6,789 million and 1 January 2013 - surplus of HK$12,064 million), 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.

(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.

Hutchison Whampoa Limited
Consolidated Statement of Cash Flows
for the year ended 31 December 2014

	Note	**2014 HK$ millions**	2013 HK$ millions
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	11 (a)	**62,640**	60,898
Interest expenses and other finance costs paid		**(7,403)**	(7,695)
Tax paid		**(4,401)**	(3,813)
Funds from operations		**50,836**	49,390
Changes in working capital	11 (b)	**(2,916)**	(4,338)
Net cash from operating activities		**47,920**	45,052
Investing activities			
Purchase of fixed assets and investment properties		**(21,289)**	(23,028)
Additions to leasehold land		**-**	(532)
Additions to telecommunications licences		**(41)**	(6,828)
Additions to brand names and other rights		**(229)**	(105)
Purchase of subsidiary companies	11 (c)	**(8,467)**	(17,651)
Additions to other unlisted investments		**(994)**	(30)
Repayments from associated companies and joint ventures		**3,160**	8,897
Purchase of and advances to (including deposits from) associated companies and joint ventures		**(13,200)**	(14,184)
Proceeds on disposal of fixed assets, leasehold land and investment properties and other assets		**804**	6,442
Proceeds on disposal of subsidiary companies	11 (d)	**905**	3,149
Proceeds on partial disposal / disposal of associated companies		**575**	1,895
Proceeds on disposal of joint ventures		**4,477**	111
Proceeds on disposal of other unlisted investments		**20**	17
Cash flows used in investing activities before additions to / disposal of liquid funds and other listed investments		**(34,279)**	(41,847)
Disposal of liquid funds and other listed investments		**1,861**	6,245
Additions to liquid funds and other listed investments		**(2,445)**	(147)
Cash flows used in investing activities		**(34,863)**	(35,749)
Net cash inflow before financing activities		**13,057**	9,303
Financing activities			
New borrowings		**77,895**	28,323
Repayment of borrowings		**(44,860)**	(61,822)
Issue of shares by subsidiary companies to non-controlling shareholders and net loans from (to) non-controlling shareholders		**42,775**	(69)
Redemption of capital securities by a subsidiary		**(2,340)**	-
Payments to acquire additional interests in subsidiary companies		**(93)**	(9)
Proceeds on issue of perpetual capital securities, net of transaction costs		**-**	17,721
Repurchase of perpetual capital securities		**(617)**	(1,802)
Dividends paid to non-controlling interests		**(4,265)**	(3,510)
Distributions paid on perpetual capital securities		**(1,980)**	(1,351)
Dividends paid to ordinary shareholders		**(39,905)**	(9,081)
Cash flows from (used in) financing activities		**26,610**	(31,600)
Increase (decrease) in cash and cash equivalents		**39,667**	(22,297)
Cash and cash equivalents at 1 January		**85,651**	107,948
Cash and cash equivalents at 31 December		**125,318**	85,651
Analysis of cash, liquid funds and other listed investments			
Cash and cash equivalents, as above	8	**125,318**	85,651
Liquid funds and other listed investments		**15,141**	17,136
Total cash, liquid funds and other listed investments		**140,459**	102,787
Total principal amount of bank and other debts		**246,867**	223,822
Interest bearing loans from non-controlling shareholders		**8,000**	5,445
Net debt		**114,408**	126,480
Interest bearing loans from non-controlling shareholders		**(8,000)**	(5,445)
Net debt (excluding interest bearing loans from non-controlling shareholders)		**106,408**	121,035

Notes

1 Basis of preparation

The financial information is extracted from the Group's audited accounts which 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.

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 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, 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 3(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 , 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).

2 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.

2 Operating segment information (continued)

(b) The Group uses two measures of segment results, EBITDA (see note 2(m)) and EBIT (see note 2(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 3)	**2,237**	**20,554**	**22,791**		1,889	-	1,889	
Non-controlling interests' share of HPH Trust's EBITDA	**-**	**644**	**644**		-	634	634	
EBITDA	**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 3)	**(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.

2 Operating segment information (continued)

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

	EBIT (LBIT) (n)							
	Company and Subsidiaries HK$ millions	**Associates and JV HK$ millions**	**2014 Total HK$ millions**	**%**	Company and Subsidiaries HK$ millions	Associates and JV HK$ millions	2013 Total 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 3)	**(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.

2 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.

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

	Capital expenditure							
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2014 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2013 Total 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

2 Operating segment information (continued)

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

	Total assets							
	Company and Subsidiaries		**Investments in associated companies and interests in joint ventures**	**2014 Total assets**	Company and Subsidiaries		Investments in associated companies and interests in joint ventures	2013 Total assets
	Segment assets [q]	**Deferred tax assets**			Segment assets [q]	Deferred tax 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.

(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.

2 Operating segment information (continued)

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 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	**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 2(a) for reconciliation to total revenue included in the Group's income statement.

(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 2(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 2(c) for reconciliation to total EBIT included in the Group's income statement.

2 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 HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2014 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2013 Total 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		**Investments in associated companies and interests in joint ventures**	**2014 Total assets**	Company and Subsidiaries		Investments in associated companies and interests in joint ventures	2013 Total assets
	Segment assets (q)	**Deferred tax assets**			Segment assets (q)	Deferred tax 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.

2 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.

3 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)

(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, brand names and other rights, and other payables and accruals (see note 10).

(d) In 2014, the Group recognised impairment charges on certain port assets 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.

4 Interest expenses and other finance costs

	2014	2013
	HK$ millions	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).

5 Tax

	Current tax	**Deferred tax**	**2014 Total**	Current tax	Deferred tax	2013 Total
	HK$ millions	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	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.

6 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.

7 Distributions and dividends

	2014 HK$ millions	2013 HK$ millions
Distributions paid on perpetual capital securities	**1,980**	1,351
Dividends		
First interim dividend	**2,814**	2,558
Second interim dividend, in lieu of Final dividend (2013 - Final dividend)	**7,482**	7,248
	10,296	9,806
Special dividend	**29,843**	-
	40,139	9,806
Dividends per share		
First interim dividend	**HK$ 0.660**	HK$ 0.600
Second interim dividend, in lieu of Final dividend (2013 - Final dividend)	**HK$ 1.755**	HK$ 1.700
	HK$ 2.415	HK$ 2.300
Special dividend	**HK$ 7.000**	-
	HK$ 9.415	HK$ 2.300

8 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

9 Trade and other receivables

	2014 HK$ millions	2013 HK$ millions
Trade receivables	**22,550**	24,991
Less: provision for estimated impairment losses for bad debts	**(4,297)**	(4,296)
Trade receivables - net	**18,253**	20,695
Other receivables and prepayments	**47,167**	48,231
Fair value hedges		
Cross currency interest rate swaps	**327**	76
Cash flow hedges		
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.

9 Trade and other receivables (continued)

The Group's five largest customers contributed less than 4% of the Group's turnover for the years ended 31 December 2014 and 2013.

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

	2014	2013
	HK$ millions	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

10 Trade and other payables

	2014	2013
	HK$ millions	HK$ millions
Trade payables	**21,760**	22,309
Other payables and accruals	**63,473**	61,901
Provisions	**824**	928
Interest free loans from non-controlling shareholders	**1,057**	1,181
Cash flow hedges		
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%).

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

	2014	2013
	HK$ millions	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

11 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 3)	**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

	2014 HK$ millions	2013 HK$ millions
(i) Reconciliation of EBITDA:		
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 3)	**1,413**	504
	68,219	51,129
EBITDA (see notes 2(b) and 2(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.

11 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

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.

11 Notes to consolidated statement of cash flows (continued)

(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 11 (a) (ii).

The effects on the Group's results from the subsidiaries disposed are not material for the years ended 31 December 2014 and 2013.

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.

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.

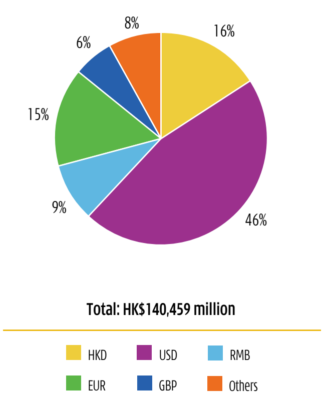
Liquid Assets

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.

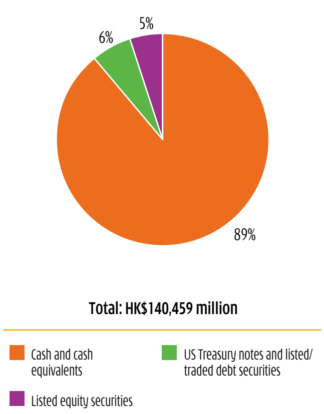
Cash and cash equivalents represented 89% (2013: 84%) of the liquid assets, US Treasury notes and listed/traded debt securities 6% (2013: 8%) and listed equity securities 5% (2013: 8%).

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.

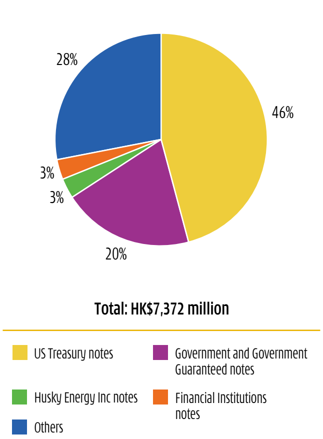
Liquid Assets by Currency Denomination at 31 December 2014



Liquid Assets by Type at 31 December 2014



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



Group Capital Resources and Liquidity

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

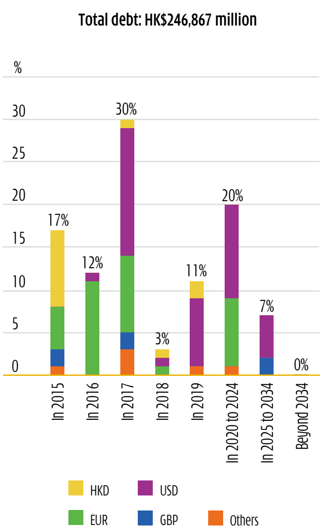
The Group's total principal amount of bank and other debts at 31 December 2014 increased 10% to total HK$246,867 million (2013: HK$223,822 million), of which 75% (2013: 70%) are notes and bonds and 25% (2013: 30%) are bank and other loans. The net increase in principal amount of bank and other debts 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:

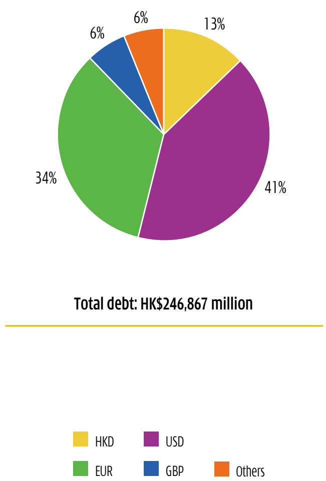
	HK$	US$	Euro	GBP	Others	**Total**
In 2015	9%	–	5%	2%	1%	**17%**
In 2016	–	1%	11%	–	–	**12%**
In 2017	1%	15%	9%	2%	3%	**30%**
In 2018	1%	1%	1%	–	–	**3%**
In 2019	2%	8%	–	–	1%	**11%**
In 2020 - 2024	–	11%	8%	–	1%	**20%**
In 2025 - 2034	–	5%	–	2%	–	**7%**
Beyond 2034	–	–	–	–	–	**–**
Total	13%	41%	34%	6%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

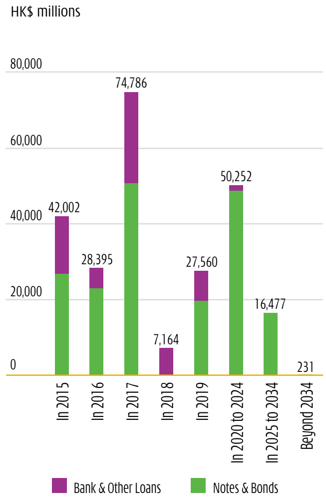
Debt Maturity Profile by Year and Currency Denomination at 31 December 2014



Debt Profile by Currency Denomination at 31 December 2014



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



Group Capital Resources and Liquidity

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.

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).

Employees

The Group has over 280,000 employees in over 50 countries worldwide. As the Group continues its expansion, opportunities abound worldwide for employees with the appropriate capabilities 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 and "National Champion – Employer of the Year" for **3** Sweden.

Competitive remuneration packages are provided to employees with reference to their individual performance and the profitability of the Group, as well as remuneration benchmark in relevant industries and prevailing market conditions.

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, the Company 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 legal and regulatory development and requirements.

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

Share Option Schemes

The Company does not have any operating share option schemes during the year ended 31 December 2014 but certain of the Company's subsidiary companies, namely Hutchison 3G UK Holdings Limited, Hutchison China MediTech Limited, Hutchison Harbour Ring Limited (which ceased to be a subsidiary of the Company on 6 November 2014), Hutchison Telecommunications (Australia) Limited and Hutchison Telecommunications Hong Kong Holdings Limited have adopted share option schemes for their employees.

Purchase, Sale or Redemption of Shares

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares. In addition, the Company has not redeemed any of its ordinary shares during the year.

Compliance with the Corporate Governance Code

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

The Company has complied throughout the year ended 31 December 2014 with all the code provisions of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those in respect of the nomination committee. The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for the Directors, including the Chairman of the Board and the Group Managing Director.

Compliance with the Model Code for Securities Transactions by Directors of the Company

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 has been updated to reflect the amendments to the Listing Rules which took effect in July 2014. In response to specific enquiries made, all Directors of the Company have confirmed that they have complied with the HWL Securities Code in their securities transactions throughout 2014.

Review of Accounts

The consolidated accounts of the Company and its subsidiary companies for the year ended 31 December 2014 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, PricewaterhouseCoopers. The unqualified auditor's report will be included in the Annual Report to shareholders.

Record Date for Second Interim Dividend

The record date for the purpose of determining shareholders' entitlement to the second interim dividend is Tuesday, 17 March 2015.

In order to qualify for the second interim dividend payable on Wednesday, 15 April 2015, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Tuesday, 17 March 2015.

Annual General Meeting

Details of the 2015 Annual General Meeting will be announced in due course.

Corporate Strategy

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

Past Performance and Forward Looking Statements

The performance and the results of operations of the Group contained within the 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 the 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 the 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.

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

Executive Directors:
Mr LI Ka-shing *(Chairman)*
Mr LI Tzar Kuoi, Victor *(Deputy Chairman)*
Mr FOK Kin Ning, Canning
Mrs CHOW WOO Mo Fong, Susan
Mr Frank John SIXT
Mr LAI Kai Ming, Dominic
Mr KAM Hing Lam

Non-executive Directors:
Mr LEE Yeh Kwong, Charles
Mr George Colin MAGNUS

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

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%

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.

Hutchison Whampoa Limited

stock code: 13

2014 Annual Results

Operations Analysis

Disclaimer

Potential investors and shareholders of the Company (the "Potential Investors and Shareholders") are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2014 Annual Report for the audited results of the Company which are published in accordance with the listing rules of the Stock Exchange of Hong Kong Limited.

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

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

Performance in 2014

Reported Revenue[(1)]	HK$421.5bn	+2%
Reported EBITDA[(1)]	HK$98.9bn	+3%
Reported EBIT[(1)]	HK$65.7bn	+2%
Reported Earnings	HK$67.2bn	+116%
Recurring Earnings[(2)]	HK$32.0bn	+3%
Reported Earnings per share	HK$15.75	+116%
Recurring Earnings per share[(2)]	HK$7.51	+3%
Full Year Dividend per share[(3)]	HK$2.415	+5.0%
Special Dividend per share	HK$7.00	

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

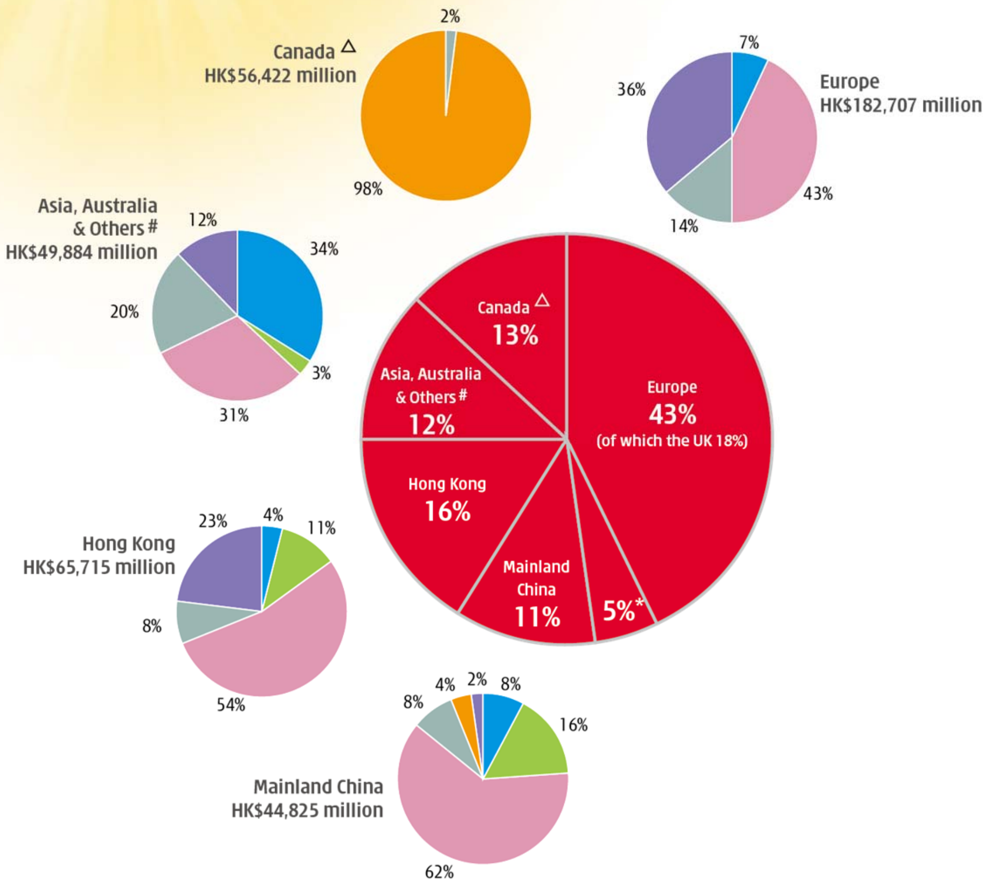
Note (2): Recurring earnings and recurring EPS are calculated based on profits attributable to ordinary shareholders before property revaluation after tax and profits on disposal of investments and others after tax. Profits on disposal of investments and others, after tax in 2014 were HK$10,048 million. Property revaluation gains, after tax for 2014 totalled HK$25,100 million. Profits on disposal of investments and others after tax in 2013 were HK$52 million. Property revaluation gains, after tax for 2013 totalled HK$32 million. 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): Full year dividend per share excludes special dividend of HK$7.00 per share.

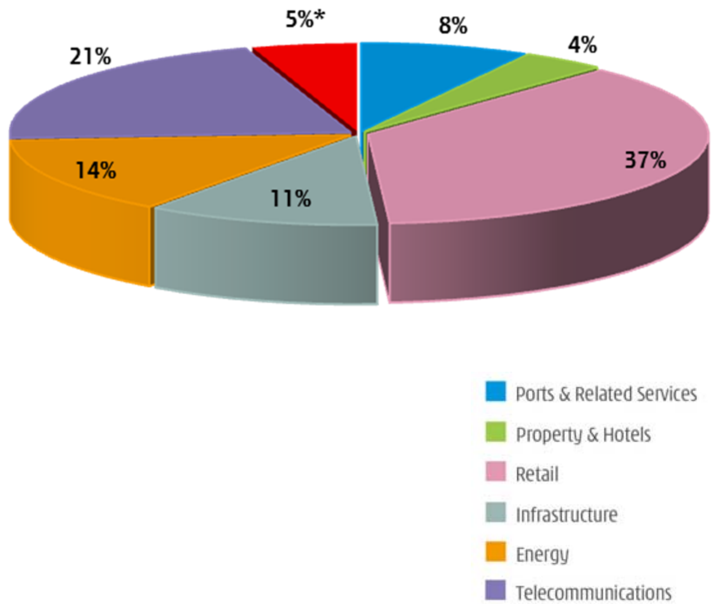
Business & Geographical Diversification

2014 Reported Revenue: HK$421,472 million
Growth of 2%

2014 Revenue Contribution
by Geographical Location



2014 Revenue Contribution
by Division



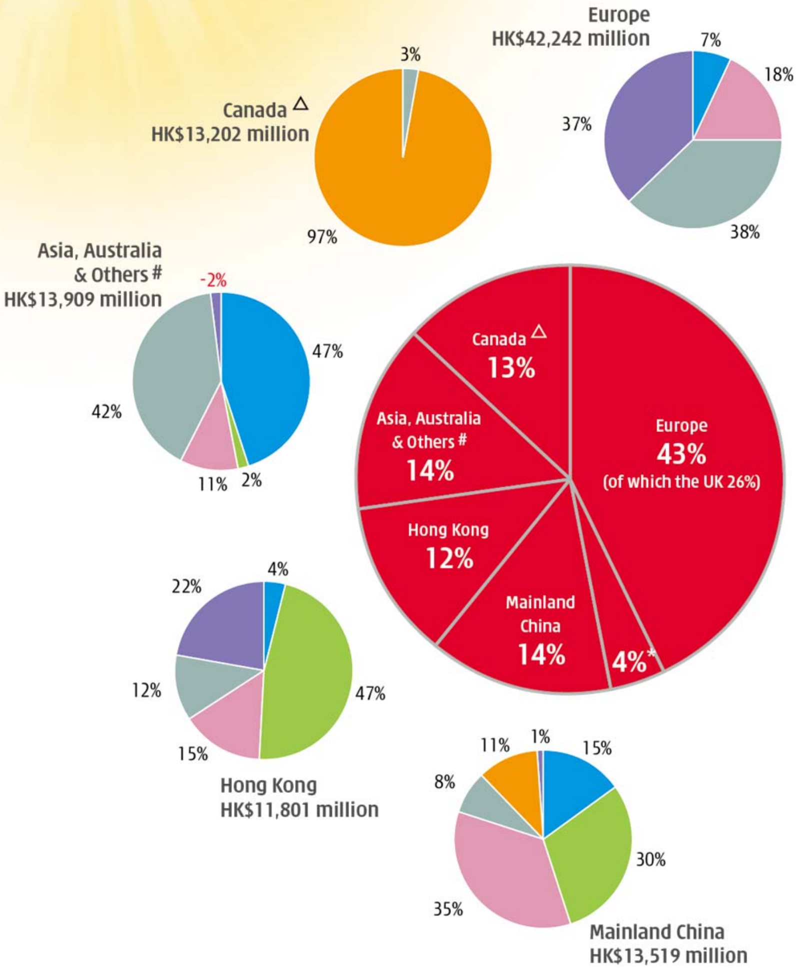
* Represents contributions from Finance & Investments and Others
# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

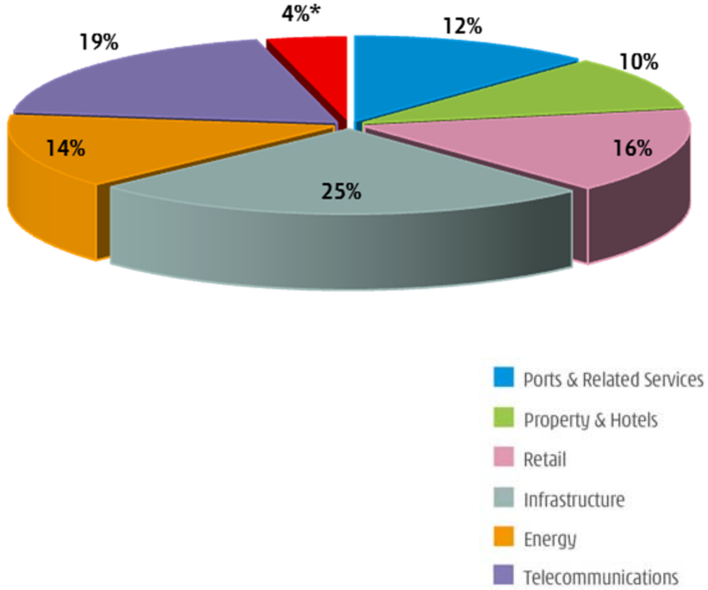
2014 Reported EBITDA: HK$98,873 million

Growth of 3%

2014 EBITDA Contribution
by Geographical Location



2014 EBITDA Contribution
by Division

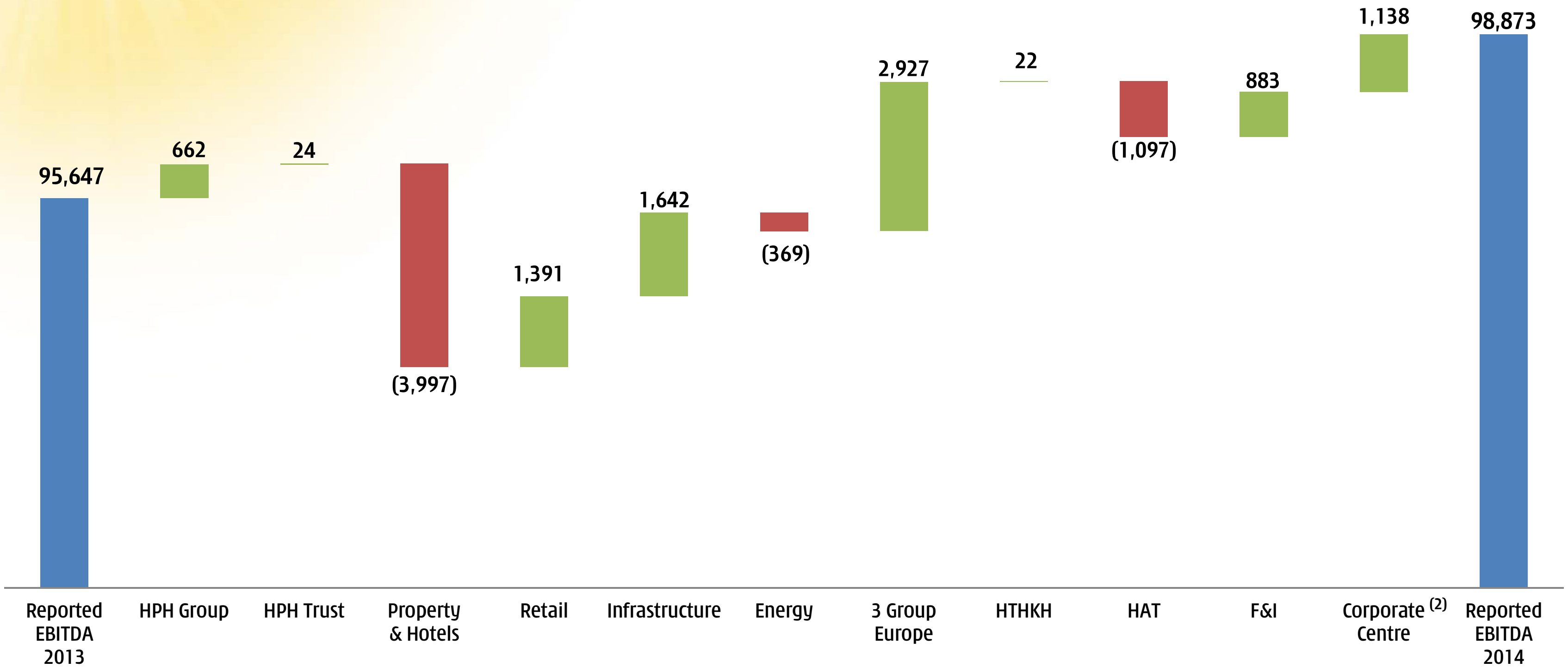


* Represents contributions from Finance & Investments and Others
# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

EBITDA Growth

2014 Reported EBITDA[1] (HK$ millions)
Growth of 3%



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

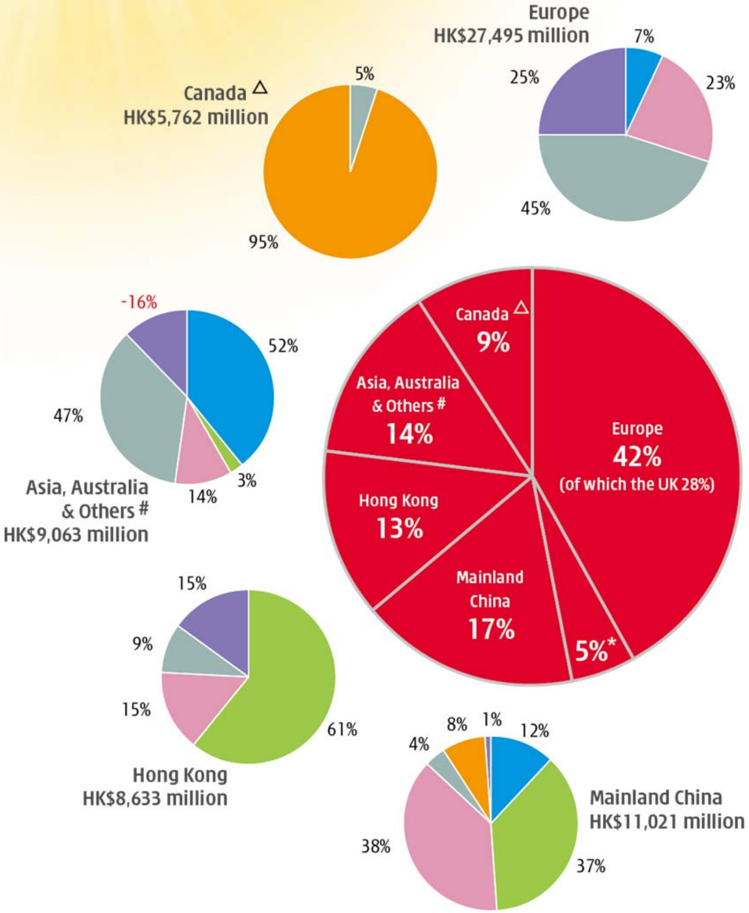
Note (2): Corporate Centre is "Others" and includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business and corporate overhead and expenses.

Business & Geographical Diversification

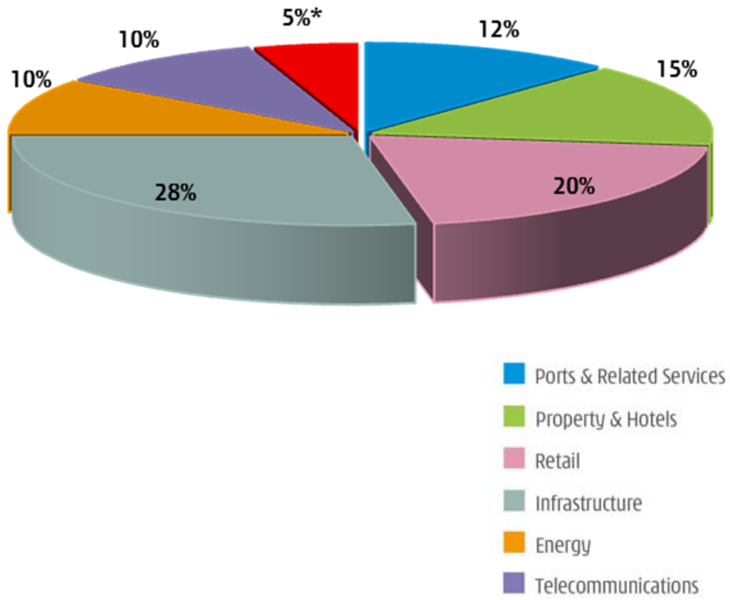
2014 Reported EBIT: HK$65,713 million

Growth of 2%

2014 EBIT Contribution
by Geographical Location



2014 EBIT Contribution
by Division

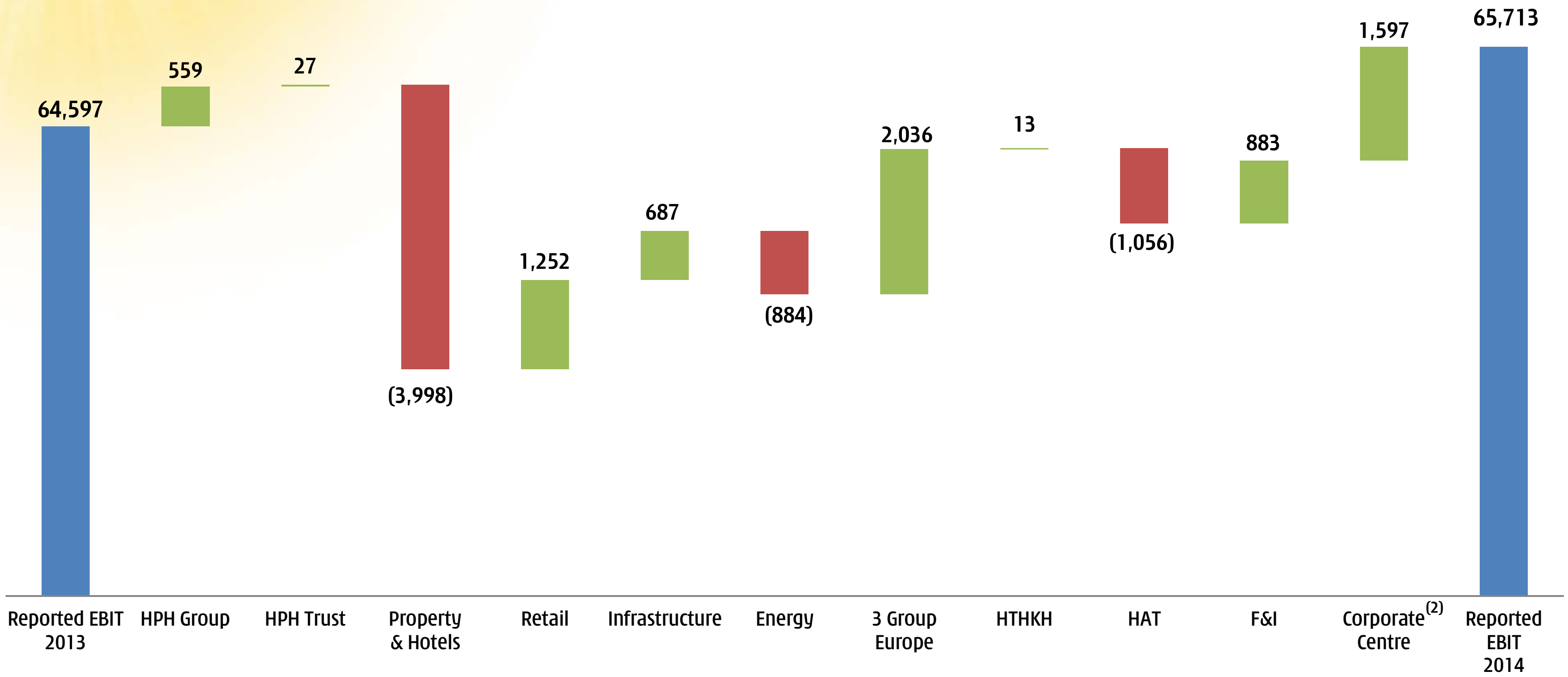


* Represents contributions from Finance & Investments and Others
\# Includes Panama, Mexico and the Middle East
△ Includes contribution from the USA for Husky Energy

Business & Geographical Diversification

EBIT Growth

2014 Reported EBIT[1] (HK$ millions)
Growth of 2%



Note (1): Reported EBIT were adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note (2): Corporate Centre is "Others" and includes Hutchison Whampoa (China), Hutchison E-Commerce, Hutchison China MediTech, TOM Group, Hutchison Water, the Marionnaud business and corporate overhead and expenses.

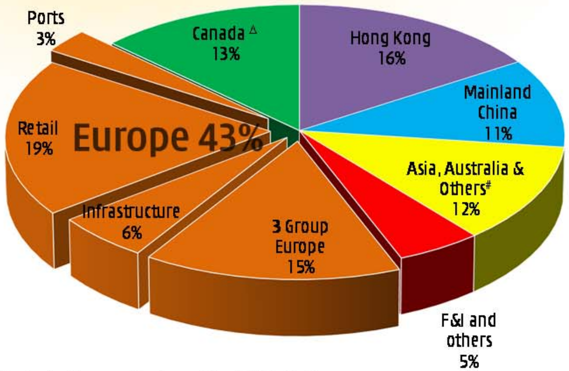
European Contribution

Revenue, EBITDA & EBIT

2014 Total Revenue

	HK$ billions	Change (%)
Europe	182.7	+7%
Non-Europe(1)	238.8	-1%
Total HWL	421.5	+2%

Note (1): Includes Finance & Investments and Others

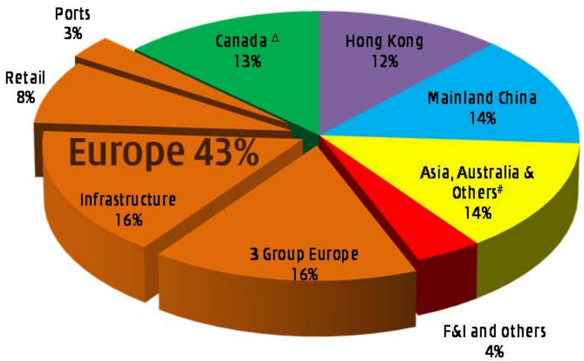


Includes Panama, Mexico and the Middle East

Δ Includes contribution from the USA for Husky Energy

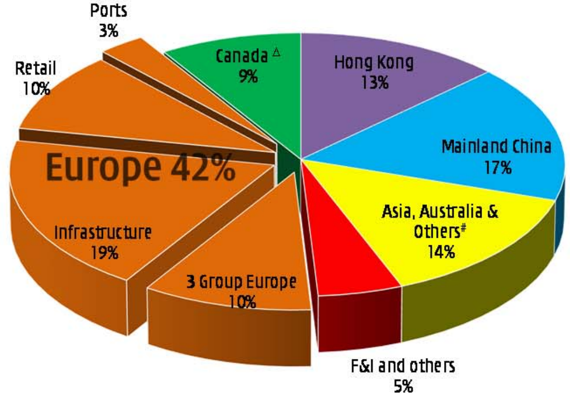
2014 EBITDA

	HK$ billions	Change (%)
Europe	42.2	+14%
Non-Europe(1)	56.7	-4%
Total HWL	98.9	+3%

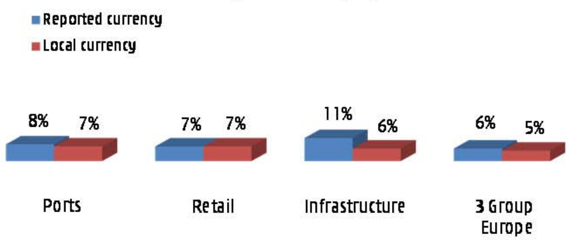


2014 EBIT

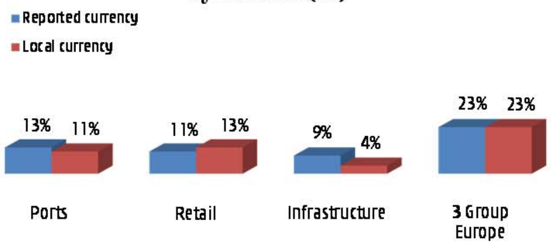
	HK$ billions	Change (%)
Europe	27.5	+15%
Non-Europe(1)	38.2	-6%
Total HWL	65.7	+2%



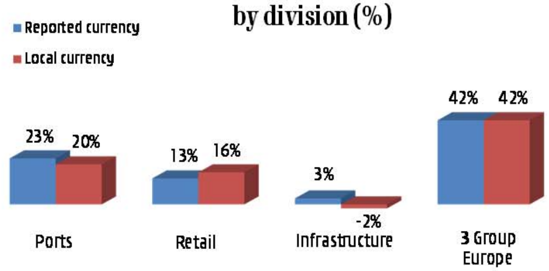
Revenue - European growth by division (%)



EBITDA - European growth by division (%)



EBIT - European growth by division (%)

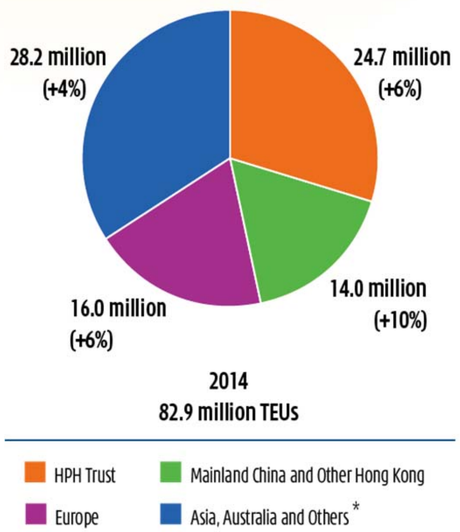


Ports and Related Services

8% of Group Revenue, 12% of Group EBITDA & 12% of Group EBIT

	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	**82.9 million TEU**	78.3 million TEU	+6%	NA

Total Container Throughput (+6%) by Subdivision



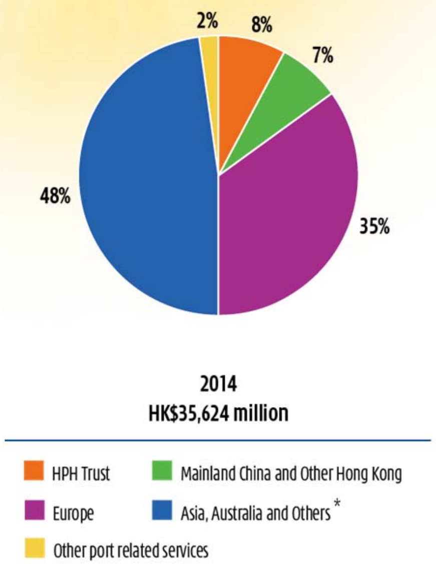
* Asia, Australia and Others includes Panama, Mexico and the Middle East.

- Throughput increased 6% to 82.9 million TEU in 2014 when compared to last year, reflecting generally stable recovery in all key markets of this division except for Mexico and Indonesia which experienced keen competition in the year.
- EBITDA was up 6% against last year due to the strong performances of all segments, particularly in Europe, partly offset by lower contribution from Indonesia, the start-up losses of the Australian ports, as well as a lower share of EBITDA in Malaysia as the Group's share of results decreased from 31.45% to 23.55% subsequent to the IPO of Westports Holdings Bhd. in October 2013.
- EBIT increased by 8% in 2014. The growth in EBIT was higher relative to the increase in EBITDA due to the lower increase in depreciation charges as 2013 includes accelerated depreciation charges against certain assets at London Thamesport.
- 282 operating berths at the end of 2014, a net increase of 4 operating berths. In 2014, 6 new berths commenced operations, with the opening of additional berths in Brisbane, Australia (1), Westports, Malaysia (2) and Sohar, Oman (3). The 2 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.
- In March 2014, HPH Trust divested 60% of its equity interest in Asia Container Terminals ("ACT HK") to the newly established joint venture with COSCO Pacific (40%) and China Shipping Group (20%). HPH Trust currently owns an effective interest of 40% in ACT HK.

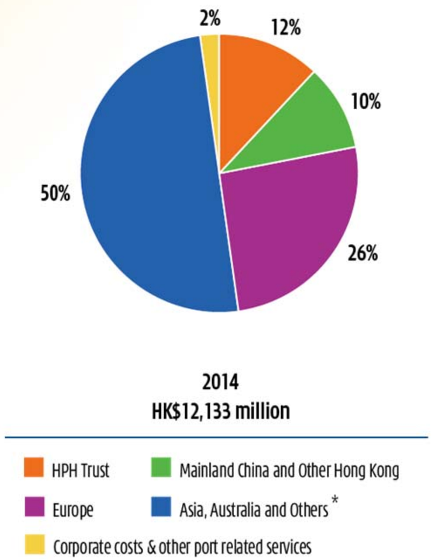
Note (1): Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Ports and Related Services

Total Revenue (+4%)
by Subdivision



EBITDA (+6%)
by Subdivision



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

- Included under "profits on disposal of investment and others" are impairment charges and related provisions, net of tax and NCI, totalling HK$581 million that were recognised in the year on certain non-performing ports assets in the Netherlands and Italy, as well as on logistics assets in Australia.

Outlook

- 5 additional berths will become operational in 2015, comprising Dammam, Saudi Arabia (2); Barcelona, Spain (2); and Felixstowe, the UK (1).

- The division will continue to focus on productivity gains, cost efficiency and selective acquisition and development opportunities to achieve earnings growth.

Ports and Related Services

EBITDA Growth

2014 Reported EBITDA[1] (HK$ millions)
Growth of 6%

Note (1): Reported EBITDA has been adjusted to exclude non-controlling interests' share of results of HPH Trust.

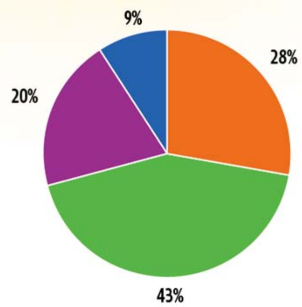
Note (2): Asia, Australia and others includes Panama, Mexico and the Middle East.

Property and Hotels

4% of Group Revenue, 10% of Group EBITDA & 15% of Group EBIT

	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%

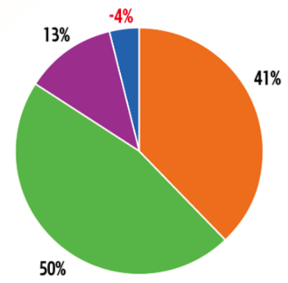
Total Revenue (-34%)
by Subdivision



2014
HK$16,069 million

Investment Properties
Development Properties
Hotels
Others

EBITDA (-29%)
by Subdivision



2014
HK$9,998 million

Investment Properties
Development Properties & Gains on Disposals
Hotels
Others [1]

Investment Properties

- Overall gross rental income, including share of rental income from the commercial properties of our hotel division, was 6% higher than 2013 at HK$4,532 million mostly due to the continuing trend of rising rental renewal rates.
- Attributable 11.8 million sq.ft. Gross Floor Area ("GFA") portfolio of rental properties in Hong Kong and attributable 1.5 million sq.ft. GFA portfolio in the Mainland and overseas.
- The Group's investment properties generated 6.1% yield on carrying value of approximately HK$73,600 million.
- Investment properties average occupancy rate at 96% (2013: 97%).

Hotels

- The Group has an average effective interest[2] of approximately 63% in the 8,503 total rooms of the 11 hotels mainly in Hong Kong (an attributable share of GFA of approximately 1.9 million sq.ft. in Hong Kong).
- Attributable hotel operating profit ("HOP")[3] per sq.ft. for Hong Kong hotels ranges from HK$12 per sq. ft. per month to HK$71 per sq.ft. per month and averages HK$36 per sq. ft. per month.
- Total average hotel rooms occupancy rate at 94% in Hong Kong.
- The Group's attributable interest in the hotels in Hong Kong generated 20.1% EBIT yield on its attributable carrying value of these hotels of approximately HK$3,581 million.

Note (1): Others includes net service income, corporate overheads, impact of foreign exchange rate movements and others.

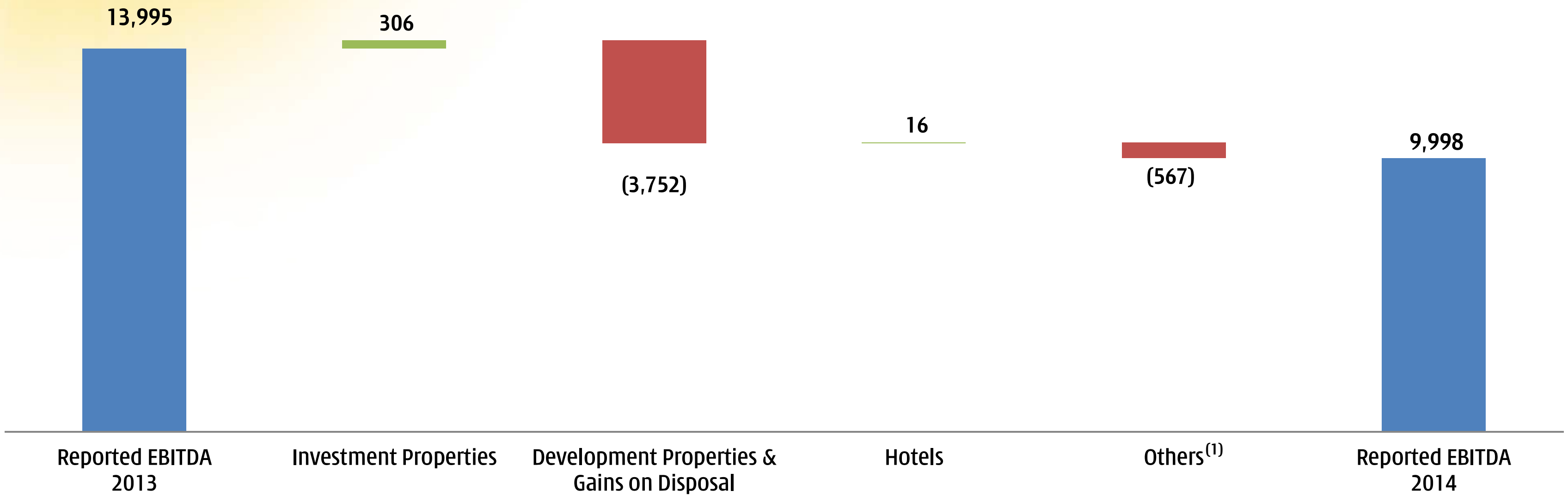
Note (2): Based on room numbers.

Note (3): HOP represents EBITDA after depreciation of furniture, fixtures and equipment.

Property and Hotels

EBITDA Movement

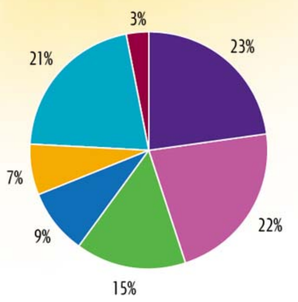
2014 Reported EBITDA (HK$ millions)
Change of -29%



Note (1): Others includes net service income, corporate overheads, impact of foreign exchange rate movements and others.

Property and Hotels

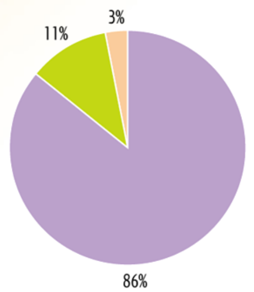
Gross Floor Area of Development Projects by Geographical Location



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

Development Activities

- Attributable landbank of approximately 78 million sq.ft., comprising 38 projects in 21 cities, of which approximately 76 million sq.ft. is in the Mainland. Average land cost of attributable landbank in the Mainland is approximately RMB238 per sq.ft. or HK$298 per sq.ft.
- Average land cost relating to the recognised sale of residential properties in 2014 in the Mainland is approximately HK$281 per sq.ft. Average construction cost and average professional, marketing, funding and other costs are approximately HK$529 per sq.ft. and HK$412 per sq.ft. respectively for residential properties.
- Completed an attributable share of GFA of approximately 4.7 million sq.ft. in residential and commercial properties in the Mainland during 2014.
- The overall gross margin[1] on commercial and residential development after land appreciation tax ("LAT") for the year was approximately 30%, an increase compared to the 29% for last year.
- The lower contribution of this segment in 2014 reflects the slower sales experienced in the Mainland, particularly in Tier 1 and Tier 2 cities which represented approximately 75% of the division's recognised sales in terms of GFA that continue to experience aggressive discounting throughout the year as a result of mounting liquidity constraints in the industry. Average selling price ("ASP") from the recognised sales of residential property increased 5% to HK$1,715 per sq.ft. in 2014, reflecting the division's pricing strategy to ensure delivery of a healthy margin return from its premium developments.
- In light of the weak property market, the division has strategically timed both completion and new sales launches for certain projects pending an improvement in market sentiment.

Note (1): Overall gross margin is before marketing costs.

Property and Hotels

Development Properties - Mainland China

	2014	2013	% Change
Total Attributable Sales Value (HK$ millions)			
Recognised Sales[1]	5,602	14,172	-60%
- of which relates to residential property	*4,991*	*10,830*	*-54%*
ASP[2] of residential property (HK$/sq.ft.)	1,715	1,636	+5%
Contracted Sales[1]	6,988	14,149	-51%
- of which relates to residential property	*5,980*	*11,122*	*-46%*
ASP[2] of residential property (HK$/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 (No. of units: 2014 : 4,150; 2013 : 9,885)	*3,085*	*7,041*	*-56%*
Contracted Sales in GFA	3,893	6,985	-44%
- of which relates to residential property (No. of units: 2014 : 4,835; 2013 : 8,819)	*3,602*	*6,354*	*-43%*
Presold Property c/f[3]	2,223	1,558	

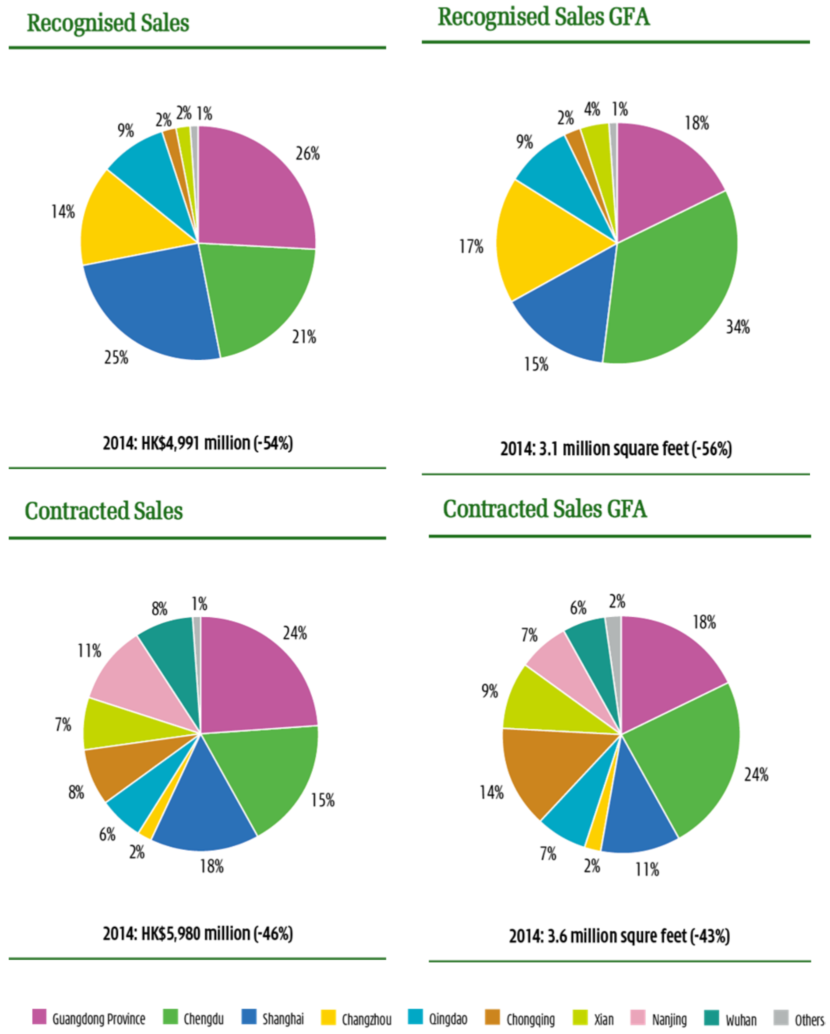
Note (1): Net of business tax

Note (2): ASP is stated inclusive of business tax

Note (3): 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.

Residential Property Sales

By Geographical Location

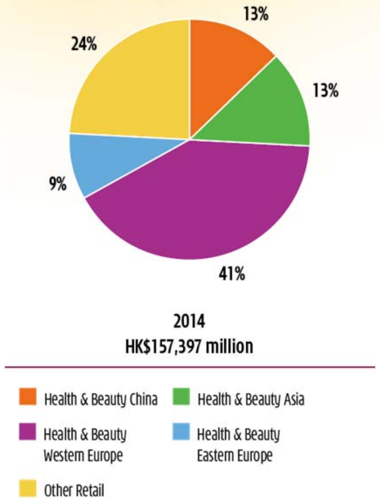


Retail

37% of Group Revenue, 16% of Group EBITDA & 20% of Group EBIT

	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%	NA

Total Revenue (+6%) by Subdivision



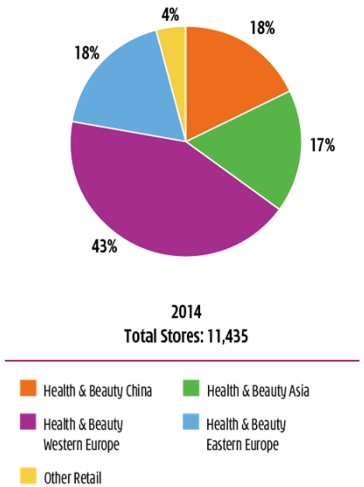
	Total Revenue			
	2014 HK$ millions	2013 HK$ millions	Change	Change in local currency
Health & Beauty China	20,408	17,962	+14%	+14%
Health & Beauty Asia	20,843	19,713	+6%	+8%
Health & Beauty China & Asia Subtotal	41,251	37,675	+9%	+11%
Health & Beauty Western Europe	64,505	60,469	+7%	+6%
Health & Beauty 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%

	Store Numbers			Comparable Store Sales Growth(2) (%)	
	2014 Stores	2013 Stores	Change	2014	2013
Health & Beauty China	2,088	1,693	+23%	+3.9%	+0.6%
Health & Beauty Asia	1,940	1,864	+4%	+4.6%	+4.9%
Health & Beauty China & Asia Subtotal	4,028	3,557	+13%	+4.3%	+3.1%
Health & Beauty Western Europe	4,868	4,710	+3%	+3.1%	+2.8%
Health & Beauty Eastern Europe	2,027	1,781	+14%	+2.5%	+3.2%
Health & Beauty Subtotal	10,923	10,048	+9%	+3.4%	+2.9%
Other Retail(1)	512	533	-4%	-1.9%	-0.3%
Total Retail	11,435	10,581	+8%	+2.3%	+2.2%
- Asia	4,540	4,090	+11%	+1.4%	+1.4%
- Europe	6,895	6,491	+6%	+3.0%	+2.9%

Note (1): Other Retail includes PARKnSHOP, Fortress, Watsons 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.

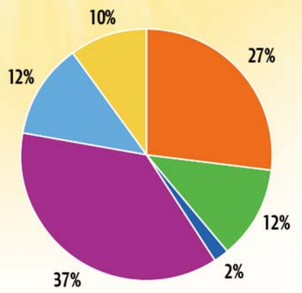
Total Retail Store Numbers (+8%) by Subdivision



Retail

EBITDA by segment

EBITDA (+10%)
by Subdivision



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

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

- EBITDA of HK$15,549 million was 10% higher than last year. Before taking into account of the gain on disposal of the airport concession operation in July 2014 and the foreign currency translation impact, underlying growth of EBITDA was 9% due to comparable store sales growth of 2.3% and an 8% increase in number of stores to 11,435 stores as at end of 2014.
- The H&B segment overall opened around 1,200 new stores during the year. New store payback of less than 10 months in 2014 remains encouraging. The 9% increase in store numbers in 2014, together with a comparable store sales growth of 3.4% and an improved margin, resulted in a 12% growth in EBITDA (a 14% growth in local currency).
- Total sales growth for H&B China remained strong at 14% with comparable store sales growth of 3.9% and a 23% increase in number of stores compared to 2013. The EBITDA margin of H&B China remained at 20% in 2014.
- Excluding the gain on disposal of the airport concession, Other Retail's EBITDA decreased 20% to HK$1,546 million in 2014, mainly due to lower contributions from PARKnSHOP operations as well as Fortress during the year due to keen competition and additionally for Fortress due to lack of new product launches.
- 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 this transaction were partly used for a special dividend distribution of HK$7.00 per share amounting to approximately HK$30 billion in May 2014. The net impact of this transaction, after the distribution of special dividend, resulted in an increase of shareholders' funds of HK$9 billion.

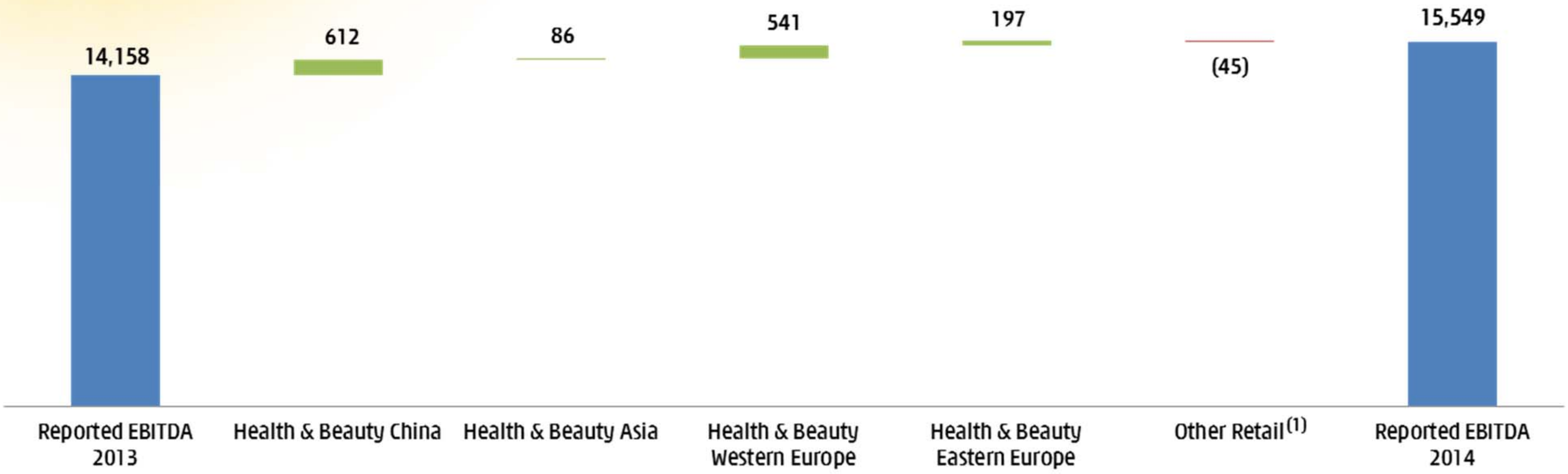
Outlook

- Looking into 2015 and beyond, the Group will continue to expand its portfolio of retail stores, 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.

Retail

EBITDA Growth

2014 Reported EBITDA (HK$ millions)
Growth of 10%



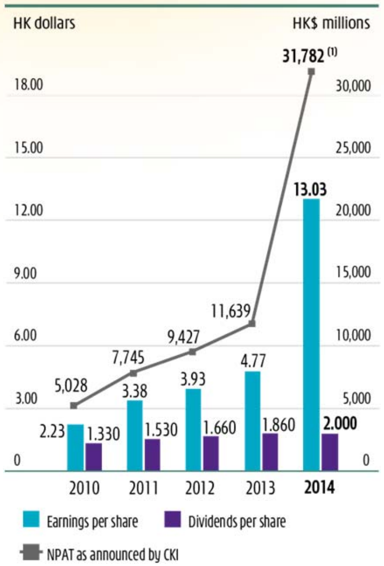
Note (1): Other Retail includes PARKnSHOP, Fortress, Watsons Wine and manufacturing operations for water and beverage businesses and the gain on disposal of the airport concession in July 2014.

Infrastructure

11% of Group Revenue, 25% of Group EBITDA & 28% of Group EBIT

	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%

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



Note (1): Includes share of gain from Power Asset's IPO of HKEI of approximately HK$19 billion and gain of approximately HK$2.2 billion in relation to the AGN transaction.

- Cheung Kong Infrastructure ("CKI")'s announced earnings for 2014 of HK$31,782 million, which includes its share of gain from Power Assets' separate listing of its Hong Kong electricity business in January 2014 and the marked-to-market gain on the AGN transaction.
- Reported EBIT, after the Group's asset valuation consolidation adjustments, was HK$18,215 million for 2014, a 4% increase when compared to 2013 mainly due to earnings growth from its UK operations and full-year contributions of the operations acquired in 2013 (Enviro Waste and AVR), together with the accretive earnings of businesses that were acquired in 2014 as follows:
  - 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); and
  - In October 2014, a CKI-led joint venture with Cheung Kong and Power Assets completed its takeover bid for Australian Gas Networks Limited ("AGN", formerly known as Envestra Limited), 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 "Profit on disposal of investments and others, after tax".

  The above is partially offset by the lower contribution from the Hong Kong electricity business following its separate listing.

Outlook

- CKI will continue to grow existing operations organically and look for opportunities to expand its portfolio by acquiring businesses with strong recurrent returns and to maintain its strong balance sheet with steady cashflow and low gearing.
- In January 2015, a CKI-led joint venture with Cheung Kong entered into an agreement to acquire Eversholt Rail Group ("Eversholt"), a major rolling stock operating company in the UK. 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%.

Energy

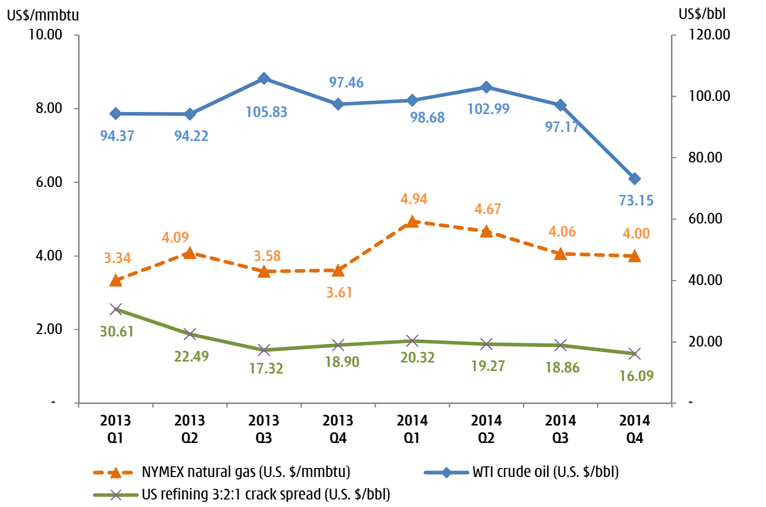
14% of Group Revenue, 14% of Group EBITDA & 10% of Group EBIT

	2014 HK$ millions	2013 HK$ millions	Change	Change in local currency
Total Revenue[1]	57,368	59,481	-4%	+3%
EBITDA[1]	14,410	14,779	-2%	+5%
EBIT[1]	6,324	7,208	-12%	-6%
Production	340.1 mboe/day	312.0 mboe/day	+9%	NA

Husky Energy announced results

Year ended 31 December	2014 C$ millions	2013 C$ millions	Change
Revenues, net of royalties	24,092	23,317	+3%
Net earnings[2]	1,258	1,829	-31%
Cash flow from operations	5,535	5,222	+6%

Average Benchmark



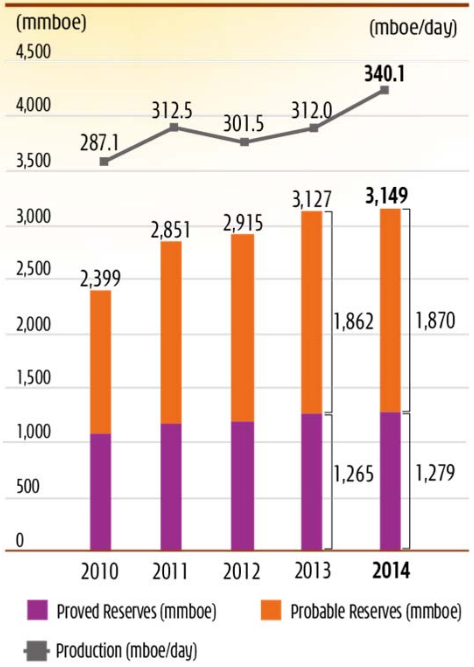
- Announced profit from operations attributable to shareholders for 2014 decreased 31% to C$1,258 million. Excluding the after tax impairment charges of C$622 million and C$204 million on certain crude oil and natural gas assets in 2014 and 2013 respectively, net earnings decreased 8% to C$1,880 million in 2014.
- In local currency, EBITDA 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 and higher average 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.
- The Group's share of EBITDA and EBIT after translation into Hong Kong dollars and consolidation adjustments, but before the aforementioned impairment charges in both years, decreased 2% and 12% respectively due to adverse foreign exchange movement.
- Average production increased 9% to 340.1 mboe/day in 2014, mainly 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 Q1-2014) and increased production from the Ansell multi-zone liquids-rich natural gas resource play.

Note (1): Group's share of 33.97% interest in Husky Energy (2013: 33.98%).

Note (2): Net of after tax impairment charges of C$622 million and C$204 million in 2014 and 2013 respectively.

Energy

Proved and Probable Reserves & Production



Key Projects / Milestones

i. Liwan Gas Project (Husky Energy's working interest: 49%)
- First gas from the Liwan 3-1 gas field achieved in March 2014 and the second gas field at Liuhua 34-2 commenced production in December 2014.
- Natural gas produced from Liwan 3-1 and Liuhua 34-2 are sold into the Guangdong market, with initial production covered by fixed-price gas sales agreement.
- Gas sales volumes from fixed price rose to 265 mmcf/day (gross) at the end of 2014. Husky Energy's share of production is its 49% participating interest adjusted for a partial recovery of initial exploration costs. At current production levels at Liwan, initial exploration costs is expected to be fully recovered in 2015. About US$410 million of approximately US$800 million of recoverable exploration costs have been recovered to date.

ii. Heavy Oil
- The 3,500 bbls/day Sandall thermal development was brought on stream in Q1-2014 with production averaging 5,700 bbls/day in 2014.

Outlook

- 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 risks.
- Other key projects underway:

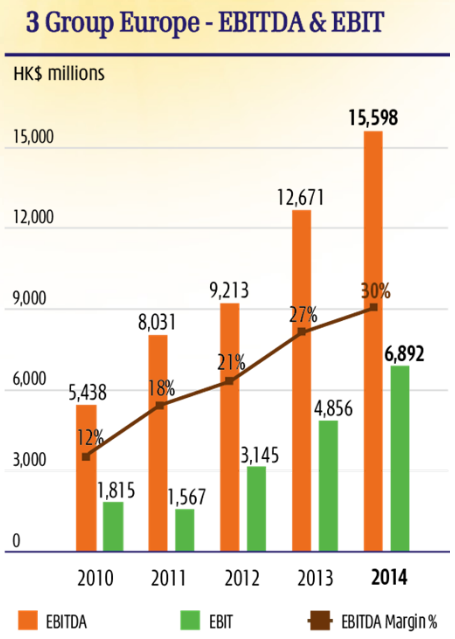
  i. Sunrise Energy Project (Husky Energy's working interest: 50%)
  - Steam operations at Phase I of the Sunrise Energy Project commenced in December 2014. Production from the first 30,000 bbs/day plant is expected at the end of Q1-2015 and the second 30,000 bbls/day plant will commence production in Q3-2015. Production is expected to ramp up over a 2-year period reaching peak production to 60,000 bbls/day (30,000 bbls/day net to Husky Energy) around the end of 2016; and
  - Sunrise contains estimated reserves of 3.70 billion barrels (Proved: 0.44 billion; Probable: 2.40 billion and Possible: 0.86 billion).

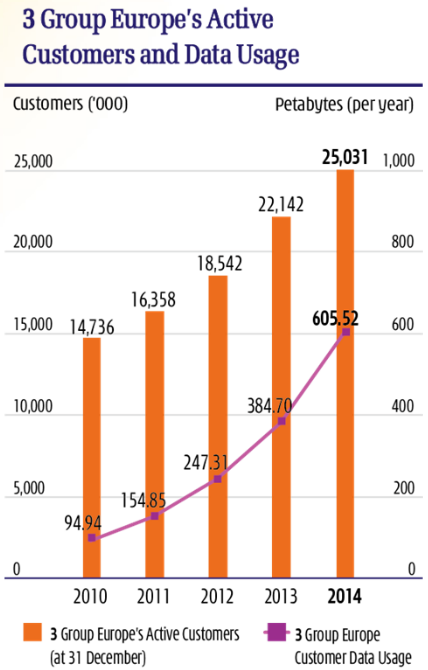
  ii. Heavy Oil Thermal Developments - projects coming online in the next 2 years includes:
  - 10,000 bbls/day Rush Lake heavy oil thermal project - first production expected in Q3-2015;
  - 10,000 bbls/day Edam East heavy oil thermal project - first production expected in Q3-2016;
  - 3,500 bbls/day Edam West heavy oil thermal project - first production expected in Q4-2016; and
  - 10,000 bbls/day Vawn heavy oil thermal development - first production expected in Q4-2016.

  iii. Asia Pacific
  - Regulatory approval was received for the contract award for a FPSO vessel to develop the liquid-rich BD field in the Madura Strait offshore Indonesia.

Telecommunications – 3 Group Europe

16% of Group Revenue, 16% of Group EBITDA & 10% of Group EBIT





- Apart from Italy which faced keen competition during the year, all **3** Group Europe operations increased their contributions to the Group's earnings during the year from 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.
- Overall, net customer service margin continued to improve reflecting strong contribution from both smartphone and mobile data segments.
- Operating cost represented 45% of net customer service margin, a reduction from 49% in 2013.
- Healthy growth in EBITDA margin to 30%, up from 27% in 2013.
- On 15 July 2014, the Group completed the acquisition of O_2 Ireland. The restructuring exercise to combine **3** Ireland and O_2 Ireland operations is underway and the combined operation has contributed accretively in the 2H 2014 and achieved a full year EBIT breakeven in 2014.

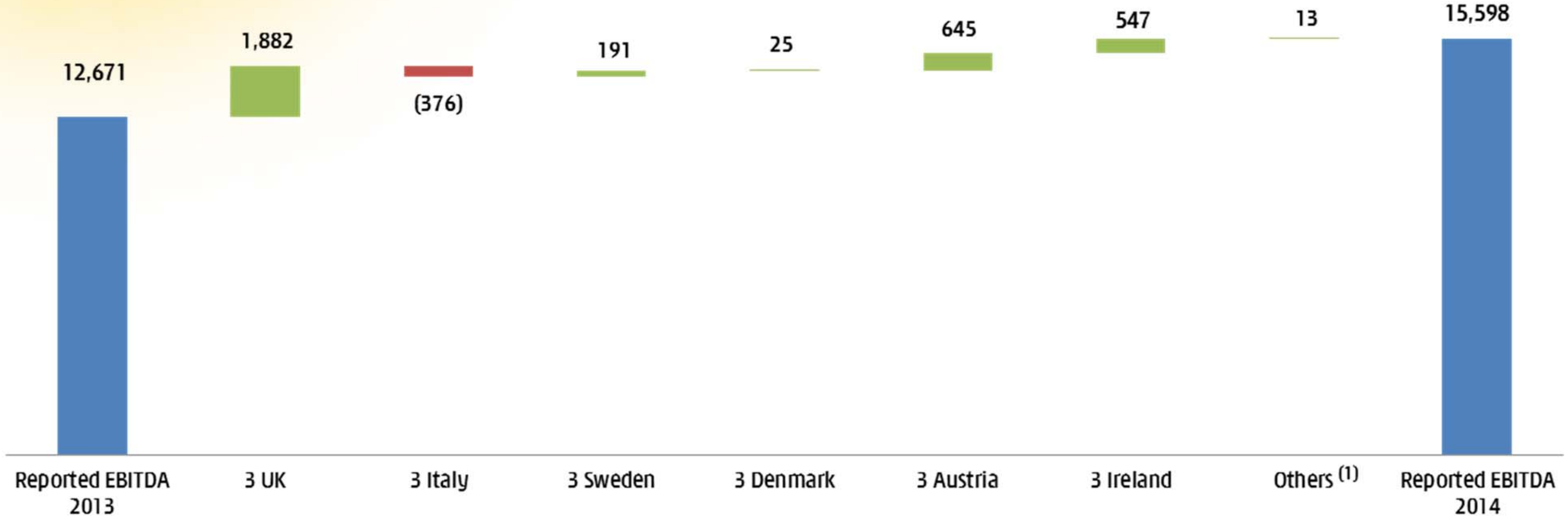
Outlook

- 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.
- In January 2015, the Group agreed to enter into exclusive negotiations with Telefónica S A 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.

Telecommunications – 3 Group Europe

EBITDA Growth

2014 Reported EBITDA (HK$ millions)
Growth of 23%



Note (1): Others represents Skype intercompany charge elimination which is not applicable in 2014.

Telecommunications – 3 Group Europe

Results by operations

In millions	UK		Italy		Sweden		Denmark		Austria		Ireland		3 Group Europe	
	GBP		EURO		SEK		DKK		EURO		EURO		HK$	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total Revenue	**2,063**	2,044	**1,739**	1,746	**6,407**	5,717	**2,046**	1,998	**686**	745	**436**	180	**65,623**	61,976
% Improvement (Reduction)	*1%*		*-*		*12%*		*2%*		*-8%*		*142%*		*6%*	
											Local currency change		*5%*	
- Net Customer Service Revenue	1,459	1,376	1,376	1,352	4,286	3,956	1,799	1,772	564	596	358	149	49,480	45,536
% Improvement (Reduction)	*6%*		*2%*		*8%*		*2%*		*-5%*		*140%*		*9%*	
											Local currency change		*8%*	
- Handset Revenue	577	645	308	341	1,893	1,568	178	153	99	129	47	30	14,372	15,062
- Other Revenue	27	23	55	53	228	193	69	73	23	20	31	1	1,771	1,378
Net Customer Service Margin[(1)]	**1,169**	1,095	**1,052**	1,004	**3,664**	3,259	**1,566**	1,526	**464**	459	**292**	116	**39,714**	35,633
% Improvement	*7%*		*5%*		*12%*		*3%*		*1%*		*152%*		*11%*	
											Local currency change		*11%*	
Net Customer Service Margin %	80%	80%	76%	74%	85%	82%	87%	86%	82%	77%	82%	78%	80%	78%
Other margin	**10**	15	**53**	49	**65**	78	**32**	44	**17**	18	**6**	-	**1,008**	1,015
TOTAL CACs	(807)	(917)	(551)	(519)	(2,543)	(2,096)	(416)	(385)	(123)	(162)	(87)	(48)	(21,514)	(21,675)
Less: Handset Revenue	577	645	308	341	1,893	1,568	178	153	99	129	47	30	14,372	15,062
Total CACs (net of handset revenue)	**(230)**	(272)	**(243)**	(178)	**(650)**	(528)	**(238)**	(232)	**(24)**	(33)	**(40)**	(18)	**(7,142)**	(6,613)
Operating Expenses	**(402)**	(421)	**(614)**	(596)	**(1,333)**	(1,317)	**(626)**	(626)	**(212)**	(262)	**(194)**	(90)	**(17,982)**	(17,364)
Opex as a % of net customer service margin	34%	38%	58%	59%	36%	40%	40%	41%	46%	57%	66%	78%	45%	49%
EBITDA	**547**	417	**248**	279	**1,746**	1,492	**734**	712	**245**	182	**64**	8	**15,598**	12,671
% Improvement (Reduction)	*31%*		*-11%*		*17%*		*3%*		*35%*		*700%*		*23%*	
											Local currency change		*23%*	
EBITDA margin %[(2)]	37%	30%	17%	20%	39%	36%	39%	39%	42%	30%	16%	5%	30%	27%
Depreciation & Amortisation	**(233)**	(210)	**(294)**	(279)	**(752)**	(685)	**(309)**	(292)	**(75)**	(76)	**(64)**	(37)	**(8,706)**	(7,815)
EBIT (LBIT)	**314**	207	**(46)**	0.3	**994**	807	**425**	420	**170**	106	**0.1**	(29)	**6,892**	4,856
% Improvement (Reduction)	*52%*		*-15433%*		*23%*		*1%*		*60%*		*100%*		*42%*	
											Local currency change		*42%*	
Capex (excluding licence)	**(322)**	(271)	**(404)**	(344)	**(790)**	(856)	**(187)**	(252)	**(135)**	(117)	**(126)**	(47)	**(11,271)**	(10,176)
EBITDA less Capex	**225**	146	**(156)**	(65)	**956**	636	**547**	460	**110**	65	**(62)**	(39)	**4,327**	2,495
Licence[(3)]	**(1)**	(238)	**(2)**	(21)	**-**	-	**-**	-	**-**	(331)	**-**	(25)	**(38)**	(6,824)

Note (1): Net customer service margin represents net customer service revenue deducting direct variable costs (including interconnection charges and roaming costs).

Note (2): EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

Note (3): Licence costs in 2014 represent incidental costs in relation to licences acquired in the prior year.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

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

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

Note (1): Includes approximately 1.5 million registered customers added upon the acquisition of O_2 Ireland in July 2014.

Note (2): Includes approximately 1.5 million active customers added upon the acquisition of O_2 Ireland in July 2014.

Note (3): An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding 3 months.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
12-month Trailing Average Revenue per Active User ("ARPU")(1) to 31 December 2014							
Postpaid ARPU(1)	£26.88	€18.23	SEK300.00	DKK169.25	€21.43	€33.42	€26.59
Prepaid ARPU(1)	£5.30	€7.83	SEK118.05	DKK116.10	€8.22	€16.47	€8.53
Blended Total ARPU(1)	£20.81	€13.57	SEK287.37	DKK153.60	€19.66	€25.85	€20.86
% Variance compared to 31 December 2013	-	*-8%*	*-3%*	*-11%*	*-5%*	*-11%*	*-1%*
12-month Trailing Net Average Revenue per Active User ("Net ARPU")(2) to 31 December 2014							
Postpaid Net ARPU(2)	£18.91	€18.23	SEK216.11	DKK156.03	€17.63	€29.75	€21.24
Prepaid Net ARPU(2)	£5.30	€7.83	SEK118.05	DKK116.10	€8.22	€16.47	€8.53
Blended Total Net ARPU(2)	£15.08	€13.57	SEK209.30	DKK144.27	€16.37	€23.82	€17.20
% Variance compared to 31 December 2013	-	*-8%*	*-1%*	*-10%*	*-7%*	*-1%*	*-1%*
12-month Trailing Net Average Margin per Active User ("Net AMPU")(3) to 31 December 2014							
Postpaid Net AMPU(3)	£15.02	€13.84	SEK185.22	DKK136.41	€14.47	€25.05	€17.05
Prepaid Net AMPU(3)	£4.57	€6.10	SEK93.54	DKK99.31	€7.09	€12.50	€6.87
Blended Total Net AMPU(3)	£12.09	€10.37	SEK178.86	DKK125.48	€13.49	€19.45	€13.82
% Variance compared to 31 December 2013	-	*-5%*	*2%*	*-9%*	-	*3%*	*1%*

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

Note (2): Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, divided by the average number of active customers during the year.

Note (3): Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in postpaid contract bundled plans, less direct variable costs (including interconnection charges and roaming costs)(i.e. net customer service margin), divided by the average number of active customers during the year.

Telecommunications – 3 Group Europe

Key Business Indicators

Key business indicators for the 3 Group Europe's businesses are as follows:

2014	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	**59%**	**50%**	**88%**	**67%**	**69%**	**45%**	**58%**
Contract customers' contribution to the net customer service revenue base (%)	**90%**	**74%**	**96%**	**76%**	**93%**	**69%**	**84%**
Average monthly churn rate of the total contract registered customer base (%)	**1.6%**	**2.3%**	**1.4%**	**2.7%**	**0.6%**	**1.5%**	**1.7%**
Active contract customers as a % of the total contract registered customer base	**98%**	**98%**	**100%**	**100%**	**99%**	**98%**	**98%**
Active customers as a % of the total registered customer base	**82%**	**87%**	**95%**	**97%**	**81%**	**79%**	**85%**
Data usage per active customer (Gigabyte)							**25.4**

2013	UK	Italy	Sweden	Denmark	Austria	Ireland	3 Group Europe Average
Contract customers as a % of the total registered customer base	60%	48%	91%	71%	73%	37%	59%
Contract customers' contribution to the net customer service revenue base (%)	89%	80%	97%	77%	94%	75%	87%
Average monthly churn rate of the total contract registered customer base (%)	1.6%	2.3%	1.4%	2.4%	0.7%	1.2%	1.7%
Active contract customers as a % of the total contract registered customer base	97%	97%	100%	100%	99%	89%	98%
Active customers as a % of the total registered customer base	81%	85%	96%	98%	83%	57%	83%
Data usage per active customer (Gigabyte)							18.2

Telecommunications – HTHKH & HAT

HTHKH

4% of Group Revenue, 3% of Group EBITDA & 2% of Group EBIT

	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%

- HTHKH had a combined active mobile customer base of approximately 3.2 million in Hong Kong and Macau.
- EBITDA and EBIT both improved by 1% from 2013. The growth in fixed line business is offset by the weaker performance of the mobile business.
- The mobile business experienced keen price competition resulting in decreased net customer service revenue, partially compensated by higher hardware sales after the launch of more popular handsets and tariff price increase in 2H 2014. The intense pricing pressure has gradually eased by the end of 2014 and the EBITDA and EBIT of HTHKH for the 2H 2014 were 26% and 57% improvement against 1H 2014 and 24% and 58% improvement against 2H 2013 respectively. The operation is expecting an improved performance in 2015.
- The fixed line business continues to achieve steady growth through higher revenue generated from carrier as well as corporate and business segments with the continued focus on efficiency and cost management.

HAT

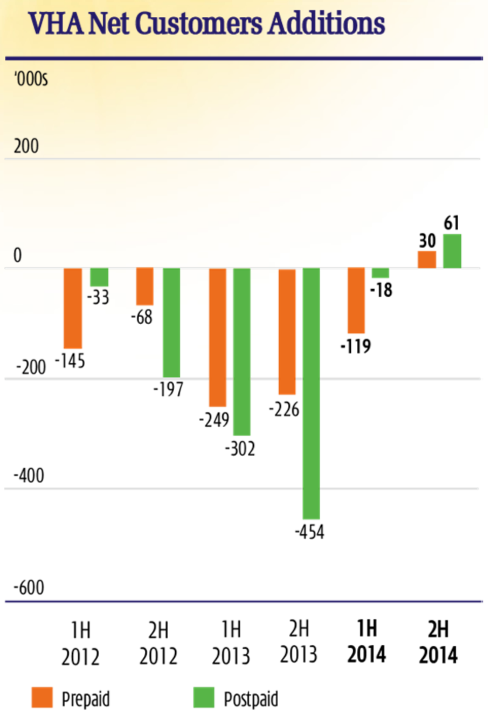
1% of Group Revenue, -0.3% of Group EBITDA & -2% of Group EBIT

	2014 HK$ millions	2013 HK$ millions	Change
Total Revenue	5,757	6,295	-9%
EBITDA / (LBITDA)	(278)	819	-134%
LBIT	(1,465)	(409)	-258%

- HAT had an active customer base of approximately 54.5 million with operations in Indonesia, Vietnam and Sri Lanka.
- The adverse performances and change from a positive EBITDA of HK$502 million reported for 1H 2014 to a LBITDA for 2H 2014 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.

Telecommunications – HTAL , Share of VHA

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

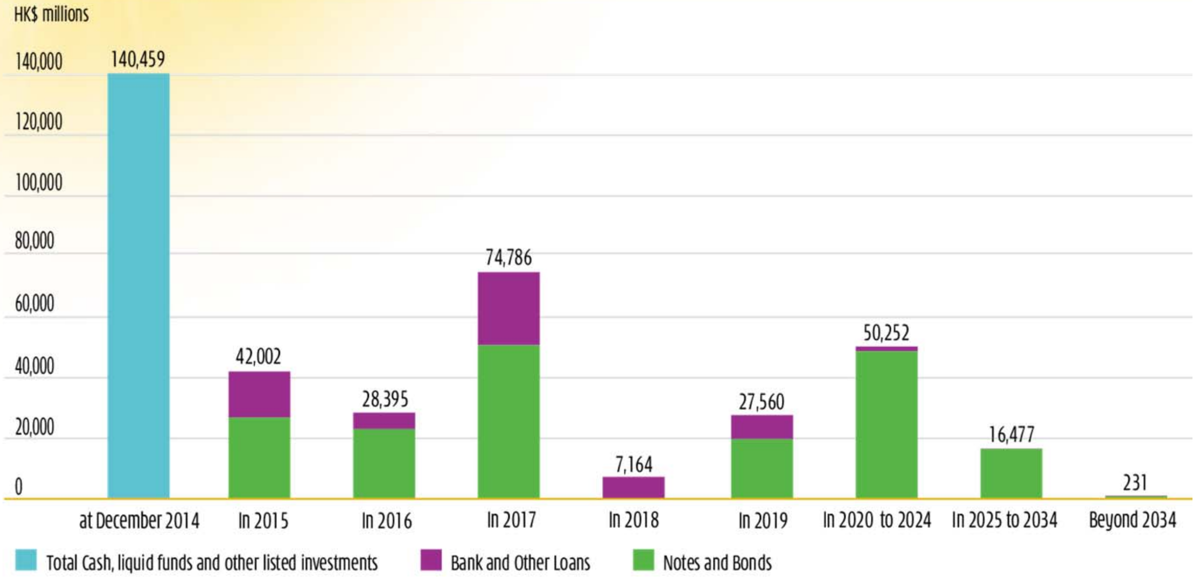


- HTAL owns 50% of VHA and announced a A$286 million loss attributable to shareholders in 2014, an increase of 24% as compared to last year, which includes accelerated depreciation on certain network assets in light of the strategic plan to build an expanded and more resilient network. Excluding this one-off charge, the underlying loss 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 customer base remained stable at approximately 5.3 million (including MVNOs) at 31 December 2014, with customer growth in 2H 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 now has over 2,000 LTE sites switched on and its 4G coverage reaches 95% of the Australian metropolitan population.
- VHA's operating losses continue to be included as a P&L charge under "Others" of the Group's profits on disposal of investments and others line as VHA continues with its shareholder sponsored restructuring under the leadership of Vodafone under the applicable terms of our shareholders' agreement since 2H 2012.

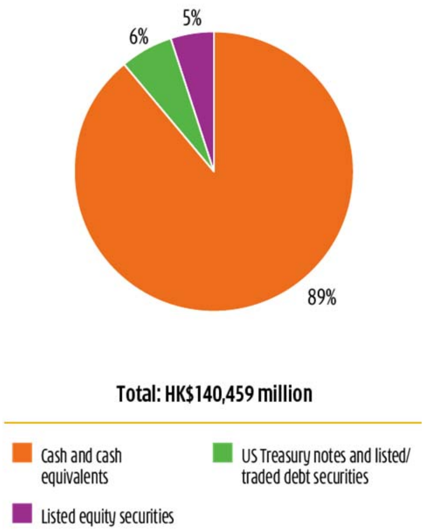
Financial profile

Net Debt Ratio remaining below 25% with healthy liquidity

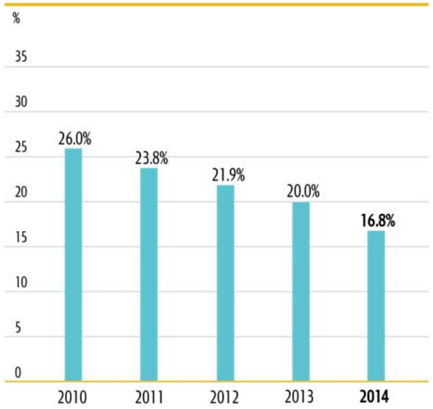
Debt Maturity Profile at 31 December 2014



Liquid Assets by Type at 31 December 2014



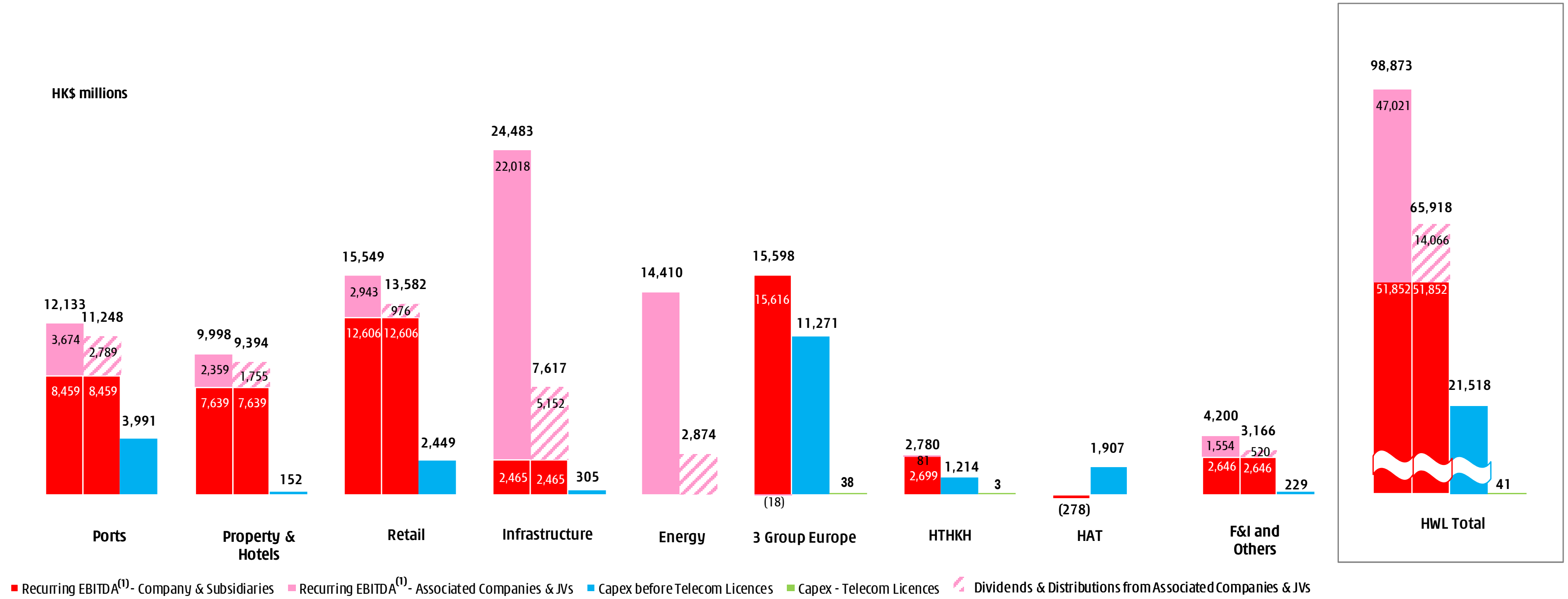
Net Debt to Net Total Capital Ratio



Financial profile

2014 EBITDA, Dividends and Distributions from Associated Companies and JVs less Capex of Company & Subsidiaries

by division



Note (1): EBITDA excludes non-controlling interests' share of results of HPH Trust and the profits on disposal of investment and others.

2014 Annual Results

- Reported revenue grew 2% and recurring earnings up 3% from last year.
- Second interim dividend, in lieu of final dividend, of HK$1.755 per share is declared, together with the interim dividend of HK$0.66 per share, total full year dividend (excluding the special dividend) amounted to HK$2.415 per share, a 5.0% increase from last year.
- Paid a special dividend of HK$7.00 per share, amounting to approximately HK$30 billion, in May 2014 after the Temasek's acquisition of 24.95% equity interest in A S Watson Holdings for approximately HK$44 billion.
- Healthy cash generation with 3% reported EBITDA growth to HK$98.9 billion.
- Increasing funds from operations with 3% growth to HK$50.8 billion for 2014.
- Net Debt ratio reduced to 16.8% at 31 December 2014.

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"), 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 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.

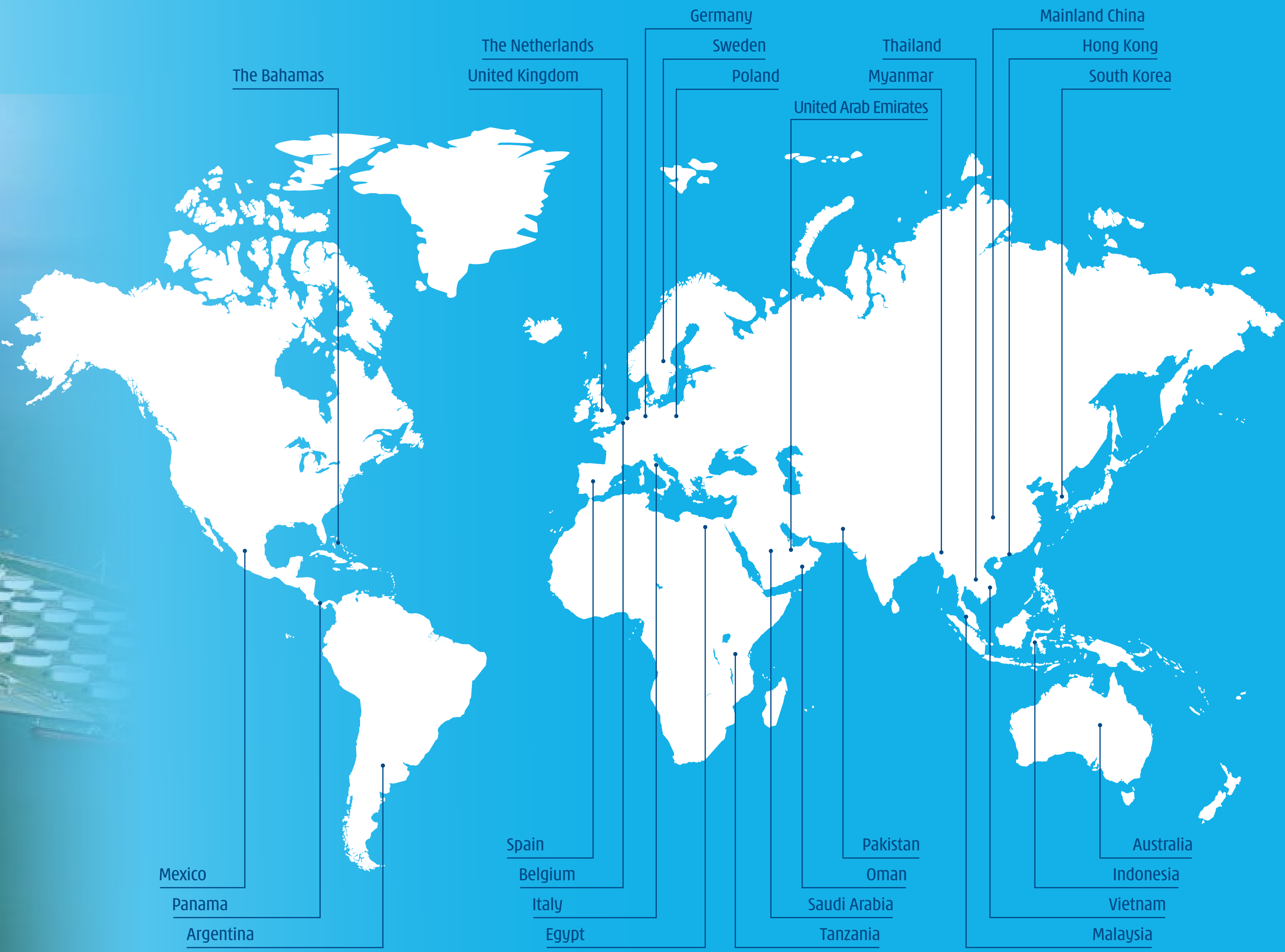
Note 4: Exclude special dividend per share of HK$7.00 in 2014.

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%

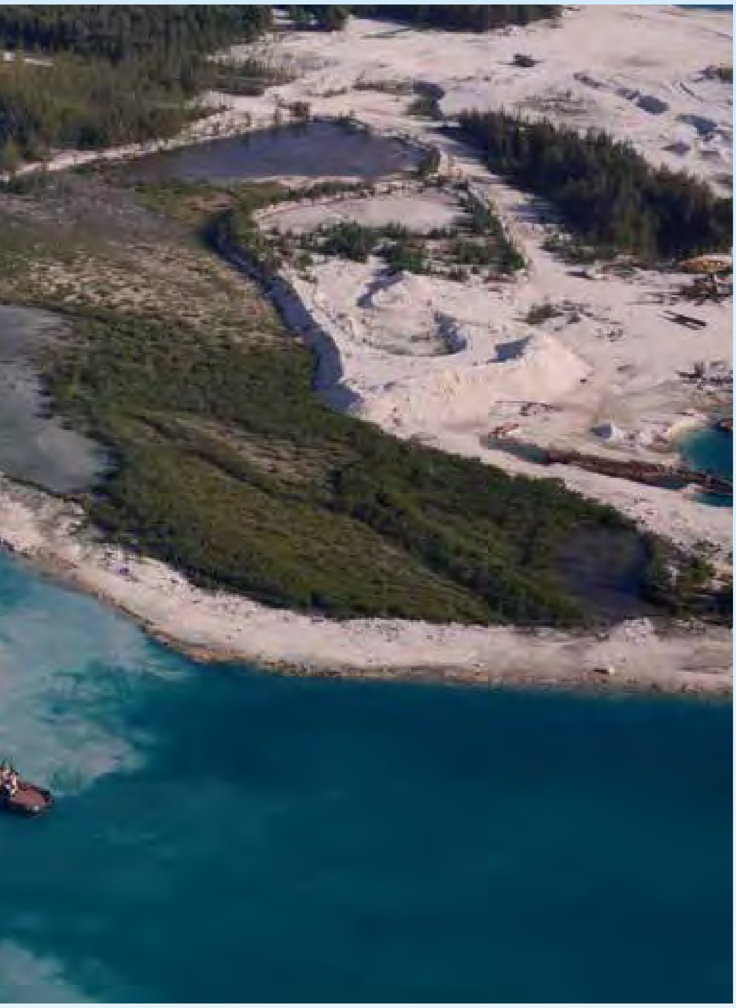
Ports
and Related Services

Europe Container Terminals, comprising ECT Delta Terminal and Euromax Terminal Rotterdam, handles its 150 millionth TEU 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

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.

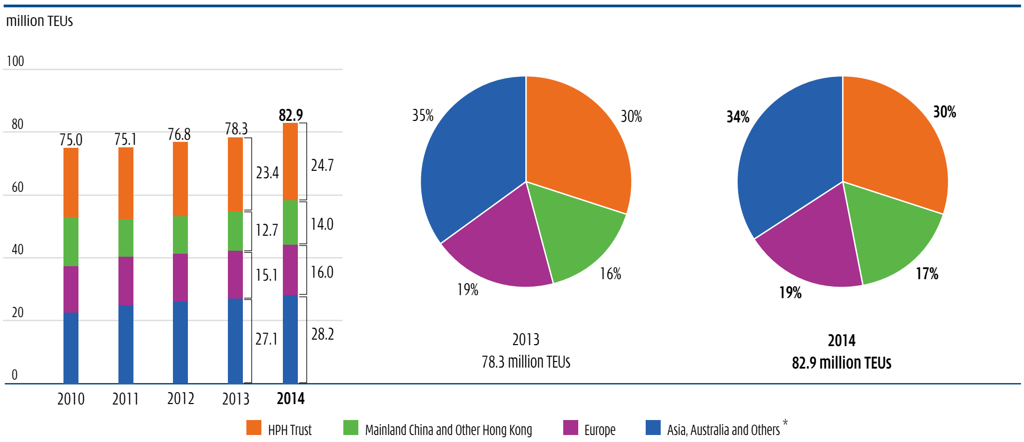
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue [(1)]	**35,624**	34,119	+4%	+6%
EBITDA [(1)]	**12,133**	11,447	+6%	+7%
EBIT [(1)]	**7,944**	7,358	+8%	+ 9%
Throughput (million TEUs)	**82.9**	78.3	+6%	

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.

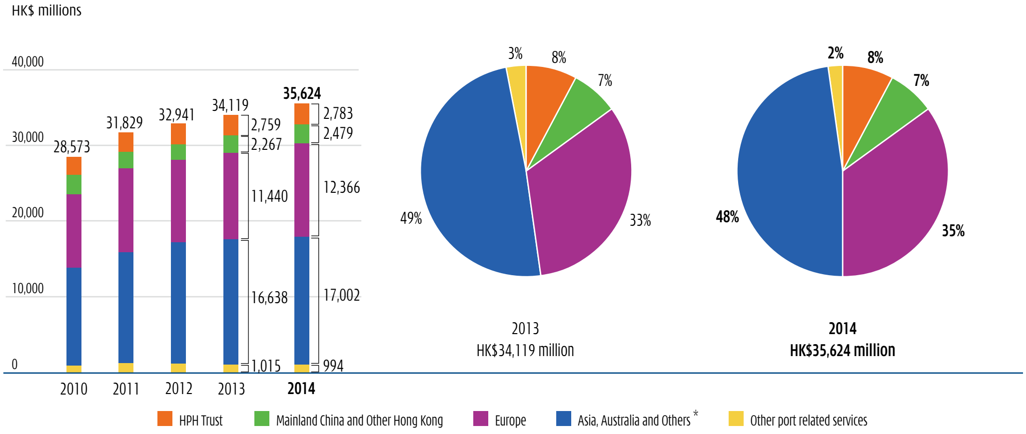
Total Container Throughput (+6%)
by Subdivision



* 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

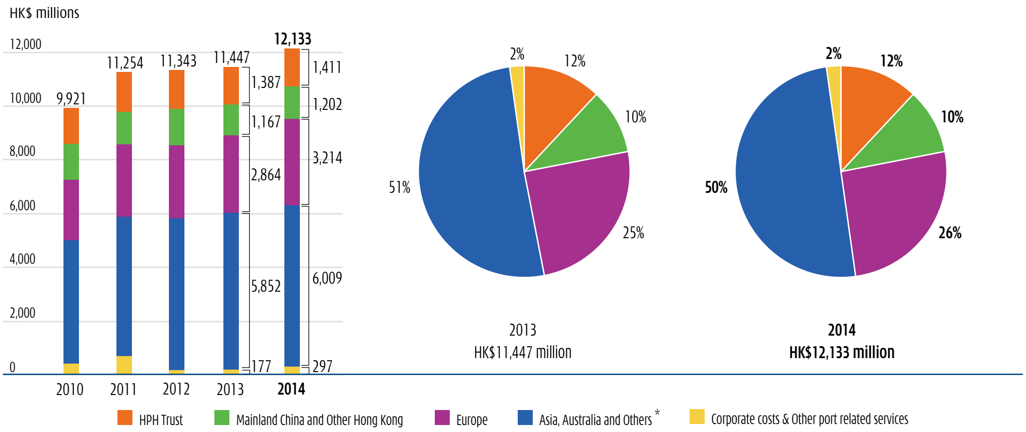


* Asia, Australia and Others includes Panama, Mexico and the Middle East.

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.

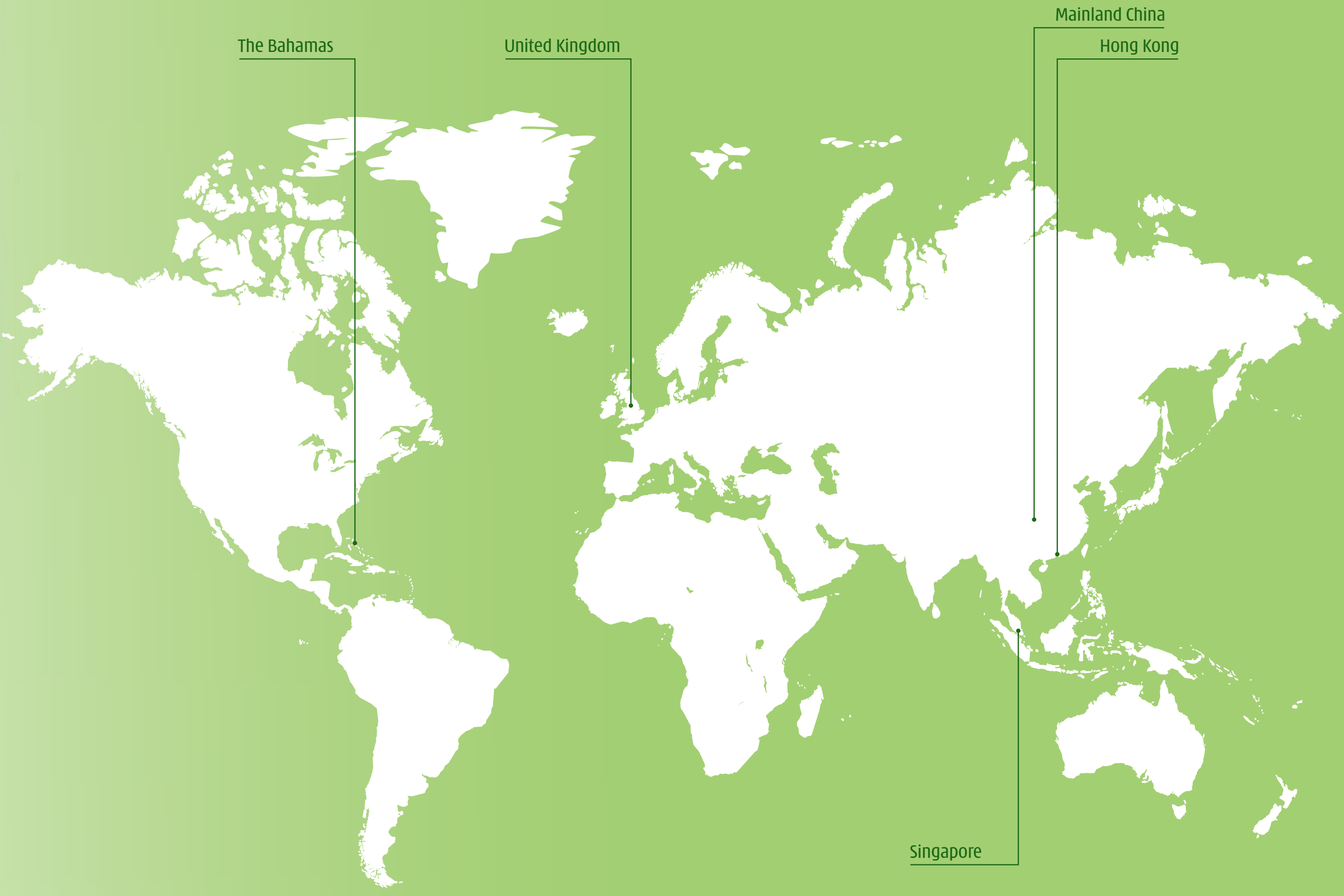
Asia, Australia and Others

	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.


1


2


3


4


5


6

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.

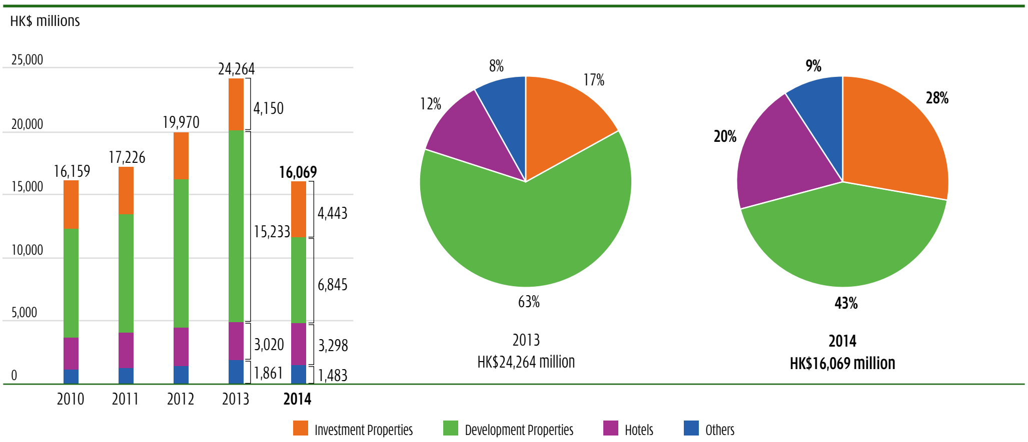
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**16,069**	24,264	-34%	-33%
EBITDA	**9,998**	13,995	-29%	-28%
EBIT	**9,661**	13,659	-29%	-29%

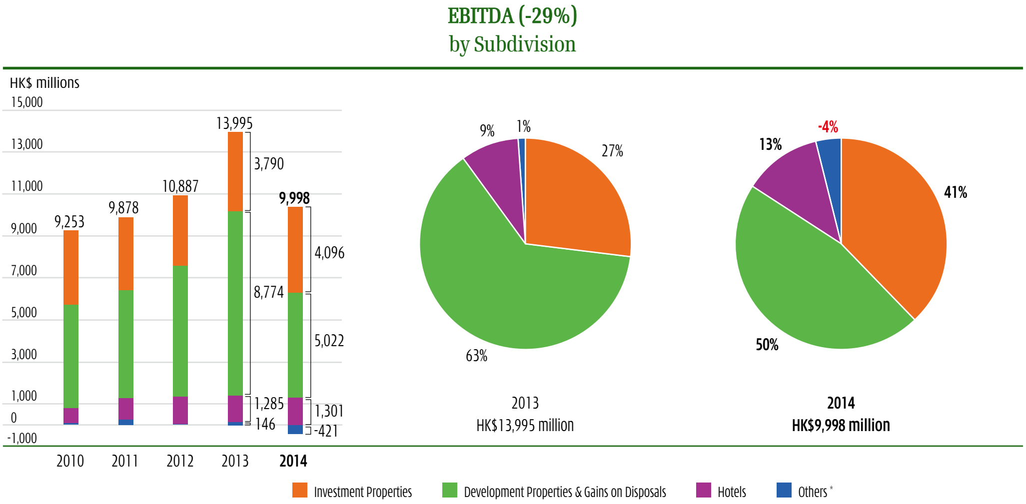
This division contributed 4%, 10% and 15% respectively of the Group's total revenue, EBITDA and EBIT.

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



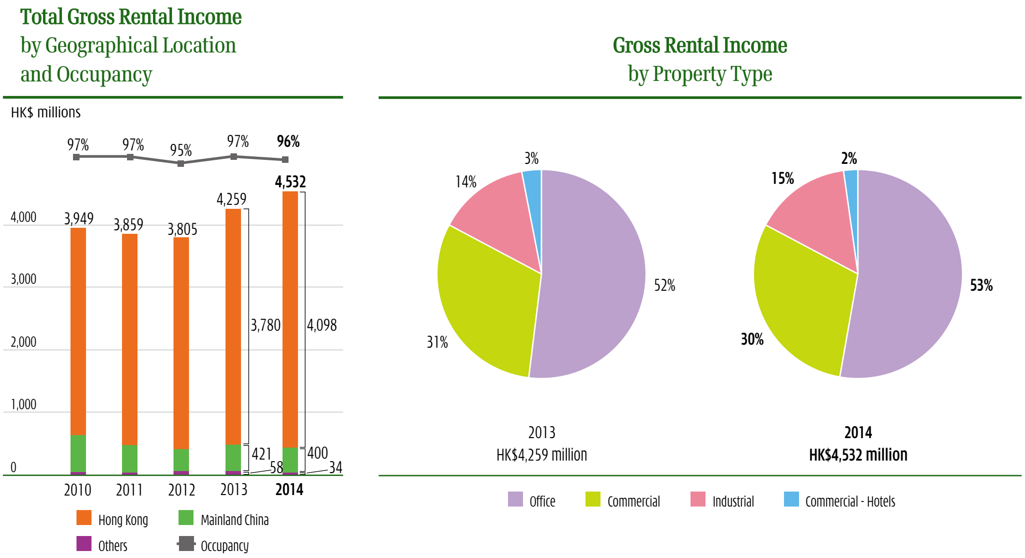


* Others includes net service income, corporate overheads, impact of foreign exchange rate movements and others.

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.



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

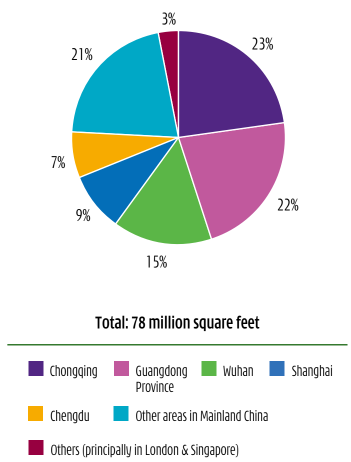
Development profits and gains on disposal of properties contributed HK$5,022 million to the Group's EBITDA in 2014 (2013: HK$8,774 million). With the aggressive discounting in various Mainland cities, the division has reported slower sales volume. However, average selling prices of the division have 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.

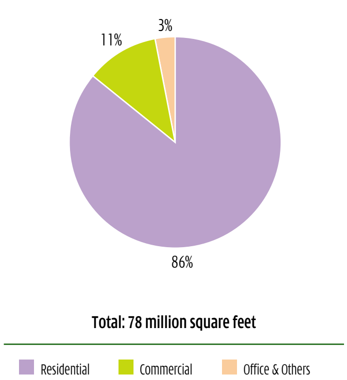
The Group's current attributable landbank is approximately 78 million square feet, of which 97% is in the Mainland (at an average land cost of RMB238 per square foot or approximately HK$298 per square foot) and 3% in the UK and Singapore. This landbank comprises 38 projects in 21 cities and is planned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



Gross Floor Area of Development Projects
by Property Type



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.

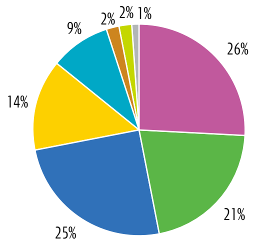
Presold property value (net of business tax) of HK$4,415 million and HK$3,028 million at the end of 2014 and 2013 respectively.

Development Properties and Gains on Property Disposals (continued)

Residential Property Sales

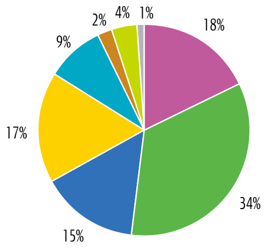
By Geographical Location

Recognised Sales



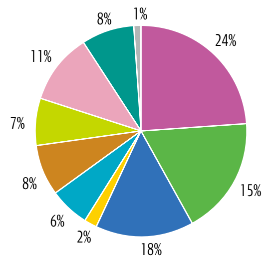
2014: HK$4,991 million (-54%)

Recognised Sales GFA



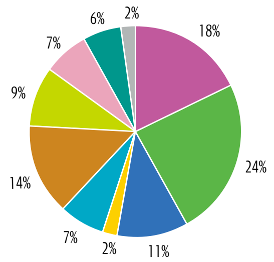
2014: 3.1 million square feet (-56%)

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

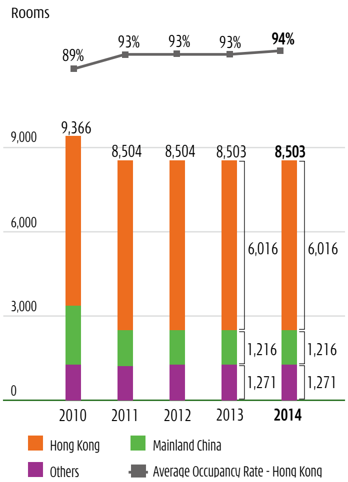
Hotels

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 foot in the eight hotels in Hong Kong, generated an average attributable hotel operating profit ("HOP") [1] 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.

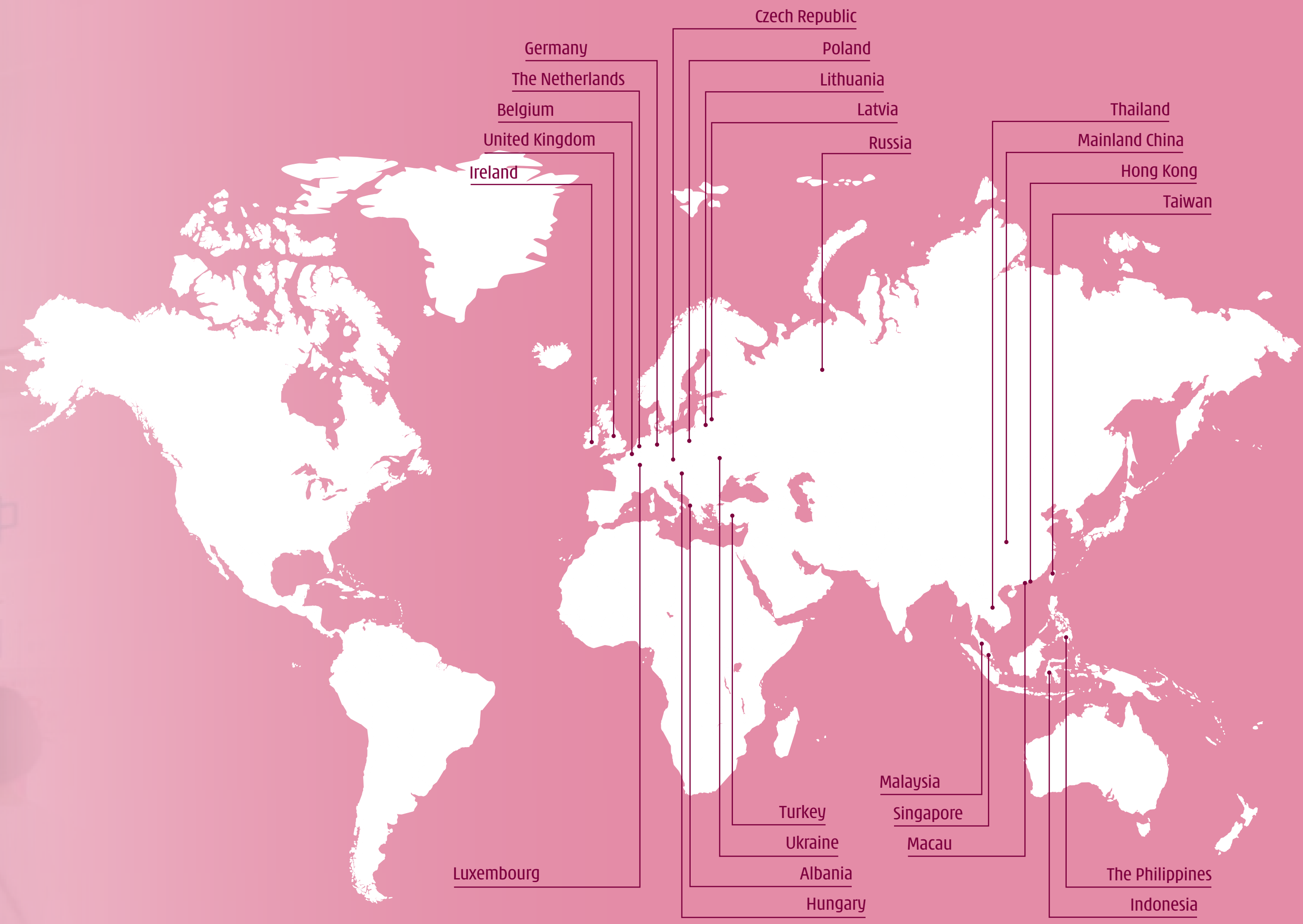
Note 1: HOP represents EBITDA after depreciation of furniture, fixtures and equipment.

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.

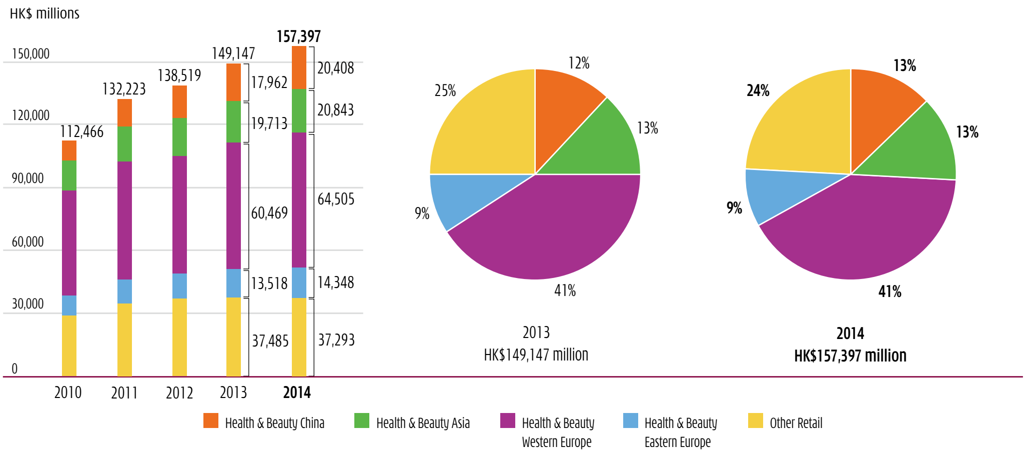
	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**157,397**	149,147	+6%	+6%
EBITDA	**15,549**	14,158	+10%	+12%
EBIT	**13,023**	11,771	+11%	+13%
Total Store Numbers	**11,435**	10,581	+8%	

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 transaction 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



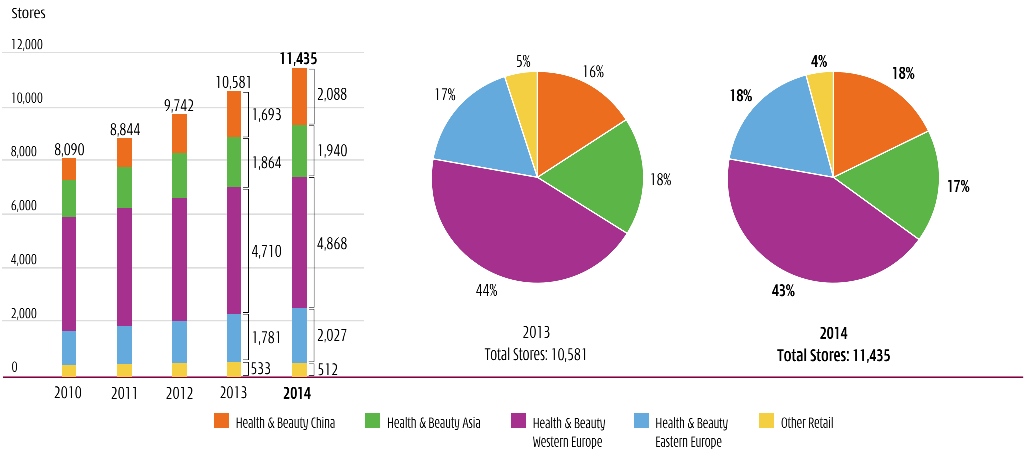
Total Revenue	**2014 HK$ millions**	2013 HK$ millions	Change	Change in Local Currency
Health & Beauty China	**20,408**	17,962	+14%	+14%
Health & Beauty Asia	**20,843**	19,713	+6%	+8%
Health & Beauty China & Asia Subtotal	**41,251**	37,675	+9%	+11%
Health & Beauty Western Europe	**64,505**	60,469	+7%	+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%*

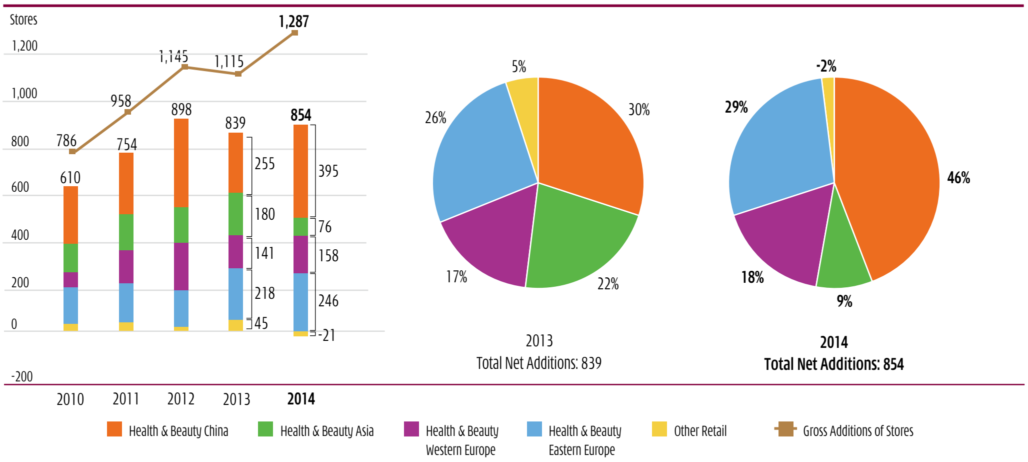
Note 1: Other Retail includes PARKnSHOP, Fortress, Watson's Wine, and manufacturing operations for water and beverage businesses.

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.

Total Retail Store Numbers (+8%)
by Subdivision



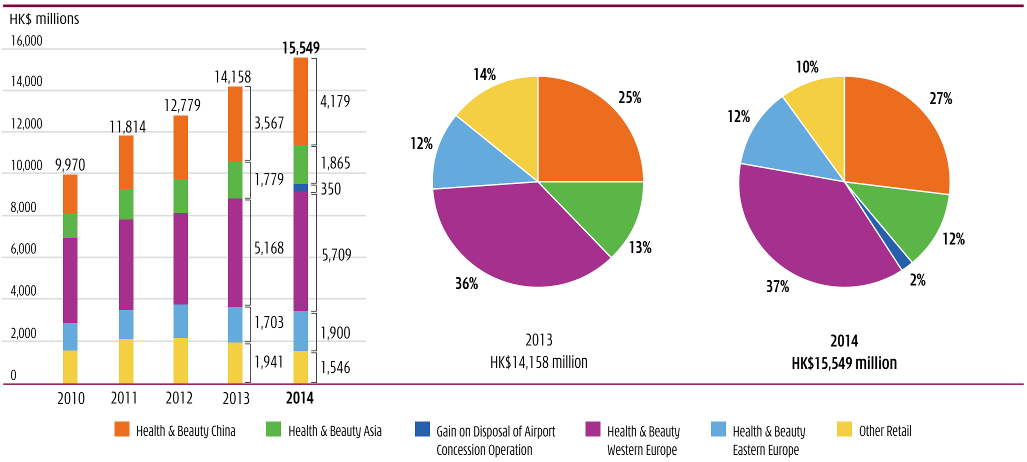
Total Net Additions of Retail Stores
by Subdivision



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 (+10%)
by Subdivision



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 (4)	**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 4: 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.

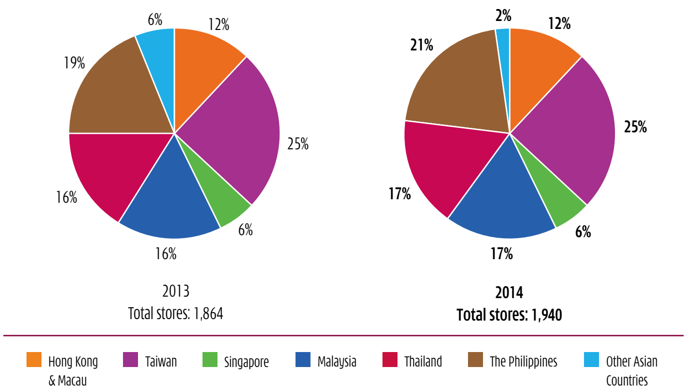
Health and Beauty Asia

	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



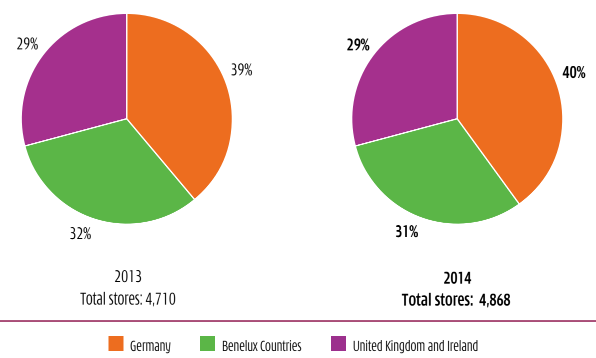
Health and Beauty Western Europe

	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



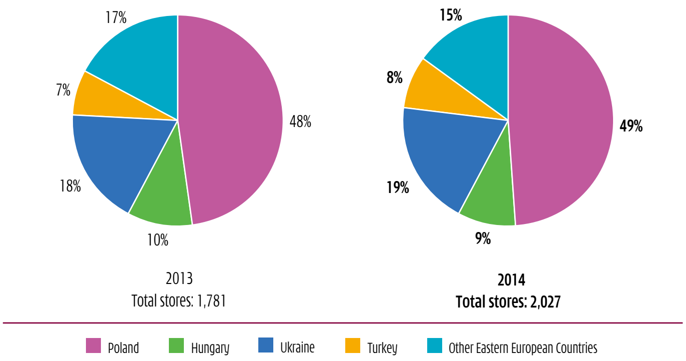
Health and Beauty Eastern Europe

	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

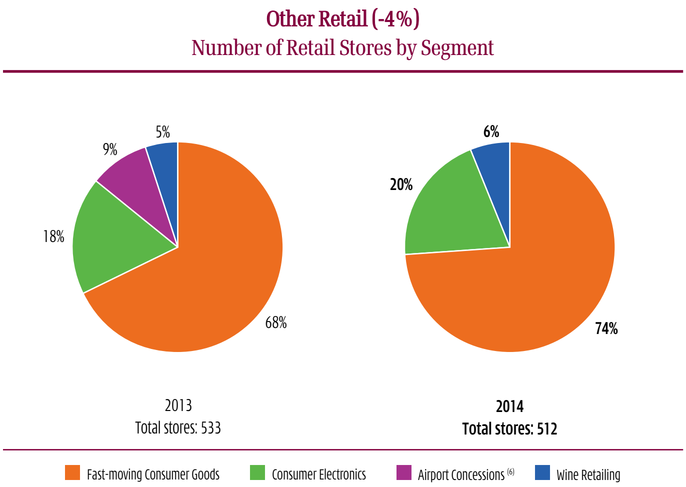


Other Retail

	2014 HK$ millions	2013 HK$ millions	Change	Change in Local Currency
Total Revenue	**37,293**	37,485	-1%	-
EBITDA [5]	**1,546**	1,941	-20%	- 20%
EBIT [5]	**1,086**	1,501	-28%	- 28%
Total Store Numbers	**512**	533	-4%	
Comparable Store Sales Growth (%)	**-1.9%**	-0.3%		

Note 5: Exclude gain on disposal of airport concession operation in July 2014 of HK$350 million.

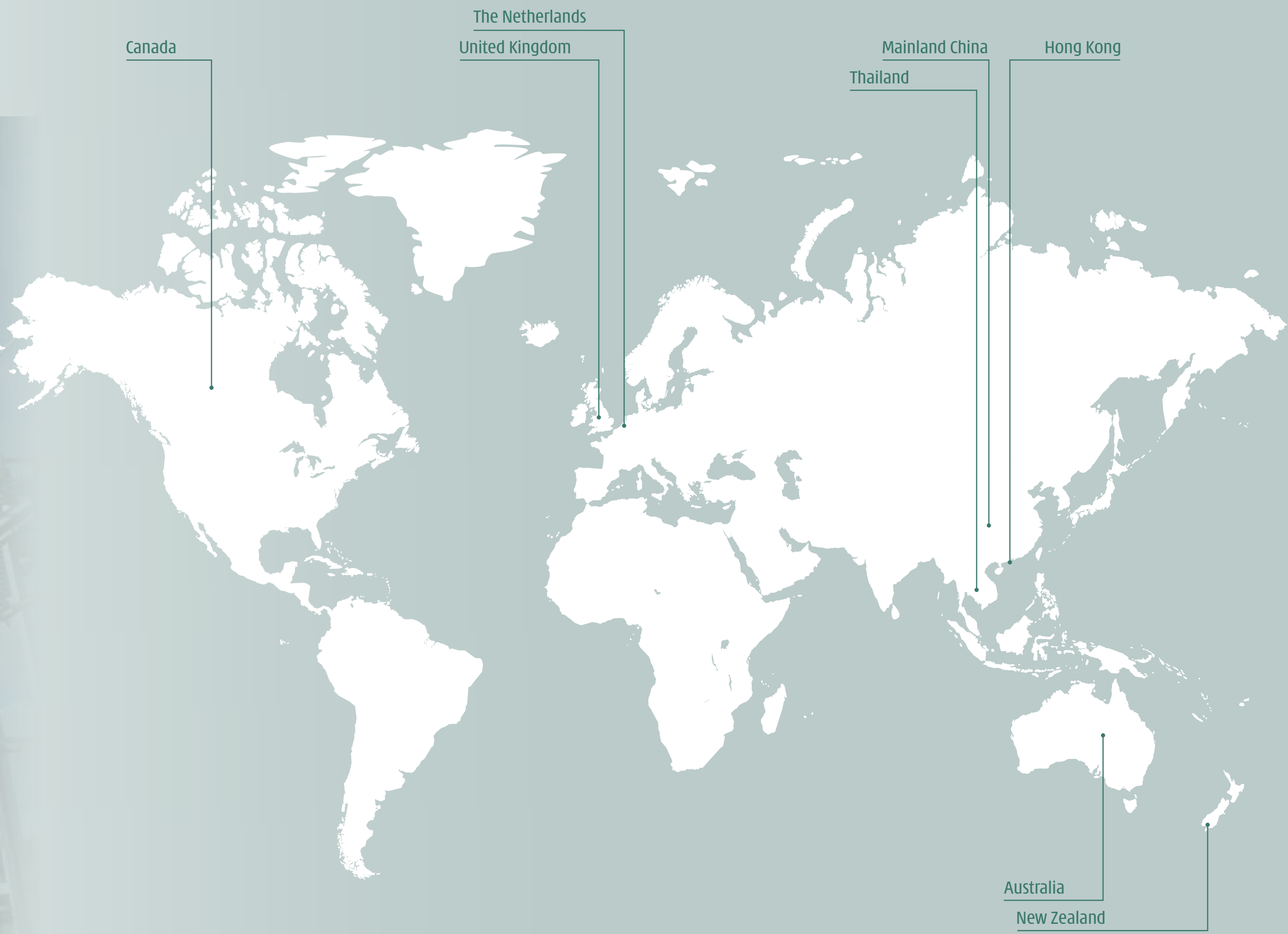
This subdivision's reported total revenue, EBITDA and EBIT declined 1%, 20% and 28% respectively mainly due to the lower contributions from the PARKnSHOP operations and Fortress as both operations experienced keen competition in Hong Kong and additionally for Fortress due to lack of new product launches. Other Retail currently operates over 510 retail stores in 3 markets.



Note 6: Airport Concession operation was disposed in July 2014.

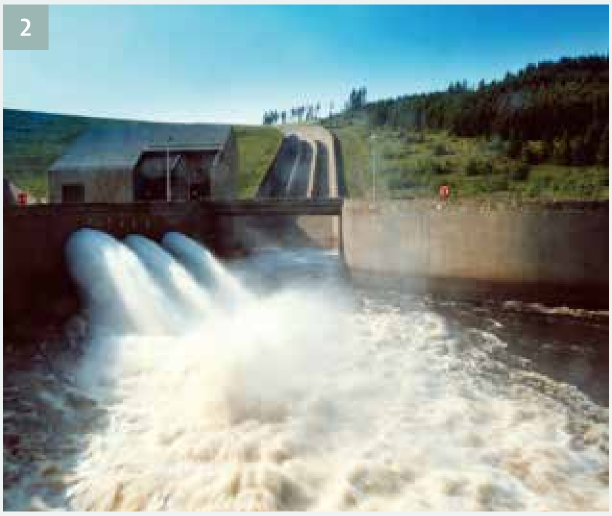
Infrastructure

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


2


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.

3


4


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).

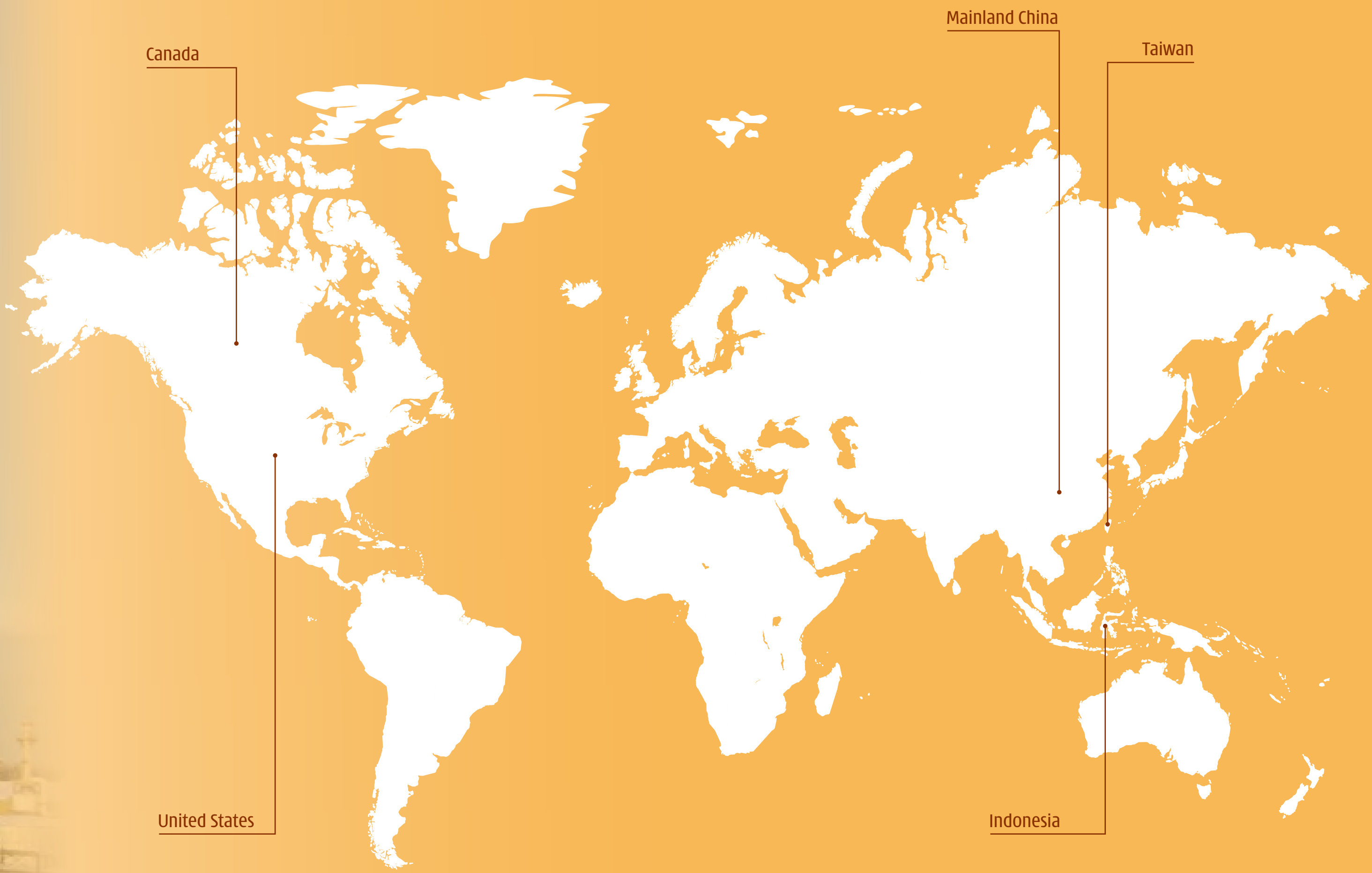
In October 2014, a CKI-led joint-venture with Cheung Kong and Power Assets completed its takeover bid for AGN, a distributor of natural gas in Australia, for a cash consideration of A$1.32 per share. CKI, together with Power Assets currently owns approximately 72.5% of AGN.

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.

1

3

4

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.

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.

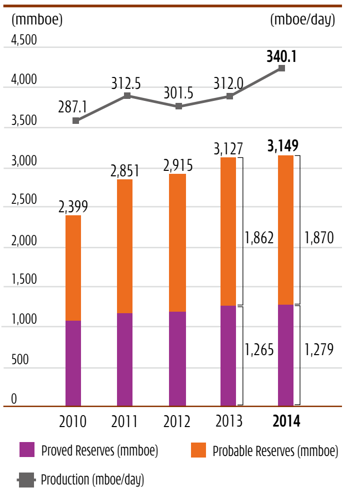
Aggregated dividends on common shares of C$1,180 million relating to the fourth quarter of 2013 and the first three quarters of 2014 were declared during the year, of which C$1,169 million and C$11 million were paid in cash and common shares respectively. Cash received and receivable by the Group from 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.

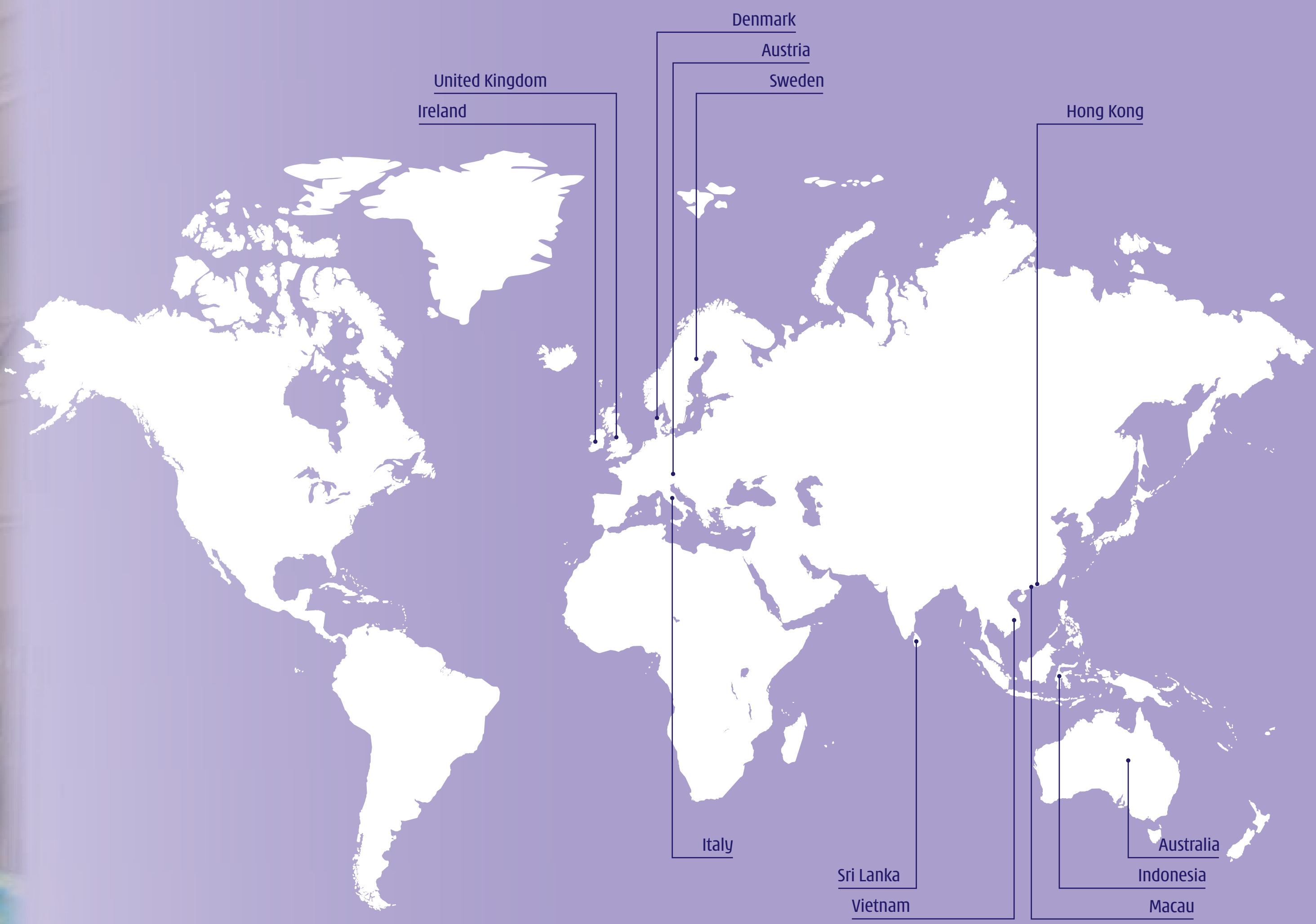
Near-Term Projects	Business	First Production	Forecast Net Peak Production (barrels per day)
Sunrise Energy Project Plant 1A	Oil Sands	Q1-2015	15,000 (mid-2016)
Sunrise Energy Project Plant 1B	Oil Sands	Q3-2015	15,000 (late 2016)
South White Rose Extension	Atlantic Region	Mid-2015	15,000
North Amethyst 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.

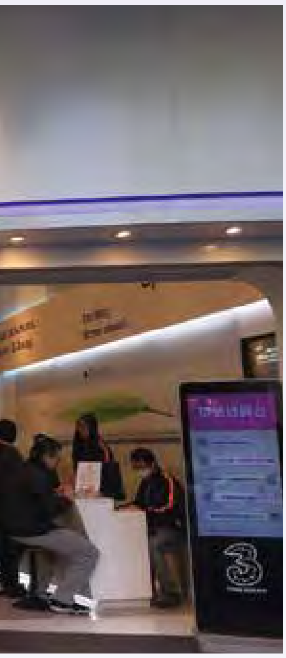
1

3

4

2

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.

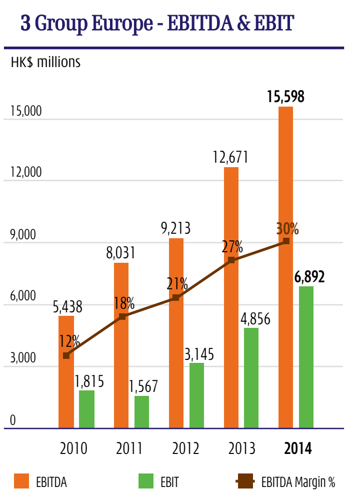
At 31 December 2014, approximately 6.6 million customers, representing 22% of the total **3** Group Europe customer base, are mobile broadband access customers, in line with last year. Contract smartphone customers acquired in 2014 represented around 41% of the total contract customers acquired during 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.

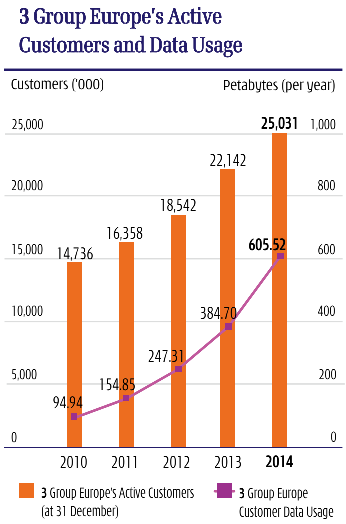
Total CACs, net of handset revenue in postpaid contract bundled plans, totalled HK$7,142 million in 2014, 8% higher than in 2013, while operating expenses increased 4% to HK$17,982 million.

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.





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%
EBITDA/(LBITDA)	**(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.

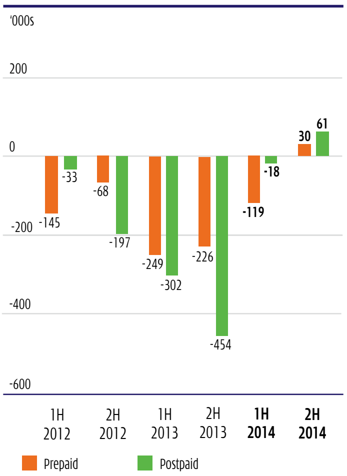
HTAL, share of VHA

	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.

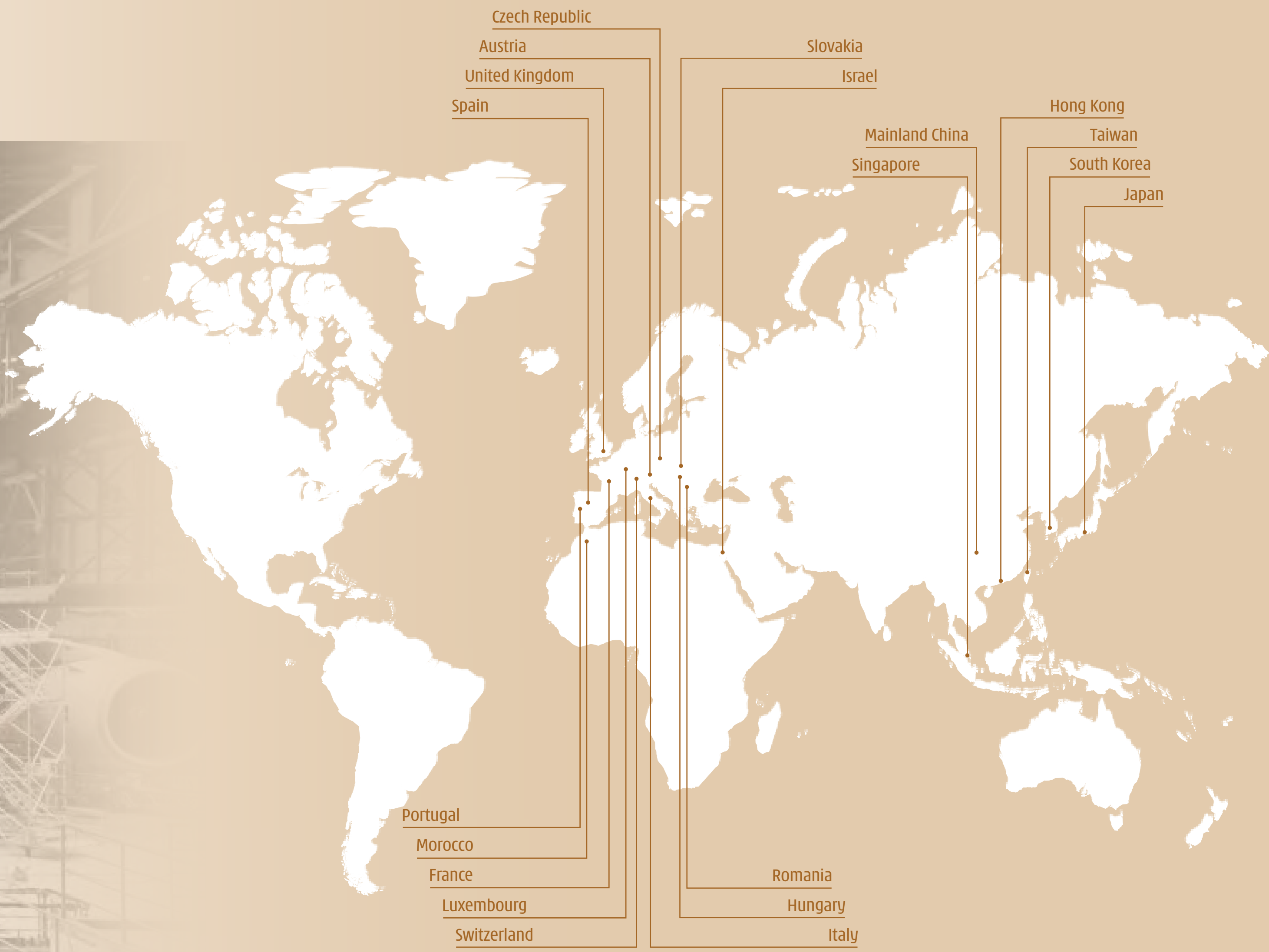
VHA's active customer base remained stable at approximately 5.3 million (including MVNOs) at 31 December 2014, with customer growth in the second half of 2014. With the continued geographic expansion of the network and an increased retail presence across Australia, VHA will build on and continue to grow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

VHA Net Customers Additions



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%.

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	**4,200**	2,179	+93%
- Finance & Investments	**3,691**	2,808	+31%
- Others	**509**	(629)	+181%
EBIT	**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

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%

Additional Information

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

The Mainland (continued)

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 summarised 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

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.

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 2 to 81, 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

Hutchison Whampoa Limited
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.

Hutchison Whampoa Limited
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

Hutchison Whampoa Limited
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
	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

Hutchison Whampoa Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2014

	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 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

Hutchison Whampoa Limited
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 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).*

Hutchison Whampoa Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2014

(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.

Hutchison Whampoa Limited
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

Hutchison Whampoa Limited
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.

(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.

2 Significant accounting policies (continued)

(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.

2 Significant accounting policies (continued)

(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.

(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.

2 Significant accounting policies (continued)

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

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

Derivatives designated as hedging instruments to hedge against the cash flows attributable to recognised assets or liabilities or forecast payments may qualify as cash flow hedges. The Group mainly enters into interest rate swap contracts to swap certain floating interest rate borrowings to fixed interest rate borrowings and foreign currency contracts to hedge the currency risk associated with certain forecast foreign currency payments and obligations. Changes in the fair value 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.

(u) Customer loyalty credits

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

2 Significant accounting policies (continued)

(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.

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.

2 Significant accounting policies (continued)

(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.

(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.

2 Significant accounting policies (continued)

(ac) Revenue recognition (continued)

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.

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.

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.

3 Critical accounting estimates and judgements (continued)

(b) Long-lived assets (continued)

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.

(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.

3 Critical accounting estimates and judgements (continued)

(c) Depreciation and amortisation (continued)

(ii) Telecommunications licences (continued)

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.

(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.

3 Critical accounting estimates and judgements (continued)

(f) Tax (continued)

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.

(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	2013
	HK$ millions	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 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	**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.

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

	Capital expenditure							
	Fixed assets, investment properties and leasehold land HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2014 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2013 Total 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		**Investments in associated companies and interests in joint ventures**	**2014 Total assets**	Company and Subsidiaries		Investments in associated companies and interests in joint ventures	2013 Total assets
	Segment assets (q)	**Deferred tax assets**			Segment assets (q)	Deferred tax 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.

(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.

5 Operating segment information (continued)

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.

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

	EBITDA (m)							
	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	**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	**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	**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 HK$ millions	**Telecom-munications licences HK$ millions**	**Brand names and other rights HK$ millions**	**2014 Total HK$ millions**	Fixed assets, investment properties and leasehold land HK$ millions	Telecom-munications licences HK$ millions	Brand names and other rights HK$ millions	2013 Total 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) HK$ millions	**Deferred tax assets HK$ millions**	**Investments in associated companies and interests in joint ventures HK$ millions**	**2014 Total assets HK$ millions**	Segment assets (q) HK$ millions	Deferred tax assets HK$ millions	Investments in associated companies and interests in joint ventures HK$ millions	2013 Total assets 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.

(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).

5 Operating segment information (continued)

(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	Attributable to: Holders of perpetual capital securities	Attributable to: Non-controlling interests	Total
	HK$ millions	HK$ millions	HK$ millions	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)

(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

(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

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	2013
	HK$ million	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%

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	2013
	HK$ millions	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	2013
	HK$ millions	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	2013
	HK$ millions	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

	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 79 to 81.

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 79 to 81.

21 Deferred tax

	2014	2013
	HK$ millions	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	2013
	HK$ millions	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	2013
	HK$ millions	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

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.

21 Deferred tax (continued)

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	2013
	HK$ millions	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	2013
	HK$ millions	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

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%

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

(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

25 Trade and other receivables (continued)

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**

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

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 HK$ millions	**Non-current portion HK$ millions**	**Total HK$ millions**	Current portion HK$ millions	Non-current portion HK$ millions	Total HK$ millions
Bank loans						
Current portion	**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.

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%

28 Bank and other debts (continued)

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.

(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	**Non-current portion**	**Total**	Current portion	Non-current portion	Total
	HK$ millions	**HK$ millions**	**HK$ millions**	HK$ millions	HK$ millions	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	2013
	HK$ millions	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

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

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.

30 Pension plans (continued)

(a) Defined benefit plans (continued)

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.

(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.

(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.

32 Share capital and capital management (continued)

(c) Capital management

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

At 31 December 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 HK$ millions	Others (a) HK$ millions	Total 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**
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

(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 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

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.

34 Notes to consolidated statement of cash flows (continued)

(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 effects 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 2 to 81 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 assoicated 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
Audit and audit related work - other auditors	**13**	12
Non-audit work - PricewaterhouseCoopers	**33**	44
Non-audit work - 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.

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.

45 Financial risk management (continued)

(c) Foreign currency exposure

For overseas subsidiaries, associated companies and other investments, which consist of non-HK dollar or non-US dollar assets, the Group generally endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in those same currencies. For overseas businesses that are in the development phase, or where borrowings in local currency are not or are no longer attractive, the Group may not borrow in the local currency or may repay existing borrowings and monitor the development of the businesses' cashflow and the relevant debt markets with a view to refinance these businesses with local currency borrowings in the future when conditions are more appropriate. Exposure to movements in exchange rates for individual transactions (such as major procurement contracts) directly related to 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.

(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.

45 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

(i) Interest rate sensitivity analysis

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

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

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

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

In the cases of derivative financial assets and financial liabilities that are not part of an interest rate risk hedging relationship, changes in their fair value (arising from gain or loss from 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.

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.

45 Financial risk management (continued)

(f) Market risks sensitivity analyses (continued)

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

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

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

- some of the cash and cash equivalents (see note 24)
- some of the liquid funds and other listed investments (see note 23)
- some of the bank and other debts (see note 28)

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 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 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 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 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 HK$ millions	2013 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
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)**

	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	2013
	HK$ millions	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.

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

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

Fair value hierarchy

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

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$ millions	**HK$ millions**	**HK$ millions**	**HK$ millions**
At 31 December 2014				
Bank and other debts	**199,308**	**63,604**	**-**	**262,912**

	Level 1	Level 2	Level 3	Total
	HK$ millions	HK$ millions	HK$ millions	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.

45 Financial risk management (continued)

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

The following tables set out the carrying amounts of recognised financial assets and recognised financial liabilities that:
(1) are offset in the Group's consolidated statement of financial position; or
(2) are subject to an enforceable master netting arrangements or similar agreements that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

	Gross amounts of recognised financial assets (liabilities) HK$ millions	Gross amounts offset in the consolidated statement of financial position HK$ millions	Net amounts presented in the consolidated statement of financial position HK$ millions	Related amounts not offset in the consolidated statement of financial position: Financial assets (liabilities) HK$ millions	Related amounts not offset in the consolidated statement of financial position: Cash collateral pledged (received) HK$ millions	Net amounts 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)**

	Gross amounts of recognised financial assets (liabilities) HK$ millions	Gross amounts offset in the consolidated statement of financial position HK$ millions	Net amounts presented in the consolidated statement of financial position HK$ millions	Related amounts not offset in the consolidated statement of financial position: Financial assets (liabilities) HK$ millions	Related amounts not offset in the consolidated statement of financial position: Cash collateral pledged (received) HK$ millions	Net amounts 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 79 to 81.

(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
	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

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					
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
✡ 🕈 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
✡ 🕈 + 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

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
	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
	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.

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

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

Associated companies

✡ Joint ventures

⌘ Equity joint venture registered under PRC law

⚐ 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 a form of trust units.

\+ The accounts of these subsidiary and associated companies and joint ventures have been audited by firms other than PricewaterhouseCoopers. The aggregate net assets and turnover (excluding share of associated companies and joint ventures) attributable to shareholders of these companies not audited by PricewaterhouseCoopers amounted to approximately 38% and 4% of the Group’s respective items.